

By: Representative Bell (21st)

To: Ways and Means

HOUSE BILL NO. 107

1 AN ACT TO AMEND SECTIONS 27-31-1, 27-31-73, 27-35-51,
2 27-41-79, 27-41-81, 27-25-523, 27-25-721 AND 27-25-307,
3 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE OWNER OF THE SURFACE
4 RIGHTS IN REAL ESTATE UNDER WHICH OIL, GAS OR OTHER MINERAL
5 INTERESTS ARE OWNED OR HELD SEPARATELY MAY BE EXEMPT FROM PAYING
6 25% OF THE AD VALOREM TAXES OTHERWISE DUE ON THE REAL ESTATE, AND
7 THE OWNER OR HOLDER OF ANY NONPRODUCING OIL, GAS OR OTHER MINERAL
8 INTEREST OWNED OR HELD SEPARATELY FROM THE RIGHTS OWNED IN THE
9 SURFACE ESTATE SHALL PAY A PRORATED PORTION OF 25% OF THE AD
10 VALOREM TAXES DUE ON THE LAND; TO PROVIDE THAT IF THE OWNER OR
11 HOLDER OF ANY SEPARATELY OWNED OR HELD NONPRODUCING OIL, GAS OR
12 OTHER MINERAL INTEREST DOES NOT PAY THE PERCENTAGE OF AD VALOREM
13 TAXES THAT HE OR SHE IS REQUIRED TO PAY ON THE SURFACE OF THE LAND
14 UNDER WHICH THE OIL, GAS OR OTHER MINERAL INTEREST IS LOCATED,
15 THEN THE OIL, GAS OR OTHER MINERAL INTEREST SHALL BE SOLD IN THE
16 SAME MANNER AS LANDS ARE SOLD FOR NONPAYMENT OF TAXES; TO PROVIDE
17 THAT IF A SEPARATELY OWNED OR HELD NONPRODUCING OIL, GAS OR OTHER
18 MINERAL INTEREST IS OFFERED FOR SALE DUE TO NONPAYMENT OF TAXES
19 AND THE MINERAL INTEREST IS NOT PURCHASED AT SALE, THEN SUCH
20 MINERAL INTEREST SHALL REVERT TO THE OWNER OF THE SURFACE ESTATE
21 UNDER WHICH THE MINERAL INTEREST IS LOCATED, AND THE OWNER OF THE
22 SURFACE ESTATE SHALL BECOME LIABLE FOR THE AMOUNT OF DELINQUENT
23 TAXES FOR WHICH THE MINERAL INTEREST WAS OFFERED FOR SALE AND FOR
24 A PRORATED PORTION OF THE 25% OF AD VALOREM TAXES DUE ON THE LAND
25 THAT OWNERS OR HOLDERS OF SUCH SEPARATE MINERAL INTERESTS ARE
26 REQUIRED TO PAY; TO REQUIRE TAX COLLECTORS TO PROVIDE LISTS TO THE
27 CHANCERY COURT CLERK SPECIFYING MINERAL INTERESTS THAT WERE SOLD
28 FOR NONPAYMENT OF TAXES AND MINERAL INTERESTS THAT WERE OFFERED
29 FOR SALE AND WHICH REVERTED TO THE SURFACE OWNER DUE TO NOT BEING
30 PURCHASED AT SALE; AND FOR RELATED PURPOSES.

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



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

34 27-31-1. The following shall be exempt from taxation:

35 (a) All cemeteries used exclusively for burial
36 purposes.

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

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

49 (d) All property, real or personal, belonging to any
50 religious society, or ecclesiastical body, or any congregation
51 thereof, or to any charitable society, or to any historical or
52 patriotic association or society, or to any garden or pilgrimage
53 club or association and used exclusively for such society or
54 association and not for profit; not exceeding, however, the amount
55 of land which such association or society may own as provided in
56 Section 79-11-33. All property, real or personal, belonging to



57 any rural waterworks system or rural sewage disposal system
58 incorporated under the provisions of Section 79-11-1. All
59 property, real or personal, belonging to any college or
60 institution for the education of youths, used directly and
61 exclusively for such purposes, provided that no such college or
62 institution for the education of youths shall have exempt from
63 taxation more than six hundred forty (640) acres of land;
64 provided, however, this exemption shall not apply to commercial
65 schools and colleges or trade institutions or schools where the
66 profits of same inure to individuals, associations or
67 corporations. All property, real or personal, belonging to an
68 individual, institution or corporation and used for the operation
69 of a grammar school, junior high school, high school or military
70 school. All property, real or personal, owned and occupied by a
71 fraternal and benevolent organization, when used by such
72 organization, and from which no rentals or other profits accrue to
73 the organization, but any part rented or from which revenue is
74 received shall be taxed.

75 (e) All property, real or personal, held and occupied
76 by trustees of public schools, and school lands of the respective
77 townships for the use of public schools, and all property kept in
78 storage for the convenience and benefit of the State of
79 Mississippi in warehouses owned or leased by the State of
80 Mississippi, wherein said property is to be sold by the Alcoholic



81 Beverage Control Division of the Department of Revenue of the
82 State of Mississippi.

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

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

93 (h) Provisions on hand for family consumption.

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

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

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



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

109 (m) All cattle and oxen.

110 (n) All sheep, goats and hogs.

111 (o) All horses, mules and asses.

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

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

117 (r) The libraries of all persons.

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

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

122 (u) All state, county, municipal, levee, drainage and
123 all school bonds or other governmental obligations, and all bonds
124 and/or evidences of debts issued by any church or church
125 organization in this state, and all notes and evidences of
126 indebtedness which bear a rate of interest not greater than the
127 maximum rate per annum applicable under the law; and all money
128 loaned at a rate of interest not exceeding the maximum rate per
129 annum applicable under the law; and all stock in or bonds of



130 foreign corporations or associations shall be exempt from all ad
131 valorem taxes.

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

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

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

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

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

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

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

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



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

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

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

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

169 b. The manufacturer, builder, converter
170 or other entity possessing the vessel must be in compliance with
171 any lease or other agreement with any applicable port authority or
172 other entity regarding the vessel and in compliance with all
173 applicable tax laws of this state and applicable federal tax laws.

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



180 the extension of the exemption and setting a maximum period for
181 the exemption.

182 (v) As used in this paragraph (z), the term
183 "vessel" includes ships, offshore drilling equipment, dry docks,
184 boats and barges, except watercraft of every kind and character
185 used in connection with gaming operations.

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

191 (bb) All growing nursery stock.

192 (cc) A semitrailer used in interstate commerce.

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

201 (ee) All vessels while in the hands of bona fide
202 dealers as merchandise and which are not being operated upon the
203 waters of this state shall be exempt from ad valorem taxes. As
204 used in this paragraph, the terms "vessel" and "waters of this



205 state" shall have the meaning ascribed to such terms in Section
206 59-21-3.

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

218 (gg) If a municipality changes its boundaries so as to
219 include within the boundaries of such municipality the project
220 site of any project as defined in Section 57-75-5(f)(iv)1, Section
221 57-75-5(f)(xxi) or Section 57-75-5(f)(xxviii) or Section
222 57-75-5(f)(xxix), all real and personal property located on the
223 project site within the boundaries of such municipality that is
224 owned by a business enterprise operating such project, shall be
225 exempt from ad valorem taxation for a period of time not to exceed
226 thirty (30) years upon receiving approval for such exemption by
227 the Mississippi Major Economic Impact Authority. The provisions
228 of this paragraph shall not be construed to authorize a breach of
229 any agreement entered into pursuant to Section 21-1-59.



230 (hh) All leases, lease contracts or lease agreements
231 (including, but not limited to, subleases, sublease contracts and
232 sublease agreements), and leaseholds or leasehold interests
233 (including, but not limited to, subleaseholds and subleasehold
234 interests), of or with respect to any and all property (real,
235 personal or mixed) constituting all or any part of a facility for
236 the manufacture, production, generation, transmission and/or
237 distribution of electricity, and any real property related
238 thereto, shall be exempt from ad valorem taxation during the
239 period as the United States is both the title owner of the
240 property and a sublessee of or with respect to the property;
241 however, the exemption authorized by this paragraph (hh) shall not
242 apply to any entity to whom the United States sub-subleases its
243 interest in the property nor to any entity to whom the United
244 States assigns its sublease interest in the property. As used in
245 this paragraph, the term "United States" includes an agency or
246 instrumentality of the United States of America. This paragraph
247 (hh) shall apply to all assessments for ad valorem taxation for
248 the 2003 calendar year and each calendar year thereafter.

249 (ii) All property, real, personal or mixed, including
250 fixtures and leaseholds, used by Mississippi nonprofit entities
251 qualified, on or before January 1, 2005, under Section 501(c)(3)
252 of the Internal Revenue Code to provide support and operate
253 technology incubators for research and development startup
254 companies, telecommunication startup companies and/or other



255 technology startup companies, utilizing technology spun-off from
256 research and development activities of the public colleges and
257 universities of this state, State of Mississippi governmental
258 research or development activities resulting therefrom located
259 within the State of Mississippi.

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

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

273 (ll) Equipment brought into the state temporarily for
274 use during a disaster response period as provided in Sections
275 27-113-1 through 27-113-9 and subsequently removed from the state
276 on or before the end of the disaster response period as defined in
277 Section 27-113-5.

278 (mm) For any lease or contractual arrangement to which
279 the Department of Finance and Administration and a nonprofit



280 corporation are a party to as provided in Section 39-25-1(5), the
281 nonprofit corporation shall, along with the possessory and
282 leasehold interests and/or real and personal property of the
283 corporation, be exempt from all ad valorem taxation, including,
284 but not limited to, school, city and county ad valorem taxes, for
285 the term or period of time stated in the lease or contractual
286 arrangement.

287 (nn) (i) Whenever any nonproducing oil, gas or other
288 mineral interest in real estate is owned separately and apart from
289 and independently of the rights owned in the surface of such real
290 estate, or when any person reserves any right or interest or has
291 any leasehold in any of the elements listed in this subparagraph
292 (i), the owner of the surface estate shall be exempt from paying
293 twenty-five percent (25%) of the ad valorem taxes otherwise due on
294 the real estate if the surface owner has complied with the
295 provisions of subparagraph (ii) of this paragraph (nn).

296 (ii) It shall be the duty of every person who is
297 eligible for and desires the exemption provided for in this
298 paragraph (nn) to provide to the tax assessor on or before the
299 first day of April each year, for the tax assessor's review and
300 approval, an attorney's title opinion covering the person's real
301 estate reflecting the ownership or reservation of any of the type
302 interests listed in subparagraph (i) of this paragraph (nn). The
303 title opinion shall reflect the name and address of the owner(s)



304 or holder(s) of such interest, the percentage of the interest
305 owned or held and the duration of the interest.

306 (iii) If a person who is eligible for and desires
307 the exemption provided for in this paragraph (nn) fails to comply
308 with the requirements of subparagraph (ii) of this paragraph (nn),
309 that person shall not be granted such exemption and shall be
310 liable for the full amount of the ad valorem taxes otherwise due
311 on the real estate.

312 **SECTION 2.** (1) (a) Except as otherwise provided in
313 paragraph (b) of this subsection (1), the owner(s) or holder(s) of
314 any nonproducing oil, gas or other mineral interest in real
315 estate, which is owned or held separately and apart from and
316 independently of the rights owned in the surface of such real
317 estate, shall pay a percentage of the ad valorem taxes due on the
318 land, as provided in this subsection. The owner(s) or holder(s)
319 of all of the interests described in the preceding sentence
320 collectively shall pay a total of twenty-five percent (25%) of the
321 ad valorem taxes due on the land under which the interests are
322 located, and each individual owner or holder of any of the
323 interests shall pay a prorated portion of the twenty-five percent
324 (25%) based on his or her percentage of ownership of the
325 collective total of all oil, gas or other mineral interests that
326 are nonproducing and owned separately and apart from and
327 independently of the rights owned in the surface of the real
328 estate. The percentage of ad valorem taxes which the owner(s) or



329 holder(s) of any of the interests described in the first sentence
330 of this subsection must pay shall be due and payable at the same
331 time and in the same manner as the ad valorem taxes due on the
332 land.

333 (b) If the owner of the surface estate under which any
334 separately owned or held, nonproducing oil, gas or other mineral
335 interest is located fails to comply with the requirements of
336 Section 27-31-1(nn) (ii), he or she shall be liable for the full
337 amount of the ad valorem taxes otherwise due on the real estate,
338 and the owner(s) or holder(s) of any of the interests described in
339 the first sentence of paragraph (a) of this subsection (1) shall
340 not be liable for any percentage of the ad valorem taxes due on
341 the real estate.

342 (2) (a) If the owner or holder of any nonproducing oil, gas
343 or other mineral interest in real estate, which is owned or held
344 separately and apart from and independently of the rights owned in
345 the surface of such real estate, does not pay the percentage of ad
346 valorem taxes that he or she is required to pay on the surface of
347 the land under which the oil, gas or mineral interest is located,
348 the nonproducing, separately owned or held mineral interest shall
349 be sold in the same manner and in accordance with the same
350 procedure as prescribed by law for the sale of lands for
351 nonpayment of taxes.

352 (b) In addition to the parties which the chancery clerk
353 is required to provide with notice of a tax sale pursuant to



354 Section 27-43-1 et seq., the chancery clerk shall provide notice
355 to the owner of the surface estate under which the separately
356 owned or held, nonproducing oil, gas or other mineral interest
357 sold for nonpayment of taxes is located that such interest was
358 sold for taxes. In addition to the owner or holder of the oil,
359 gas or other mineral interest sold for nonpayment of taxes, or any
360 person for him with his consent or any person interested in the
361 oil, gas or other mineral interest, the owner of the surface
362 estate under which the interest is located shall have the right,
363 secondary only to the preceding parties, to redeem the oil, gas or
364 other mineral interest sold for nonpayment of taxes.

365 (c) If the owner of the surface estate pays the amount
366 necessary to redeem the oil, gas or mineral interest sold for
367 nonpayment of taxes, the chancery clerk shall notify the owner or
368 holder of the interest sold for nonpayment of taxes that the owner
369 of the surface estate has tendered the amount necessary to redeem
370 the interest from the tax sale, and that such tender of the amount
371 necessary to redeem the interest does not operate to redeem the
372 interest from the tax sale. The chancery clerk shall notify the
373 owner or holder of the oil, gas or other mineral interest sold for
374 nonpayment of taxes that if such owner or holder, or any persons
375 for him with his consent, or any person interested in the oil, gas
376 or other mineral interest does not redeem the interest before the
377 expiration of the time of redemption, title to the oil, gas or
378 other mineral interest shall vest in the owner of the surface



379 estate who tendered the amount necessary to redeem the interest
380 from the tax sale. If the owner or holder of the oil, gas or
381 other mineral interest does not redeem the interest from the tax
382 sale before the expiration of the redemption period, after being
383 notified by the chancery clerk in accordance with the provisions
384 of this subsection, title to the interest shall vest in the owner
385 of the surface estate who tendered the amount necessary to redeem
386 the interest from the tax sale, and the chancery clerk shall
387 execute a deed of conveyance to such owner of the surface estate.

388 (d) If any such nonproducing oil, gas or other mineral
389 interest in real estate of a delinquent taxpayer is offered for
390 sale, and no person bids the whole amount of taxes and costs
391 incident to the sale of the mineral interest, such mineral
392 interest shall revert to the owner of the surface estate under
393 which the mineral interest is located. The owner of the surface
394 estate to whom such mineral interest reverts shall be liable,
395 beginning with the next year of tax liability, for the amount of
396 delinquent taxes for which the mineral interest was offered for
397 sale and for his prorated portion of the collective twenty-five
398 percent (25%) of ad valorem taxes due on the land as provided in
399 subsection (1) of this section.

400 **SECTION 3.** Section 27-31-73, Mississippi Code of 1972, is
401 amended as follows:

402 27-31-73. (1) To encourage the purchase of leases upon and
403 interests in oil, gas and other minerals in the State of



404 Mississippi, to encourage drilling for and production of such
405 minerals, and to relieve the taxing officials of the counties of
406 the state of the onerous duties of assessment for, collection of
407 and sale for ad valorem taxes for such interests (which the
408 Legislature finds are generally assessed at nominal values
409 resulting in taxes not commensurate with the services required of
410 such officers), all nonproducing leasehold interests upon all oil,
411 gas and other minerals in, on or under lands lying within the
412 State of Mississippi, created or assigned after the effective date
413 of Sections 27-31-71 through 27-31-87, and also all nonproducing
414 interests in such oil, gas and other minerals (including royalty
415 interests therein) hereafter conveyed to a grantee or purchaser or
416 excepted or reserved to a grantor separately and apart from the
417 surface, shall be exempt from all ad valorem taxes levied on or
418 after January 1, 1947, by the State of Mississippi, or any county,
419 municipality, levee district, road district, school district,
420 drainage district or other taxing district within the state or
421 becoming a lien on or after said date. Any sale for taxes of the
422 surface or of the remainder of the fee shall not in any manner
423 whatsoever affect the interest or interests hereby exempted.

424 (2) For the same purpose and with like effect there is
425 hereby likewise exempted from such ad valorem taxation all such
426 interests created prior to the passage of Sections 27-31-71
427 through 27-31-87 which are owned separately and apart from the
428 surface, provided that as a condition precedent to obtaining such



429 exemption upon existing interests, the then owner thereof shall
430 make application for exemption of the interest then owned by him
431 as hereinafter provided and pay, in the manner provided under this
432 chapter, a sum equivalent to the tax herein levied by Section
433 27-31-77 on instruments hereafter executed creating, transferring
434 or reserving corresponding or similar interests. If any such sum
435 is paid after January 1, 1947, then such exemption shall apply
436 only to taxes becoming a lien after such sum is thus paid.

437 (3) The exemption from ad valorem taxes provided in this
438 section shall not apply to the percentage of ad valorem taxes that
439 the owner or holder of a nonproducing oil, gas or mineral interest
440 in real estate, which is owned or held separately and apart from
441 and independently of the right owned in the surface of such real
442 estate, must pay on the land under which the oil, gas or other
443 mineral interest is located, pursuant to the provisions of Section
444 2 of this act.

445 **SECTION 4.** Section 27-35-51, Mississippi Code of 1972, is
446 amended as follows:

447 27-35-51. (1) Except as otherwise provided in subsection
448 (2) of this section, whenever any buildings, improvements or
449 structures, mineral, gas, oil, timber or similar interests in real
450 estate, including building permits or reservations, are owned
451 separately and apart from and independently of the rights and
452 interests owned in the surface of such real estate, or when any
453 person reserves any right or interest, or has any leasehold in the



454 elements above enumerated, all of such interests shall be assessed
455 and taxed separately from such surface rights and interests in
456 said real estate, and shall be sold for taxes in the same manner
457 and with the same effect as other interests in real estate are
458 sold for taxes. Whenever the owner or holder of any separately
459 owned or held nonproducing oil, gas or other mineral interest does
460 not pay the percentage of ad valorem taxes that he or she is
461 required to pay on the surface of the land under which the oil,
462 gas or other mineral interest is located, the provisions of
463 Section 2 of this act shall apply. All interests in real estate
464 herein enumerated shall be returned to the tax assessor within the
465 same time and in the same manner as the owners of land are now
466 required by law to list lands for assessment and taxation and
467 under like penalties. The tax assessor shall enter the assessment
468 of the interests herein enumerated upon the assessment roll by
469 entering the same upon the next succeeding line or lines of the
470 roll following the assessment of the surface owner, the name of
471 the owner and the name of the interest, and by placing the value
472 in the appropriate column or columns on the roll; or the assessor
473 may enter the assessment of any or all of such interests upon a
474 page or pages in the land roll following the assessment of the
475 lands of the county, and the value of all such interests shall be
476 included in the recapitulation of the roll. And the value of said
477 interest or interests shall be determined and fixed in the same



478 manner and by the same officials now required by law to value and
479 assess property for taxation.

480 (2) Pursuant to Section 65-43-3(2)(i), any contract entered
481 into under Section 65-43-3 by a governmental entity, as defined in
482 Section 65-43-1, with a company as defined in Section 65-43-3(1),
483 involving a franchise, license agreement, concession agreement,
484 operating agreement, construction agreement, design agreement
485 and/or any other similar contractual arrangement in connection
486 with the financing, design, construction, acquisition, maintenance
487 and/or operation of a toll road or toll bridge project pursuant to
488 Section 65-43-3, shall not constitute any right, title or interest
489 in land or other real property or real estate or in personal
490 property separate and apart and independent of the rights and
491 interests of the governmental entity for purposes of subsection
492 (1) of this section, in the toll road or toll bridge project,
493 including tollbooths and related toll facilities, including, but
494 not limited to, land, pavement, drainage-related structures, and
495 other infrastructure and property related thereto in which a
496 governmental entity is the title owner of such property and/or
497 holder of easements, rights-of-way and/or other interests for such
498 toll road or toll bridge project.

499 **SECTION 5.** Section 27-41-79, Mississippi Code of 1972, is
500 amended as follows:

501 27-41-79. The tax collector shall on or before the second
502 Monday of May and on or before the second Monday of October of



503 each year, transmit to the clerk of the chancery court of the
504 county separate certified lists of the lands struck off by him to
505 the state and that sold to individuals, specifying to whom
506 assessed, the date of sale, the amount of taxes for which sale was
507 made, and each item of cost incident thereto, and where sold to
508 individuals, the name of the purchaser, such sale to be separately
509 recorded by the clerk in a book kept by him for that purpose.

510 * * * The tax collector shall also transmit to the clerk of the
511 chancery court of the county separate lists of any nonproducing
512 oil, gas or other mineral interests in real estate which are sold
513 to persons for nonpayment of taxes or which are offered for sale
514 and, because no person bids the whole amount of taxes and costs
515 incident to the sale of such interest, revert to the owners of the
516 surface estate under which such mineral interests are located.
517 All such lists (except lists of nonproducing mineral interests
518 that reverted to the owners of the surface estate under which such
519 mineral interests are located) shall vest in the state or in the
520 individual purchaser thereof a perfect title to the land or
521 mineral interest, or both, sold for taxes, but without the right
522 of possession for the period of and subject to the right of
523 redemption * * *. Lists of nonproducing mineral interests that
524 reverted to the owners of the surface estate under which such
525 mineral interests are located shall vest in such surface owners a
526 perfect title to the mineral interests, not subject to the right
527 of redemption. A failure to transmit or record a list or a



528 defective list shall not affect or render the title void. If the
529 tax collector or clerk shall fail to perform the duties herein
530 prescribed, he shall be liable to the party injured by such
531 default in the penal sum of Twenty-five Dollars (\$25.00), and also
532 on his official bond for the actual damage sustained. The lists
533 hereinabove provided shall, when filed with the clerk, be notice
534 to all persons in the same manner as are deeds when filed for
535 record. The lists of lands hereinabove referred to shall be filed
536 by the tax collector in May for sales made in April and in October
537 for sales made in September, respectively.

538 **SECTION 6.** Section 27-41-81, Mississippi Code of 1972, is
539 amended as follows:

540 27-41-81. The tax collector shall on or before the first
541 Monday of June transmit to the clerk of the chancery court of the
542 county separate certified lists of the lands struck off by him to
543 the state and that sold to individuals, specifying to whom
544 assessed, the day of the sale, the amount of taxes for which the
545 sale was made and each item of cost incidental thereto, and, where
546 sold to individuals, the name of the purchaser, to be separately
547 recorded by the clerk in books kept by him for that purpose.

548 * * * The tax collector shall also transmit to the clerk of the
549 chancery court of the county separate lists of any nonproducing
550 oil, gas or other mineral interests in real estate which are sold
551 to persons for nonpayment of taxes or which are offered for sale
552 and, because no person bids the whole amount of taxes and costs



553 incident to the sale of such interest, revert to the owners of the
554 surface estate under which such mineral interests are located.
555 The lists shall (except lists of nonproducing mineral interests
556 that reverted to the owners of the surface estate under which such
557 mineral interests are located) vest in the state or the individual
558 purchaser thereof a perfect title to the land or mineral interest,
559 or both, sold for taxes, but without the right of possession and
560 subject to the right of redemption * * *. Lists of nonproducing
561 mineral interests that reverted to the owners of the surface
562 estate under which such mineral interests are located shall vest
563 in such surface owners a perfect title to the mineral interests,
564 not subject to the right of redemption. A failure to transmit or
565 record a list, or a defective list, shall not affect or render the
566 title void. If the tax collector or clerk shall fail to perform
567 the duties herein prescribed, he shall be liable to the party
568 injured by such default in the penal sum of Twenty-five Dollars
569 (\$25.00), and also on his bond for the actual damages sustained.

570 The list hereinabove provided shall, when filed with the
571 clerk, be notice to all persons in the same manner as are deeds
572 when filed for record.

573 **SECTION 7.** Section 27-25-523, Mississippi Code of 1972, is
574 amended as follows:

575 27-25-523. (1) All oil produced or under the ground on
576 producing properties within the State of Mississippi and all
577 producing oil equipment, including wells, connections, pumps,



578 derricks and other appurtenances actually owned by and belonging
579 to the producer, and all leases in production, including mineral
580 rights in producing properties, shall be exempt from all ad
581 valorem taxes now levied or hereafter levied by the State of
582 Mississippi, or any county, municipality, levee district, road,
583 school or any other taxing district within this state. This
584 exemption shall not apply to drilling equipment, including
585 derricks, machinery, and other materials necessary to drilling,
586 nor to oil gathering systems, nor to the surface of lands leased
587 for oil production or upon which oil producing properties are
588 situated, but all such drilling equipment, gathering systems, and
589 lands shall be assessed as are other properties and shall be
590 subject to ad valorem tax. However, no additional assessment
591 shall be added to the surface value of such lands by reason of the
592 presence of oil thereunder or its production therefrom. The
593 exemption herein granted shall apply to all ad valorem taxes
594 levied in the year 1944 and each year thereafter.

595 (2) The exemption from ad valorem taxes provided in this
596 section shall not apply to the percentage of ad valorem taxes that
597 the owner or holder of a nonproducing oil interest in real estate,
598 which is owned or held separately and apart from and independently
599 of the rights owned in the surface of such real estate, must pay
600 on the land under which the oil interest is located, pursuant to
601 the provisions of Section 2 of this act.



602 **SECTION 8.** Section 27-25-721, Mississippi Code of 1972, is
603 amended as follows:

604 27-25-721. (1) All gas and carbon dioxide produced or under
605 the ground on producing properties within the State of Mississippi
606 and all producing gas or carbon dioxide equipment, including
607 wells, connections, pumps, derricks and other appurtenances
608 actually owned by and belonging to the producer, and all leases in
609 production, including mineral rights in producing properties,
610 shall be exempt from all ad valorem taxes now levied or hereafter
611 levied by the State of Mississippi, or any other taxing district
612 within this state. This exemption shall not apply to drilling
613 equipment, including derricks, machinery, and other materials
614 necessary to drilling, nor to gas or carbon dioxide gathering
615 systems, nor to the surface of lands leased for gas or carbon
616 dioxide production or upon which gas or carbon dioxide producing
617 properties are situated, but all such drilling equipment,
618 gathering systems, and lands shall be assessed as are other
619 properties and shall be subject to ad valorem tax. However, no
620 additional assessment shall be added to the surface value of such
621 lands by reason of the presence of gas or carbon dioxide
622 thereunder or its production therefrom. The exemption herein
623 granted shall apply to all ad valorem taxes levied in the year
624 1948 and each year thereafter.

625 (2) The exemption from ad valorem taxes provided in this
626 section shall not apply to the percentage of ad valorem taxes that



627 the owner or holder of a nonproducing gas interest in real estate,
628 which is owned or held separately and apart from and independently
629 of the right owned in the surface owner of such real estate, must
630 pay on the land under which the gas interest is located, pursuant
631 to the provisions of Section 2 of this act.

632 **SECTION 9.** Section 27-25-307, Mississippi Code of 1972, is
633 amended as follows:

634 27-25-307. (1) All salt under the ground or salt produced
635 or processed on producing properties and owned by the producer and
636 all leases in production, including mineral rights in producing
637 properties, shall be exempt from all ad valorem taxes now levied
638 or hereafter levied by the State of Mississippi, or any county, or
639 any other taxing district within this state.

640 (2) The exemption from ad valorem taxes provided in this
641 section shall not apply to the percentage of ad valorem taxes that
642 the owner or holder of a nonproducing salt interest in real
643 estate, which is owned or held separately and apart from and
644 independently of the right owned in the surface owner of such real
645 estate, must pay on the land under which the salt interest is
646 located, pursuant to the provisions of Section 2 of this act.

647 **SECTION 10.** This act shall apply to any nonproducing oil,
648 gas or other mineral interest in real estate which is owned or
649 held separate and apart from and independently of the rights owned
650 in the surface of such real estate, regardless of whether such



651 interest was created or became nonproducing before or after the
652 effective date of this act.

653 **SECTION 11.** This act shall take effect and be in force from
654 and after July 1, 2019.

