

By: Senator(s) Jackson

To: Finance

SENATE BILL NO. 2922

1 AN ACT TO AMEND SECTION 27-31-1, MISSISSIPPI CODE OF 1972, TO  
2 PROVIDE THAT ALL LEASES, LEASE CONTRACTS AND LEASE AGREEMENTS AND  
3 LEASEHOLDS AND LEASEHOLD INTERESTS WITH RESPECT TO ANY FACILITY  
4 FOR THE GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRICITY  
5 SHALL BE EXEMPT FROM AD VALOREM TAXATION DURING THE PERIOD OF TIME  
6 THAT THE UNITED STATES IS BOTH THE TITLE OWNER AND SUBLESSEE OF  
7 SUCH PROPERTY; AND FOR RELATED PURPOSES.

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

9 **SECTION 1.** Section 27-31-1, Mississippi Code of 1972, is  
10 amended as follows:

11 27-31-1. The following shall be exempt from taxation:

12 (a) All cemeteries used exclusively for burial  
13 purposes.

14 (b) All property, real or personal, belonging to the  
15 State of Mississippi or any of its political subdivisions, except  
16 property of a municipality not being used for a proper municipal  
17 purpose and located outside the county or counties in which such  
18 municipality is located. A proper municipal purpose within the  
19 meaning of this section shall be any authorized governmental or  
20 corporate function of a municipality.

21 (c) All property, real or personal, owned by units of  
22 the Mississippi National Guard, or title to which is vested in  
23 trustees for the benefit of any unit of the Mississippi National  
24 Guard; provided such property is used exclusively for such unit,  
25 or for public purposes, and not for profit.

26 (d) All property, real or personal, belonging to any  
27 religious society, or ecclesiastical body, or any congregation  
28 thereof, or to any charitable society, or to any historical or  
29 patriotic association or society, or to any garden or pilgrimage



30 club or association and used exclusively for such society or  
31 association and not for profit; not exceeding, however, the amount  
32 of land which such association or society may own as provided in  
33 Section 79-11-33. All property, real or personal, belonging to  
34 any rural waterworks system or rural sewage disposal system  
35 incorporated under the provisions of Section 79-11-1. All  
36 property, real or personal, belonging to any college or  
37 institution for the education of youths, used directly and  
38 exclusively for such purposes, provided that no such college or  
39 institution for the education of youths shall have exempt from  
40 taxation more than six hundred forty (640) acres of land;  
41 provided, however, this exemption shall not apply to commercial  
42 schools and colleges or trade institutions or schools where the  
43 profits of same inure to individuals, associations or  
44 corporations. All property, real or personal, belonging to an  
45 individual, institution or corporation and used for the operation  
46 of a grammar school, junior high school, high school or military  
47 school. All property, real or personal, owned and occupied by a  
48 fraternal and benevolent organization, when used by such  
49 organization, and from which no rentals or other profits accrue to  
50 the organization, but any part rented or from which revenue is  
51 received shall be taxed.

52 (e) All property, real or personal, held and occupied  
53 by trustees of public schools, and school lands of the respective  
54 townships for the use of public schools, and all property kept in  
55 storage for the convenience and benefit of the State of  
56 Mississippi in warehouses owned or leased by the State of  
57 Mississippi, wherein said property is to be sold by the Alcoholic  
58 Beverage Control Division of the State Tax Commission of the State  
59 of Mississippi.

60 (f) All property, real or personal, whether belonging  
61 to religious or charitable or benevolent organizations, which is  
62 used for hospital purposes, and nurses' homes where a part



63 thereof, and which maintain one or more charity wards that are for  
64 charity patients, and where all the income from said hospitals and  
65 nurses' homes is used entirely for the purposes thereof and no  
66 part of the same for profit.

67 (g) The wearing apparel of every person; and also  
68 jewelry and watches kept by the owner for personal use to the  
69 extent of One Hundred Dollars (\$100.00) in value for each owner.

70 (h) Provisions on hand for family consumption.

71 (i) All farm products grown in this state for a period  
72 of two (2) years after they are harvested, when in the possession  
73 of or the title to which is in the producer, except the tax of  
74 one-fifth of one percent (1/5 of 1%) per pound on lint cotton now  
75 levied by the Board of Commissioners of the Mississippi Levee  
76 District; and lint cotton for five (5) years, and cottonseed,  
77 soybeans, oats, rice and wheat for one (1) year regardless of  
78 ownership.

79 (j) All guns and pistols kept by the owner for private  
80 use.

81 (k) All poultry in the hands of the producer.

82 (l) Household furniture, including all articles kept in  
83 the home by the owner for his own personal or family use; but this  
84 shall not apply to hotels, rooming houses or rented or leased  
85 apartments.

86 (m) All cattle and oxen.

87 (n) All sheep, goats and hogs.

88 (o) All horses, mules and asses.

89 (p) Farming tools, implements and machinery, when used  
90 exclusively in the cultivation or harvesting of crops or timber.

91 (q) All property of agricultural and mechanical  
92 associations and fairs used for promoting their objects, and where  
93 no part of the proceeds is used for profit.

94 (r) The libraries of all persons.



95 (s) All pictures and works of art, not kept for or  
96 offered for sale as merchandise.

97 (t) The tools of any mechanic necessary for carrying on  
98 his trade.

99 (u) All state, county, municipal, levee, drainage and  
100 all school bonds or other governmental obligations, and all bonds  
101 and/or evidences of debts issued by any church or church  
102 organization in this state, and all notes and evidences of  
103 indebtedness which bear a rate of interest not greater than the  
104 maximum rate per annum applicable under the law; and all money  
105 loaned at a rate of interest not exceeding the maximum rate per  
106 annum applicable under the law; and all stock in or bonds of  
107 foreign corporations or associations shall be exempt from all ad  
108 valorem taxes.

109 (v) All lands and other property situated or located  
110 between the Mississippi River and the levee shall be exempt from  
111 the payment of any and all road taxes levied or assessed under any  
112 road laws of this state.

113 (w) Any and all money on deposit in either national  
114 banks, state banks or trust companies, on open account, savings  
115 account or time deposit.

116 (x) All wagons, carts, drays, carriages and other horse  
117 drawn vehicles, kept for the use of the owner.

118 (y) (1) Boats, seines and fishing equipment used in  
119 fishing and shrimping operations and in the taking or catching of  
120 oysters.

121 (2) All towboats, tugboats and barges documented  
122 under the laws of the United States, except watercraft of every  
123 kind and character used in connection with gaming operations.

124 (z) All materials used in the construction and/or  
125 conversion of vessels in this state; vessels while under  
126 construction and/or conversion; vessels while in the possession of  
127 the manufacturer, builder or converter, for a period of twelve



128 (12) months after completion of construction and/or conversion,  
129 and as used herein the term "vessel" shall include ships, offshore  
130 drilling equipment, dry docks, boats and barges, except watercraft  
131 of every kind and character used in connection with gaming  
132 operations.

133 (aa) Sixty-six and two-thirds percent (66-2/3%) of  
134 nuclear fuel and reprocessed, recycled or residual nuclear fuel  
135 by-products, fissionable or otherwise, used or to be used in  
136 generation of electricity by persons defined as public utilities  
137 in Section 77-3-3.

138 (bb) All growing nursery stock.

139 (cc) A semitrailer used in interstate commerce.

140 (dd) All property, real or personal, used exclusively  
141 for the housing of and provision of services to elderly persons,  
142 disabled persons, mentally impaired persons or as a nursing home,  
143 which is owned, operated and managed by a not-for-profit  
144 corporation, qualified under Section 501(c)(3) of the Internal  
145 Revenue Code, whose membership or governing body is appointed or  
146 confirmed by a religious society or ecclesiastical body or any  
147 congregation thereof.

148 (ee) All vessels while in the hands of bona fide  
149 dealers as merchandise and which are not being operated upon the  
150 waters of this state shall be exempt from ad valorem taxes. As  
151 used in this paragraph the terms "vessel" and "waters of this  
152 state" shall have the meaning ascribed to such terms in Section  
153 59-21-3.

154 (ff) All property, real or personal, owned by a  
155 nonprofit organization that: (i) is qualified as tax exempt under  
156 Section 501(c)(4) of the Internal Revenue Code of 1986, as  
157 amended; (ii) assists in the implementation of the national  
158 contingency plan or area contingency plan, and which is created in  
159 response to the requirements of Title IV, Subtitle B of the Oil  
160 Pollution Act of 1990, Public Law 101-380; (iii) engages primarily



161 in programs to contain, clean up and otherwise mitigate spills of  
162 oil or other substances occurring in the United States coastal or  
163 tidal waters; and (iv) is used for the purposes of the  
164 organization.

165 (gg) If a municipality changes its boundaries so as to  
166 include within the boundaries of such municipality the project  
167 site of any project as defined in Section 57-75-5(f)(iv)1, all  
168 real and personal property located on the project site within the  
169 boundaries of such municipality that is owned by a business  
170 enterprise operating such project, shall be exempt from ad valorem  
171 taxation for a period of time not to exceed thirty (30) years upon  
172 receiving approval for such exemption by the Mississippi Major  
173 Economic Impact Authority. The provisions of this subsection  
174 shall not be construed to authorize a breach of any agreement  
175 entered into pursuant to Section 21-1-59.

176 (hh) All leases, lease contracts or lease agreements  
177 (including, but not limited to, subleases, sublease contracts and  
178 sublease agreements), and leaseholds or leasehold interests  
179 (including, but not limited to, subleaseholds and subleasehold  
180 interests), of or with respect to any and all property (real,  
181 personal or mixed) constituting all or any part of a facility for  
182 the manufacture, production, generation, transmission and/or  
183 distribution of electricity, and any real property related  
184 thereto, shall be exempt from ad valorem taxation during the  
185 period as the United States is both the title owner of the  
186 property and a sublessee of or with respect to the property;  
187 however, the exemption authorized by this paragraph (hh) shall not  
188 apply to any entity to whom the United States sub-subleases its  
189 interest in the property nor to any entity to whom the United  
190 States assigns its sublease interest in the property. As used in  
191 this paragraph, the term "United States" includes an agency or  
192 instrumentality of the United States of America. This paragraph



193 (hh) shall apply to all assessments for ad valorem taxation for  
194 the 2003 calendar year and each calendar year thereafter.

195       **SECTION 2.** This act shall take effect and be in force from  
196 and after January 1, 2003.

