

By: Senator(s) Blackwell

To: Municipalities; Finance

SENATE BILL NO. 2203

1 AN ACT TO AMEND SECTIONS 27-31-101 AND 27-31-103, MISSISSIPPI
2 CODE OF 1972, TO PROVIDE THAT IF A MUNICIPALITY ANNEXES AN AREA
3 ALREADY CONTAINING AN ENTERPRISE OF A KIND OTHERWISE ELIGIBLE TO
4 RECEIVE DISCRETIONARY AD VALOREM TAX EXEMPTIONS AS A NEW
5 ENTERPRISE, SUCH ENTERPRISE SHALL BE CONSIDERED A "NEW ENTERPRISE"
6 FOR PURPOSES OF THE MUNICIPALITY'S AUTHORITY TO GRANT THE
7 DISCRETIONARY EXEMPTIONS; TO PROVIDE THAT THE DATE FROM WHICH THE
8 INITIAL PERIOD OF EXEMPTION BEGINS SHALL BE THE EFFECTIVE DATE OF
9 THE ANNEXATION OF THE AREA IN WHICH THE ENTERPRISE IS LOCATED; TO
10 AMEND SECTIONS 27-31-104, 27-31-105, 27-31-107 AND 27-31-115
11 MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND FOR RELATED
12 PURPOSES.

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

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

16 **[Through June 30, * * * 2023, this section shall read as**
17 **follows:]**

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



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



49 case, the exemption shall begin on the anniversary date of
50 completion of the enterprise in the year in which the request is
51 made and may be for a period of time extending not more than ten
52 (10) years from the date of completion of the new enterprise. Any
53 subsequent request for the exemption must be made in writing by
54 June 1 of the year in which it is granted.

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

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



74 trucks belonging thereto and operating on and over the highways of
75 the State of Mississippi, are enumerated as and limited to the
76 following, as determined by the Department of Revenue:

- 77 (i) Warehouse and/or distribution centers;
- 78 (ii) Manufacturing, processors and refineries;
- 79 (iii) Research facilities;
- 80 (iv) Corporate regional and national headquarters
81 meeting minimum criteria established by the Mississippi
82 Development Authority;
- 83 (v) Movie industry studios meeting minimum
84 criteria established by the Mississippi Development Authority;
- 85 (vi) Air transportation and maintenance facilities
86 meeting minimum criteria established by the Mississippi
87 Development Authority;
- 88 (vii) Recreational facilities that impact tourism
89 meeting minimum criteria established by the Mississippi
90 Development Authority;
- 91 (viii) Data/information processing enterprises
92 meeting minimum criteria established by the Mississippi
93 Development Authority;
- 94 (ix) Technology intensive enterprises or
95 facilities meeting criteria established by the Mississippi
96 Development Authority;
- 97 (x) Health care industry facilities as defined in
98 Section 57-117-3;



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

and

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

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



assessed for ad valorem tax purposes. If an exemption is granted pursuant to this section with respect to any leasehold interest under a lease, sublease or license of tangible property used in connection with, or necessary to, the operation of an enterprise enumerated in paragraph (a) of this subsection (3), the corresponding ownership interest of the owner, lessor and sublessor of such tangible property shall similarly and automatically be exempt without any action being required to be taken by such owner, lessor or sublessor.

(4) If a municipality annexes an area already containing an enterprise of a kind enumerated in paragraph (a) of subsection (3) of this section, such enterprise shall be considered a "new enterprise" for purposes of the municipality's authority to grant, in its discretion, any exemptions from ad valorem taxation authorized by this chapter. The date from which the initial period of exemption begins shall be the effective date of the annexation of the area in which the enterprise is located.

(* * *5) Any exemption from ad valorem taxes granted under this section before March 28, 2019, and consistent herewith, is hereby ratified, approved and confirmed.

[From and after July 1, * * * 2023, this section shall read as follows:]

27-31-101. (1) County boards of supervisors and municipal authorities are hereby authorized and empowered, in their discretion, to grant exemptions from ad valorem taxation, except



149 state ad valorem taxation; however, such governing authorities
150 shall not exempt ad valorem taxes for school district purposes on
151 tangible property used in, or necessary to, the operation of the
152 manufacturers and other new enterprises enumerated by classes in
153 this section, except to the extent authorized in Sections
154 27-31-104 and 27-31-105(2), nor shall they exempt from ad valorem
155 taxes the products of the manufacturers or other new enterprises
156 or automobiles and trucks belonging to the manufacturers or other
157 new enterprises operating on and over the highways of the State of
158 Mississippi. The time of such exemption shall be for a period not
159 to exceed a total of ten (10) years which shall begin on the date
160 of completion of the new enterprise for which the exemption is
161 granted; however, boards of supervisors and municipal authorities,
162 in lieu of granting the exemption for one (1) period of ten (10)
163 years, may grant the exemption in a period of less than ten (10)
164 years. When the initial exemption period granted is less than ten
165 (10) years, the boards of supervisors and municipal authorities
166 may grant a subsequent consecutive period or periods to follow the
167 initial period of exemption, provided that the total of all
168 periods of exemption shall not exceed ten (10) years. The date of
169 completion of the new enterprise, from which the initial period of
170 exemption shall begin, shall be the date on which operations of
171 the new enterprise begin. The initial request for an exemption
172 must be made in writing by June 1 of the year immediately
173 following the year in which the date of completion of a new



enterprise occurs. If the initial request for the exemption is not timely made, the board of supervisors or municipal authorities may grant a subsequent request for the exemption and, in such case, the exemption shall begin on the anniversary date of completion of the enterprise in the year in which the request is made and may be for a period of time extending not more than ten (10) years from the date of completion of the new enterprise. Any subsequent request for the exemption must be made in writing by June 1 of the year in which it is granted.

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

(3) (a) The new enterprises for which any or all of the tangible property described in paragraph (b) of this subsection



(3) may be exempt from ad valorem taxation, except state ad valorem taxation, ad valorem taxes for school district purposes, and ad valorem taxes on the products thereof or on automobiles and trucks belonging thereto and operating on and over the highways of the State of Mississippi, are enumerated as and limited to the following, as determined by the Department of Revenue:

- (i) Warehouse and/or distribution centers;
- (ii) Manufacturing, processors and refineries;
- (iii) Research facilities;
- (iv) Corporate regional and national headquarters meeting minimum criteria established by the Mississippi Development Authority;
- (v) Movie industry studios meeting minimum criteria established by the Mississippi Development Authority;
- (vi) Air transportation and maintenance facilities meeting minimum criteria established by the Mississippi Development Authority;
- (vii) Recreational facilities that impact tourism meeting minimum criteria established by the Mississippi Development Authority;
- (viii) Data/information processing enterprises meeting minimum criteria established by the Mississippi Development Authority;



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

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

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

(b) An exemption from ad valorem taxes granted under this section may include any or all tangible property, real or personal, including any leasehold interests therein but excluding automobiles and trucks operating on and over the highways of the State of Mississippi, used in connection with, or necessary to, the operation of an enterprise enumerated in paragraph (a) of this



subsection (3), whether or not such property is owned, leased, subleased, licensed or otherwise obtained by such enterprise, irrespective of the taxpayer to which any such leased property is assessed for ad valorem tax purposes. If an exemption is granted pursuant to this section with respect to any leasehold interest under a lease, sublease or license of tangible property used in connection with, or necessary to, the operation of an enterprise enumerated in paragraph (a) of this subsection (3), the corresponding ownership interest of the owner, lessor and sublessor of such tangible property shall similarly and automatically be exempt without any action being required to be taken by such owner, lessor or sublessor.

(4) If a municipality annexes an area already containing an enterprise of a kind enumerated in paragraph (a) of subsection (3) of this section, such enterprise shall be considered a "new enterprise" for purposes of the municipality's authority to grant, in its discretion, any exemptions from ad valorem taxation authorized by this chapter. The date from which the initial period of exemption begins shall be the effective date of the annexation of the area in which the enterprise is located.

(* * *5) Any exemption from ad valorem taxes granted under this section before March 28, 2019, and consistent herewith, is hereby ratified, approved and confirmed.

SECTION 2. Section 27-31-103, Mississippi Code of 1972, is amended as follows:



272 27-31-103. County boards of supervisors and municipal
273 authorities in counties bordering on the Gulf of Mexico are hereby
274 authorized and empowered, in their discretion, to grant exemption
275 from ad valorem taxation in addition to those enumerated in
276 Section 27-31-101, except state ad valorem taxation, on all
277 tangible property, excepting motor vehicles, used in or necessary
278 to the operation of new enterprises completed after May 6, 1958,
279 which enterprises are commonly or are usually designated as
280 hotels, motels, or both. If a municipality annexes an area
281 already containing an enterprise commonly or usually designated as
282 a hotel or motel, such enterprise shall be considered a "new
283 enterprise" for purposes of the municipality's authority to grant,
284 in its discretion, the exemption from ad valorem taxation
285 authorized by this section. The date from which the initial
286 period of exemption begins shall be the effective date of the
287 annexation of the area in which the enterprise is located.

288 In the case of the county board of supervisors, the exemption
289 shall not exceed five (5) years and in the case of the municipal
290 authorities, the exemption shall not exceed ten (10) years. Said
291 exemption may be granted in the case of domestic corporations,
292 without regard to the date of its charter, and in the case of
293 foreign corporations, without regard to the date on which it
294 qualified to do business, and is authorized to do business, and in
295 the case of an individual enterprise, said exemption shall be
296 granted from the date said work is commenced.



No new exemption from ad valorem taxes levied for school district purposes shall be granted pursuant to this section from and after July 1, 1990.

SECTION 3. Section 27-31-104, Mississippi Code of 1972, is amended as follows:

[Through June 30, * * * 2023, this section shall read as follows:]

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

(i) Projects totaling over Sixty Million Dollars (\$60,000,000.00) by any new enterprises enumerated in Section 27-31-101, including enterprises annexed by a municipality as provided in Section 27-31-101(4);

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

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

(iv) Projects, in addition to those projects referenced in Section 27-31-105, totaling over Sixty Million



Dollars (\$60,000,000.00) by an existing enterprise that has been doing business in the county or municipality for twenty-four (24) months. For purposes of this subparagraph (iv), the term "existing enterprise" includes those enterprises enumerated in Section 27-31-101; or

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

(b) A fee-in-lieu of ad valorem taxes granted in accordance with this section may include any or all tangible property, real or personal, including any leasehold interests therein but excluding automobiles and trucks operating on and over the highways of the State of Mississippi, used in connection with, or necessary to, the operation of any enterprise, private company or business described in paragraph (a) of this subsection (1), as applicable, whether or not such property is owned, leased, subleased, licensed or otherwise obtained by such enterprise, private company or business, as applicable, irrespective of the taxpayer to which any such leased property is assessed for ad valorem tax purposes. If a fee-in-lieu of ad valorem taxes is granted pursuant to this section with respect to any leasehold



347 interest under a lease, sublease or license of tangible property
348 used in connection with, or necessary to, the operation of an
349 enterprise, private company or business described in paragraph (a)
350 of this subsection (1), as applicable, the corresponding ownership
351 interest of the owner, lessor and sublessor of such tangible
352 property shall similarly and automatically be exempt and subject
353 to the fee-in-lieu granted in accordance herewith without any
354 action being required to be taken by such owner, lessor or
355 sublessor.

356 (2) A county board of supervisors may enter into a
357 fee-in-lieu agreement on behalf of the county and any county
358 school district, and a municipality may enter into such a
359 fee-in-lieu agreement on behalf of the municipality and any
360 municipal school district located in the municipality; however, if
361 the project is located outside the limits of a municipality but
362 within the boundaries of the municipal school district, then the
363 county board of supervisors may enter into such a fee-in-lieu
364 agreement on behalf of the school district granting a fee-in-lieu
365 of ad valorem taxes for school district purposes.

366 (3) Any grant of a fee-in-lieu of ad valorem taxes shall be
367 evidenced by a written agreement negotiated by the enterprise and
368 the county board of supervisors and/or municipal authority, as the
369 case may be, and given final approval by the Mississippi
370 Development Authority as satisfying the requirements of this
371 section.



(4) The minimum sum allowable as a fee-in-lieu shall not be less than one-third (1/3) of the ad valorem levy, including ad valorem taxes for school district purposes, and except as otherwise provided, the sum allowed shall be apportioned between the county or municipality, as appropriate, and the school districts in such amounts as may be determined by the county board of supervisors or municipal governing authority, as the case may be, however, except as otherwise provided in this section, from the sum allowed the apportionment to school districts shall not be less than the school districts' pro rata share based upon the proportion that the millage imposed for the school districts by the appropriate levying authority bears to the millage imposed by such levying authority for all other county or municipal purposes. Any fee-in-lieu agreement entered into under this section shall become a binding obligation of the parties to the agreement, be effective upon its execution by the parties and approval by the Mississippi Development Authority and, except as otherwise provided in Section 17-25-23 or Section 57-75-33, or any other provision of law, continue in effect for a period not to exceed thirty (30) years commencing on the date that the fee-in-lieu granted thereunder begins in accordance with the agreement; however, no particular parcel of land, real property improvement or item of personal property shall be subject to a fee-in-lieu for a duration of more than ten (10) years. Any such agreement shall be binding, according to its terms, on future boards of



supervisors of the county and/or governing authorities of a municipality, as the case may be, for the duration of the agreement.

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

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

(7) For a project as defined in Section 57-75-5(f)(xxi) and located in a county that is a member of a regional economic development alliance created under Section 57-64-1, et seq., the members of the regional economic development alliance may divide



the sum allowed as a fee-in-lieu in a manner as determined by the alliance agreement, and the boards of supervisors of the member counties may then apportion the sum allowed between school district purposes and all other county purposes.

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

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

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

[From and after July 1, * * * 2023, this section shall read as follows:]

27-31-104. (1) (a) County boards of supervisors and municipal authorities are each hereby authorized and empowered to enter into an agreement with an enterprise granting, and pursuant to such agreement grant a fee-in-lieu of ad valorem taxes,



including ad valorem taxes levied for school purposes, for the following:

(i) Projects totaling over Sixty Million Dollars (\$60,000,000.00) by any new enterprises enumerated in Section 27-31-101, including enterprises annexed by a municipality as provided in Section 27-31-101(4);

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

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

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



471 (b) A fee-in-lieu of ad valorem taxes granted in
472 accordance with this section may include any or all tangible
473 property, real or personal, including any leasehold interests
474 therein but excluding automobiles and trucks operating on and over
475 the highways of the State of Mississippi, used in connection with,
476 or necessary to, the operation of any enterprise, private company
477 or business described in paragraph (a) of this subsection (1), as
478 applicable, whether or not such property is owned, leased,
479 subleased, licensed or otherwise obtained by such enterprise,
480 private company or business, as applicable, irrespective of the
481 taxpayer to which any such leased property is assessed for ad
482 valorem tax purposes. If a fee-in-lieu of ad valorem taxes is
483 granted pursuant to this section with respect to any leasehold
484 interest under a lease, sublease or license of tangible property
485 used in connection with, or necessary to, the operation of an
486 enterprise, private company or business described in paragraph (a)
487 of this subsection (1), as applicable, the corresponding ownership
488 interest of the owner, lessor and sublessor of such tangible
489 property shall similarly and automatically be exempt and subject
490 to the fee-in-lieu granted in accordance herewith without any
491 action being required to be taken by such owner, lessor or
492 sublessor.

493 (2) A county board of supervisors may enter into a
494 fee-in-lieu agreement on behalf of the county and any county
495 school district, and a municipality may enter into such a



496 fee-in-lieu agreement on behalf of the municipality and any
497 municipal school district located in the municipality; however, if
498 the project is located outside the limits of a municipality but
499 within the boundaries of the municipal school district, then the
500 county board of supervisors may enter into such a fee-in-lieu
501 agreement on behalf of the school district granting a fee-in-lieu
502 of ad valorem taxes for school district purposes.

503 (3) Any grant of a fee-in-lieu of ad valorem taxes shall be
504 evidenced by a written agreement negotiated by the enterprise and
505 the county board of supervisors and/or municipal authority, as the
506 case may be, and given final approval by the Mississippi
507 Development Authority as satisfying the requirements of this
508 section.

509 (4) The minimum sum allowable as a fee-in-lieu shall not be
510 less than one-third (1/3) of the ad valorem levy, including ad
511 valorem taxes for school district purposes, and except as
512 otherwise provided, the sum allowed shall be apportioned between
513 the county or municipality, as appropriate, and the school
514 districts in such amounts as may be determined by the county board
515 of supervisors or municipal governing authority, as the case may
516 be, however, except as otherwise provided in this section, from
517 the sum allowed the apportionment to school districts shall not be
518 less than the school districts' pro rata share based upon the
519 proportion that the millage imposed for the school districts by
520 the appropriate levying authority bears to the millage imposed by



such levying authority for all other county or municipal purposes.
Any fee-in-lieu agreement entered into under this section shall
become a binding obligation of the parties to the agreement, be
effective upon its execution by the parties and approval by the
Mississippi Development Authority and, except as otherwise
provided in Section 17-25-23 or Section 57-75-33, or any other
provision of law, continue in effect for a period not to exceed
thirty (30) years commencing on the date that the fee-in-lieu
granted thereunder begins in accordance with the agreement;
however, no particular parcel of land, real property improvement
or item of personal property shall be subject to a fee-in-lieu for
a duration of more than ten (10) years. Any such agreement shall
be binding, according to its terms, on future boards of
supervisors of the county and/or governing authorities of a
municipality, as the case may be, for the duration of the
agreement.

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



(1/3) of the total of all ad valorem taxes otherwise payable as annually determined during each year of the fee-in-lieu.

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

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

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



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

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

SECTION 4. Section 27-31-105, Mississippi Code of 1972, is amended as follows:

27-31-105. (1) Any person, firm or corporation who owns or operates a manufacturing or other enterprise of public utility as enumerated in Section 27-31-101 and who makes additions to or expansions of the facilities or properties or replaces equipment used in connection with or necessary to the operation of such enterprise may be granted an exemption from ad valorem taxation, except state ad valorem taxation, ad valorem taxes for school district purposes, and ad valorem taxes on the products thereof or on automobiles and trucks belonging thereto and operating on and over the highways of the State of Mississippi, upon each addition to or expansion of the facility or property or replacement of equipment, used in connection with, or necessary to, the operation of an enterprise enumerated in Section 27-31-101, whether or not such property is owned, leased, subleased, licensed or otherwise obtained by such enterprise, irrespective of the taxpayer to which



595 any such leased property is assessed for ad valorem tax purposes,
596 within the discretion of the county board of supervisors and
597 municipal authorities; however, such governing authorities shall
598 not exempt ad valorem taxes for school district purposes on such
599 additions or expansions of the facility or property, or
600 replacement of equipment. If an exemption is granted pursuant to
601 this subsection (1) with respect to any leasehold interest under a
602 lease, sublease or license of tangible property used in connection
603 with, or necessary to, the operation of an enterprise enumerated
604 in Section 27-31-101, the corresponding ownership interest of the
605 owner, lessor and sublessor of such tangible property shall
606 similarly and automatically be exempt without any action being
607 required to be taken by such owner, lessor or sublessor. In order
608 to obtain the exemptions authorized by this section, a person,
609 firm or corporation shall follow the same procedure prescribed for
610 obtaining an exemption on a new enterprise, except as otherwise
611 provided in this section. For any additions, expansions or
612 replacements with reference to any particular new enterprise,
613 including an enterprise annexed by a municipality as provided in
614 Section 27-31-101(4), which have been completed during any
615 calendar year, only one (1) request must be made for the
616 exemptions sought for the additions, expansions or replacements.
617 The time of the exemption shall commence from the date of
618 completion of the additions, expansions or replacements, and shall
619 extend for a period not to exceed ten (10) years thereafter;



620 however, boards of supervisors and municipal authorities, in lieu
621 of granting the exemption for one (1) period of ten (10) years,
622 may grant the exemption in consecutive periods of five (5) years
623 each, but the total of such consecutive periods shall not exceed
624 ten (10) years. The initial request for an exemption must be made
625 in writing by June 1 of the year immediately following the year in
626 which the additions, expansions or replacements are completed. If
627 the initial request for the exemption is not timely made, the
628 board of supervisors or municipal authorities may grant a
629 subsequent request for the exemption and, in such case, the
630 exemption shall begin on the anniversary date of completion of the
631 additions, expansions or replacements in the year in which the
632 request is made and may be for a period of time extending not more
633 than ten (10) years from the date of completion of the additions,
634 expansions or replacements. Any subsequent request for the
635 exemption must be made in writing by June 1 of the year in which
636 it is granted. Any exemption from ad valorem taxes granted under
637 this subsection (1) before March 28, 2019, and consistent
638 herewith, is hereby ratified, approved and confirmed.

639 (2) For expansions of facilities or properties, or
640 replacement of equipment, county boards of supervisors and
641 municipal authorities may grant a fee in lieu of taxes in the same
642 manner, to the same extent, and with the same qualifying threshold
643 as provided for projects under Section 27-31-104, Mississippi Code
644 of 1972. Any fee-in-lieu of taxes granted under this subsection



(2) before March 28, 2019, and consistent herewith, is hereby
ratified, approved and confirmed.

SECTION 5. Section 27-31-107, Mississippi Code of 1972, is
amended as follows:

27-31-107. Any person, firm or corporation claiming
exemptions from municipal or county ad valorem taxation as
provided in Sections 27-31-101 through 27-31-117 shall first file
an application with the governing authorities of the municipality
or the county board of supervisors, as the case may be, on or
before June 1 of the year following the year of completion or
annexation of the new enterprise, or completion of the expansion
or addition; however, no such application shall be required for,
nor shall this section otherwise apply to, any fee-in-lieu of ad
valorem taxation, granted pursuant to Section 27-31-104 or
27-31-105(2). Each copy shall be subscribed and sworn to by the
individual making the application or, if a firm or corporation, by
an officer or person duly authorized to do so. In the
application, full information shall be given as to the property
proposed to be exempted, the kind of articles to be manufactured,
and the date from which exemption is claimed. Each application
shall also show an itemized listing of the true value of all such
property sought to be exempted. The governing authorities of the
municipality or county board of supervisors may, by resolution
spread on its minutes, approve such application for all or any
part of the property sought to be exempted and for all or any part



of the authorized period of exemption. The resolution of approval shall also have an itemized listing of the true value of all property to be exempted. The application, together with the resolution of approval, shall be forwarded to the Department of Revenue within thirty (30) days from the date of the resolution. The department shall proceed to investigate the matter and determine whether the property is eligible for the exemption. After investigation of the eligibility of the property, the department shall certify its determination to the governing authorities of the municipality or the county board of supervisors. If such property sought to be exempted is not eligible for such exemption, as above set forth, the Department of Revenue shall so certify. If the Department of Revenue certifies that the applicant is eligible for an exemption, it shall be discretionary with the board of supervisors or municipal authorities as to whether they grant the exemption, but in no event shall an exemption be granted if the Department of Revenue certifies that the applicant is not eligible for an exemption. The original copy of the application for exemption shall be returned to the governing authorities of the municipality or the county board of supervisors, as the case may be.

SECTION 6. Section 27-31-115, Mississippi Code of 1972, is amended as follows:

27-31-115. All municipalities may grant like exemptions from municipal ad valorem taxation for a period not exceeding ten (10)



695 years to all manufacturers and other new enterprises, including
696 annexed enterprises, mentioned in Section 27-31-101 hereof, and
697 gasworks, waterworks, cooperative electrification associations,
698 excepting railroads and additions or expansions or replacements
699 mentioned in Section 27-31-105 hereof; however, municipal
700 authorities, in lieu of granting the exemption for one (1) period
701 of ten (10) years, may grant the exemption in consecutive periods
702 of less than ten (10) years, but the total of such consecutive
703 periods shall not exceed ten (10) years.

704 No new exemption from ad valorem taxes levied for school
705 district purposes shall be granted pursuant to this section from
706 and after July 1, 1990.

707 **SECTION 7.** This act shall take effect and be in force from
708 and after its passage.

