

By: Representative Guice

To: Public Property; Ways  
and Means

HOUSE BILL NO. 649

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 AD  
3 VALOREM TAX PURPOSES THE VALUE OF THAT PORTION OF A LANDOWNER'S  
4 PROPERTY THAT IS WITHIN THE RIGHT-OF-WAY OF A PUBLIC ROADWAY  
5 SHALL BE EXCLUDED; AND FOR RELATED PURPOSES.

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

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

9 27-35-50. (1) True value shall mean and include, but shall  
10 not be limited to, market value, cash value, actual cash value,  
11 proper value and value for the purposes of appraisal for ad  
12 valorem taxation.

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

25 (3) Except as otherwise provided in subsection (4) of this  
26 section, in determining the true value of land and improvements  
27 thereon, factors to be taken into consideration are the proximity  
28 to navigation; to a highway; to a railroad; to a city, town,

29 village or road; and any other circumstances that tend to affect  
30 its value, and not what it might bring at a forced sale but what  
31 the owner would be willing to accept and would expect to receive  
32 for it if he were disposed to sell it to another able and willing  
33 to buy.

34 In determining the true value of land for ad valorem tax  
35 purposes the value of that portion of a landowner's property that  
36 is within the right-of-way of a public roadway shall be excluded.

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

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

62 other United States Department of Agriculture conservation program  
63 shall not preclude land being deemed to be used for agricultural  
64 purposes solely on the ground that the land is not being devoted  
65 to the production of commercial products of the soil, and income  
66 derived from participation in the federal program may be used in  
67 combination with other relevant criteria to determine the true  
68 value of such land. The true value of aquaculture shall be  
69 determined in the same manner as that used to determine the true  
70 value of row crops.

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

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

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

80 **SECTION 2.** This act shall take effect and be in force from  
81 and after July 1, 2005.