

By: Senator(s) Nunnelee

To: Finance

SENATE BILL NO. 2224

1 AN ACT TO AMEND SECTIONS 27-33-17 AND 27-33-19, MISSISSIPPI
2 CODE OF 1972, TO ALLOW HOMESTEAD EXEMPTION FOR PERSONS WHO LEASE
3 LAND FROM A COMMUNITY LAND TRUST AND OCCUPIES AND USES THE
4 PROPERTY AS A HOME; AND FOR RELATED PURPOSES.

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

6 **SECTION 1.** Section 27-33-17, Mississippi Code of 1972, is
7 amended as follows:

8 27-33-17. The meaning of the words "own," "owned,"
9 "ownership," and similar words, for the purpose of this article,
10 shall be limited to real estate, and to title, as follows:

11 (a) "Fee title," meaning inheritable title (whether by
12 inheritance, gift or purchase), limited to only ownerships known
13 as (1) "absolute" (freehold) or (2) "tenancy for life" (life
14 estate), or (3) "tenancy in common," "joint tenancy," "joint
15 ownership," and "common title"; the conditions of none of which
16 may be restricted during the life of the owner as to possession,
17 occupancy and use; and, the words "joint owner," "joint tenant" or
18 "joint tenancy," when used in this article shall include "tenant
19 in common," "tenancy in common," and "estate in common," unless a
20 different meaning is clearly indicated by the context.

21 (b) "An express trust of record," meaning a trust
22 created in express terms in a recorded deed, will, or other
23 writing, with reference to the land to which it applies, the
24 beneficiary of which trust is the head of a family, who under the
25 terms of the trust, is entitled to and does occupy and use the
26 property as a home, which property is assessed for taxation to the
27 beneficiary and on which property the beneficiary pays the taxes,
28 unless otherwise provided in the trust.

29 (c) "School lands legally leased," meaning a legal
30 lease of school land which is perpetually renewable, or school
31 land legally leased for a term of ten (10) years or more under the
32 provisions of Section 211 of the Mississippi Constitution, the
33 owner of which lease is the head of a family who is entitled to
34 and does occupy and use the property as a home, and who renders
35 the property for assessment and pays the taxes thereon, as
36 required by law.

37 (d) "Pearl River Valley Water Supply District lands,
38 legally leased," meaning a legal lease of lands owned in fee by
39 the Pearl River Valley Water Supply District, an agency of the
40 State of Mississippi, for a period of twenty (20) years or more,
41 with the option of renewal for successive periods of ten (10)
42 years, to a person, individually or in joint tenancy, who is the
43 head of a family and is entitled to and does occupy and use the
44 property as a home, and who renders the property for assessment
45 and pays the taxes thereon, as required by law.

46 (e) "Mississippi-Yazoo Delta Levee Board lands, legally
47 leased," meaning a legal lease of lands owned in fee title by the
48 Mississippi-Yazoo Delta Levee Board, an agency of the State of
49 Mississippi, for a period of five (5) years or more, with the
50 option of renewal for successive periods of five (5) years, to a
51 person, individually or in joint tenancy, who is the head of a
52 family and is entitled to and does occupy and use the property as
53 a home, and who renders the property for assessment and pays the
54 taxes thereon, as required by law. This exemption shall include
55 all leases in existence that were entered into prior to July 1,
56 1992.

57 (f) If title is held by deed or other grant, such
58 instrument shall be dated and acknowledged on or before January 1
59 of the year for which homestead exemption is applied and shall be
60 filed for record with the chancery clerk on or before January 7 of
61 the year for which homestead exemption is applied and the book and

62 page of such recordation shall be noted on the application. If
63 title is held by will, inheritance, adverse possession or any
64 means other than grant, same may be proved by affidavit, citation
65 of any court record, or such other evidence as may be required by
66 the commission. However, nothing shall prevent homestead
67 exemptions where it shall be shown that title was derived through
68 inheritance and the recording evidence otherwise necessary was
69 later recorded.

70 (g) "Fraternal or benevolent organization land legally
71 leased," meaning a legal lease of land from any fraternal or
72 benevolent organization owning land exempt from ad valorem
73 taxation under the provisions of Section 27-31-1, leased for ten
74 (10) years or more or for life, the owner of which lease is a head
75 of a family who is entitled to and does occupy and uses the
76 property as a home, and who renders the property for assessment
77 and pays the tax thereon, as required by law. This paragraph
78 shall not apply to any leased land if the dwelling located thereon
79 is owned by the fraternal or benevolent organization.

80 (h) "A remainder interest in the dwelling and eligible
81 land" meaning an interest held by the children of a testator in a
82 dwelling and the eligible land on which it is located, created by
83 the express terms of the will of the testator, in which the
84 children of the testator are granted the use of property only upon
85 the death or remarriage of the spouse of the testator or the
86 occurrence of certain other contingencies and such dwelling and
87 the eligible land on which it is located is assessed for taxation
88 to the children of the testator and on which dwelling and eligible
89 land the children of the testator pay the taxes thereon, as
90 required by law.

91 (i) "Community land trust land legally leased," meaning
92 a legal lease of land from any community land trust leased for
93 twenty (20) years or more, the owner of which lease is a head of a
94 family who is entitled to and does occupy and uses the property as

95 a home, and who renders the property for assessment and pays the
96 tax thereon, as required by law. This paragraph shall not apply
97 to any leased land if the dwelling located thereon is owned by the
98 community land trust. For purposes of this paragraph, "community
99 land trust" means a nonprofit organization that is tax exempt
100 under Section 501(c)(3) of the United States Internal Revenue Code
101 which has as its primary purpose the leasing of land that the
102 trust owns to low and middle income homeowners.

103 **SECTION 2.** Section 27-33-19, Mississippi Code of 1972, is
104 amended as follows:

105 27-33-19. The word "home" or "homestead" whenever used in
106 this article shall mean the dwelling, the essential outbuildings
107 and improvements, and the eligible land assessed on the land roll
108 actually occupied as the primary home of a family group, eligible
109 title to which is owned by the head of the family, a bona fide
110 resident of this state, and when the dwelling is separately
111 assessed on the land roll for the year in which the application is
112 made, subject to the limitations and conditions contained in this
113 article. And the meaning of the word is hereby extended to
114 specifically include:

115 (a) One or more separate, bona fide dwellings and the
116 land on which they are located, each occupied under eligible
117 ownership rights by the widow or the widower, or the children of a
118 deceased parent, each separate home being property or a portion of
119 property owned by a deceased person whose estate has not been
120 distributed or divided or vested in a person or persons for life.
121 But in each case the property for which exemption is sought may
122 not be more than the applicant's inherited portion, and must be
123 accurately described on the application and the conditions
124 explained in writing. But the heirs may elect to accept one (1)
125 homestead for the estate. The home occupied by the surviving
126 spouse as provided by the laws of this state shall be preferred
127 over the homes claimed by the children, and the exemption to any

128 other heir shall not exceed the remaining amount obtained by
129 deducting the assessed value of the surviving spouse's portion
130 from the assessed value of the whole, divided by the number of
131 heirs other than the surviving spouse. Each heir claiming
132 exemption shall meet the requirements as to occupancy, residence
133 and head of a family, and no part of the undivided inherited lands
134 shall be combined with other lands and included in a homestead
135 exemption under this article except in the case of the surviving
136 spouse.

137 (b) One or more separated dwellings and eligible land,
138 not apartments, occupied each by a family group as a bona fide
139 home, eligible title to which entire property is held jointly by
140 purchase or otherwise by the heads of the families, and each joint
141 owner shall be allowed exemption on the proportion of the total
142 assessed value of all the property, equal to his fractional
143 interest (except as otherwise provided in paragraph (r) of this
144 section), provided no part of the jointly owned property shall be
145 exempted to a joint owner who has been allowed an exemption on
146 another home in the state.

147 (c) A dwelling and eligible lands owned jointly or
148 severally by a husband and wife, if they are actually and legally
149 living together. But if husband and wife are living apart, not
150 divorced, as provided by paragraphs (c) and (d) of Section
151 27-33-13, jointly owned land shall not be included except that the
152 dwelling occupied as a home at the time of separation shall be
153 eligible if owned jointly or severally.

154 (d) The dwelling and eligible land on which it is
155 located, owned and actually occupied as a home by a minister of
156 the gospel or by a licensed school teacher actively engaged whose
157 duties as such require them to be away from the home for the major
158 part of each year, including January 1, provided it was eligible
159 before such absence, and no income is derived therefrom, and no
160 part of the dwelling claimed as a home is rented, leased or

161 occupied by another family group, and when the home is eligible
162 except for the temporary absence of the owner.

163 (e) The dwelling and the eligible land on which it is
164 located, consisting of not more than four (4) apartments; provided
165 (1) if one (1) apartment is actually occupied as a home by the
166 owner the exemption shall be limited to one-fourth (1/4) the
167 exemption granted pursuant to this article, or (2) if the dwelling
168 and land is owned by four (4) persons and the four (4) owners each
169 occupy one (1) apartment as a home, the exemption shall be granted
170 equally to each owner; provided revenue is not derived from any
171 part of the property except as permitted by paragraphs (g) and (h)
172 of this section. If the dwelling and the eligible land on which
173 it is located consists of not more than three (3) apartments, and
174 one (1) apartment is actually occupied as a home by the owner, the
175 exemption shall be limited to one-third (1/3) the exemption
176 granted pursuant to this article, or if the dwelling and land is
177 owned by three (3) persons and the three (3) owners each occupy
178 one (1) apartment as a home, the exemption shall be granted
179 equally to each owner; provided revenue is not derived from any
180 part of the property except as permitted by paragraphs (g) and (h)
181 of this section. If the dwelling and the eligible land on which
182 it is located consists of not more than two (2) apartments and one
183 (1) apartment is actually occupied as a home by the owner, the
184 exemption shall be limited to one-half (1/2) the exemption granted
185 pursuant to this article, or if the dwelling and land is owned by
186 two (2) persons and the two (2) owners each occupy one (1)
187 apartment as a home, the exemption shall be granted equally to
188 each owner; provided revenue is not derived from any part of the
189 property except as permitted by paragraphs (g) and (h) of this
190 section.

191 (f) The dwelling and eligible land on which it is
192 located, actually occupied as the bona fide home of a family group
193 owned by the head of the family whereof five (5) and not more than

194 six (6) rooms are rented to tenants or boarders, and where there
195 are rented rooms and an apartment, the apartment shall be counted
196 as three (3) rooms; provided the exemption shall be limited to
197 one-half (1/2) the exemption granted pursuant to this article.

198 (g) The dwelling and eligible land being the bona fide
199 home of a family group owned by the head of the family used partly
200 as a boarding house, or for the entertainment of paying guests, if
201 the number of boarders or paying guests does not exceed eight (8).

202 (h) The dwelling and eligible land being the bona fide
203 home of a family group owned by the head of the family wherein
204 activity of a business nature is carried on, but where the
205 assessed value of the property associated with the business
206 activity is less than one-fifth (1/5) of the total assessed value
207 of the bona fide home; provided, however, that when the owner's
208 full-time business is located in the bona fide home of the head of
209 the family, such owner shall be limited to one-half (1/2) of the
210 exemption granted pursuant to this article.

211 (i) The dwelling and the eligible land on which it is
212 located and other eligible land even though ownership of and title
213 to the dwelling and the land on which it is located has been
214 conveyed to a housing authority for the purpose of obtaining the
215 benefits of the Housing Authorities Law as authorized by Sections
216 43-33-1 through 43-33-53 or related laws.

217 (j) A dwelling and the eligible land on which it is
218 located owned by a person who is physically or mentally unable to
219 care for himself and confined in an institution for treatment
220 shall be eligible notwithstanding the absence of the owner unless
221 the home is excluded under other provisions of this article. The
222 exemption is available for a period of ten (10) years from the day
223 of confinement.

224 (k) The dwelling and the eligible land on which it is
225 located owned by two (2) or more persons of a group, as defined in
226 paragraph (f) of Section 27-33-13, when two (2) or more of the

227 group have eligible title, or if the group holds a life estate, a
228 joint estate or an estate in common; provided the title of the
229 several owners shall be of the same class.

230 (l) A dwelling and the eligible land on which it is
231 located under a lease of sixty (60) years by the Pearl River
232 Valley Water Supply District at the reservoir known as the "Ross
233 Barnett Reservoir" actually occupied as the home or homestead of a
234 family or person as defined heretofore in this article. However,
235 no such family group or any other person heretofore qualified and
236 defined in this article shall be allowed to establish more than
237 one (1) home or homestead for the purpose and intent of this
238 article.

239 (m) Units of a condominium constructed in accordance
240 with Section 89-9-1 et seq., Mississippi Code of 1972, known as
241 the "Mississippi Condominium Law," and actually occupied as the
242 home or homestead of a family or person as defined heretofore in
243 this article. However, no such family group or any other person
244 heretofore qualified and defined in this article shall be allowed
245 to establish more than one (1) home or homestead for the purpose
246 and intent of this article.

247 (n) A dwelling and the eligible land on which it is
248 located held under a lease of ten (10) years or more or for life,
249 from a fraternal or benevolent organization and actually occupied
250 as the home or homestead of a family or person as defined
251 heretofore in this article. No such family group or any other
252 person heretofore qualified and defined in this article shall be
253 allowed to establish more than one (1) home or homestead for the
254 purpose and intent of this article.

255 (o) A dwelling being the bona fide home of a family
256 group owned by the head of the family and located on land owned by
257 a corporation incorporated more than fifty (50) years ago and in
258 which the homeowner is a shareholder, and which corporation owns
259 no land outside Monroe and Itawamba Counties. No family group or

260 any other person heretofore qualified and defined in this article
261 shall be allowed to establish more than one (1) home or homestead
262 for the purpose and intent of this article.

263 (p) A dwelling and the eligible land on which it is
264 located under a lease of five (5) years or more by the
265 Mississippi-Yazoo Delta Levee Board actually occupied as the home
266 or homestead of a family or person as defined pursuant to this
267 article. However, no such family group or any other person
268 qualified and defined pursuant to this article shall be allowed to
269 establish more than one (1) home or homestead for the purpose and
270 intent of this article. The definition shall include all leases
271 in existence that were entered into prior to July 1, 1992.

272 (q) A dwelling and the eligible land on which the
273 spouse of a testator is granted the use of such dwelling for life
274 or until the occurrence of certain contingencies and the children
275 of such testator are granted a remainder interest in the dwelling
276 and eligible land. Such dwelling and eligible land will only
277 qualify as a home or homestead if (i) the spouse of the testator
278 would otherwise qualify as head of a family if the interest were a
279 tenancy for life (life estate) and (ii) the dwelling and eligible
280 land is actually occupied as the home of the spouse of the
281 testator. The children of the testator shall be allowed to
282 establish an additional homestead for purposes of this article.

283 (r) A dwelling and the eligible land actually occupied
284 as the bona fide home of a family group. If a person has been
285 granted use and possession of a home in a divorce decree, that
286 individual is eligible for full exemption, regardless of whether
287 the property is jointly owned.

288 (s) A dwelling being the bona fide home of a family
289 group located on land owned by a corporation incorporated more
290 than forty (40) years ago and in which the head of the family
291 group is a shareholder, and which corporation owns no land outside
292 Lee County, Mississippi. No family group or any other person

293 qualified and defined in this article shall be allowed to
294 establish more than one (1) home or homestead for the purpose and
295 intent of this article.

296 (t) The floor or floors of a building used solely for
297 the residence of a family group when the building is owned by the
298 head of the family and another floor or floors of the building are
299 used for business activity.

300 (u) A dwelling being the bona fide home of a family
301 group located on land owned by an incorporated club and in which
302 the head of the family group is a shareholder, and which
303 incorporated club owns no land outside Union County, Mississippi;
304 provided, the incorporated club pays all ad valorem taxes levied
305 on the land upon which the dwelling is located. No family group
306 or any other person qualified and defined in this article shall be
307 allowed to establish more than one (1) home or homestead for the
308 purpose and intent of this article.

309 (v) A dwelling and the eligible land on which it is
310 located under a lease of twenty (20) years or more by a community
311 land trust (as defined in Section 27-33-17) actually occupied as
312 the home or homestead of a family or person as defined pursuant to
313 this article. However, no such family group or any other person
314 qualified and defined pursuant to this article shall be allowed to
315 establish more than one (1) home or homestead for the purpose and
316 intent of this article.

317 **SECTION 3.** This act shall take effect and be in force from
318 and after July 1, 2007.