

By: Senator(s) Blackwell, Dearing, Jackson
(11th), Jordan, Parker, Parks

To: Finance

SENATE BILL NO. 2056
(As Sent to Governor)

1 AN ACT TO AMEND SECTION 27-31-104, MISSISSIPPI CODE OF 1972,
2 TO REVISE THE AMOUNT OF INVESTMENT REQUIRED FOR PROJECTS BY
3 QUALIFIED BUSINESSES UNDER THE MISSISSIPPI HEALTH CARE INDUSTRY
4 ZONE ACT IN ORDER FOR SUCH PROJECTS TO BE ELIGIBLE TO BE GRANTED A
5 FEE-IN-LIEU OF AD VALOREM TAXES; AND FOR RELATED PURPOSES.

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

7 **SECTION 1.** Section 27-31-104, Mississippi Code of 1972, is
8 amended as follows:

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

10 27-31-104. (1) County boards of supervisors and municipal
11 authorities are each hereby authorized and empowered to enter into
12 an agreement with an enterprise granting, and pursuant to such
13 agreement grant a fee-in-lieu of ad valorem taxes, including ad
14 valorem taxes levied for school purposes, for the following:

15 (a) Projects totaling over Sixty Million Dollars
16 (\$60,000,000.00) by any new enterprises enumerated in Section
17 27-31-101;



18 (b) Projects by a private company (as such term is
19 defined in Section 57-61-5) having a minimum capital investment of
20 Sixty Million Dollars (\$60,000,000.00);

21 (c) Projects * * * by a qualified business (as such
22 term is defined in Section 57-117-3) meeting minimum criteria
23 established by the Mississippi Development Authority;

24 (d) Projects totaling over Sixty Million Dollars
25 (\$60,000,000.00) by an existing enterprise that has been doing
26 business in the county or municipality for twenty-four (24)
27 months. For purposes of this paragraph (d), the term "existing
28 enterprise" includes those enterprises enumerated in Section
29 27-31-101; or

30 (e) A private company (as such term is defined in
31 Section 57-61-5) having a minimum capital investment of One
32 Hundred Million Dollars (\$100,000,000.00) from any source or
33 combination of sources, provided that a majority of the capital
34 investment is from private sources, when such project is located
35 within a geographic area for which a Presidential Disaster
36 Declaration was issued on or after January 1, 2014.

37 (2) A county board of supervisors may enter into a
38 fee-in-lieu agreement on behalf of the county and any county
39 school district, and a municipality may enter into such a
40 fee-in-lieu agreement on behalf of the municipality and any
41 municipal school district located in the municipality; however, if
42 the project is located outside the limits of a municipality but



43 within the boundaries of the municipal school district, then the
44 county board of supervisors may enter into such a fee-in-lieu
45 agreement on behalf of the school district granting a fee-in-lieu
46 of ad valorem taxes for school district purposes.

47 (3) Any grant of a fee-in-lieu of ad valorem taxes shall be
48 evidenced by a written agreement negotiated by the enterprise and
49 the county board of supervisors and/or municipal authority, as the
50 case may be, and given final approval by the Mississippi
51 Development Authority as satisfying the requirements of this
52 section.

53 (4) The minimum sum allowable as a fee-in-lieu shall not be
54 less than one-third (1/3) of the ad valorem levy, including ad
55 valorem taxes for school district purposes, and except as
56 otherwise provided, the sum allowed shall be apportioned between
57 the county or municipality, as appropriate, and the school
58 districts in such amounts as may be determined by the county board
59 of supervisors or municipal governing authority, as the case may
60 be, however, except as otherwise provided in this section, from
61 the sum allowed the apportionment to school districts shall not be
62 less than the school districts' pro rata share based upon the
63 proportion that the millage imposed for the school districts by
64 the appropriate levying authority bears to the millage imposed by
65 such levying authority for all other county or municipal purposes.
66 Any fee-in-lieu agreement entered into under this section shall
67 become a binding obligation of the parties to the agreement, be



68 effective upon its execution by the parties and approval by the
69 Mississippi Development Authority and, except as otherwise
70 provided in Section 17-25-23 or Section 57-75-33, or any other
71 provision of law, continue in effect for a period not to exceed
72 thirty (30) years commencing on the date that the fee-in-lieu
73 granted thereunder begins in accordance with the agreement;
74 however, no particular parcel of land, real property improvement
75 or item of personal property shall be subject to a fee-in-lieu for
76 a duration of more than ten (10) years. Any such agreement shall
77 be binding, according to its terms, on future boards of
78 supervisors of the county and/or governing authorities of a
79 municipality, as the case may be, for the duration of the
80 agreement.

81 (5) The fee-in-lieu may be a stated fraction or percentage
82 of the ad valorem taxes otherwise payable or a stated dollar
83 amount. If the fee is a fraction or percentage of the ad valorem
84 tax levy, it shall be annually computed on all ad valorem taxes
85 otherwise payable, including school taxes, as the same may vary
86 from year to year based upon changes in the millage rate or
87 assessed value and shall not be less than one-third (1/3) of that
88 amount. If the fee is a stated dollar amount, said amount shall
89 be the higher of the sum provided for fixed payment or one-third
90 (1/3) of the total of all ad valorem taxes otherwise payable as
91 annually determined during each year of the fee-in-lieu.



92 (6) Notwithstanding Section 27-31-111, the parties to a
93 fee-in-lieu may agree on terms and conditions providing for the
94 reduction, suspension, termination or reinstatement of a
95 fee-in-lieu agreement or any fee-in-lieu period granted thereunder
96 upon the cessation of operations by project for twelve (12) or
97 more consecutive months or due to other conditions set forth in
98 the agreement.

99 (7) For a project as defined in Section 57-75-5(f)(xxi) and
100 located in a county that is a member of a regional economic
101 development alliance created under Section 57-64-1 et seq., the
102 members of the regional economic development alliance may divide
103 the sum allowed as a fee-in-lieu in a manner as determined by the
104 alliance agreement, and the boards of supervisors of the member
105 counties may then apportion the sum allowed between school
106 district purposes and all other county purposes.

107 (8) For a project as defined in Section 57-75-5(f)(xxvi),
108 the board of supervisors of the county in which the project is
109 located may negotiate with the school district in which the
110 project is located and apportion to the school district an amount
111 of the fee-in-lieu that is agreed upon in the negotiations
112 different than the amount provided for in subsection (3) of this
113 section.

114 (9) For a project as defined in Section 57-75-5(f)(xxviii),
115 the annual amount of the fee-in-lieu apportioned to the county
116 shall not be less than the amount necessary to pay the debt



117 service on bonds issued by the county pursuant to Section
118 57-75-37(3)(c).

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

121 27-31-104. (1) County boards of supervisors and municipal
122 authorities are each hereby authorized and empowered to enter into
123 an agreement with an enterprise granting, and pursuant to such
124 agreement grant a fee-in-lieu of ad valorem taxes, including ad
125 valorem taxes levied for school purposes, for the following:

126 (a) Projects totaling over Sixty Million Dollars
127 (\$60,000,000.00) by any new enterprises enumerated in Section
128 27-31-101;

129 (b) Projects by a private company (as such term is
130 defined in Section 57-61-5, Mississippi Code of 1972) having a
131 minimum capital investment of Sixty Million Dollars
132 (\$60,000,000.00);

133 (c) Projects totaling over Sixty Million Dollars
134 (\$60,000,000.00) by an existing enterprise that has been doing
135 business in the county or municipality for twenty-four (24)
136 months. For purposes of this paragraph (c), the term "existing
137 enterprise" includes those enterprises enumerated in Section
138 27-31-101; or

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



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

146 (2) A county board of supervisors may enter into a
147 fee-in-lieu agreement on behalf of the county and any county
148 school district, and a municipality may enter into such a
149 fee-in-lieu agreement on behalf of the municipality and any
150 municipal school district located in the municipality; however, if
151 the project is located outside the limits of a municipality but
152 within the boundaries of the municipal school district, then the
153 county board of supervisors may enter into such a fee-in-lieu
154 agreement on behalf of the school district granting a fee-in-lieu
155 of ad valorem taxes for school district purposes.

156 (3) Any grant of a fee-in-lieu of ad valorem taxes shall be
157 evidenced by a written agreement negotiated by the enterprise and
158 the county board of supervisors and/or municipal authority, as the
159 case may be, and given final approval by the Mississippi
160 Development Authority as satisfying the requirements of this
161 section.

162 (4) The minimum sum allowable as a fee-in-lieu shall not be
163 less than one-third (1/3) of the ad valorem levy, including ad
164 valorem taxes for school district purposes, and except as
165 otherwise provided, the sum allowed shall be apportioned between
166 the county or municipality, as appropriate, and the school



167 districts in such amounts as may be determined by the county board
168 of supervisors or municipal governing authority, as the case may
169 be, however, except as otherwise provided in this section, from
170 the sum allowed the apportionment to school districts shall not be
171 less than the school districts' pro rata share based upon the
172 proportion that the millage imposed for the school districts by
173 the appropriate levying authority bears to the millage imposed by
174 such levying authority for all other county or municipal purposes.
175 Any fee-in-lieu agreement entered into under this section shall
176 become a binding obligation of the parties to the agreement, be
177 effective upon its execution by the parties and approval by the
178 Mississippi Development Authority and, except as otherwise
179 provided in Section 17-25-23 or Section 57-75-33, or any other
180 provision of law, continue in effect for a period not to exceed
181 thirty (30) years commencing on the date that the fee-in-lieu
182 granted thereunder begins in accordance with the agreement;
183 however, no particular parcel of land, real property improvement
184 or item of personal property shall be subject to a fee-in-lieu for
185 a duration of more than ten (10) years. Any such agreement shall
186 be binding, according to its terms, on future boards of
187 supervisors of the county and/or governing authorities of a
188 municipality, as the case may be, for the duration of the
189 agreement.

190 (5) The fee-in-lieu may be a stated fraction or percentage
191 of the ad valorem taxes otherwise payable or a stated dollar



192 amount. If the fee is a fraction or percentage of the ad valorem
193 tax levy, it shall be annually computed on all ad valorem taxes
194 otherwise payable, including school taxes, as the same may vary
195 from year to year based upon changes in the millage rate or
196 assessed value and shall not be less than one-third (1/3) of that
197 amount. If the fee is a stated dollar amount, said amount shall
198 be the higher of the sum provided for fixed payment or one-third
199 (1/3) of the total of all ad valorem taxes otherwise payable as
200 annually determined during each year of the fee-in-lieu.

201 (6) Notwithstanding Section 27-31-111, the parties to a
202 fee-in-lieu may agree on terms and conditions providing for the
203 reduction, suspension, termination or reinstatement of a
204 fee-in-lieu agreement or any fee-in-lieu period granted thereunder
205 upon the cessation of operations by project for twelve (12) or
206 more consecutive months or due to other conditions set forth in
207 the agreement.

208 (7) For a project as defined in Section 57-75-5(f)(xxi) and
209 located in a county that is a member of a regional economic
210 development alliance created under Section 57-64-1 et seq., the
211 members of the regional economic development alliance may divide
212 the sum allowed as a fee-in-lieu in a manner as determined by the
213 alliance agreement, and the boards of supervisors of the member
214 counties may then apportion the sum allowed between school
215 district purposes and all other county purposes.



216 (8) For a project as defined in Section 57-75-5(f) (xxvi),
217 the board of supervisors of the county in which the project is
218 located may negotiate with the school district in which the
219 project is located and apportion to the school district an amount
220 of the fee-in-lieu that is agreed upon in the negotiations
221 different than the amount provided for in subsection (3) of this
222 section.

223 (9) For a project as defined in Section 57-75-5(f) (xxviii),
224 the annual amount of the fee-in-lieu apportioned to the county
225 shall not be less than the amount necessary to pay the annual debt
226 service on bonds issued by the county pursuant to Section
227 57-75-37(3) (c) .

228 **SECTION 2.** This act shall take effect and be in force from
229 and after July 1, 2019.

