

By: Representative Reeves

To: Ways and Means

HOUSE BILL NO. 1035

1 AN ACT TO BRING FORWARD SECTIONS 27-31-1 AND 27-31-5,
2 MISSISSIPPI CODE OF 1972, WHICH PROVIDE FOR VARIOUS AD VALOREM TAX
3 EXEMPTIONS, FOR THE PURPOSES OF AMENDMENT; AND FOR RELATED
4 PURPOSES.

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

6 **SECTION 1.** Section 27-31-1, Mississippi Code of 1972, is
7 brought forward as follows:

8 27-31-1. The following shall be exempt from taxation:

9 (a) All cemeteries used exclusively for burial
10 purposes.

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

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

23 (d) All property, real or personal, belonging to any
24 religious society, or ecclesiastical body, or any congregation
25 thereof, or to any charitable society, or to any historical or
26 patriotic association or society, or to any garden or pilgrimage
27 club or association and used exclusively for such society or
28 association and not for profit; not exceeding, however, the amount

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

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

57 (f) All property, real or personal, whether belonging
58 to religious or charitable or benevolent organizations, which is
59 used for hospital purposes, and nurses' homes where a part
60 thereof, and which maintain one or more charity wards that are for
61 charity patients, and where all the income from said hospitals and

62 nurses' homes is used entirely for the purposes thereof and no
63 part of the same for profit.

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

67 (h) Provisions on hand for family consumption.

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

76 (j) All guns and pistols kept by the owner for private
77 use.

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

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

83 (m) All cattle and oxen.

84 (n) All sheep, goats and hogs.

85 (o) All horses, mules and asses.

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

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

91 (r) The libraries of all persons.

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

94 (t) The tools of any mechanic necessary for carrying on
95 his trade.

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

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

110 (w) Any and all money on deposit in either national
111 banks, state banks or trust companies, on open account, savings
112 account or time deposit.

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

115 (y) (1) Boats, seines and fishing equipment used in
116 fishing and shrimping operations and in the taking or catching of
117 oysters.

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

121 (z) All materials used in the construction and/or
122 conversion of vessels in this state; vessels while under
123 construction and/or conversion; vessels while in the possession of
124 the manufacturer, builder or converter, for a period of twelve
125 (12) months after completion of construction and/or conversion,
126 and as used herein the term "vessel" shall include ships, offshore

127 drilling equipment, dry docks, boats and barges, except watercraft
128 of every kind and character used in connection with gaming
129 operations.

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

135 (bb) All growing nursery stock.

136 (cc) A semitrailer used in interstate commerce.

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

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

151 (ff) All property, real or personal, owned by a
152 nonprofit organization that: (i) is qualified as tax exempt under
153 Section 501(c)(4) of the Internal Revenue Code of 1986, as
154 amended; (ii) assists in the implementation of the national
155 contingency plan or area contingency plan, and which is created in
156 response to the requirements of Title IV, Subtitle B of the Oil
157 Pollution Act of 1990, Public Law 101-380; (iii) engages primarily
158 in programs to contain, clean up and otherwise mitigate spills of
159 oil or other substances occurring in the United States coastal or

160 tidal waters; and (iv) is used for the purposes of the
161 organization.

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

173 (hh) All leases, lease contracts or lease agreements
174 (including, but not limited to, subleases, sublease contracts and
175 sublease agreements), and leaseholds or leasehold interests
176 (including, but not limited to, subleaseholds and subleasehold
177 interests), of or with respect to any and all property (real,
178 personal or mixed) constituting all or any part of a facility for
179 the manufacture, production, generation, transmission and/or
180 distribution of electricity, and any real property related
181 thereto, shall be exempt from ad valorem taxation during the
182 period as the United States is both the title owner of the
183 property and a sublessee of or with respect to the property;
184 however, the exemption authorized by this paragraph (hh) shall not
185 apply to any entity to whom the United States sub-subleases its
186 interest in the property nor to any entity to whom the United
187 States assigns its sublease interest in the property. As used in
188 this paragraph, the term "United States" includes an agency or
189 instrumentality of the United States of America. This paragraph
190 (hh) shall apply to all assessments for ad valorem taxation for
191 the 2003 calendar year and each calendar year thereafter.

192 (ii) All property, real, personal or mixed, including
193 fixtures and leaseholds, used by Mississippi nonprofit entities
194 qualified, on or before January 1, 2005, under Section 501(c)(3)
195 of the Internal Revenue Code to provide support and operate
196 technology incubators for research and development start-up
197 companies, telecommunication start-up companies and/or other
198 technology start-up companies, utilizing technology spun-off from
199 research and development activities of the public colleges and
200 universities of this state, State of Mississippi governmental
201 research or development activities resulting therefrom located
202 within the State of Mississippi.

203 (jj) All property, real, personal or mixed, including
204 fixtures and leaseholds, of start-up companies (as described in
205 paragraph (ii) of this section) for the period of time, not to
206 exceed five (5) years, that the start-up company remains a tenant
207 of a technology incubator (as described in paragraph (ii) of this
208 section).

209 **SECTION 2.** Section 27-31-5, Mississippi Code of 1972, is
210 brought forward as follows:

211 27-31-5. All real and personal property, excepting motor
212 vehicles, owned by incorporated or unincorporated little theatres
213 which promote the dramatic arts and are created as or for a
214 literary institution, a civic improvement society, or for
215 fraternal and benevolent purposes, shall be and the same is hereby
216 exempt from ad valorem taxation, both state, county and municipal;
217 provided, however, that this section shall not apply to such
218 little theatre organizations which are operated as profit-making
219 institutions or organizations.

220 **SECTION 3.** This act shall take effect and be in force from
221 and after July 1, 2005.