HOUSE BILL NO. 1737

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

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

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

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

(2) With respect to each and every parcel of property subject to assessment, the tax assessor shall, in ascertaining true value, consider whenever possible the income capitalization approach to value, the cost approach to value and the market data approach to value, as such approaches are determined by the State Tax Commission. For differing types of categories of property, differing approaches may be appropriate. The choice of the particular valuation approach or approaches to be used should be made by the assessor upon a consideration of the category or nature of the property, the approaches to value for which the highest quality data is available, and the current use of the property.
(3) Except as otherwise provided in subsection (4) of this section, in determining the true value of land and improvements thereon, factors to be taken into consideration are the proximity to navigation; to a highway; to a railroad; to a city, town, village or road; and any other circumstances that tend to affect its value, and not what it might bring at a forced sale but what the owner would be willing to accept and would expect to receive for it if he were disposed to sell it to another able and willing to buy.

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

In arriving at the true value of any land used for agricultural purposes, the appraisal shall be made according to its use on January 1 of each year, regardless of its location; in making the appraisal, the assessor shall use soil types, productivity and other criteria set forth in the land appraisal manuals of the State Tax Commission, which criteria shall include, but not be limited to, an income capitalization approach with a capitalization rate of not less than ten percent (10%) and a moving average of not more than ten (10) years. However, for the year 1990, the moving average shall not be more than five (5) years; for the year 1991, not more than six (6) years; for the year 1992, not more than seven (7) years; for the year 1993, not more than eight (8) years; and for the year 1994, not more than nine (9) years; and for the year 1990, the variation up or down from the previous year shall not exceed twenty percent (20%) and thereafter, the variation, up or down, from a previous year shall not exceed ten percent (10%). The land shall be deemed to be used for agricultural purposes when it is devoted to the commercial production of crops and other commercial products of the soil, including, but not limited to, the production of fruits and timber or the raising of livestock and poultry; provided, however,
enrollment in the federal Conservation Reserve Program or in any
other United States Department of Agriculture conservation program
shall not preclude land being deemed to be used for agricultural
purposes solely on the ground that the land is not being devoted
to the production of commercial products of the soil, and income
derived from participation in the federal program may be used in
combination with other relevant criteria to determine the true
value of such land. If a person owns land that is used for
agricultural purposes and such land or any portion of the land is
improved or developed for any purpose other than agricultural
purposes, then all of the land shall continue to be considered
used for agricultural purposes for as long as title to the land
remains in the same person, or for a period of five (5) years from
the date that any portion of the land is first improved or
developed for a purpose other than agricultural purposes,
whichever first occurs. However, whenever title to the land or
any portion of the land is transferred, then the true value of the
land transferred shall be determined according to its use at the
time of transfer and thereafter.

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

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

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

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