

By: Senator(s) Butler (36th), Simmons (13th) To: Finance

SENATE BILL NO. 2194

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

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

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

12 27-31-1. The following shall be exempt from taxation:

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

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



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

27 (d) All property, real or personal, belonging to any
28 religious society, or ecclesiastical body, or any congregation
29 thereof, or to any charitable society, or to any historical or
30 patriotic association or society, or to any garden or pilgrimage
31 club or association and used exclusively for such society or
32 association and not for profit; not exceeding, however, the amount
33 of land which such association or society may own as provided in
34 Section 79-11-33. All property, real or personal, belonging to
35 any foundation organized as a nonprofit corporation that is exempt
36 from federal income taxation under Section 501(c)(3) of the
37 Internal Revenue Code and that receives, invests and administers
38 private support for a state-supported institution of higher
39 learning. For the sole purpose of applying the preceding
40 sentence, all property, real or personal, belonging to an entity
41 that is wholly owned by and controlled by such a foundation shall
42 be treated as belonging to the foundation. All property, real or
43 personal, belonging to any rural waterworks system or rural sewage
44 disposal system incorporated under the provisions of Section
45 79-11-1. All property, real or personal, belonging to any college
46 or institution for the education of youths, used directly and



47 exclusively for such purposes, provided that no such college or
48 institution for the education of youths shall have exempt from
49 taxation more than six hundred forty (640) acres of land;
50 provided, however, this exemption shall not apply to commercial
51 schools and colleges or trade institutions or schools where the
52 profits of same inure to individuals, associations or
53 corporations. All property, real or personal, belonging to an
54 individual, institution or corporation and used for the operation
55 of a grammar school, junior high school, high school or military
56 school. All property, real or personal, owned and occupied by a
57 fraternal and benevolent organization, when used by such
58 organization, and from which no rentals or other profits accrue to
59 the organization, but any part rented or from which revenue is
60 received shall be taxed.

61 (e) All property, real or personal, held and occupied
62 by trustees of public schools, and school lands of the respective
63 townships for the use of public schools, and all property kept in
64 storage for the convenience and benefit of the State of
65 Mississippi in warehouses owned or leased by the State of
66 Mississippi, wherein said property is to be sold by the Alcoholic
67 Beverage Control Division of the Department of Revenue of the
68 State of Mississippi.

69 (f) All property, real or personal, whether belonging
70 to religious or charitable or benevolent organizations, which is
71 used for hospital purposes, and nurses' homes where a part



72 thereof, and which maintain one or more charity wards that are for
73 charity patients, and where all the income from said hospitals and
74 nurses' homes is used entirely for the purposes thereof and no
75 part of the same for profit.

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

79 (h) Provisions on hand for family consumption.

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

88 (j) All guns and pistols kept by the owner for private
89 use.

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

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

95 (m) All cattle and oxen.

96 (n) All sheep, goats and hogs.



97 (o) All horses, mules and asses.

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

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

103 (r) The libraries of all persons.

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

106 (t) The tools of any mechanic necessary for carrying on
107 his trade.

108 (u) All state, county, municipal, levee, drainage and
109 all school bonds or other governmental obligations, and all bonds
110 and/or evidences of debts issued by any church or church
111 organization in this state, and all notes and evidences of
112 indebtedness which bear a rate of interest not greater than the
113 maximum rate per annum applicable under the law; and all money
114 loaned at a rate of interest not exceeding the maximum rate per
115 annum applicable under the law; and all stock in or bonds of
116 foreign corporations or associations shall be exempt from all ad
117 valorem taxes.

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



122 (w) Any and all money on deposit in either national
123 banks, state banks or trust companies, on open account, savings
124 account or time deposit.

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

127 (y) (i) Boats, seines and fishing equipment used in
128 fishing and shrimping operations and in the taking or catching of
129 oysters.

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

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

135 (ii) Vessels while under construction and/or
136 conversion;

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

141 1. Vessels used for the exploration for, or
142 production of, oil, gas and other minerals offshore outside the
143 boundaries of this state; or

144 2. Vessels that were used for the exploration
145 for, or production of, oil, gas and other minerals that are



146 converted to a new service for use outside the boundaries of this
147 state;

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

151 a. Be operating or operable, generating
152 or capable of generating its own power or connected to some other
153 power source, and not removed from the service or use for which
154 manufactured or to which converted; and

155 b. The manufacturer, builder, converter
156 or other entity possessing the vessel must be in compliance with
157 any lease or other agreement with any applicable port authority or
158 other entity regarding the vessel and in compliance with all
159 applicable tax laws of this state and applicable federal tax laws.

160 2. A vessel exempt from taxation under
161 subparagraph (iii) of this paragraph (z) may not be exempt for a
162 period of more than three (3) years unless the board of
163 supervisors of the county and/or governing authorities of the
164 municipality, as the case may be, in which the vessel would
165 otherwise be taxable adopts a resolution or ordinance authorizing
166 the extension of the exemption and setting a maximum period for
167 the exemption.

168 (v) As used in this paragraph (z), the term
169 "vessel" includes ships, offshore drilling equipment, dry docks,



170 boats and barges, except watercraft of every kind and character
171 used in connection with gaming operations.

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

177 (bb) All growing nursery stock.

178 (cc) A semitrailer used in interstate commerce.

179 (dd) All property, real or personal, used exclusively
180 for the housing of and provision of services to elderly persons,
181 disabled persons, mentally impaired persons or as a nursing home,
182 which is owned, operated and managed by a not-for-profit
183 corporation, qualified under Section 501(c)(3) of the Internal
184 Revenue Code, whose membership or governing body is appointed or
185 confirmed by a religious society or ecclesiastical body or any
186 congregation thereof.

187 (ee) All vessels while in the hands of bona fide
188 dealers as merchandise and which are not being operated upon the
189 waters of this state shall be exempt from ad valorem taxes. As
190 used in this paragraph, the terms "vessel" and "waters of this
191 state" shall have the meaning ascribed to such terms in Section
192 59-21-3.

193 (ff) All property, real or personal, owned by a
194 nonprofit organization that: (i) is qualified as tax exempt under



195 Section 501(c) (4) of the Internal Revenue Code of 1986, as
196 amended; (ii) assists in the implementation of the national
197 contingency plan or area contingency plan, and which is created in
198 response to the requirements of Title IV, Subtitle B of the Oil
199 Pollution Act of 1990, Public Law 101-380; (iii) engages primarily
200 in programs to contain, clean up and otherwise mitigate spills of
201 oil or other substances occurring in the United States coastal or
202 tidal waters; and (iv) is used for the purposes of the
203 organization.

204 (gg) If a municipality changes its boundaries so as to
205 include within the boundaries of such municipality the project
206 site of any project as defined in Section 57-75-5(f) (iv)1, Section
207 57-75-5(f) (xxi) or Section 57-75-5(f) (xxviii) or Section
208 57-75-5(f) (xxix), all real and personal property located on the
209 project site within the boundaries of such municipality that is
210 owned by a business enterprise operating such project, shall be
211 exempt from ad valorem taxation for a period of time not to exceed
212 thirty (30) years upon receiving approval for such exemption by
213 the Mississippi Major Economic Impact Authority. The provisions
214 of this paragraph shall not be construed to authorize a breach of
215 any agreement entered into pursuant to Section 21-1-59.

216 (hh) All leases, lease contracts or lease agreements
217 (including, but not limited to, subleases, sublease contracts and
218 sublease agreements), and leaseholds or leasehold interests
219 (including, but not limited to, subleaseholds and subleasehold



220 interests), of or with respect to any and all property (real,
221 personal or mixed) constituting all or any part of a facility for
222 the manufacture, production, generation, transmission and/or
223 distribution of electricity, and any real property related
224 thereto, shall be exempt from ad valorem taxation during the
225 period as the United States is both the title owner of the
226 property and a sublessee of or with respect to the property;
227 however, the exemption authorized by this paragraph (hh) shall not
228 apply to any entity to whom the United States sub-subleases its
229 interest in the property nor to any entity to whom the United
230 States assigns its sublease interest in the property. As used in
231 this paragraph, the term "United States" includes an agency or
232 instrumentality of the United States of America. This paragraph
233 (hh) shall apply to all assessments for ad valorem taxation for
234 the 2003 calendar year and each calendar year thereafter.

235 (ii) All property, real, personal or mixed, including
236 fixtures and leaseholds, used by Mississippi nonprofit entities
237 qualified, on or before January 1, 2005, under Section 501(c)(3)
238 of the Internal Revenue Code to provide support and operate
239 technology incubators for research and development startup
240 companies, telecommunication startup companies and/or other
241 technology startup companies, utilizing technology spun-off from
242 research and development activities of the public colleges and
243 universities of this state, State of Mississippi governmental



244 research or development activities resulting therefrom located
245 within the State of Mississippi.

246 (jj) All property, real, personal or mixed, including
247 fixtures and leaseholds, of startup companies (as described in
248 paragraph (ii) of this section) for the period of time, not to
249 exceed five (5) years, that the startup company remains a tenant
250 of a technology incubator (as described in paragraph (ii) of this
251 section).

252 (kk) All leases, lease contracts or lease agreements
253 (including, but not limited to, subleases, sublease contracts and
254 sublease agreements), and leaseholds or leasehold interests, of or
255 with respect to any and all property (real, personal or mixed)
256 constituting all or any part of an auxiliary facility, and any
257 real property related thereto, constructed or renovated pursuant
258 to Section 37-101-41, Mississippi Code of 1972.

259 (ll) Equipment brought into the state temporarily for
260 use during a disaster response period as provided in Sections
261 27-113-1 through 27-113-9 and subsequently removed from the state
262 on or before the end of the disaster response period as defined in
263 Section 27-113-5.

264 (mm) For any lease or contractual arrangement to which
265 the Department of Finance and Administration and a nonprofit
266 corporation are a party to as provided in Section 39-25-1(5), the
267 nonprofit corporation shall, along with the possessory and
268 leasehold interests and/or real and personal property of the



269 corporation, be exempt from all ad valorem taxation, including,
270 but not limited to, school, city and county ad valorem taxes, for
271 the term or period of time stated in the lease or contractual
272 arrangement.

273 (nn) All property, real or personal, that is owned,
274 operated and managed by a not-for-profit corporation qualified under
275 Section 501(c)(3) of the Internal Revenue Code, and used to provide,
276 free of charge, (i) a practice facility for a public school district
277 swim team, and (ii) a facility for another not-for-profit
278 organization as defined under Section 501(c)(3) of the Internal
279 Revenue Code to conduct water safety and lifeguard training programs.
280 This section shall not apply to real or personal property owned by a
281 country club, tennis club with a pool, or any club requiring stock
282 ownership for membership.

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

