

By: Representative Hopkins

To: Ways and Means

HOUSE BILL NO. 551

1 AN ACT TO AMEND SECTION 27-31-1, MISSISSIPPI CODE OF 1972, TO  
2 EXEMPT ALL REAL PROPERTY, EXCLUDING IMPROVEMENTS THEREON, FROM AD  
3 VALOREM TAXATION; AND FOR RELATED PURPOSES.

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

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

7 27-31-1. The following shall be exempt from taxation:

8 (a) All cemeteries used exclusively for burial  
9 purposes.

10 (b) All property, real or personal, belonging to the  
11 State of Mississippi or any of its political subdivisions, except  
12 property of a municipality not being used for a proper municipal  
13 purpose and located outside the county or counties in which such  
14 municipality is located. A proper municipal purpose within the  
15 meaning of this section shall be any authorized governmental or  
16 corporate function of a municipality.

17 (c) All property, real or personal, owned by units of  
18 the Mississippi National Guard, or title to which is vested in



19 trustees for the benefit of any unit of the Mississippi National  
20 Guard; provided such property is used exclusively for such unit,  
21 or for public purposes, and not for profit.

22 (d) All property, real or personal, belonging to any  
23 religious society, or ecclesiastical body, or any congregation  
24 thereof, or to any charitable society, or to any historical or  
25 patriotic association or society, or to any garden or pilgrimage  
26 club or association and used exclusively for such society or  
27 association and not for profit; not exceeding, however, the amount  
28 of land which such association or society may own as provided in  
29 Section 79-11-33. All property, real or personal, belonging to  
30 any rural waterworks system or rural sewage disposal system  
31 incorporated under the provisions of Section 79-11-1. All  
32 property, real or personal, belonging to any college or  
33 institution for the education of youths, used directly and  
34 exclusively for such purposes, provided that no such college or  
35 institution for the education of youths shall have exempt from  
36 taxation more than six hundred forty (640) acres of land;  
37 provided, however, this exemption shall not apply to commercial  
38 schools and colleges or trade institutions or schools where the  
39 profits of same inure to individuals, associations or  
40 corporations. All property, real or personal, belonging to an  
41 individual, institution or corporation and used for the operation  
42 of a grammar school, junior high school, high school or military  
43 school. All property, real or personal, owned and occupied by a



44 fraternal and benevolent organization, when used by such  
45 organization, and from which no rentals or other profits accrue to  
46 the organization, but any part rented or from which revenue is  
47 received shall be taxed.

48 (e) All property, real or personal, held and occupied  
49 by trustees of public schools, and school lands of the respective  
50 townships for the use of public schools, and all property kept in  
51 storage for the convenience and benefit of the State of  
52 Mississippi in warehouses owned or leased by the State of  
53 Mississippi, wherein said property is to be sold by the Alcoholic  
54 Beverage Control Division of the Department of Revenue of the  
55 State of Mississippi.

56 (f) All property, real or personal, whether belonging  
57 to religious or charitable or benevolent organizations, which is  
58 used for hospital purposes, and nurses' homes where a part  
59 thereof, and which maintain one or more charity wards that are for  
60 charity patients, and where all the income from said hospitals and  
61 nurses' homes is used entirely for the purposes thereof and no  
62 part of the same for profit.

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

66 (h) Provisions on hand for family consumption.

67 (i) All farm products grown in this state for a period  
68 of two (2) years after they are harvested, when in the possession



69 of or the title to which is in the producer, except the tax of  
70 one-fifth of one percent (1/5 of 1%) per pound on lint cotton now  
71 levied by the Board of Commissioners of the Mississippi Levee  
72 District; and lint cotton for five (5) years, and cottonseed,  
73 soybeans, oats, rice and wheat for one (1) year regardless of  
74 ownership.

75 (j) All guns and pistols kept by the owner for private  
76 use.

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

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

82 (m) All cattle and oxen.

83 (n) All sheep, goats and hogs.

84 (o) All horses, mules and asses.

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

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

90 (r) The libraries of all persons.

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



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

95           (u) All state, county, municipal, levee, drainage and  
96 all school bonds or other governmental obligations, and all bonds  
97 and/or evidences of debts issued by any church or church  
98 organization in this state, and all notes and evidences of  
99 indebtedness which bear a rate of interest not greater than the  
100 maximum rate per annum applicable under the law; and all money  
101 loaned at a rate of interest not exceeding the maximum rate per  
102 annum applicable under the law; and all stock in or bonds of  
103 foreign corporations or associations shall be exempt from all ad  
104 valorem taxes.

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

109           (w) Any and all money on deposit in either national  
110 banks, state banks or trust companies, on open account, savings  
111 account or time deposit.

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

114           (y) (i) Boats, seines and fishing equipment used in  
115 fishing and shrimping operations and in the taking or catching of  
116 oysters.



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

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

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

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

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

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

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

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



142                                   b. The manufacturer, builder, converter  
143 or other entity possessing the vessel must be in compliance with  
144 any lease or other agreement with any applicable port authority or  
145 other entity regarding the vessel and in compliance with all  
146 applicable tax laws of this state and applicable federal tax laws.

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

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

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

164                                   (bb) All growing nursery stock.

165                                   (cc) A semitrailer used in interstate commerce.



166 (dd) All property, real or personal, used exclusively  
167 for the housing of and provision of services to elderly persons,  
168 disabled persons, mentally impaired persons or as a nursing home,  
169 which is owned, operated and managed by a not-for-profit  
170 corporation, qualified under Section 501(c)(3) of the Internal  
171 Revenue Code, whose membership or governing body is appointed or  
172 confirmed by a religious society or ecclesiastical body or any  
173 congregation thereof.

174 (ee) All vessels while in the hands of bona fide  
175 dealers as merchandise and which are not being operated upon the  
176 waters of this state shall be exempt from ad valorem taxes. As  
177 used in this paragraph, the terms "vessel" and "waters of this  
178 state" shall have the meaning ascribed to such terms in Section  
179 59-21-3.

180 (ff) All property, real or personal, owned by a  
181 nonprofit organization that: (i) is qualified as tax exempt under  
182 Section 501(c)(4) of the Internal Revenue Code of 1986, as  
183 amended; (ii) assists in the implementation of the national  
184 contingency plan or area contingency plan, and which is created in  
185 response to the requirements of Title IV, Subtitle B of the Oil  
186 Pollution Act of 1990, Public Law 101-380; (iii) engages primarily  
187 in programs to contain, clean up and otherwise mitigate spills of  
188 oil or other substances occurring in the United States coastal or  
189 tidal waters; and (iv) is used for the purposes of the  
190 organization.





191 (gg) If a municipality changes its boundaries so as to  
192 include within the boundaries of such municipality the project  
193 site of any project as defined in Section 57-75-5(f)(iv)1, Section  
194 57-75-5(f)(xxi) or Section 57-75-5(f)(xxviii) or Section  
195 57-75-5(f)(xxix), all real and personal property located on the  
196 project site within the boundaries of such municipality that is  
197 owned by a business enterprise operating such project, shall be  
198 exempt from ad valorem taxation for a period of time not to exceed  
199 thirty (30) years upon receiving approval for such exemption by  
200 the Mississippi Major Economic Impact Authority. The provisions  
201 of this paragraph shall not be construed to authorize a breach of  
202 any agreement entered into pursuant to Section 21-1-59.

203 (hh) All leases, lease contracts or lease agreements  
204 (including, but not limited to, subleases, sublease contracts and  
205 sublease agreements), and leaseholds or leasehold interests  
206 (including, but not limited to, subleaseholds and subleasehold  
207 interests), of or with respect to any and all property (real,  
208 personal or mixed) constituting all or any part of a facility for  
209 the manufacture, production, generation, transmission and/or  
210 distribution of electricity, and any real property related  
211 thereto, shall be exempt from ad valorem taxation during the  
212 period as the United States is both the title owner of the  
213 property and a sublessee of or with respect to the property;  
214 however, the exemption authorized by this paragraph (hh) shall not  
215 apply to any entity to whom the United States sub-subleases its



216 interest in the property nor to any entity to whom the United  
217 States assigns its sublease interest in the property. As used in  
218 this paragraph, the term "United States" includes an agency or  
219 instrumentality of the United States of America. This paragraph  
220 (hh) shall apply to all assessments for ad valorem taxation for  
221 the 2003 calendar year and each calendar year thereafter.

222 (ii) All property, real, personal or mixed, including  
223 fixtures and leaseholds, used by Mississippi nonprofit entities  
224 qualified, on or before January 1, 2005, under Section 501(c)(3)  
225 of the Internal Revenue Code to provide support and operate  
226 technology incubators for research and development startup  
227 companies, telecommunication startup companies and/or other  
228 technology startup companies, utilizing technology spun-off from  
229 research and development activities of the public colleges and  
230 universities of this state, State of Mississippi governmental  
231 research or development activities resulting therefrom located  
232 within the State of Mississippi.

233 (jj) All property, real, personal or mixed, including  
234 fixtures and leaseholds, of startup companies (as described in  
235 paragraph (ii) of this section) for the period of time, not to  
236 exceed five (5) years, that the startup company remains a tenant  
237 of a technology incubator (as described in paragraph (ii) of this  
238 section).

239 (kk) All leases, lease contracts or lease agreements  
240 (including, but not limited to, subleases, sublease contracts and



241 sublease agreements), and leaseholds or leasehold interests, of or  
242 with respect to any and all property (real, personal or mixed)  
243 constituting all or any part of an auxiliary facility, and any  
244 real property related thereto, constructed or renovated pursuant  
245 to Section 37-101-41, Mississippi Code of 1972.

246 (ll) Equipment brought into the state temporarily for  
247 use during a disaster response period as provided in Sections  
248 27-113-1 through 27-113-9 and subsequently removed from the state  
249 on or before the end of the disaster response period as defined in  
250 Section 27-113-5.

251 (mm) For any lease or contractual arrangement to which  
252 the Department of Finance and Administration and a nonprofit  
253 corporation are a party to as provided in Section 39-25-1(5), the  
254 nonprofit corporation shall, along with the possessory and  
255 leasehold interests and/or real and personal property of the  
256 corporation, be exempt from all ad valorem taxation, including,  
257 but not limited to, school, city and county ad valorem taxes, for  
258 the term or period of time stated in the lease or contractual  
259 arrangement.

260 (nn) All property, real or personal, that is owned,  
261 operated and managed by a not-for-profit corporation qualified under  
262 Section 501(c)(3) of the Internal Revenue Code, and used to provide,  
263 free of charge, (i) a practice facility for a public school district  
264 swim team, and (ii) a facility for another not-for-profit  
265 organization as defined under Section 501(c)(3) of the Internal



266 Revenue Code to conduct water safety and lifeguard training programs.  
267 This section shall not apply to real or personal property owned by a  
268 country club, tennis club with a pool, or any club requiring stock  
269 ownership for membership.

270 (oo) From and after January 1, 2023, all real property,  
271 excluding any improvements thereon.

272 **SECTION 2.** This act shall take effect and be in force from  
273 and after July 1, 2022.

