

By: Representatives Young, Akins, Barnett,
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To: Ways and Means

HOUSE BILL NO. 1317

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, LAND THAT IS
4 USED FOR AGRICULTURAL PURPOSES AND THAT IS IMPROVED OR DEVELOPED
5 FOR ANY PURPOSE OTHER THAN AGRICULTURAL PURPOSES SHALL CONTINUE TO
6 BE CONSIDERED USED FOR AGRICULTURAL PURPOSES UNTIL TITLE TO THE
7 LAND IS TRANSFERRED TO ANOTHER PERSON OR PERSONS WHO USES THE LAND
8 FOR THE PURPOSE OR PURPOSES FOR WHICH IT WAS IMPROVED OR
9 DEVELOPED; AND FOR RELATED PURPOSES.

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

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

13 27-35-50. (1) True value shall mean and include, but shall
14 not be limited to, market value, cash value, actual cash value,
15 proper value and value for the purposes of appraisal for ad
16 valorem taxation.

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

29 (3) Except as otherwise provided in subsection (4) of this
30 section, in determining the true value of land and improvements

31 thereon, factors to be taken into consideration are the proximity
32 to navigation; to a highway; to a railroad; to a city, town,
33 village or road; and any other circumstances that tend to affect
34 its value, and not what it might bring at a forced sale but what
35 the owner would be willing to accept and would expect to receive
36 for it if he were disposed to sell it to another able and willing
37 to buy.

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

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

64 shall not preclude land being deemed to be used for agricultural
65 purposes solely on the ground that the land is not being devoted
66 to the production of commercial products of the soil, and income
67 derived from participation in the federal program may be used in
68 combination with other relevant criteria to determine the true
69 value of such land. Land that is used for agricultural purposes
70 and that is improved or developed for any purpose other than
71 agricultural purposes shall continue to be considered used for
72 agricultural purposes until title to the land is transferred to
73 another person or persons who use the land for the purpose or
74 purposes for which it was improved or developed. The true value
75 of aquaculture shall be determined in the same manner as that used
76 to determine the true value of row crops.

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

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

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

86 **SECTION 2.** Nothing in this act shall affect or defeat any
87 claim, assessment, appeal, suit, right or cause of action for
88 taxes due or accrued under the ad valorem tax laws before the date
89 on which this act becomes effective, whether such claims,
90 assessments, appeals, suits or actions have been begun before the
91 date on which this act becomes effective or are begun thereafter;
92 and the provisions of the ad valorem tax laws are expressly
93 continued in full force, effect and operation for the purpose of
94 the assessment, collection and enrollment of liens for any taxes
95 due or accrued and the execution of any warrant under such laws
96 before the date on which this act becomes effective, and for the

97 imposition of any penalties, forfeitures or claims for failure to
98 comply with such laws.

99 **SECTION 3.** This act shall take effect and be in force from
100 and after July 1, 2004.