

By: Representative Smith

To: Ways and Means

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1668

1 AN ACT TO AMEND SECTION 27-31-101, MISSISSIPPI CODE OF 1972,
2 WHICH AUTHORIZES COUNTY BOARDS OF SUPERVISORS AND MUNICIPAL
3 GOVERNING AUTHORITIES TO GRANT AD VALOREM TAX EXEMPTIONS FOR NEW
4 ENTERPRISES TO CLARIFY CERTAIN PROVISIONS REGARDING PROPERTY FOR
5 WHICH EXEMPTIONS MAY BE GRANTED; TO INCLUDE DATA CENTERS IN THE
6 TYPES OF NEW ENTERPRISES FOR WHICH COUNTY BOARDS OF SUPERVISORS
7 AND MUNICIPAL GOVERNING AUTHORITIES MAY GRANT AD VALOREM TAX
8 EXEMPTIONS; TO AMEND SECTIONS 27-31-104 AND 27-31-105, MISSISSIPPI
9 CODE OF 1972, TO CONFORM TO THE PROVISIONS OF THIS ACT; AND FOR
10 RELATED PURPOSES.

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

12 **SECTION 1.** Section 27-31-101, Mississippi Code of 1972, is
13 amended as follows:

14 **[Through June 30, 2022, this section shall read as follows:]**

15 27-31-101. (1) County boards of supervisors and municipal
16 authorities are hereby authorized and empowered, in their
17 discretion, to grant exemptions from ad valorem taxation, except
18 state ad valorem taxation; however, such governing authorities
19 shall not exempt ad valorem taxes for school district purposes on
20 tangible property used in, or necessary to, the operation of the
21 manufacturers and other new enterprises enumerated by classes in



22 this section, except to the extent authorized in Sections
23 27-31-104 and 27-31-105(2), nor shall they exempt from ad valorem
24 taxes the products of the manufacturers or other new enterprises
25 or automobiles and trucks belonging to the manufacturers or other
26 new enterprises operating on and over the highways of the State of
27 Mississippi. The time of such exemption shall be for a period not
28 to exceed a total of ten (10) years which shall begin on the date
29 of completion of the new enterprise for which the exemption is
30 granted; however, boards of supervisors and municipal authorities,
31 in lieu of granting the exemption for one (1) period of ten (10)
32 years, may grant the exemption in a period of less than ten (10)
33 years. When the initial exemption period granted is less than ten
34 (10) years, the boards of supervisors and municipal authorities
35 may grant a subsequent consecutive period or periods to follow the
36 initial period of exemption, provided that the total of all
37 periods of exemption shall not exceed ten (10) years. The date of
38 completion of the new enterprise, from which the initial period of
39 exemption shall begin, shall be the date on which operations of
40 the new enterprise begin. The initial request for an exemption
41 must be made in writing by June 1 of the year immediately
42 following the year in which the date of completion of a new
43 enterprise occurs. If the initial request for the exemption is
44 not timely made, the board of supervisors or municipal authorities
45 may grant a subsequent request for the exemption and, in such
46 case, the exemption shall begin on the anniversary date of



47 completion of the enterprise in the year in which the request is
48 made and may be for a period of time extending not more than ten
49 (10) years from the date of completion of the new enterprise. Any
50 subsequent request for the exemption must be made in writing by
51 June 1 of the year in which it is granted.

52 (2) Any board of supervisors or municipal authority which
53 has granted an exemption for a period of less than ten (10) years
54 may grant subsequent periods of exemption to run consecutively
55 with the initial exemption period, or a subsequently granted
56 exemption period, but in no case shall the total of the exemption
57 periods granted for a new enterprise exceed ten (10) years. Any
58 consecutive period of exemption shall be granted by entry of an
59 order by the board or the authority granting the consecutive
60 exemption on its minutes, reflecting the granting of the
61 consecutive exemption period and the dates upon which such
62 consecutive exemption period begins and expires. The entry of
63 this order granting the consecutive period of exemption shall be
64 made before the expiration of the exemption period immediately
65 preceding the consecutive exemption period being granted.

66 (3) (a) The new enterprises * * * for which any or all of
67 the tangible property described in paragraph (b) of this
68 subsection (3) may be exempt from ad valorem taxation, except
69 state ad valorem taxation, ad valorem taxes for school district
70 purposes, and ad valorem taxes on the products thereof or on
71 automobiles and trucks belonging thereto and operating on and over



72 the highways of the State of Mississippi, are enumerated as and
73 limited to the following, as determined by the Department of
74 Revenue:

75 (* * *i) Warehouse and/or distribution centers;

76 (* * *ii) Manufacturing, processors and
77 refineries;

78 (* * *iii) Research facilities;

79 (* * *iv) Corporate regional and national
80 headquarters meeting minimum criteria established by the
81 Mississippi Development Authority;

82 (* * *v) Movie industry studios meeting minimum
83 criteria established by the Mississippi Development Authority;

84 (* * *vi) Air transportation and maintenance
85 facilities meeting minimum criteria established by the Mississippi
86 Development Authority;

87 (* * *vii) Recreational facilities that impact
88 tourism meeting minimum criteria established by the Mississippi
89 Development Authority;

90 (* * *viii) Data/information processing
91 enterprises meeting minimum criteria established by the
92 Mississippi Development Authority;

93 (* * *ix) Technology intensive enterprises or
94 facilities meeting criteria established by the Mississippi
95 Development Authority;



96 (* * *x) Health care industry facilities as
97 defined in Section 57-117-3; * * *

98 (xi) Data centers as defined in Section 57-113-21;
99 and

100 (* * *xii) Telecommunications enterprises meeting
101 minimum criteria established by the Mississippi Development
102 Authority. The term "telecommunications enterprises" means
103 entities engaged in the creation, display, management, storage,
104 processing, transmission or distribution for compensation of
105 images, text, voice, video or data by wire or by wireless means,
106 or entities engaged in the construction, design, development,
107 manufacture, maintenance or distribution for compensation of
108 devices, products, software or structures used in the above
109 activities. Companies organized to do business as commercial
110 broadcast radio stations, television stations or news
111 organizations primarily serving in-state markets shall not be
112 included within the definition of the term "telecommunications
113 enterprises."

114 (b) An exemption from ad valorem taxes granted under
115 this section may include any or all tangible property, real or
116 personal, including any leasehold interests therein but excluding
117 automobiles and trucks operating on and over the highways of the
118 State of Mississippi, used in connection with, or necessary to,
119 the operation of an enterprise enumerated in paragraph (a) of this
120 subsection (3), whether or not such property is owned, leased,



121 subleased, licensed or otherwise obtained by such enterprise,
122 irrespective of the taxpayer to which any such leased property is
123 assessed for ad valorem tax purposes. If an exemption is granted
124 pursuant to this section with respect to any leasehold interest
125 under a lease, sublease or license of tangible property used in
126 connection with, or necessary to, the operation of an enterprise
127 enumerated in paragraph (a) of this subsection (3), the
128 corresponding ownership interest of the owner, lessor and
129 sublessor of such tangible property shall similarly and
130 automatically be exempt without any action being required to be
131 taken by such owner, lessor or sublessor.

132 (4) Any exemption from ad valorem taxes granted under this
133 section before the effective date of this act, and consistent
134 herewith, is hereby ratified, approved and confirmed.

135 **[From and after July 1, 2022, this section shall read as**
136 **follows:]**

137 27-31-101. (1) County boards of supervisors and municipal
138 authorities are hereby authorized and empowered, in their
139 discretion, to grant exemptions from ad valorem taxation, except
140 state ad valorem taxation; however, such governing authorities
141 shall not exempt ad valorem taxes for school district purposes on
142 tangible property used in, or necessary to, the operation of the
143 manufacturers and other new enterprises enumerated by classes in
144 this section, except to the extent authorized in Sections
145 27-31-104 and 27-31-105(2), nor shall they exempt from ad valorem



146 taxes the products of the manufacturers or other new enterprises
147 or automobiles and trucks belonging to the manufacturers or other
148 new enterprises operating on and over the highways of the State of
149 Mississippi. The time of such exemption shall be for a period not
150 to exceed a total of ten (10) years which shall begin on the date
151 of completion of the new enterprise for which the exemption is
152 granted; however, boards of supervisors and municipal authorities,
153 in lieu of granting the exemption for one (1) period of ten (10)
154 years, may grant the exemption in a period of less than ten (10)
155 years. When the initial exemption period granted is less than ten
156 (10) years, the boards of supervisors and municipal authorities
157 may grant a subsequent consecutive period or periods to follow the
158 initial period of exemption, provided that the total of all
159 periods of exemption shall not exceed ten (10) years. The date of
160 completion of the new enterprise, from which the initial period of
161 exemption shall begin, shall be the date on which operations of
162 the new enterprise begin. The initial request for an exemption
163 must be made in writing by June 1 of the year immediately
164 following the year in which the date of completion of a new
165 enterprise occurs. If the initial request for the exemption is
166 not timely made, the board of supervisors or municipal authorities
167 may grant a subsequent request for the exemption and, in such
168 case, the exemption shall begin on the anniversary date of
169 completion of the enterprise in the year in which the request is
170 made and may be for a period of time extending not more than ten



171 (10) years from the date of completion of the new enterprise. Any
172 subsequent request for the exemption must be made in writing by
173 June 1 of the year in which it is granted.

174 (2) Any board of supervisors or municipal authority which
175 has granted an exemption for a period of less than ten (10) years
176 may grant subsequent periods of exemption to run consecutively
177 with the initial exemption period, or a subsequently granted
178 exemption period, but in no case shall the total of the exemption
179 periods granted for a new enterprise exceed ten (10) years. Any
180 consecutive period of exemption shall be granted by entry of an
181 order by the board or the authority granting the consecutive
182 exemption on its minutes, reflecting the granting of the
183 consecutive exemption period and the dates upon which such
184 consecutive exemption period begins and expires. The entry of
185 this order granting the consecutive period of exemption shall be
186 made before the expiration of the exemption period immediately
187 preceding the consecutive exemption period being granted.

188 (3) (a) The new enterprises * * * for which any or all of
189 the tangible property described in paragraph (b) of this
190 subsection (3) may be exempt from ad valorem taxation, except
191 state ad valorem taxation, ad valorem taxes for school district
192 purposes, and ad valorem taxes on the products thereof or on
193 automobiles and trucks belonging thereto and operating on and over
194 the highways of the State of Mississippi, are enumerated as and



195 limited to the following, as determined by the Department of
196 Revenue:

197 (* * *i) Warehouse and/or distribution centers;

198 (* * *ii) Manufacturing, processors and
199 refineries;

200 (* * *iii) Research facilities;

201 (* * *iv) Corporate regional and national
202 headquarters meeting minimum criteria established by the
203 Mississippi Development Authority;

204 (* * *v) Movie industry studios meeting minimum
205 criteria established by the Mississippi Development Authority;

206 (* * *vi) Air transportation and maintenance
207 facilities meeting minimum criteria established by the Mississippi
208 Development Authority;

209 (* * *vii) Recreational facilities that impact
210 tourism meeting minimum criteria established by the Mississippi
211 Development Authority;

212 (* * *viii) Data/information processing
213 enterprises meeting minimum criteria established by the
214 Mississippi Development Authority;

215 (* * *ix) Technology intensive enterprises or
216 facilities meeting criteria established by the Mississippi
217 Development Authority; * * *

218 (x) Data centers as defined in Section 57-113-21;

219 and



220 (* * *xi) Telecommunications enterprises meeting
221 minimum criteria established by the Mississippi Development
222 Authority. The term "telecommunications enterprises" means
223 entities engaged in the creation, display, management, storage,
224 processing, transmission or distribution for compensation of
225 images, text, voice, video or data by wire or by wireless means,
226 or entities engaged in the construction, design, development,
227 manufacture, maintenance or distribution for compensation of
228 devices, products, software or structures used in the above
229 activities. Companies organized to do business as commercial
230 broadcast radio stations, television stations or news
231 organizations primarily serving in-state markets shall not be
232 included within the definition of the term "telecommunications
233 enterprises."

234 (b) An exemption from ad valorem taxes granted under
235 this section may include any or all tangible property, real or
236 personal, including any leasehold interests therein but excluding
237 automobiles and trucks operating on and over the highways of the
238 State of Mississippi, used in connection with, or necessary to,
239 the operation of an enterprise enumerated in paragraph (a) of this
240 subsection (3), whether or not such property is owned, leased,
241 subleased, licensed or otherwise obtained by such enterprise,
242 irrespective of the taxpayer to which any such leased property is
243 assessed for ad valorem tax purposes. If an exemption is granted
244 pursuant to this section with respect to any leasehold interest



245 under a lease, sublease or license of tangible property used in
246 connection with, or necessary to, the operation of an enterprise
247 enumerated in paragraph (a) of this subsection (3), the
248 corresponding ownership interest of the owner, lessor and
249 sublessor of such tangible property shall similarly and
250 automatically be exempt without any action being required to be
251 taken by such owner, lessor or sublessor.

252 (4) Any exemption from ad valorem taxes granted under this
253 section before the effective date of this act, and consistent
254 herewith, is hereby ratified, approved and confirmed.

255 **SECTION 2.** Section 27-31-104, Mississippi Code of 1972, is
256 amended as follows:

257 **[Through June 30, 2022, this section shall read as follows:]**

258 27-31-104. (1) (a) County boards of supervisors and
259 municipal authorities are each hereby authorized and empowered to
260 enter into an agreement with an enterprise granting, and pursuant
261 to such agreement grant a fee-in-lieu of ad valorem taxes,
262 including ad valorem taxes levied for school purposes, for the
263 following:

264 (* * *i) Projects totaling over Sixty Million
265 Dollars (\$60,000,000.00) by any new enterprises enumerated in
266 Section 27-31-101;

267 (* * *ii) Projects by a private company (as such
268 term is defined in Section 57-61-5) having a minimum capital
269 investment of Sixty Million Dollars (\$60,000,000.00);



270 (* * *iii) Projects totaling over One Hundred
271 Million Dollars (\$100,000,000.00) by a qualified business (as such
272 term is defined in Section 57-117-3) meeting minimum criteria
273 established by the Mississippi Development Authority;

274 (* * *iv) Projects, in addition to those projects
275 referenced in Section 27-31-105, totaling over Sixty Million
276 Dollars (\$60,000,000.00) by an existing enterprise that has been
277 doing business in the county or municipality for twenty-four (24)
278 months. For purposes of this * * * subparagraph (iv), the term
279 "existing enterprise" includes those enterprises enumerated in
280 Section 27-31-101; or

281 (* * *y) A private company (as such term is
282 defined in Section 57-61-5) having a minimum capital investment of
283 One Hundred Million Dollars (\$100,000,000.00) from any source or
284 combination of sources, provided that a majority of the capital
285 investment is from private sources, when such project is located
286 within a geographic area for which a Presidential Disaster
287 Declaration was issued on or after January 1, 2014.

288 (b) A fee-in-lieu of ad valorem taxes granted in
289 accordance with this section may include any or all tangible
290 property, real or personal, including any leasehold interests
291 therein but excluding automobiles and trucks operating on and over
292 the highways of the State of Mississippi, used in connection with,
293 or necessary to, the operation of any enterprise, private company
294 or business described in paragraph (a) of this subsection (1), as



295 applicable, whether or not such property is owned, leased,
296 subleased, licensed or otherwise obtained by such enterprise,
297 private company or business, as applicable, irrespective of the
298 taxpayer to which any such leased property is assessed for ad
299 valorem tax purposes. If a fee-in-lieu of ad valorem taxes is
300 granted pursuant to this section with respect to any leasehold
301 interest under a lease, sublease or license of tangible property
302 used in connection with, or necessary to, the operation of an
303 enterprise, private company or business described in paragraph (a)
304 of this subsection (1), as applicable, the corresponding ownership
305 interest of the owner, lessor and sublessor of such tangible
306 property shall similarly and automatically be exempt and subject
307 to the fee-in-lieu granted in accordance herewith without any
308 action being required to be taken by such owner, lessor or
309 sublessor.

310 (2) A county board of supervisors may enter into a
311 fee-in-lieu agreement on behalf of the county and any county
312 school district, and a municipality may enter into such a
313 fee-in-lieu agreement on behalf of the municipality and any
314 municipal school district located in the municipality; however, if
315 the project is located outside the limits of a municipality but
316 within the boundaries of the municipal school district, then the
317 county board of supervisors may enter into such a fee-in-lieu
318 agreement on behalf of the school district granting a fee-in-lieu
319 of ad valorem taxes for school district purposes.



320 (3) Any grant of a fee-in-lieu of ad valorem taxes shall be
321 evidenced by a written agreement negotiated by the enterprise and
322 the county board of supervisors and/or municipal authority, as the
323 case may be, and given final approval by the Mississippi
324 Development Authority as satisfying the requirements of this
325 section.

326 (4) The minimum sum allowable as a fee-in-lieu shall not be
327 less than one-third (1/3) of the ad valorem levy, including ad
328 valorem taxes for school district purposes, and except as
329 otherwise provided, the sum allowed shall be apportioned between
330 the county or municipality, as appropriate, and the school
331 districts in such amounts as may be determined by the county board
332 of supervisors or municipal governing authority, as the case may
333 be, however, except as otherwise provided in this section, from
334 the sum allowed the apportionment to school districts shall not be
335 less than the school districts' pro rata share based upon the
336 proportion that the millage imposed for the school districts by
337 the appropriate levying authority bears to the millage imposed by
338 such levying authority for all other county or municipal purposes.
339 Any fee-in-lieu agreement entered into under this section shall
340 become a binding obligation of the parties to the agreement, be
341 effective upon its execution by the parties and approval by the
342 Mississippi Development Authority and, except as otherwise
343 provided in Section 17-25-23 or Section 57-75-33, or any other
344 provision of law, continue in effect for a period not to exceed



345 thirty (30) years commencing on the date that the fee-in-lieu
346 granted thereunder begins in accordance with the agreement;
347 however, no particular parcel of land, real property improvement
348 or item of personal property shall be subject to a fee-in-lieu for
349 a duration of more than ten (10) years. Any such agreement shall
350 be binding, according to its terms, on future boards of
351 supervisors of the county and/or governing authorities of a
352 municipality, as the case may be, for the duration of the
353 agreement.

354 (5) The fee-in-lieu may be a stated fraction or percentage
355 of the ad valorem taxes otherwise payable or a stated dollar
356 amount. If the fee is a fraction or percentage of the ad valorem
357 tax levy, it shall be annually computed on all ad valorem taxes
358 otherwise payable, including school taxes, as the same may vary
359 from year to year based upon changes in the millage rate or
360 assessed value and shall not be less than one-third (1/3) of that
361 amount. If the fee is a stated dollar amount, said amount shall
362 be the higher of the sum provided for fixed payment or one-third
363 (1/3) of the total of all ad valorem taxes otherwise payable as
364 annually determined during each year of the fee-in-lieu.

365 (6) Notwithstanding Section 27-31-111, the parties to a
366 fee-in-lieu may agree on terms and conditions providing for the
367 reduction, suspension, termination or reinstatement of a
368 fee-in-lieu agreement or any fee-in-lieu period granted thereunder
369 upon the cessation of operations by project for twelve (12) or



370 more consecutive months or due to other conditions set forth in
371 the agreement.

372 (7) For a project as defined in Section 57-75-5(f)(xxi) and
373 located in a county that is a member of a regional economic
374 development alliance created under Section 57-64-1 et seq., the
375 members of the regional economic development alliance may divide
376 the sum allowed as a fee-in-lieu in a manner as determined by the
377 alliance agreement, and the boards of supervisors of the member
378 counties may then apportion the sum allowed between school
379 district purposes and all other county purposes.

380 (8) For a project as defined in Section 57-75-5(f)(xxvi),
381 the board of supervisors of the county in which the project is
382 located may negotiate with the school district in which the
383 project is located and apportion to the school district an amount
384 of the fee-in-lieu that is agreed upon in the negotiations
385 different than the amount provided for in subsection (3) of this
386 section.

387 (9) For a project as defined in Section 57-75-5(f)(xxviii),
388 the annual amount of the fee-in-lieu apportioned to the county
389 shall not be less than the amount necessary to pay the debt
390 service on bonds issued by the county pursuant to Section
391 57-75-37(3)(c).

392 (10) Any fee-in-lieu of ad valorem taxes granted under this
393 section before the effective date of this act, and consistent
394 herewith, is hereby ratified, approved and confirmed.



395 **[From and after July 1, 2022, this section shall read as**
396 **follows:]**

397 27-31-104. (1) (a) County boards of supervisors and
398 municipal authorities are each hereby authorized and empowered to
399 enter into an agreement with an enterprise granting, and pursuant
400 to such agreement grant a fee-in-lieu of ad valorem taxes,
401 including ad valorem taxes levied for school purposes, for the
402 following:

403 (* * *i) Projects totaling over Sixty Million
404 Dollars (\$60,000,000.00) by any new enterprises enumerated in
405 Section 27-31-101;

406 (* * *ii) Projects by a private company (as such
407 term is defined in Section 57-61-5, Mississippi Code of 1972)
408 having a minimum capital investment of Sixty Million Dollars
409 (\$60,000,000.00);

410 (* * *iii) Projects, in addition to those
411 projects referenced in Section 27-31-105, totaling over Sixty
412 Million Dollars (\$60,000,000.00) by an existing enterprise that
413 has been doing business in the county or municipality for
414 twenty-four (24) months. For purposes of this * * * subparagraph
415 (iii), the term "existing enterprise" includes those enterprises
416 enumerated in Section 27-31-101; or

417 (* * *iv) A private company (as such term is
418 defined in Section 57-61-5) having a minimum capital investment of
419 One Hundred Million Dollars (\$100,000,000.00) from any source or



420 combination of sources, provided that a majority of the capital
421 investment is from private sources, when such project is located
422 within a geographic area for which a Presidential Disaster
423 Declaration was issued on or after January 1, 2014.

424 (b) A fee-in-lieu of ad valorem taxes granted in
425 accordance with this section may include any or all tangible
426 property, real or personal, including any leasehold interests
427 therein but excluding automobiles and trucks operating on and over
428 the highways of the State of Mississippi, used in connection with,
429 or necessary to, the operation of any enterprise, private company
430 or business described in paragraph (a) of this subsection (1), as
431 applicable, whether or not such property is owned, leased,
432 subleased, licensed or otherwise obtained by such enterprise,
433 private company or business, as applicable, irrespective of the
434 taxpayer to which any such leased property is assessed for ad
435 valorem tax purposes. If a fee-in-lieu of ad valorem taxes is
436 granted pursuant to this section with respect to any leasehold
437 interest under a lease, sublease or license of tangible property
438 used in connection with, or necessary to, the operation of an
439 enterprise, private company or business described in paragraph (a)
440 of this subsection (1), as applicable, the corresponding ownership
441 interest of the owner, lessor and sublessor of such tangible
442 property shall similarly and automatically be exempt and subject
443 to the fee-in-lieu granted in accordance herewith without any



444 action being required to be taken by such owner, lessor or
445 sublessor.

446 (2) A county board of supervisors may enter into a
447 fee-in-lieu agreement on behalf of the county and any county
448 school district, and a municipality may enter into such a
449 fee-in-lieu agreement on behalf of the municipality and any
450 municipal school district located in the municipality; however, if
451 the project is located outside the limits of a municipality but
452 within the boundaries of the municipal school district, then the
453 county board of supervisors may enter into such a fee-in-lieu
454 agreement on behalf of the school district granting a fee-in-lieu
455 of ad valorem taxes for school district purposes.

456 (3) Any grant of a fee-in-lieu of ad valorem taxes shall be
457 evidenced by a written agreement negotiated by the enterprise and
458 the county board of supervisors and/or municipal authority, as the
459 case may be, and given final approval by the Mississippi
460 Development Authority as satisfying the requirements of this
461 section.

462 (4) The minimum sum allowable as a fee-in-lieu shall not be
463 less than one-third (1/3) of the ad valorem levy, including ad
464 valorem taxes for school district purposes, and except as
465 otherwise provided, the sum allowed shall be apportioned between
466 the county or municipality, as appropriate, and the school
467 districts in such amounts as may be determined by the county board
468 of supervisors or municipal governing authority, as the case may



469 be, however, except as otherwise provided in this section, from
470 the sum allowed the apportionment to school districts shall not be
471 less than the school districts' pro rata share based upon the
472 proportion that the millage imposed for the school districts by
473 the appropriate levying authority bears to the millage imposed by
474 such levying authority for all other county or municipal purposes.
475 Any fee-in-lieu agreement entered into under this section shall
476 become a binding obligation of the parties to the agreement, be
477 effective upon its execution by the parties and approval by the
478 Mississippi Development Authority and, except as otherwise
479 provided in Section 17-25-23 or Section 57-75-33, or any other
480 provision of law, continue in effect for a period not to exceed
481 thirty (30) years commencing on the date that the fee-in-lieu
482 granted thereunder begins in accordance with the agreement;
483 however, no particular parcel of land, real property improvement
484 or item of personal property shall be subject to a fee-in-lieu for
485 a duration of more than ten (10) years. Any such agreement shall
486 be binding, according to its terms, on future boards of
487 supervisors of the county and/or governing authorities of a
488 municipality, as the case may be, for the duration of the
489 agreement.

490 (5) The fee-in-lieu may be a stated fraction or percentage
491 of the ad valorem taxes otherwise payable or a stated dollar
492 amount. If the fee is a fraction or percentage of the ad valorem
493 tax levy, it shall be annually computed on all ad valorem taxes



494 otherwise payable, including school taxes, as the same may vary
495 from year to year based upon changes in the millage rate or
496 assessed value and shall not be less than one-third (1/3) of that
497 amount. If the fee is a stated dollar amount, said amount shall
498 be the higher of the sum provided for fixed payment or one-third
499 (1/3) of the total of all ad valorem taxes otherwise payable as
500 annually determined during each year of the fee-in-lieu.

501 (6) Notwithstanding Section 27-31-111, the parties to a
502 fee-in-lieu may agree on terms and conditions providing for the
503 reduction, suspension, termination or reinstatement of a
504 fee-in-lieu agreement or any fee-in-lieu period granted thereunder
505 upon the cessation of operations by project for twelve (12) or
506 more consecutive months or due to other conditions set forth in
507 the agreement.

508 (7) For a project as defined in Section 57-75-5(f)(xxi) and
509 located in a county that is a member of a regional economic
510 development alliance created under Section 57-64-1 et seq., the
511 members of the regional economic development alliance may divide
512 the sum allowed as a fee-in-lieu in a manner as determined by the
513 alliance agreement, and the boards of supervisors of the member
514 counties may then apportion the sum allowed between school
515 district purposes and all other county purposes.

516 (8) For a project as defined in Section 57-75-5(f)(xxvi),
517 the board of supervisors of the county in which the project is
518 located may negotiate with the school district in which the



519 project is located and apportion to the school district an amount
520 of the fee-in-lieu that is agreed upon in the negotiations
521 different than the amount provided for in subsection (3) of this
522 section.

523 (9) For a project as defined in Section 57-75-5(f)(xxviii),
524 the annual amount of the fee-in-lieu apportioned to the county
525 shall not be less than the amount necessary to pay the annual debt
526 service on bonds issued by the county pursuant to Section
527 57-75-37(3)(c).

528 (10) Any fee-in-lieu of ad valorem taxes granted under this
529 section before the effective date of this act, and consistent
530 herewith, is hereby ratified, approved and confirmed.

531 **SECTION 3.** Section 27-31-105, Mississippi Code of 1972, is
532 amended as follows:

533 27-31-105. (1) Any person, firm or corporation who owns or
534 operates a manufacturing or other enterprise of public utility as
535 enumerated in Section 27-31-101 and who makes additions to or
536 expansions of the facilities or properties or replaces equipment
537 used in connection with or necessary to the operation of such
538 enterprise may be granted an exemption from ad valorem taxation,
539 except state ad valorem taxation, ad valorem taxes for school
540 district purposes, and ad valorem taxes on the products thereof or
541 on automobiles and trucks belonging thereto and operating on and
542 over the highways of the State of Mississippi, upon each addition
543 to or expansion of the facility or property or replacement of



544 equipment, used in connection with, or necessary to, the operation
545 of an enterprise enumerated in Section 27-31-101, whether or not
546 such property is owned, leased, subleased, licensed or otherwise
547 obtained by such enterprise, irrespective of the taxpayer to which
548 any such leased property is assessed for ad valorem tax purposes,
549 within the discretion of the county board of supervisors and
550 municipal authorities; however, such governing authorities shall
551 not exempt ad valorem taxes for school district purposes on such
552 additions or expansions of the facility or property, or
553 replacement of equipment. If an exemption is granted pursuant to
554 this subsection (1) with respect to any leasehold interest under a
555 lease, sublease or license of tangible property used in connection
556 with, or necessary to, the operation of an enterprise enumerated
557 in Section 27-31-101, the corresponding ownership interest of the
558 owner, lessor and sublessor of such tangible property shall
559 similarly and automatically be exempt without any action being
560 required to be taken by such owner, lessor or sublessor. In order
561 to obtain the exemptions authorized by this section, a person,
562 firm or corporation shall follow the same procedure prescribed for
563 obtaining an exemption on a new enterprise, except as otherwise
564 provided in this section. For any additions, expansions or
565 replacements with reference to any particular new enterprise,
566 which have been completed during any calendar year, only one (1)
567 request must be made for the exemptions sought for the additions,
568 expansions or replacements. The time of the exemption shall



569 commence from the date of completion of the additions, expansions
570 or replacements, and shall extend for a period not to exceed ten
571 (10) years thereafter; however, boards of supervisors and
572 municipal authorities, in lieu of granting the exemption for one
573 (1) period of ten (10) years, may grant the exemption in
574 consecutive periods of five (5) years each, but the total of such
575 consecutive periods shall not exceed ten (10) years. The initial
576 request for an exemption must be made in writing by June 1 of the
577 year immediately following the year in which the additions,
578 expansions or replacements are completed. If the initial request
579 for the exemption is not timely made, the board of supervisors or
580 municipal authorities may grant a subsequent request for the
581 exemption and, in such case, the exemption shall begin on the
582 anniversary date of completion of the additions, expansions or
583 replacements in the year in which the request is made and may be
584 for a period of time extending not more than ten (10) years from
585 the date of completion of the additions, expansions or
586 replacements. Any subsequent request for the exemption must be
587 made in writing by June 1 of the year in which it is granted. Any
588 exemption from ad valorem taxes granted under this subsection (1)
589 before the effective date of this act, and consistent herewith, is
590 hereby ratified, approved and confirmed.

591 (2) For expansions of facilities or properties, or
592 replacement of equipment, county boards of supervisors and
593 municipal authorities may grant a fee in lieu of taxes in the same



594 manner, to the same extent, and with the same qualifying threshold
595 as provided for projects under Section 27-31-104, Mississippi Code
596 of 1972. Any fee in lieu of taxes granted under this subsection
597 (2) before the effective date of this act, and consistent
598 herewith, is hereby ratified, approved and confirmed.

599 **SECTION 4.** This act shall take effect and be in force from
600 and after its passage.

