

By: Representatives Snowden, Sykes

To: Public Property

HOUSE BILL NO. 1125

1 AN ACT TO AMEND SECTION 39-25-1, MISSISSIPPI CODE OF 1972, TO
2 REQUIRE THE DEPARTMENT OF FINANCE AND ADMINISTRATION TO CONTRACT
3 WITH, FOR A PERIOD NOT TO EXCEED FIFTY YEARS, A NONPROFIT
4 CORPORATION WHOSE PRIMARY PURPOSE FOR INCORPORATION IS THE
5 SUPPORT, IMPROVEMENT, ADMINISTRATION AND OPERATION OF THE
6 MISSISSIPPI ARTS AND ENTERTAINMENT CENTER; TO PROVIDE THAT ANY
7 REAL PROPERTY PURCHASED OR RECEIVED BY DONATION FOR THE
8 MISSISSIPPI ARTS AND ENTERTAINMENT CENTER SHALL BE TITLED TO THE
9 STATE OF MISSISSIPPI FOR THE BENEFIT AND USE OF THE DEPARTMENT OF
10 FINANCE AND ADMINISTRATION; TO PROVIDE THAT FOR ANY LEASE OR
11 CONTRACTUAL ARRANGEMENT TO WHICH THE DEPARTMENT OF FINANCE AND
12 ADMINISTRATION AND A NONPROFIT CORPORATION ARE A PARTY TO AS
13 PROVIDED IN THIS ACT, THE NONPROFIT CORPORATION SHALL, ALONG WITH
14 THE POSSESSORY AND LEASEHOLD INTERESTS AND/OR REAL AND PERSONAL
15 PROPERTY OF THE CORPORATION, BE EXEMPT FROM ALL AD VALOREM
16 TAXATION, INCLUDING BUT NOT LIMITED TO SCHOOL, CITY AND COUNTY AD
17 VALOREM TAXES, FOR THE TERM OR PERIOD OF TIME STATED IN THE LEASE
18 OR CONTRACTUAL ARRANGEMENT; TO AMEND SECTION 27-31-1, MISSISSIPPI
19 CODE OF 1972, TO CONFORM TO THE PROVISIONS OF THIS ACT; AND FOR
20 RELATED PURPOSES.

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

22 **SECTION 1.** Section 39-25-1, Mississippi Code of 1972, is
23 amended as follows:

24 39-25-1. (1) There is established the Mississippi Arts and
25 Entertainment Center ("Center") to be housed in a state-owned
26 facility or facilities located within the corporate limits of
27 Meridian, Mississippi. The purpose of the Center shall be to



28 provide an educational, entertaining and interactive facility to
29 capture the essence of Mississippi's legacy in the arts and
30 celebrate the richness and depth of that legacy and the
31 Mississippians who created it with the world; and to provide
32 family-oriented attractions in the delivery of an educational
33 experience to citizens of, and visitors to, Mississippi.

34 (2) The Center shall be a state-of-the-art facility which
35 may include, but not be limited to, MAEC exhibits, a
36 state-sanctioned Mississippi Arts and Entertainment Hall of Fame
37 inducting icons in all genres of arts and entertainment, Walk of
38 Fame, auditorium, outdoor performance plaza, and
39 broadcast/recording facility. The Center will prove a vast
40 educational resource for individuals and educators offering
41 unparalleled insight into the lives and stories of Mississippi
42 arts and entertainment treasures through seminars, workshops and
43 demonstrations by guest professionals and/or amateur artists. The
44 Center may promote, advertise and market its efforts under the
45 name of the Center itself, as "the Mississippi Arts and
46 Entertainment Experience," or in such other manner as calculated
47 to best further the goals and objectives of the Center.

48 (3) The duties and objectives of the Center shall be:

49 (a) To stimulate and encourage throughout the state the
50 study and presentation of the performing, visual, and literary
51 arts and public interest and participation therein;



(b) To encourage participation in, appreciation of, and education in the arts to meet the legitimate needs and aspirations of persons in all parts of the state;

(c) To take such steps as may be necessary and appropriate to encourage public interest in the cultural heritage of Mississippi and the south to expand the state's cultural resources, and to promote the use of art in state government's activities and facilities; and

(d) To encourage excellence and assist freedom of artistic expression essential for the well-being of the arts.

(4) The Department of Finance and Administration shall have the authority to lease or contract with, for a period not to exceed fifty (50) years, a nonprofit corporation whose primary purpose for incorporation is the support, improvement, administration and operation of the Center as provided for in subsections (1) and (2) of this section. The Department of Finance and Administration may establish the terms of the agreement. The benefit to Mississippi from the operation of this lease or contractual agreement shall be considered a sufficient consideration. The * * * nonprofit corporation is authorized to hold public hearings, to enter into contracts within the limit of funds available therefor, with individuals, organizations and institutions for services furthering the objectives of the Center's programs; to enter into contracts, within the limit of funds available therefor, with local and regional associations for



77 cooperative endeavors furthering the objectives of the Center's
78 programs; to make and sign any agreements and to do and perform
79 any acts that may be necessary to carry out the purposes of this
80 section.

81 (5) The Department of Finance and Administration may enter
82 into any agreement with a nonprofit corporation necessary for the
83 construction, operation and administration of the Center and may
84 establish the terms of the agreement. For the construction,
85 operation and administration of the Center, such nonprofit
86 corporation may receive and expend any funds made available in any
87 manner by public or private sources and may receive contributions
88 and donations of land or other property and other forms of
89 financial assistance and property, equipment, materials or
90 manpower from persons, foundations, trust funds, corporations,
91 organizations, and other public or private sources to be expended
92 and used in carrying out the mission of the Center. Any real
93 property purchased or received by donation for the Center shall be
94 titled in the name of the State of Mississippi for the benefit and
95 use of the Department of Finance and Administration.

96 (6) For any lease or contractual arrangement to which the
97 Department of Finance and Administration and a nonprofit
98 corporation are a party to as provided in subsection (5), the
99 nonprofit corporation shall, along with the possessory and
100 leasehold interests and/or real and personal property of the
101 corporation, be exempt from all ad valorem taxation, including but



not limited to school, city and county ad valorem taxes, for the term or period of time stated in the lease or contractual arrangement.

SECTION 2. Section 27-31-1, Mississippi Code of 1972, is amended as follows:

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

(a) All cemeteries used exclusively for burial purposes.

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

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

(d) All property, real or personal, belonging to any religious society, or ecclesiastical body, or any congregation thereof, or to any charitable society, or to any historical or patriotic association or society, or to any garden or pilgrimage club or association and used exclusively for such society or



127 association and not for profit; not exceeding, however, the amount
128 of land which such association or society may own as provided in
129 Section 79-11-33. All property, real or personal, belonging to
130 any rural waterworks system or rural sewage disposal system
131 incorporated under the provisions of Section 79-11-1. All
132 property, real or personal, belonging to any college or
133 institution for the education of youths, used directly and
134 exclusively for such purposes, provided that no such college or
135 institution for the education of youths shall have exempt from
136 taxation more than six hundred forty (640) acres of land;
137 provided, however, this exemption shall not apply to commercial
138 schools and colleges or trade institutions or schools where the
139 profits of same inure to individuals, associations or
140 corporations. All property, real or personal, belonging to an
141 individual, institution or corporation and used for the operation
142 of a grammar school, junior high school, high school or military
143 school. All property, real or personal, owned and occupied by a
144 fraternal and benevolent organization, when used by such
145 organization, and from which no rentals or other profits accrue to
146 the organization, but any part rented or from which revenue is
147 received shall be taxed.

148 (e) All property, real or personal, held and occupied
149 by trustees of public schools, and school lands of the respective
150 townships for the use of public schools, and all property kept in
151 storage for the convenience and benefit of the State of



Mississippi in warehouses owned or leased by the State of Mississippi, wherein said property is to be sold by the Alcoholic Beverage Control Division of the Department of Revenue of the State of Mississippi.

(f) All property, real or personal, whether belonging to religious or charitable or benevolent organizations, which is used for hospital purposes, and nurses' homes where a part thereof, and which maintain one or more charity wards that are for charity patients, and where all the income from said hospitals and nurses' homes is used entirely for the purposes thereof and no part of the same for profit.

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

(h) Provisions on hand for family consumption.

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

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



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

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

182 (m) All cattle and oxen.

183 (n) All sheep, goats and hogs.

184 (o) All horses, mules and asses.

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

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

190 (r) The libraries of all persons.

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

193 (t) The tools of any mechanic necessary for carrying on
194 his trade.

195 (u) All state, county, municipal, levee, drainage and
196 all school bonds or other governmental obligations, and all bonds
197 and/or evidences of debts issued by any church or church
198 organization in this state, and all notes and evidences of
199 indebtedness which bear a rate of interest not greater than the
200 maximum rate per annum applicable under the law; and all money
201 loaned at a rate of interest not exceeding the maximum rate per



202 annum applicable under the law; and all stock in or bonds of
203 foreign corporations or associations shall be exempt from all ad
204 valorem taxes.

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

209 (w) Any and all money on deposit in either national
210 banks, state banks or trust companies, on open account, savings
211 account or time deposit.

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

214 (y) (i) Boats, seines and fishing equipment used in
215 fishing and shrimping operations and in the taking or catching of
216 oysters.

217 (ii) All towboats, tugboats and barges documented
218 under the laws of the United States, except watercraft of every
219 kind and character used in connection with gaming operations.

220 (z) All materials used in the construction and/or
221 conversion of vessels in this state; vessels while under
222 construction and/or conversion; vessels while in the possession of
223 the manufacturer, builder or converter, for a period of twelve
224 (12) months after completion of construction and/or conversion,
225 and as used herein the term "vessel" shall include ships, offshore
226 drilling equipment, dry docks, boats and barges, except watercraft



of every kind and character used in connection with gaming operations.

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

(bb) All growing nursery stock.

(cc) A semitrailer used in interstate commerce.

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

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

(ff) All property, real or personal, owned by a nonprofit organization that: (i) is qualified as tax exempt under



252 Section 501(c)(4) of the Internal Revenue Code of 1986, as
253 amended; (ii) assists in the implementation of the national
254 contingency plan or area contingency plan, and which is created in
255 response to the requirements of Title IV, Subtitle B of the Oil
256 Pollution Act of 1990, Public Law 101-380; (iii) engages primarily
257 in programs to contain, clean up and otherwise mitigate spills of
258 oil or other substances occurring in the United States coastal or
259 tidal waters; and (iv) is used for the purposes of the
260 organization.

261 (gg) If a municipality changes its boundaries so as to
262 include within the boundaries of such municipality the project
263 site of any project as defined in Section 57-75-5(f)(iv)1, Section
264 57-75-5(f)(xxi) or Section 57-75-5(f)(xxviii) or Section
265 57-75-5(f)(xxix), all real and personal property located on the
266 project site within the boundaries of such municipality that is
267 owned by a business enterprise operating such project, shall be
268 exempt from ad valorem taxation for a period of time not to exceed
269 thirty (30) years upon receiving approval for such exemption by
270 the Mississippi Major Economic Impact Authority. The provisions
271 of this paragraph shall not be construed to authorize a breach of
272 any agreement entered into pursuant to Section 21-1-59.

273 (hh) All leases, lease contracts or lease agreements
274 (including, but not limited to, subleases, sublease contracts and
275 sublease agreements), and leaseholds or leasehold interests
276 (including, but not limited to, subleaseholds and subleasehold



interests), of or with respect to any and all property (real, personal or mixed) constituting all or any part of a facility for the manufacture, production, generation, transmission and/or distribution of electricity, and any real property related thereto, shall be exempt from ad valorem taxation during the period as the United States is both the title owner of the property and a sublessee of or with respect to the property; however, the exemption authorized by this paragraph (hh) shall not apply to any entity to whom the United States sub-subleases its interest in the property nor to any entity to whom the United States assigns its sublease interest in the property. As used in this paragraph, the term "United States" includes an agency or instrumentality of the United States of America. This paragraph (hh) shall apply to all assessments for ad valorem taxation for the 2003 calendar year and each calendar year thereafter.

(ii) All property, real, personal or mixed, including fixtures and leaseholds, used by Mississippi nonprofit entities qualified, on or before January 1, 2005, under Section 501(c)(3) of the Internal Revenue Code to provide support and operate technology incubators for research and development start-up companies, telecommunication start-up companies and/or other technology start-up companies, utilizing technology spun-off from research and development activities of the public colleges and universities of this state, State of Mississippi governmental



research or development activities resulting therefrom located within the State of Mississippi.

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

(kk) All leases, lease contracts or lease agreements (including, but not limited to, subleases, sublease contracts and sublease agreements), and leaseholds or leasehold interests, of or with respect to any and all property (real, personal or mixed) constituting all or any part of an auxiliary facility, and any real property related thereto, constructed or renovated pursuant to Section 37-101-41, Mississippi Code of 1972.

(ll) Equipment brought into the state temporarily for use during a disaster response period as provided in Sections 27-113-1 through 27-113-9 and subsequently removed from the state on or before the end of the disaster response period as defined in Section 27-113-5.

(mm) For any lease or contractual arrangement to which the Department of Finance and Administration and a nonprofit corporation are a party to as provided in Section 39-25-1(5), the nonprofit corporation shall, along with the possessory and leasehold interests and/or real and personal property of the



326 corporation, be exempt from all ad valorem taxation, including but
327 not limited to school, city and county ad valorem taxes, for the
328 term or period of time stated in the lease or contractual
329 arrangement.

330 **SECTION 3.** This act shall take effect and be in force from
331 and after July 1, 2017.

