

By: Representative Harness

To: Ways and Means

HOUSE BILL NO. 1544

1 AN ACT TO AMEND SECTION 27-31-1, MISSISSIPPI CODE OF 1972, TO
 2 EXEMPT FROM AD VALOREM TAXATION ALL PROPERTY, REAL OR PERSONAL,
 3 BELONGING TO ANY FOUNDATION ORGANIZED AS A NONPROFIT CORPORATION,
 4 THAT IS EXEMPT FROM FEDERAL INCOME TAXATION UNDER SECTION
 5 501(C)(3) OF THE INTERNAL REVENUE CODE, AND THAT RECEIVES, INVESTS
 6 AND ADMINISTERS PRIVATE SUPPORT FOR A STATE INSTITUTION OF HIGHER
 7 LEARNING; AND FOR RELATED PURPOSES.

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

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

11 27-31-1. The following shall be exempt from taxation:

12 (a) All cemeteries used exclusively for burial
 13 purposes.

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



21 (c) All property, real or personal, owned by units of
22 the Mississippi National Guard, or title to which is vested in
23 trustees for the benefit of any unit of the Mississippi National
24 Guard; provided such property is used exclusively for such unit,
25 or for public purposes, and not for profit.

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



46 of a grammar school, junior high school, high school or military
47 school. All property, real or personal, owned and occupied by a
48 fraternal and benevolent organization, when used by such
49 organization, and from which no rentals or other profits accrue to
50 the organization, but any part rented or from which revenue is
51 received shall be taxed.

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

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

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

70 (h) Provisions on hand for family consumption.



71 (i) All farm products grown in this state for a period
72 of two (2) years after they are harvested, when in the possession
73 of or the title to which is in the producer, except the tax of
74 one-fifth of one percent (1/5 of 1%) per pound on lint cotton now
75 levied by the Board of Commissioners of the Mississippi Levee
76 District; and lint cotton for five (5) years, and cottonseed,
77 soybeans, oats, rice and wheat for one (1) year regardless of
78 ownership.

79 (j) All guns and pistols kept by the owner for private
80 use.

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

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

86 (m) All cattle and oxen.

87 (n) All sheep, goats and hogs.

88 (o) All horses, mules and asses.

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

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

94 (r) The libraries of all persons.



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

97 (t) The tools of any mechanic necessary for carrying on
98 his trade.

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

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

113 (w) Any and all money on deposit in either national
114 banks, state banks or trust companies, on open account, savings
115 account or time deposit.

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



118 (y) (i) Boats, seines and fishing equipment used in
119 fishing and shrimping operations and in the taking or catching of
120 oysters.

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

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

126 (ii) Vessels while under construction and/or
127 conversion;

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

132 1. Vessels used for the exploration for, or
133 production of, oil, gas and other minerals offshore outside the
134 boundaries of this state; or

135 2. Vessels that were used for the exploration
136 for, or production of, oil, gas and other minerals that are
137 converted to a new service for use outside the boundaries of this
138 state;

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



142 a. Be operating or operable, generating
143 or capable of generating its own power or connected to some other
144 power source, and not removed from the service or use for which
145 manufactured or to which converted; and

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

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

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

163 (aa) Sixty-six and two-thirds percent (66-2/3%) of
164 nuclear fuel and reprocessed, recycled or residual nuclear fuel
165 by-products, fissionable or otherwise, used or to be used in



166 generation of electricity by persons defined as public utilities
167 in Section 77-3-3.

168 (bb) All growing nursery stock.

169 (cc) A semitrailer used in interstate commerce.

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

178 (ee) All vessels while in the hands of bona fide
179 dealers as merchandise and which are not being operated upon the
180 waters of this state shall be exempt from ad valorem taxes. As
181 used in this paragraph, the terms "vessel" and "waters of this
182 state" shall have the meaning ascribed to such terms in Section
183 59-21-3.

184 (ff) All property, real or personal, owned by a
185 nonprofit organization that: (i) is qualified as tax exempt under
186 Section 501(c)(4) of the Internal Revenue Code of 1986, as
187 amended; (ii) assists in the implementation of the national
188 contingency plan or area contingency plan, and which is created in
189 response to the requirements of Title IV, Subtitle B of the Oil
190 Pollution Act of 1990, Public Law 101-380; (iii) engages primarily



191 in programs to contain, clean up and otherwise mitigate spills of
192 oil or other substances occurring in the United States coastal or
193 tidal waters; and (iv) is used for the purposes of the
194 organization.

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

207 (hh) All leases, lease contracts or lease agreements
208 (including, but not limited to, subleases, sublease contracts and
209 sublease agreements), and leaseholds or leasehold interests
210 (including, but not limited to, subleaseholds and sublease hold
211 interests), of or with respect to any and all property (real,
212 personal or mixed) constituting all or any part of a facility for
213 the manufacture, production, generation, transmission and/or
214 distribution of electricity, and any real property related
215 thereto, shall be exempt from ad valorem taxation during the



216 period as the United States is both the title owner of the
217 property and a sublessee of or with respect to the property;
218 however, the exemption authorized by this paragraph (hh) shall not
219 apply to any entity to whom the United States sub-subleases its
220 interest in the property nor to any entity to whom the United
221 States assigns its sublease interest in the property. As used in
222 this paragraph, the term "United States" includes an agency or
223 instrumentality of the United States of America. This paragraph
224 (hh) shall apply to all assessments for ad valorem taxation for
225 the 2003 calendar year and each calendar year thereafter.

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

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



241 of a technology incubator (as described in paragraph (ii) of this
242 section).

243 (kk) All leases, lease contracts or lease agreements
244 (including, but not limited to, subleases, sublease contracts and
245 sublease agreements), and leaseholds or leasehold interests, of or
246 with respect to any and all property (real, personal or mixed)
247 constituting all or any part of an auxiliary facility, and any
248 real property related thereto, constructed or renovated pursuant
249 to Section 37-101-41, Mississippi Code of 1972.

250 (ll) Equipment brought into the state temporarily for
251 use during a disaster response period as provided in Sections
252 27-113-1 through 27-113-9 and subsequently removed from the state
253 on or before the end of the disaster response period as defined in
254 Section 27-113-5.

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

264 (nn) All property, real or personal, that is owned,
265 operated and managed by a not-for-profit corporation qualified under



266 Section 501(c)(3) of the Internal Revenue Code, and used to provide,
267 free of charge, (i) a practice facility for a public school district
268 swim team, and (ii) a facility for another not-for-profit
269 organization as defined under Section 501(c)(3) of the Internal
270 Revenue Code to conduct water safety and lifeguard training programs.
271 This section shall not apply to real or personal property owned by a
272 country club, tennis club with a pool, or any club requiring stock
273 ownership for membership.

274 (oo) All property, real or personal, belonging to any
275 foundation organized as a nonprofit corporation, that is exempt
276 from federal income taxation under Section 501(c)(3) of the
277 Internal Revenue Code, and that receives, invests and administers
278 private support for a state institution of higher learning. For
279 the purposes of this paragraph (oo), all property, real or
280 personal, belonging to an entity that is wholly owned by and
281 controlled by such a foundation shall be treated as belonging to
282 the foundation.

283 **SECTION 2.** Nothing in this act shall affect or defeat any
284 claim, assessment, appeal, suit, right or cause of action for
285 taxes due or accrued under the ad valorem tax laws before the date
286 on which this act becomes effective, whether such claims,
287 assessments, appeals, suits or actions have been begun before the
288 date on which this act becomes effective or are begun thereafter;
289 and the provisions of the ad valorem tax laws are expressly
290 continued in full force, effect and operation for the purpose of



291 the assessment, collection and enrollment of liens for any taxes
292 due or accrued and the execution of any warrant under such laws
293 before the date on which this act becomes effective, and for the
294 imposition of any penalties, forfeitures or claims for failure to
295 comply with such laws.

296 **SECTION 3.** This act shall take effect and be in force from
297 and after January 1, 2022.

