

By: Representative McBride

To: Ways and Means

HOUSE BILL NO. 570

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 uses 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.** This act shall take effect and be in force from  
87 and after July 1, 2005.