

REPORT OF CONFERENCE COMMITTEE

MADAM PRESIDENT AND MR. SPEAKER:

We, the undersigned conferees, have had under consideration the amendments to the following entitled BILL:

S. B. No. 3014: Ad valorem tax; allow subsequent request for new enterprise exemption if initial request not timely made.

We, therefore, respectfully submit the following report and recommendation:

1. That the House recede from its Amendment No. 1.
2. That the Senate and House adopt the following amendment:

Amend by striking all after the enacting clause and inserting in lieu thereof the following:

17 **SECTION 1.** Section 27-31-101, Mississippi Code of 1972, is
18 amended as follows:
19 27-31-101. (1) County boards of supervisors and municipal
20 authorities are hereby authorized and empowered, in their
21 discretion, to grant exemptions from ad valorem taxation, except
22 state ad valorem taxation; * * * however, such governing
23 authorities shall not exempt ad valorem taxes for school district
24 purposes on tangible property used in, or necessary to, the
25 operation of the manufacturers and other new enterprises * * *
26 enumerated by classes in this section, except to the extent
27 authorized in Sections 27-31-104 and 27-31-105(2), nor shall they
28 exempt from ad valorem taxes the products of the manufacturers or
29 other new enterprises or automobiles and trucks belonging to
30 the * * * manufacturers or other new enterprises operating on and
31 over the highways of the State of Mississippi. The time of such
32 exemption shall be for a period not to exceed a total of ten (10)
33 years which shall begin on the date of completion of the new
34 enterprise for which the exemption is granted; however, boards of
35 supervisors and municipal authorities, in lieu of granting the
36 exemption for one (1) period of ten (10) years, may grant the
37 exemption in a period of less than ten (10) years. When the

38 initial exemption period granted is less than ten (10) years, the
39 boards of supervisors and municipal authorities may grant a
40 subsequent consecutive period or periods to follow the initial
41 period of exemption, provided that the total of all periods of
42 exemption shall not exceed ten (10) years. The date of completion
43 of the new enterprise, from which the initial period of exemption
44 shall begin, shall be the date on which operations of the new
45 enterprise begin. The initial request for an exemption must be
46 made in writing by June 1 of the year immediately following the
47 year in which the date of completion of a new enterprise occurs.
48 If the initial request for the exemption is not timely made, the
49 board of supervisors or municipal authorities may grant a
50 subsequent request for the exemption and, in such case, the
51 exemption shall begin on the anniversary date of completion of the
52 enterprise in the year in which the request is made and may be for
53 a period of time extending not more than ten (10) years from the
54 date of completion of the new enterprise. Any subsequent request
55 for the exemption must be made in writing by June 1 of the year in
56 which it is granted.

57 * * *

58 (2) Any exemption from ad valorem taxes heretofore granted
59 to existing enterprises shall continue in full force and effect
60 but only as to tangible property heretofore included in the
61 exemption but not as to tangible property that may be later added
62 as an addition or improvement to the exempt tangible property.

63 * * *

64 (3) Any board of supervisors or municipal authority which
65 has granted an exemption for a period of less than ten (10) years
66 may grant subsequent periods of exemption to run consecutively
67 with the initial exemption period, or a subsequently granted
68 exemption period, but in no case shall the total of the exemption
69 periods granted for a new enterprise exceed ten (10) years. Any

70 consecutive period of exemption shall be granted by entry of an
71 order by the board or the authority granting the consecutive
72 exemption on its minutes, reflecting the granting of the
73 consecutive exemption period and the dates upon which such
74 consecutive exemption period begins and expires. The entry of
75 this order granting the consecutive period of exemption shall be
76 made before the expiration of the exemption period immediately
77 preceding the consecutive exemption period being granted.

78 (4) The new enterprises which may be exempt are enumerated
79 as and limited to the following, as determined by the State Tax
80 Commission:

81 (a) Warehouse and/or distribution centers;

82 (b) Manufacturing, processors and refineries;

83 (c) Research facilities;

84 (d) Corporate regional and national headquarters

85 meeting minimum criteria established by the Department of Economic
86 and Community Development;

87 (e) Movie industry studios meeting minimum criteria
88 established by the Mississippi Development Authority;

89 (f) Air transportation and maintenance facilities
90 meeting minimum criteria established by the Mississippi
91 Development Authority;

92 (g) Recreational facilities that impact tourism meeting
93 minimum criteria established by the Mississippi Development
94 Authority; and

95 (h) Telecommunications enterprises meeting minimum
96 criteria established by the Mississippi Development Authority.

97 The term "telecommunications enterprises" means entities engaged
98 in the creation, display, management, storage, processing,
99 transmission or distribution for compensation of images, text,
100 voice, video or data by wire or by wireless means, or entities
101 engaged in the construction, design, development, manufacture,

102 maintenance or distribution for compensation of devices, products,
103 software or structures used in the above activities. Companies
104 organized to do business as commercial broadcast radio stations,
105 television stations or news organizations primarily serving
106 in-state markets shall not be included within the definition of
107 the term "telecommunications enterprises."

108 **SECTION 2.** (1) Notwithstanding any other provisions of law
109 to the contrary, the governing authorities of any municipality, in
110 their discretion, may defer for a period of up to three (3) years
111 ad valorem tax on real property and/or inventory, including ad
112 valorem taxes imposed on commodities, products, goods, wares and
113 merchandise held for resale, with the exception of school ad
114 valorem taxes, levied upon any new capital investments in land,
115 buildings, or depreciable fixed assets and improvements within the
116 municipality made by any business or entity having less than fifty
117 (50) employees whenever the new investment of such business or
118 entity is at least One Hundred Thousand Dollars (\$100,000.00), in
119 the aggregate, and such new investment provides for the employment
120 of at least five (5) new employees.

121 (2) The deferral of taxes provided for under subsection (1)
122 of this section may be authorized by resolution duly adopted and
123 entered upon the minutes of the governing authorities of the
124 municipality following receipt of an application filed with the
125 governing authorities by the business or entity describing in
126 detail:

127 (a) The total dollar amount of new capital investments
128 proposed to be made;

129 (b) The property for which ad valorem taxation deferral
130 is requested;

131 (c) A timetable for completion of the new capital
132 investment project;

133 (d) A demonstration that the business or entity is
134 financially sound and is likely to fulfill its commitments; and

135 (e) Any other information that the governing
136 authorities of the municipality may require.

137 **SECTION 3.** (1) Pollution control equipment purchased after
138 the effective date of this act, by manufacturers or custom
139 processors for industrial use shall be exempt from ad valorem
140 taxation, except ad valorem taxes for school district purposes,
141 for a period of ten (10) years from the date of acquisition of the
142 equipment.

143 (2) As used in this section, "pollution control equipment"
144 means equipment, devices, machinery or systems that are used
145 exclusively and directly to prevent, control, monitor or reduce
146 air, water or groundwater pollution, or solid or hazardous waste
147 as required by federal or state law or regulation.

148 **SECTION 4.** This act shall take effect and be in force from
149 and after its passage.

**Further, amend by striking the title in its entirety and
inserting in lieu thereof the following:**

1 AN ACT TO AMEND SECTION 27-31-101, MISSISSIPPI CODE OF 1972,
2 TO AUTHORIZE BOARDS OF SUPERVISORS AND MUNICIPAL AUTHORITIES TO
3 GRANT AD VALOREM TAX EXEMPTIONS FOR NEW ENTERPRISES UNDER CERTAIN
4 CIRCUMSTANCES WHEN THE INITIAL REQUEST FOR EXEMPTION IS NOT TIMELY
5 MADE; TO AUTHORIZE THE GOVERNING AUTHORITIES OF ANY MUNICIPALITY,
6 IN THEIR DISCRETION, TO DEFER FOR A PERIOD OF UP TO THREE YEARS AD
7 VALOREM TAX ON REAL PROPERTY AND/OR INVENTORY LEVIED UPON ANY NEW
8 CAPITAL INVESTMENTS IN LAND, BUILDINGS OR DEPRECIABLE FIXED ASSETS
9 AND IMPROVEMENTS WITHIN THE MUNICIPALITY MADE BY CERTAIN SMALL
10 BUSINESSES OR ENTITIES MEETING CERTAIN NEW INVESTMENT AND
11 EMPLOYMENT CRITERIA; TO PROVIDE THAT CERTAIN POLLUTION CONTROL
12 EQUIPMENT MANDATED BY FEDERAL OR STATE LAW OR REGULATION SHALL BE

13 EXEMPT FROM AD VALOREM TAXATION EXCEPT AD VALOREM TAXATION FOR
14 SCHOOL DISTRICT PURPOSES, FOR A PERIOD OF TEN YEARS FROM THE DATE
15 OF ACQUISITION OF THE EQUIPMENT; AND FOR RELATED PURPOSES.

CONFEREES FOR THE SENATE

X (SIGNED)
Thomas E. Robertson

X (SIGNED)
Terry W. Brown

X (SIGNED)
Nolan Mettetal

CONFEREES FOR THE HOUSE

X (SIGNED)
Percy W. Watson

X (SIGNED)
Jeffrey C. Smith

X (SIGNED)
Mary H. Coleman