

By: Representative Clarke

To: Ways and Means

## HOUSE BILL NO. 254

1 AN ACT TO AMEND SECTION 27-31-1, MISSISSIPPI CODE OF 1972, TO  
2 PROVIDE THAT PROPERTY BELONGING TO A RELIGIOUS SOCIETY OR  
3 ECCLESIASTICAL BODY, OR ANY CONGREGATION THEREOF, WHICH IS USED  
4 EXCLUSIVELY FOR SUCH SOCIETY OR BODY AND NOT FOR PROFIT AND  
5 LOCATED INSIDE A MUNICIPALITY WITH A POPULATION IN EXCESS OF  
6 100,000 ACCORDING TO THE MOST RECENT FEDERAL DECENNIAL CENSUS  
7 SHALL NOT BE EXEMPT FROM AD VALOREM TAXATION UNLESS THE RELIGIOUS  
8 SOCIETY OR ECCLESIASTICAL BODY PROVIDES TO THE GOVERNING  
9 AUTHORITIES OF THE MUNICIPALITY IN WHICH THE PROPERTY IS LOCATED A  
10 DESCRIPTION OR PLAN OF HOW THE RELIGIOUS SOCIETY OR ECCLESIASTICAL  
11 BODY CONTRIBUTES TO OR WILL CONTRIBUTE TO THE IMPROVEMENT OF THE  
12 CONDITIONS OF THE COMMUNITY IN WHICH THE PROPERTY IS LOCATED AND  
13 THE MUNICIPAL GOVERNING AUTHORITIES APPROVE SUCH DESCRIPTION OR  
14 PLAN; AND FOR RELATED PURPOSES.

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

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

18 27-31-1. The following shall be exempt from taxation:

19 (a) All cemeteries used exclusively for burial  
20 purposes.

21 (b) All property, real or personal, belonging to the  
22 State of Mississippi or any of its political subdivisions, except  
23 property of a municipality not being used for a proper municipal  
24 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) (i) Subject to the provisions of subparagraph (ii) of this paragraph (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 association and not for profit; not exceeding, however, the amount of land which such association or society may own as provided in Section 79-11-33. All property, real or personal, belonging to any rural waterworks system or rural sewage disposal system incorporated under the provisions of Section 79-11-1. All property, real or personal, belonging to any college or institution for the education of youths, used directly and exclusively for such purposes, provided that no such college or institution for the education of youths shall have exempt from taxation more than six hundred forty (640) acres of land; provided, however, this exemption shall not apply to commercial



50 schools and colleges or trade institutions or schools where the  
51 profits of same inure to individuals, associations or  
52 corporations. All property, real or personal, belonging to an  
53 individual, institution or corporation and used for the operation  
54 of a grammar school, junior high school, high school or military  
55 school. All property, real or personal, owned and occupied by a  
56 fraternal and benevolent organization, when used by such  
57 organization, and from which no rentals or other profits accrue to  
58 the organization, but any part rented or from which revenue is  
59 received shall be taxed.

60 (ii) From and after January 1, 2019, the exemption  
61 provided in subparagraph (i) of this paragraph (d) shall not apply  
62 to property, real or personal, belonging to any religious society  
63 or ecclesiastical body, or any congregation thereof, which is used  
64 exclusively for such society or body and not-for-profit and  
65 located inside a municipality with a population in excess of one  
66 hundred thousand (100,000) according to the most recent federal  
67 decennial census unless:

68 1. The religious society or ecclesiastical  
69 body, or any congregation thereof, provides to the governing  
70 authorities of the municipality in which the property is located a  
71 description or plan of how the religious society or ecclesiastical  
72 body, or any congregation thereof, contributes to or will  
73 contribute to the improvement of the conditions of the community  
74 in which the property is located, and



75                               2. The municipal governing authorities  
76 approve the description or plan.

77               (e) All property, real or personal, held and occupied  
78 by trustees of public schools, and school lands of the respective  
79 townships for the use of public schools, and all property kept in  
80 storage for the convenience and benefit of the State of  
81 Mississippi in warehouses owned or leased by the State of  
82 Mississippi, wherein said property is to be sold by the Alcoholic  
83 Beverage Control Division of the Department of Revenue of the  
84 State of Mississippi.

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

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

95               (h) Provisions on hand for family consumption.

96               (i) All farm products grown in this state for a period  
97 of two (2) years after they are harvested, when in the possession  
98 of or the title to which is in the producer, except the tax of  
99 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.

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

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

(m) All cattle and oxen.

(n) All sheep, goats and hogs.

(o) All horses, mules and asses.

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

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

(r) The libraries of all persons.

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

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



124           (u) All state, county, municipal, levee, drainage and  
125 all school bonds or other governmental obligations, and all bonds  
126 and/or evidences of debts issued by any church or church  
127 organization in this state, and all notes and evidences of  
128 indebtedness which bear a rate of interest not greater than the  
129 maximum rate per annum applicable under the law; and all money  
130 loaned at a rate of interest not exceeding the maximum rate per  
131 annum applicable under the law; and all stock in or bonds of  
132 foreign corporations or associations shall be exempt from all ad  
133 valorem taxes.

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

138           (w) Any and all money on deposit in either national  
139 banks, state banks or trust companies, on open account, savings  
140 account or time deposit.

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

143           (y) (i) Boats, seines and fishing equipment used in  
144 fishing and shrimping operations and in the taking or catching of  
145 oysters.

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



(z) (i) All materials used in the construction and/or conversion of vessels in this state;

(ii) Vessels while under construction and/or conversion;

(iii) Vessels while in the possession of the manufacturer, builder or converter, for a period of twelve (12) months after completion of construction and/or conversion; however, the twelve-month limitation shall not apply to:

1. Vessels used for the exploration for, or production of, oil, gas and other minerals offshore outside the boundaries of this state; or

2. Vessels that were used for the exploration for, or production of, oil, gas and other minerals that are converted to a new service for use outside the boundaries of this state;

(iv) 1. In order for a vessel described in subparagraph (iii) of this paragraph (z) to be exempt for a period of more than twelve (12) months, the vessel must:

a. Be operating or operable, generating or capable of generating its own power or connected to some other power source, and not removed from the service or use for which manufactured or to which converted; and

b. The manufacturer, builder, converter or other entity possessing the vessel must be in compliance with any lease or other agreement with any applicable port authority or



other entity regarding the vessel and in compliance with all applicable tax laws of this state and applicable federal tax laws.

2. A vessel exempt from taxation under subparagraph (iii) of this paragraph (z) may not be exempt for a period of more than three (3) years unless the board of supervisors of the county and/or governing authorities of the municipality, as the case may be, in which the vessel would otherwise be taxable adopts a resolution or ordinance authorizing the extension of the exemption and setting a maximum period for the exemption.

(v) As used in this paragraph (z), the term "vessel" includes ships, offshore 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





199 corporation, qualified under Section 501(c)(3) of the Internal  
200 Revenue Code, whose membership or governing body is appointed or  
201 confirmed by a religious society or ecclesiastical body or any  
202 congregation thereof.

203 (ee) All vessels while in the hands of bona fide  
204 dealers as merchandise and which are not being operated upon the  
205 waters of this state shall be exempt from ad valorem taxes. As  
206 used in this paragraph, the terms "vessel" and "waters of this  
207 state" shall have the meaning ascribed to such terms in Section  
208 59-21-3.

209 (ff) All property, real or personal, owned by a  
210 nonprofit organization that: (i) is qualified as tax exempt under  
211 Section 501(c)(4) of the Internal Revenue Code of 1986, as  
212 amended; (ii) assists in the implementation of the national  
213 contingency plan or area contingency plan, and which is created in  
214 response to the requirements of Title IV, Subtitle B of the Oil  
215 Pollution Act of 1990, Public Law 101-380; (iii) engages primarily  
216 in programs to contain, clean up and otherwise mitigate spills of  
217 oil or other substances occurring in the United States coastal or  
218 tidal waters; and (iv) is used for the purposes of the  
219 organization.

220 (gg) If a municipality changes its boundaries so as to  
221 include within the boundaries of such municipality the project  
222 site of any project as defined in Section 57-75-5(f)(iv)1, Section  
223 57-75-5(f)(xxi) or Section 57-75-5(f)(xxviii) or Section



57-75-5(f) (xxix), all real and personal property located on the project site within the boundaries of such municipality that is owned by a business enterprise operating such project, shall be exempt from ad valorem taxation for a period of time not to exceed thirty (30) years upon receiving approval for such exemption by the Mississippi Major Economic Impact Authority. The provisions of this paragraph shall not be construed to authorize a breach of any agreement entered into pursuant to Section 21-1-59.

(hh) All leases, lease contracts or lease agreements (including, but not limited to, subleases, sublease contracts and sublease agreements), and leaseholds or leasehold interests (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 startup companies, telecommunication startup companies and/or other technology startup 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 startup companies (as described in paragraph (ii) of this section) for the period of time, not to exceed five (5) years, that the startup 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 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.** This act shall take effect and be in force from and after July 1, 2018.

