

By: Representatives Compretta, Coleman  
(29th), Bennett

To: Ways and Means

HOUSE BILL NO. 301

1 AN ACT TO AMEND SECTION 27-35-50, MISSISSIPPI CODE OF 1972,  
2 TO REMOVE THE PROVISIONS THAT PRESCRIBE THE MANNER IN WHICH THE  
3 APPRAISAL OF AFFORDABLE RENTAL HOUSING SHALL BE MADE FOR THE  
4 PURPOSE OF ARRIVING AT THE TRUE VALUE OF THE PROPERTY FOR AD  
5 VALOREM TAX PURPOSES; TO PROVIDE THAT THIRTY-FIVE PERCENT OF THE  
6 TRUE VALUE OF AFFORDABLE RENTAL HOUSING SHALL BE EXEMPT FROM AD  
7 VALOREM TAXATION; AND FOR RELATED PURPOSES.

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

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

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

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

27 (3) Except as otherwise provided in subsection (4) of this  
28 section, in determining the true value of land and improvements  
29 thereon, factors to be taken into consideration are the proximity



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

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

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



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

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

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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.** From and after January 1, 2010, thirty-five  
81 percent (35%) of the true value of affordable rental housing shall  
82 be exempt from ad valorem taxation. For the purposes of this  
83 section, the term "affordable rental housing" means residential  
84 housing consisting of one or more rental units, the construction  
85 and/or rental of which is subject to Section 42 of the Internal  
86 Revenue Code (26 USCS 42), the Home Investment Partnership Program  
87 under the Cranston-Gonzalez National Affordable Housing Act (42  
88 USCS 12741 et seq.), the Federal Home Loan Banks Affordable  
89 Housing Program established pursuant to the Financial Institutions  
90 Reform, Recovery and Enforcement Act (FIRREA) of 1989 (Public Law  
91 101-73), or any other federal, state or similar program intended  
92 to provide affordable housing to persons of low or moderate income  
93 and the occupancy and maximum rental rates of such housing are  
94 restricted based on the income of the persons occupying such  
95 housing.



96           **SECTION 3.** Nothing in this act shall affect or defeat any  
97 claim, assessment, appeal, suit, right or cause of action for  
98 taxes due or accrued under the ad valorem tax laws before the date  
99 on which this act becomes effective, whether such claims,  
100 assessments, appeals, suits or actions have been begun before the  
101 date on which this act becomes effective or are begun thereafter;  
102 and the provisions of the ad valorem tax laws are expressly  
103 continued in full force, effect and operation for the purpose of  
104 the assessment, collection and enrollment of liens for any taxes  
105 due or accrued and the execution of any warrant under such laws  
106 before the date on which this act becomes effective, and for the  
107 imposition of any penalties, forfeitures or claims for failure to  
108 comply with such laws.

109           **SECTION 4.** This act shall take effect and be in force from  
110 and after January 1, 2010.

