

By: Representatives Davis, Formby, Cameron,  
Masterson, Moore (60th), Rotenberry, Snowden

To: Ways and Means

HOUSE BILL NO. 1737

1 AN ACT TO AMEND SECTION 27-35-50, MISSISSIPPI CODE OF 1972,  
2 TO PROVIDE THAT IN DETERMINING THE TRUE VALUE OF LAND FOR THE  
3 PURPOSE OF ASSESSMENT FOR AD VALOREM TAX PURPOSES, IF LAND USED  
4 FOR AGRICULTURAL PURPOSES IS IMPROVED OR DEVELOPED FOR ANY PURPOSE  
5 OTHER THAN AGRICULTURAL PURPOSES, THEN THE LAND SHALL CONTINUE TO  
6 BE CONSIDERED USED FOR AGRICULTURAL PURPOSES FOR AS LONG AS TITLE  
7 TO THE LAND REMAINS IN THE SAME PERSON, OR FOR A PERIOD OF FIVE  
8 YEARS FROM THE DATE THAT ANY PORTION OF THE LAND IS FIRST IMPROVED  
9 OR DEVELOPED FOR A PURPOSE OTHER THAN AGRICULTURAL PURPOSES,  
10 WHICHEVER FIRST OCCURS; TO PROVIDE THAT WHENEVER TITLE TO THE LAND  
11 OR ANY PORTION OF THE LAND IS TRANSFERRED, THEN THE TRUE VALUE OF  
12 THE LAND TRANSFERRED SHALL BE DETERMINED ACCORDING TO ITS USE AT  
13 THE TIME OF TRANSFER AND THEREAFTER; AND FOR RELATED PURPOSES.

14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

15 **SECTION 1.** Section 27-35-50, Mississippi Code of 1972, is  
16 amended as follows:

17 27-35-50. (1) True value shall mean and include, but shall  
18 not be limited to, market value, cash value, actual cash value,  
19 proper value and value for the purposes of appraisal for ad  
20 valorem taxation.

21 (2) With respect to each and every parcel of property  
22 subject to assessment, the tax assessor shall, in ascertaining  
23 true value, consider whenever possible the income capitalization  
24 approach to value, the cost approach to value and the market data  
25 approach to value, as such approaches are determined by the State  
26 Tax Commission. For differing types of categories of property,  
27 differing approaches may be appropriate. The choice of the  
28 particular valuation approach or approaches to be used should be  
29 made by the assessor upon a consideration of the category or  
30 nature of the property, the approaches to value for which the  
31 highest quality data is available, and the current use of the  
32 property.



33           (3) Except as otherwise provided in subsection (4) of this  
34 section, in determining the true value of land and improvements  
35 thereon, factors to be taken into consideration are the proximity  
36 to navigation; to a highway; to a railroad; to a city, town,  
37 village or road; and any other circumstances that tend to affect  
38 its value, and not what it might bring at a forced sale but what  
39 the owner would be willing to accept and would expect to receive  
40 for it if he were disposed to sell it to another able and willing  
41 to buy.

42           (4) In arriving at the true value of all Class I and Class  
43 II property and improvements, the appraisal shall be made  
44 according to current use, regardless of location.

45           In arriving at the true value of any land used for  
46 agricultural purposes, the appraisal shall be made according to  
47 its use on January 1 of each year, regardless of its location; in  
48 making the appraisal, the assessor shall use soil types,  
49 productivity and other criteria set forth in the land appraisal  
50 manuals of the State Tax Commission, which criteria shall include,  
51 but not be limited to, an income capitalization approach with a  
52 capitalization rate of not less than ten percent (10%) and a  
53 moving average of not more than ten (10) years. However, for the  
54 year 1990, the moving average shall not be more than five (5)  
55 years; for the year 1991, not more than six (6) years; for the  
56 year 1992, not more than seven (7) years; for the year 1993, not  
57 more than eight (8) years; and for the year 1994, not more than  
58 nine (9) years; and for the year 1990, the variation up or down  
59 from the previous year shall not exceed twenty percent (20%) and  
60 thereafter, the variation, up or down, from a previous year shall  
61 not exceed ten percent (10%). The land shall be deemed to be used  
62 for agricultural purposes when it is devoted to the commercial  
63 production of crops and other commercial products of the soil,  
64 including, but not limited to, the production of fruits and timber  
65 or the raising of livestock and poultry; provided, however,



66 enrollment in the federal Conservation Reserve Program or in any  
67 other United States Department of Agriculture conservation program  
68 shall not preclude land being deemed to be used for agricultural  
69 purposes solely on the ground that the land is not being devoted  
70 to the production of commercial products of the soil, and income  
71 derived from participation in the federal program may be used in  
72 combination with other relevant criteria to determine the true  
73 value of such land. If a person owns land that is used for  
74 agricultural purposes and such land or any portion of the land is  
75 improved or developed for any purpose other than agricultural  
76 purposes, then all of the land shall continue to be considered  
77 used for agricultural purposes for as long as title to the land  
78 remains in the same person, or for a period of five (5) years from  
79 the date that any portion of the land is first improved or  
80 developed for a purpose other than agricultural purposes,  
81 whichever first occurs. However, whenever title to the land or  
82 any portion of the land is transferred, then the true value of the  
83 land transferred shall be determined according to its use at the  
84 time of transfer and thereafter.

85 In determining the true value based upon current use, no  
86 consideration shall be taken of the prospective value such  
87 property might have if it were put to some other possible use.

88 (5) The true value of each class of property shall be  
89 determined annually.

90 (6) The State Tax Commission shall have the power to adopt,  
91 amend or repeal such rules or regulations in a manner consistent  
92 with the Constitution of the State of Mississippi to implement the  
93 duties assigned to the commission in this section.

94 **SECTION 2.** This act shall take effect and be in force from  
95 and after July 1, 2002.

