

## House Amendments to Senate Bill No. 2842

TO THE SECRETARY OF THE SENATE:

THIS IS TO INFORM YOU THAT THE HOUSE HAS ADOPTED THE AMENDMENTS SET OUT BELOW:

### AMENDMENT NO. 1

Amend by striking all after the enacting clause and inserting in lieu thereof the following:

34           **SECTION 1.** Section 57-117-1, Mississippi Code of 1972, is  
35 reenacted as follows:

36           57-117-1. This chapter shall be known and may be cited as  
37 the "Mississippi Health Care Industry Zone Act."

38           **SECTION 2.** Section 57-117-3, Mississippi Code of 1972, as  
39 amended by Senate Bill No. 2095, 2022 Regular Session, is  
40 reenacted and amended as follows:

41           57-117-3. In this chapter:

42                   (a) "Health care industry facility" means:

43                           (i) A business engaged in the research and  
44 development of pharmaceuticals, biologics, biotechnology,  
45 diagnostic imaging, medical supplies, medical equipment or  
46 medicine and related manufacturing or processing, medical service  
47 providers, medical product distribution, or laboratory testing  
48 that creates a minimum of twenty-five (25) new full-time jobs  
49 and/or Ten Million Dollars (\$10,000,000.00) of capital investment  
50 after July 1, 2012; or

51 (ii) A business that \* \* \* 1. is located on land  
52 owned by or leased from an academic health science center with a  
53 medical school accredited by the Liaison Committee on Medical  
54 Education and a hospital accredited by the Joint Committee on  
55 Accreditation of Healthcare Organizations and \* \* \* 2. creates a  
56 minimum of twenty-five (25) new jobs and/or Twenty Million Dollars  
57 (\$20,000,000.00) of capital investment after July 1, 2012.

58 The term "health care industry facility" does not include any  
59 medical cannabis establishment as defined in the Mississippi  
60 Medical Cannabis Act.

61 (b) "MDA" means the Mississippi Development Authority.

62 (c) "Health care industry zone" means a geographical  
63 area certified by the MDA as provided for in Section 57-117-5.

64 (d) "Local government unit" means any county or  
65 incorporated city, town or village in the State of Mississippi.

66 (e) "Person" means a natural person, partnership,  
67 limited liability company, association, corporation, business  
68 trust or other business entity.

69 (f) "Qualified business" means a business or health  
70 care industry facility that meets the requirements of Section  
71 57-117-7 and any other requirements of this chapter. The term  
72 "qualified business" does not include any medical cannabis  
73 establishment as defined in the Mississippi Medical Cannabis Act.

74 **SECTION 3.** Section 57-117-5, Mississippi Code of 1972, is  
75 reenacted as follows:

76           57-117-5. (1) The MDA may certify an area as a health care  
77 industry zone if the following requirements are met:

78                   (a) The area is located within:

79                           (i) Three (3) contiguous counties which have  
80 certificates of need of more than three hundred seventy-five (375)  
81 acute care hospital beds; and/or

82                           (ii) A county which has a hospital with a minimum  
83 capital investment of Two Hundred Fifty Million Dollars  
84 (\$250,000,000.00) and for which construction is completed before  
85 July 1, 2017;

86                   (b) The health care industry facility is located within  
87 a five-mile radius of:

88                           (i) A facility with a certificate of need for  
89 hospital beds; and/or

90                           (ii) A university or college that is:

91                                   1. Accredited by the Southern Association of  
92 Colleges and Schools and awards degrees and/or trains workers for  
93 jobs in health care or pharmaceutical fields of study and/or work,  
94 and

95                                   2. Located along or near Mississippi Highway  
96 67 within a master planned community as defined in Section  
97 19-5-10; and

98                   (c) The zoning of the local government unit, if  
99 applicable, allows the construction or operation in the proposed  
100 health care industry zone of the health care industry facility.

101           (2) A health care industry facility that engages in an  
102 activity for which a certificate of need is required must comply  
103 with the provisions of Section 41-7-191 in order to be certified  
104 as a qualified business.

105           (3) The MDA may adopt and promulgate such rules and  
106 regulations, in compliance with the Mississippi Administrative  
107 Procedures Law, as are necessary for the efficient and effective  
108 administration of this section in keeping with the purposes for  
109 which it is enacted.

110           **SECTION 4.** Section 57-117-7, Mississippi Code of 1972, is  
111 reenacted as follows:

112           57-117-7. (1) Businesses and health care industry  
113 facilities shall apply to the MDA for certification as a qualified  
114 business. If the health care industry facility or business is  
115 located in a health care industry zone and meets the requirements  
116 of this chapter, the MDA shall certify it as a qualified business.

117           (2) A health care industry facility or business certified by  
118 the MDA as a qualified business within a health care industry zone  
119 that constructs or renovates a health care industry facility  
120 within a health care industry zone shall qualify for the  
121 following:

122           (a) An accelerated state income tax depreciation  
123 deduction. The accelerated depreciation deduction shall be  
124 computed by accelerating depreciation period required by  
125 Mississippi Administrative Code, to a ten-year depreciation  
126 period.

127 (b) A sales tax exemption as authorized in Section  
128 27-65-101(pp).

129 (c) A fee-in-lieu of taxes as authorized in Section  
130 27-31-104.

131 (d) An ad valorem tax exemption as authorized in  
132 Section 27-31-101.

133 **SECTION 5.** Section 57-117-9, Mississippi Code of 1972, is  
134 reenacted as follows:

135 57-117-9. If the qualified business has not created the  
136 requisite number of jobs required by this chapter, the health care  
137 industry zone certification may be revoked by MDA after five (5)  
138 years have elapsed from the effective date of certification. A  
139 revocation under this section shall not act retroactively to  
140 remove any incentives granted by this chapter.

141 **SECTION 6.** Section 57-117-11, Mississippi Code of 1972, is  
142 reenacted and amended as follows:

143 57-117-11. Sections 57-117-1 through 57-117-11 of this act  
144 shall be repealed from and after July 1, \* \* \* 2025.

145 **SECTION 7.** Section 27-31-101, Mississippi Code of 1972, is  
146 amended as follows:

147 **[Through June 30, \* \* \* 2025, this section shall read as**  
148 **follows:]**

149 27-31-101. (1) County boards of supervisors and municipal  
150 authorities are hereby authorized and empowered, in their  
151 discretion, to grant exemptions from ad valorem taxation, except  
152 state ad valorem taxation; however, such governing authorities

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

179 may grant a subsequent request for the exemption and, in such  
180 case, the exemption shall begin on the anniversary date of  
181 completion of the enterprise in the year in which the request is  
182 made and may be for a period of time extending not more than ten  
183 (10) years from the date of completion of the new enterprise. Any  
184 subsequent request for the exemption must be made in writing by  
185 June 1 of the year in which it is granted.

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

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

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

208 (i) Warehouse and/or distribution centers;

209 (ii) Manufacturing, processors and refineries;

210 (iii) Research facilities;

211 (iv) Corporate regional and national headquarters

212 meeting minimum criteria established by the Mississippi

213 Development Authority;

214 (v) Movie industry studios meeting minimum

215 criteria established by the Mississippi Development Authority;

216 (vi) Air transportation and maintenance facilities

217 meeting minimum criteria established by the Mississippi

218 Development Authority;

219 (vii) Recreational facilities that impact tourism

220 meeting minimum criteria established by the Mississippi

221 Development Authority;

222 (viii) Data/information processing enterprises

223 meeting minimum criteria established by the Mississippi

224 Development Authority;

225 (ix) Technology intensive enterprises or

226 facilities meeting criteria established by the Mississippi

227 Development Authority;

228 (x) Health care industry facilities as defined in

229 Section 57-117-3;



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

231 and

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

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

256 pursuant to this section with respect to any leasehold interest  
257 under a lease, sublease or license of tangible property used in  
258 connection with, or necessary to, the operation of an enterprise  
259 enumerated in paragraph (a) of this subsection (3), the  
260 corresponding ownership interest of the owner, lessor and  
261 sublessor of such tangible property shall similarly and  
262 automatically be exempt without any action being required to be  
263 taken by such owner, lessor or sublessor.

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

267 **[From and after July 1, \* \* \* 2025, this section shall read**  
268 **as follows:]**

269 27-31-101. (1) County boards of supervisors and municipal  
270 authorities are hereby authorized and empowered, in their  
271 discretion, to grant exemptions from ad valorem taxation, except  
272 state ad valorem taxation; however, such governing authorities  
273 shall not exempt ad valorem taxes for school district purposes on  
274 tangible property used in, or necessary to, the operation of the  
275 manufacturers and other new enterprises enumerated by classes in  
276 this section, except to the extent authorized in Sections  
277 27-31-104 and 27-31-105(2), nor shall they exempt from ad valorem  
278 taxes the products of the manufacturers or other new enterprises  
279 or automobiles and trucks belonging to the manufacturers or other  
280 new enterprises operating on and over the highways of the State of  
281 Mississippi. The time of such exemption shall be for a period not

282 to exceed a total of ten (10) years which shall begin on the date  
283 of completion of the new enterprise for which the exemption is  
284 granted; however, boards of supervisors and municipal authorities,  
285 in lieu of granting the exemption for one (1) period of ten (10)  
286 years, may grant the exemption in a period of less than ten (10)  
287 years. When the initial exemption period granted is less than ten  
288 (10) years, the boards of supervisors and municipal authorities  
289 may grant a subsequent consecutive period or periods to follow the  
290 initial period of exemption, provided that the total of all  
291 periods of exemption shall not exceed ten (10) years. The date of  
292 completion of the new enterprise, from which the initial period of  
293 exemption shall begin, shall be the date on which operations of  
294 the new enterprise begin. The initial request for an exemption  
295 must be made in writing by June 1 of the year immediately  
296 following the year in which the date of completion of a new  
297 enterprise occurs. If the initial request for the exemption is  
298 not timely made, the board of supervisors or municipal authorities  
299 may grant a subsequent request for the exemption and, in such  
300 case, the exemption shall begin on the anniversary date of  
301 completion of the enterprise in the year in which the request is  
302 made and may be for a period of time extending not more than ten  
303 (10) years from the date of completion of the new enterprise. Any  
304 subsequent request for the exemption must be made in writing by  
305 June 1 of the year in which it is granted.

306 (2) Any board of supervisors or municipal authority which  
307 has granted an exemption for a period of less than ten (10) years

308 may grant subsequent periods of exemption to run consecutively  
309 with the initial exemption period, or a subsequently granted  
310 exemption period, but in no case shall the total of the exemption  
311 periods granted for a new enterprise exceed ten (10) years. Any  
312 consecutive period of exemption shall be granted by entry of an  
313 order by the board or the authority granting the consecutive  
314 exemption on its minutes, reflecting the granting of the  
315 consecutive exemption period and the dates upon which such  
316 consecutive exemption period begins and expires. The entry of  
317 this order granting the consecutive period of exemption shall be  
318 made before the expiration of the exemption period immediately  
319 preceding the consecutive exemption period being granted.

320 (3) (a) The new enterprises for which any or all of the  
321 tangible property described in paragraph (b) of this subsection  
322 (3) may be exempt from ad valorem taxation, except state ad  
323 valorem taxation, ad valorem taxes for school district purposes,  
324 and ad valorem taxes on the products thereof or on automobiles and  
325 trucks belonging thereto and operating on and over the highways of  
326 the State of Mississippi, are enumerated as and limited to the  
327 following, as determined by the Department of Revenue:

328 (i) Warehouse and/or distribution centers;  
329 (ii) Manufacturing, processors and refineries;  
330 (iii) Research facilities;  
331 (iv) Corporate regional and national headquarters  
332 meeting minimum criteria established by the Mississippi  
333 Development Authority;

334 (v) Movie industry studios meeting minimum  
335 criteria established by the Mississippi Development Authority;  
336 (vi) Air transportation and maintenance facilities  
337 meeting minimum criteria established by the Mississippi  
338 Development Authority;  
339 (vii) Recreational facilities that impact tourism  
340 meeting minimum criteria established by the Mississippi  
341 Development Authority;  
342 (viii) Data/information processing enterprises  
343 meeting minimum criteria established by the Mississippi  
344 Development Authority;  
345 (ix) Technology intensive enterprises or  
346 facilities meeting criteria established by the Mississippi  
347 Development Authority;  
348 (x) Data centers as defined in Section 57-113-21;  
349 and  
350 (xi) Telecommunications enterprises meeting  
351 minimum criteria established by the Mississippi Development  
352 Authority. The term "telecommunications enterprises" means  
353 entities engaged in the creation, display, management, storage,  
354 processing, transmission or distribution for compensation of  
355 images, text, voice, video or data by wire or by wireless means,  
356 or entities engaged in the construction, design, development,  
357 manufacture, maintenance or distribution for compensation of  
358 devices, products, software or structures used in the above  
359 activities. Companies organized to do business as commercial

360 broadcast radio stations, television stations or news  
361 organizations primarily serving in-state markets shall not be  
362 included within the definition of the term "telecommunications  
363 enterprises."

364 (b) An exemption from ad valorem taxes granted under  
365 this section may include any or all tangible property, real or  
366 personal, including any leasehold interests therein but excluding  
367 automobiles and trucks operating on and over the highways of the  
368 State of Mississippi, used in connection with, or necessary to,  
369 the operation of an enterprise enumerated in paragraph (a) of this  
370 subsection (3), whether or not such property is owned, leased,  
371 subleased, licensed or otherwise obtained by such enterprise,  
372 irrespective of the taxpayer to which any such leased property is  
373 assessed for ad valorem tax purposes. If an exemption is granted  
374 pursuant to this section with respect to any leasehold interest  
375 under a lease, sublease or license of tangible property used in  
376 connection with, or necessary to, the operation of an enterprise  
377 enumerated in paragraph (a) of this subsection (3), the  
378 corresponding ownership interest of the owner, lessor and  
379 sublessor of such tangible property shall similarly and  
380 automatically be exempt without any action being required to be  
381 taken by such owner, lessor or sublessor.

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

385           **SECTION 8.** Section 27-31-104, Mississippi Code of 1972, as  
386 amended by Senate Bill No. 2095, 2022 Regular Session, is amended  
387 as follows:

388           **[Through June 30, \* \* \* 2025, this section shall read as**  
389 **follows:]**

390           27-31-104. (1) (a) County boards of supervisors and  
391 municipal authorities are each hereby authorized and empowered to  
392 enter into an agreement with an enterprise granting, and pursuant  
393 to such agreement grant a fee-in-lieu of ad valorem taxes,  
394 including ad valorem taxes levied for school purposes, for the  
395 following:

396                           (i) Projects totaling over Sixty Million Dollars  
397 (\$60,000,000.00) by any new enterprises enumerated in Section  
398 27-31-101;

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

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

405                           (iv) Projects, in addition to those projects  
406 referenced in Section 27-31-105, totaling over Sixty Million  
407 Dollars (\$60,000,000.00) by an existing enterprise that has been  
408 doing business in the county or municipality for twenty-four (24)  
409 months. For purposes of this subparagraph (iv), the term

410 "existing enterprise" includes those enterprises enumerated in  
411 Section 27-31-101; or

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

419 County boards of supervisors and municipal authorities may  
420 not enter into an agreement with an enterprise that is a medical  
421 cannabis establishment, as defined in the Mississippi Medical  
422 Cannabis Act, granting, and pursuant to such agreement grant a  
423 fee-in-lieu of ad valorem taxes.

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



436 granted pursuant to this section with respect to any leasehold  
437 interest under a lease, sublease or license of tangible property  
438 used in connection with, or necessary to, the operation of an  
439 enterprise, private company or business described in paragraph (a)  
440 of this subsection (1), as applicable, the corresponding ownership  
441 interest of the owner, lessor and sublessor of such tangible  
442 property shall similarly and automatically be exempt and subject  
443 to the fee-in-lieu granted in accordance herewith without any  
444 action being required to be taken by such owner, lessor or  
445 sublessor.

446 (2) A county board of supervisors may enter into a  
447 fee-in-lieu agreement on behalf of the county and any county  
448 school district, and a municipality may enter into such a  
449 fee-in-lieu agreement on behalf of the municipality and any  
450 municipal school district located in the municipality; however, if  
451 the project is located outside the limits of a municipality but  
452 within the boundaries of the municipal school district, then the  
453 county board of supervisors may enter into such a fee-in-lieu  
454 agreement on behalf of the school district granting a fee-in-lieu  
455 of ad valorem taxes for school district purposes.

456 (3) Any grant of a fee-in-lieu of ad valorem taxes shall be  
457 evidenced by a written agreement negotiated by the enterprise and  
458 the county board of supervisors and/or municipal authority, as the  
459 case may be, and given final approval by the Mississippi  
460 Development Authority as satisfying the requirements of this  
461 section.

462           (4) The minimum sum allowable as a fee-in-lieu shall not be  
463 less than one-third (1/3), or one-tenth (1/10) if the project is  
464 also a project as defined in Section 27-31-46, of the ad valorem  
465 levy, including ad valorem taxes for school district purposes, and  
466 except as otherwise provided, the sum allowed shall be apportioned  
467 between the county or municipality, as appropriate, and the school  
468 districts in such amounts as may be determined by the county board  
469 of supervisors or municipal governing authority, as the case may  
470 be, however, except as otherwise provided in this section, from  
471 the sum allowed the apportionment to school districts shall not be  
472 less than the school districts' pro rata share based upon the  
473 proportion that the millage imposed for the school districts by  
474 the appropriate levying authority bears to the millage imposed by  
475 such levying authority for all other county or municipal purposes.  
476 Any fee-in-lieu agreement entered into under this section shall  
477 become a binding obligation of the parties to the agreement, be  
478 effective upon its execution by the parties and approval by the  
479 Mississippi Development Authority and, except as otherwise  
480 provided in Section 17-25-23 or Section 57-75-33, or any other  
481 provision of law, continue in effect for a period not to exceed  
482 thirty (30) years commencing on the date that the fee-in-lieu  
483 granted thereunder begins in accordance with the agreement;  
484 however, no particular parcel of land, real property improvement  
485 or item of personal property shall be subject to a fee-in-lieu for  
486 a duration of more than ten (10) years. Any such agreement shall  
487 be binding, according to its terms, on future boards of

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

491 (5) The fee-in-lieu may be a stated fraction or percentage  
492 of the ad valorem taxes otherwise payable or a stated dollar  
493 amount. If the fee is a fraction or percentage of the ad valorem  
494 tax levy, it shall be annually computed on all ad valorem taxes  
495 otherwise payable, including school taxes, as the same may vary  
496 from year to year based upon changes in the millage rate or  
497 assessed value and shall not be less than one-third (1/3) of that  
498 amount or one-tenth (1/10) of that amount if the project is also a  
499 project as defined in Section 27-31-46. If the fee is a stated  
500 dollar amount, said amount shall be the higher of the sum provided  
501 for fixed payment or (a) one-third (1/3) of the total of all ad  
502 valorem taxes otherwise payable as annually determined during each  
503 year of the fee-in-lieu or (b) if the project is also a project as  
504 defined in Section 27-31-46, one-tenth (1/10) of the total of all  
505 ad valorem taxes otherwise payable as annually determined during  
506 each year of the fee-in-lieu.

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

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

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

529 (9) For a project as defined in Section 57-75-5(f)(xxviii),  
530 the annual amount of the fee-in-lieu apportioned to the county  
531 shall not be less than the amount necessary to pay the debt  
532 service on bonds issued by the county pursuant to Section  
533 57-75-37(3)(c).

534 (10) Any fee-in-lieu of ad valorem taxes granted under this  
535 section before March 28, 2019, and consistent herewith, is hereby  
536 ratified, approved and confirmed.

537 **[From and after July 1, \* \* \* 2025, this section shall read**  
538 **as follows:]**

539           27-31-104. (1) (a) County boards of supervisors and  
540 municipal authorities are each hereby authorized and empowered to  
541 enter into an agreement with an enterprise granting, and pursuant  
542 to such agreement grant a fee-in-lieu of ad valorem taxes,  
543 including ad valorem taxes levied for school purposes, for the  
544 following:

545                   (i) Projects totaling over Sixty Million Dollars  
546 (\$60,000,000.00) by any new enterprises enumerated in Section  
547 27-31-101;

548                   (ii) Projects by a private company (as such term  
549 is defined in Section 57-61-5, Mississippi Code of 1972) having a  
550 minimum capital investment of Sixty Million Dollars  
551 (\$60,000,000.00);

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

559                   (iv) A private company (as such term is defined in  
560 Section 57-61-5) having a minimum capital investment of One  
561 Hundred Million Dollars (\$100,000,000.00) from any source or  
562 combination of sources, provided that a majority of the capital  
563 investment is from private sources, when such project is located

564 within a geographic area for which a Presidential Disaster  
565 Declaration was issued on or after January 1, 2014.

566 County boards of supervisors and municipal authorities may  
567 not enter into an agreement with an enterprise that is a medical  
568 cannabis establishment, as defined in the Mississippi Medical  
569 Cannabis Act, granting, and pursuant to such agreement grant a  
570 fee-in-lieu of ad valorem taxes.

571 (b) A fee-in-lieu of ad valorem taxes granted in  
572 accordance with this section may include any or all tangible  
573 property, real or personal, including any leasehold interests  
574 therein but excluding automobiles and trucks operating on and over  
575 the highways of the State of Mississippi, used in connection with,  
576 or necessary to, the operation of any enterprise, private company  
577 or business described in paragraph (a) of this subsection (1), as  
578 applicable, whether or not such property is owned, leased,  
579 subleased, licensed or otherwise obtained by such enterprise,  
580 private company or business, as applicable, irrespective of the  
581 taxpayer to which any such leased property is assessed for ad  
582 valorem tax purposes. If a fee-in-lieu of ad valorem taxes is  
583 granted pursuant to this section with respect to any leasehold  
584 interest under a lease, sublease or license of tangible property  
585 used in connection with, or necessary to, the operation of an  
586 enterprise, private company or business described in paragraph (a)  
587 of this subsection (1), as applicable, the corresponding ownership  
588 interest of the owner, lessor and sublessor of such tangible  
589 property shall similarly and automatically be exempt and subject

590 to the fee-in-lieu granted in accordance herewith without any  
591 action being required to be taken by such owner, lessor or  
592 sublessor.

593 (2) A county board of supervisors may enter into a  
594 fee-in-lieu agreement on behalf of the county and any county  
595 school district, and a municipality may enter into such a  
596 fee-in-lieu agreement on behalf of the municipality and any  
597 municipal school district located in the municipality; however, if  
598 the project is located outside the limits of a municipality but  
599 within the boundaries of the municipal school district, then the  
600 county board of supervisors may enter into such a fee-in-lieu  
601 agreement on behalf of the school district granting a fee-in-lieu  
602 of ad valorem taxes for school district purposes.

603 (3) Any grant of a fee-in-lieu of ad valorem taxes shall be  
604 evidenced by a written agreement negotiated by the enterprise and  
605 the county board of supervisors and/or municipal authority, as the  
606 case may be, and given final approval by the Mississippi  
607 Development Authority as satisfying the requirements of this  
608 section.

609 (4) The minimum sum allowable as a fee-in-lieu shall not be  
610 less than one-third (1/3), or one-tenth (1/10) if the project is  
611 also a project as defined in Section 27-31-46, of the ad valorem  
612 levy, including ad valorem taxes for school district purposes, and  
613 except as otherwise provided, the sum allowed shall be apportioned  
614 between the county or municipality, as appropriate, and the school  
615 districts in such amounts as may be determined by the county board

616 of supervisors or municipal governing authority, as the case may  
617 be, however, except as otherwise provided in this section, from  
618 the sum allowed the apportionment to school districts shall not be  
619 less than the school districts' pro rata share based upon the  
620 proportion that the millage imposed for the school districts by  
621 the appropriate levying authority bears to the millage imposed by  
622 such levying authority for all other county or municipal purposes.  
623 Any fee-in-lieu agreement entered into under this section shall  
624 become a binding obligation of the parties to the agreement, be  
625 effective upon its execution by the parties and approval by the  
626 Mississippi Development Authority and, except as otherwise  
627 provided in Section 17-25-23 or Section 57-75-33, or any other  
628 provision of law, continue in effect for a period not to exceed  
629 thirty (30) years commencing on the date that the fee-in-lieu  
630 granted thereunder begins in accordance with the agreement;  
631 however, no particular parcel of land, real property improvement  
632 or item of personal property shall be subject to a fee-in-lieu for  
633 a duration of more than ten (10) years. Any such agreement shall  
634 be binding, according to its terms, on future boards of  
635 supervisors of the county and/or governing authorities of a  
636 municipality, as the case may be, for the duration of the  
637 agreement.

638 (5) The fee-in-lieu may be a stated fraction or percentage  
639 of the ad valorem taxes otherwise payable or a stated dollar  
640 amount. If the fee is a fraction or percentage of the ad valorem  
641 tax levy, it shall be annually computed on all ad valorem taxes



642 otherwise payable, including school taxes, as the same may vary  
643 from year to year based upon changes in the millage rate or  
644 assessed value and shall not be less than one-third (1/3) of that  
645 amount or one-tenth (1/10) of that amount if the project is also a  
646 project as defined in Section 27-31-46. If the fee is a stated  
647 dollar amount, said amount shall be the higher of the sum provided  
648 for fixed payment or (a) one-third (1/3) of the total of all ad  
649 valorem taxes otherwise payable as annually determined during each  
650 year of the fee-in-lieu or (b) if the project is also a project as  
651 defined in Section 27-31-46, one-tenth (1/10) of the total of all  
652 ad valorem taxes otherwise payable as annually determined during  
653 each year of the fee-in-lieu.

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

661 (7) For a project as defined in Section 57-75-5(f)(xxi) and  
662 located in a county that is a member of a regional economic  
663 development alliance created under Section 57-64-1 et seq., the  
664 members of the regional economic development alliance may divide  
665 the sum allowed as a fee-in-lieu in a manner as determined by the  
666 alliance agreement, and the boards of supervisors of the member

667 counties may then apportion the sum allowed between school  
668 district purposes and all other county purposes.

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

676 (9) For a project as defined in Section 57-75-5(f) (xxviii),  
677 the annual amount of the fee-in-lieu apportioned to the county  
678 shall not be less than the amount necessary to pay the annual debt  
679 service on bonds issued by the county pursuant to Section  
680 57-75-37(3) (c) .

681 (10) Any fee-in-lieu of ad valorem taxes granted under this  
682 section before March 28, 2019, and consistent herewith, is hereby  
683 ratified, approved and confirmed.

684 **SECTION 9.** Section 27-65-101, Mississippi Code of 1972, as  
685 amended by Senate Bill No. 2095, 2022 Regular Session, is amended  
686 as follows:

687 27-65-101. (1) The exemptions from the provisions of this  
688 chapter which are of an industrial nature or which are more  
689 properly classified as industrial exemptions than any other  
690 exemption classification of this chapter shall be confined to  
691 those persons or property exempted by this section or by the  
692 provisions of the Constitution of the United States or the State

693 of Mississippi. No industrial exemption as now provided by any  
694 other section except Section 57-3-33 shall be valid as against the  
695 tax herein levied. Any subsequent industrial exemption from the  
696 tax levied hereunder shall be provided by amendment to this  
697 section. No exemption provided in this section shall apply to  
698 taxes levied by Section 27-65-15 or 27-65-21.

699 The tax levied by this chapter shall not apply to the  
700 following:

701 (a) Sales of boxes, crates, cartons, cans, bottles and  
702 other packaging materials to manufacturers and wholesalers for use  
703 as containers or shipping materials to accompany goods sold by  
704 said manufacturers or wholesalers where possession thereof will  
705 pass to the customer at the time of sale of the goods contained  
706 therein and sales to anyone of containers or shipping materials  
707 for use in ships engaged in international commerce.

708 (b) Sales of raw materials, catalysts, processing  
709 chemicals, welding gases or other industrial processing gases  
710 (except natural gas) to a manufacturer for use directly in  
711 manufacturing or processing a product for sale or rental or  
712 repairing or reconditioning vessels or barges of fifty (50) tons  
713 load displacement and over. For the purposes of this exemption,  
714 electricity used directly in the electrolysis process in the  
715 production of sodium chlorate shall be considered a raw material.  
716 This exemption shall not apply to any property used as fuel except  
717 to the extent that such fuel comprises by-products which have no  
718 market value.

719           (c) The gross proceeds of sales of dry docks, offshore  
720 drilling equipment for use in oil or natural gas exploration or  
721 production, vessels or barges of fifty (50) tons load displacement  
722 and over, when the vessels or barges are sold by the manufacturer  
723 or builder thereof. In addition to other types of equipment,  
724 offshore drilling equipment for use in oil or natural gas  
725 exploration or production shall include aircraft used  
726 predominately to transport passengers or property to or from  
727 offshore oil or natural gas exploration or production platforms or  
728 vessels, and engines, accessories and spare parts for such  
729 aircraft.

730           (d) Sales to commercial fishermen of commercial fishing  
731 boats of over five (5) tons load displacement and not more than  
732 fifty (50) tons load displacement as registered with the United  
733 States Coast Guard and licensed by the Mississippi Commission on  
734 Marine Resources.

735           (e) The gross income from repairs to vessels and barges  
736 engaged in foreign trade or interstate transportation.

737           (f) Sales of petroleum products to vessels or barges  
738 for consumption in marine international commerce or interstate  
739 transportation businesses.

740           (g) Sales and rentals of rail rolling stock (and  
741 component parts thereof) for ultimate use in interstate commerce  
742 and gross income from services with respect to manufacturing,  
743 repairing, cleaning, altering, reconditioning or improving such  
744 rail rolling stock (and component parts thereof).

745           (h) Sales of raw materials, catalysts, processing  
746 chemicals, welding gases or other industrial processing gases  
747 (except natural gas) used or consumed directly in manufacturing,  
748 repairing, cleaning, altering, reconditioning or improving such  
749 rail rolling stock (and component parts thereof). This exemption  
750 shall not apply to any property used as fuel.

751           (i) Sales of machinery or tools or repair parts  
752 therefor or replacements thereof, fuel or supplies used directly  
753 in manufacturing, converting or repairing ships, vessels or barges  
754 of three thousand (3,000) tons load displacement and over, but not  
755 to include office and plant supplies or other equipment not  
756 directly used on the ship, vessel or barge being built, converted  
757 or repaired. For purposes of this exemption, "ships, vessels or  
758 barges" shall not include floating structures described in Section  
759 27-65-18.

760           (j) Sales of tangible personal property to persons  
761 operating ships in international commerce for use or consumption  
762 on board such ships. This exemption shall be limited to cases in  
763 which procedures satisfactory to the commissioner, ensuring  
764 against use in this state other than on such ships, are  
765 established.

766           (k) Sales of materials used in the construction of a  
767 building, or any addition or improvement thereon, and sales of any  
768 machinery and equipment not later than three (3) months after the  
769 completion of construction of the building, or any addition  
770 thereon, to be used therein, to qualified businesses, as defined

771 in Section 57-51-5, which are located in a county or portion  
772 thereof designated as an enterprise zone pursuant to Sections  
773 57-51-1 through 57-51-15.

774 (l) Sales of materials used in the construction of a  
775 building, or any addition or improvement thereon, and sales of any  
776 machinery and equipment not later than three (3) months after the  
777 completion of construction of the building, or any addition  
778 thereon, to be used therein, to qualified businesses, as defined  
779 in Section 57-54-5.

780 (m) Income from storage and handling of perishable  
781 goods by a public storage warehouse.

782 (n) The value of natural gas lawfully injected into the  
783 earth for cycling, repressuring or lifting of oil, or lawfully  
784 vented or flared in connection with the production of oil;  
785 however, if any gas so injected into the earth is sold for such  
786 purposes, then the gas so sold shall not be exempt.

787 (o) The gross collections from self-service commercial  
788 laundering, drying, cleaning and pressing equipment.

789 (p) Sales of materials used in the construction of a  
790 building, or any addition or improvement thereon, and sales of any  
791 machinery and equipment not later than three (3) months after the  
792 completion of construction of the building, or any addition  
793 thereon, to be used therein, to qualified companies, certified as  
794 such by the Mississippi Development Authority under Section  
795 57-53-1.

796           (q) Sales of component materials used in the  
797 construction of a building, or any addition or improvement  
798 thereon, sales of machinery and equipment to be used therein, and  
799 sales of manufacturing or processing machinery and equipment which  
800 is permanently attached to the ground or to a permanent foundation  
801 and which is not by its nature intended to be housed within a  
802 building structure, not later than three (3) months after the  
803 initial start-up date, to permanent business enterprises engaging  
804 in manufacturing or processing in Tier Three areas (as such term  
805 is defined in Section 57-73-21), which businesses are certified by  
806 the Department of Revenue as being eligible for the exemption  
807 granted in this paragraph (q). The exemption provided in this  
808 paragraph (q) shall not apply to sales to any business enterprise  
809 that is a medical cannabis establishment as defined in the  
810 Mississippi Medical Cannabis Act.

811           (r) (i) Sales of component materials used in the  
812 construction of a building, or any addition or improvement  
813 thereon, and sales of any machinery and equipment not later than  
814 three (3) months after the completion of the building, addition or  
815 improvement thereon, to be used therein, for any company  
816 establishing or transferring its national or regional headquarters  
817 from within or outside the State of Mississippi and creating a  
818 minimum of twenty (20) jobs at the new headquarters in this state.  
819 The exemption provided in this subparagraph (i) shall not apply to  
820 sales for any company that is a medical cannabis establishment as  
821 defined in the Mississippi Medical Cannabis Act. The Department

822 of Revenue shall establish criteria and prescribe procedures to  
823 determine if a company qualifies as a national or regional  
824 headquarters for the purpose of receiving the exemption provided  
825 in this subparagraph (i).

826                   (ii) Sales of component materials used in the  
827 construction of a building, or any addition or improvement  
828 thereon, and sales of any machinery and equipment not later than  
829 three (3) months after the completion of the building, addition or  
830 improvement thereon, to be used therein, for any company expanding  
831 or making additions after January 1, 2013, to its national or  
832 regional headquarters within the State of Mississippi and creating  
833 a minimum of twenty (20) new jobs at the headquarters as a result  
834 of the expansion or additions. The exemption provided in this  
835 subparagraph (ii) shall not apply to sales for any company that is  
836 a medical cannabis establishment as defined in the Mississippi  
837 Medical Cannabis Act. The Department of Revenue shall establish  
838 criteria and prescribe procedures to determine if a company  
839 qualifies as a national or regional headquarters for the purpose  
840 of receiving the exemption provided in this subparagraph (ii).

841                   (s) The gross proceeds from the sale of semitrailers,  
842 trailers, boats, travel trailers, motorcycles, all-terrain cycles  
843 and rotary-wing aircraft if exported from this state within  
844 forty-eight (48) hours and registered and first used in another  
845 state.

846                   (t) Gross income from the storage and handling of  
847 natural gas in underground salt domes and in other underground



848 reservoirs, caverns, structures and formations suitable for such  
849 storage.

850 (u) Sales of machinery and equipment to nonprofit  
851 organizations if the organization:

852 (i) Is tax exempt pursuant to Section 501(c)(4) of  
853 the Internal Revenue Code of 1986, as amended;

854 (ii) Assists in the implementation of the  
855 contingency plan or area contingency plan, and which is created in  
856 response to the requirements of Title IV, Subtitle B of the Oil  
857 Pollution Act of 1990, Public Law 101-380; and

858 (iii) Engages primarily in programs to contain,  
859 clean up and otherwise mitigate spills of oil or other substances  
860 occurring in the United States coastal and tidal waters.

861 For purposes of this exemption, "machinery and equipment"  
862 means any ocean-going vessels, barges, booms, skimmers and other  
863 capital equipment used primarily in the operations of nonprofit  
864 organizations referred to herein.

865 (v) Sales or leases of materials and equipment to  
866 approved business enterprises as provided under the Growth and  
867 Prosperity Act.

868 (w) From and after July 1, 2001, sales of pollution  
869 control equipment to manufacturers or custom processors for  
870 industrial use. For the purposes of this exemption, "pollution  
871 control equipment" means equipment, devices, machinery or systems  
872 used or acquired to prevent, control, monitor or reduce air, water

873 or groundwater pollution, or solid or hazardous waste as required  
874 by federal or state law or regulation.

875 (x) Sales or leases to a manufacturer of motor vehicles  
876 or powertrain components operating a project that has been  
877 certified by the Mississippi Major Economic Impact Authority as a  
878 project as defined in Section 57-75-5(f)(iv)1, Section  
879 57-75-5(f)(xxi) or Section 57-75-5(f)(xxii) of machinery and  
880 equipment; special tooling such as dies, molds, jigs and similar  
881 items treated as special tooling for federal income tax purposes;  
882 or repair parts therefor or replacements thereof; repair services  
883 thereon; fuel, supplies, electricity, coal and natural gas used  
884 directly in the manufacture of motor vehicles or motor vehicle  
885 parts or used to provide climate control for manufacturing areas.

886 (y) Sales or leases of component materials, machinery  
887 and equipment used in the construction of a building, or any  
888 addition or improvement thereon to an enterprise operating a  
889 project that has been certified by the Mississippi Major Economic  
890 Impact Authority as a project as defined in Section  
891 57-75-5(f)(iv)1, Section 57-75-5(f)(xxi), Section 57-75-5(f)(xxii)  
892 or Section 57-75-5(f)(xxviii) and any other sales or leases  
893 required to establish or operate such project.

894 (z) Sales of component materials and equipment to a  
895 business enterprise as provided under Section 57-64-33.

896 (aa) The gross income from the stripping and painting  
897 of commercial aircraft engaged in foreign or interstate  
898 transportation business.

899 (bb) [Repealed]

900 (cc) Sales or leases to an enterprise owning or  
901 operating a project that has been designated by the Mississippi  
902 Major Economic Impact Authority as a project as defined in Section  
903 57-75-5(f) (xviii) of machinery and equipment; special tooling such  
904 as dies, molds, jigs and similar items treated as special tooling  
905 for federal income tax purposes; or repair parts therefor or  
906 replacements thereof; repair services thereon; fuel, supplies,  
907 electricity, coal and natural gas used directly in the  
908 manufacturing/production operations of the project or used to  
909 provide climate control for manufacturing/production areas.

910 (dd) Sales or leases of component materials, machinery  
911 and equipment used in the construction of a building, or any  
912 addition or improvement thereon to an enterprise owning or  
913 operating a project that has been designated by the Mississippi  
914 Major Economic Impact Authority as a project as defined in Section  
915 57-75-5(f) (xviii) and any other sales or leases required to  
916 establish or operate such project.

917 (ee) Sales of parts used in the repair and servicing of  
918 aircraft not registered in Mississippi engaged exclusively in the  
919 business of foreign or interstate transportation to businesses  
920 engaged in aircraft repair and maintenance.

921 (ff) Sales of component materials used in the  
922 construction of a facility, or any addition or improvement  
923 thereon, and sales or leases of machinery and equipment not later  
924 than three (3) months after the completion of construction of the

925 facility, or any addition or improvement thereto, to be used in  
926 the building or any addition or improvement thereto, to a  
927 permanent business enterprise operating a data/information  
928 enterprise in Tier Three areas (as such areas are designated in  
929 accordance with Section 57-73-21), meeting minimum criteria  
930 established by the Mississippi Development Authority. The  
931 exemption provided in this paragraph (ff) shall not apply to sales  
932 to any business enterprise that is a medical cannabis  
933 establishment as defined in the Mississippi Medical Cannabis Act.

934 (gg) Sales of component materials used in the  
935 construction of a facility, or any addition or improvement  
936 thereto, and sales of machinery and equipment not later than three  
937 (3) months after the completion of construction of the facility,  
938 or any addition or improvement thereto, to be used in the facility  
939 or any addition or improvement thereto, to technology intensive  
940 enterprises for industrial purposes in Tier Three areas (as such  
941 areas are designated in accordance with Section 57-73-21), as  
942 certified by the Department of Revenue. For purposes of this  
943 paragraph, an enterprise must meet the criteria provided for in  
944 Section 27-65-17(1) (f) in order to be considered a technology  
945 intensive enterprise.

946 (hh) Sales of component materials used in the  
947 replacement, reconstruction or repair of a building or facility  
948 that has been destroyed or sustained extensive damage as a result  
949 of a disaster declared by the Governor, sales of machinery and  
950 equipment to be used therein to replace machinery or equipment

951 damaged or destroyed as a result of such disaster, including, but  
952 not limited to, manufacturing or processing machinery and  
953 equipment which is permanently attached to the ground or to a  
954 permanent foundation and which is not by its nature intended to be  
955 housed within a building structure, to enterprises or companies  
956 that were eligible for the exemptions authorized in paragraph (q),  
957 (r), (ff) or (gg) of this subsection during initial construction  
958 of the building that was destroyed or damaged, which enterprises  
959 or companies are certified by the Department of Revenue as being  
960 eligible for the exemption granted in this paragraph.

961 (ii) Sales of software or software services transmitted  
962 by the Internet to a destination outside the State of Mississippi  
963 where the first use of such software or software services by the  
964 purchaser occurs outside the State of Mississippi.

965 (jj) Gross income of public storage warehouses derived  
966 from the temporary storage of raw materials that are to be used in  
967 an eligible facility as defined in Section 27-7-22.35.

968 (kk) Sales of component building materials and  
969 equipment for initial construction of facilities or expansion of  
970 facilities as authorized under Sections 57-113-1 through 57-113-7  
971 and Sections 57-113-21 through 57-113-27.

972 (ll) Sales and leases of machinery and equipment  
973 acquired in the initial construction to establish facilities as  
974 authorized in Sections 57-113-1 through 57-113-7.

975           (mm) Sales and leases of replacement hardware, software  
976 or other necessary technology to operate a data center as  
977 authorized under Sections 57-113-21 through 57-113-27.

978           (nn) Sales of component materials used in the  
979 construction of a building, or any addition or improvement  
980 thereon, and sales or leases of machinery and equipment not later  
981 than three (3) months after the completion of the construction of  
982 the facility, to be used in the facility, to permanent business  
983 enterprises operating a facility producing renewable crude oil  
984 from biomass harvested or produced, in whole or in part, in  
985 Mississippi, which businesses meet minimum criteria established by  
986 the Mississippi Development Authority. As used in this paragraph,  
987 the term "biomass" shall have the meaning ascribed to such term in  
988 Section 57-113-1.

989           (oo) Sales of supplies, equipment and other personal  
990 property to an organization that is exempt from taxation under  
991 Section 501(c)(3) of the Internal Revenue Code and is the host  
992 organization coordinating a professional golf tournament played or  
993 to be played in this state and the supplies, equipment or other  
994 personal property will be used for purposes related to the golf  
995 tournament and related activities.

996           (pp) Sales of materials used in the construction of a  
997 health care industry facility, as defined in Section 57-117-3, or  
998 any addition or improvement thereon, and sales of any machinery  
999 and equipment not later than three (3) months after the completion  
1000 of construction of the facility, or any addition thereon, to be

1001 used therein, to qualified businesses, as defined in Section  
1002 57-117-3. This paragraph shall be repealed from and after July  
1003 1, \* \* \* 2025.

1004 (qq) Sales or leases to a manufacturer of automotive  
1005 parts operating a project that has been certified by the  
1006 Mississippi Major Economic Impact Authority as a project as  
1007 defined in Section 57-75-5(f) (xxviii) of machinery and equipment;  
1008 or repair parts therefor or replacements thereof; repair services  
1009 thereon; fuel, supplies, electricity, coal, nitrogen and natural  
1010 gas used directly in the manufacture of automotive parts or used  
1011 to provide climate control for manufacturing areas.

1012 (rr) Gross collections derived from guided tours on any  
1013 navigable waters of this state, which include providing  
1014 accommodations, guide services and/or related equipment operated  
1015 by or under the direction of the person providing the tour, for  
1016 the purposes of outdoor tourism. The exemption provided in this  
1017 paragraph (rr) does not apply to the sale of tangible personal  
1018 property by a person providing such tours.

1019 (ss) Retail sales of truck-tractors and semitrailers  
1020 used in interstate commerce and registered under the International  
1021 Registration Plan (IRP) or any similar reciprocity agreement or  
1022 compact relating to the proportional registration of commercial  
1023 vehicles entered into as provided for in Section 27-19-143.

1024 (tt) Sales exempt under the Facilitating Business Rapid  
1025 Response to State Declared Disasters Act of 2015 (Sections  
1026 27-113-1 through 27-113-9).

1027                   (uu) Sales or leases to an enterprise and its  
1028 affiliates operating a project that has been certified by the  
1029 Mississippi Major Economic Impact Authority as a project as  
1030 defined in Section 57-75-5(f)(xxix) of:

1031                   (i) All personal property and fixtures, including  
1032 without limitation, sales or leases to the enterprise and its  
1033 affiliates of:

1034                                 1. Manufacturing machinery and equipment;

1035                                 2. Special tooling such as dies, molds, jigs  
1036 and similar items treated as special tooling for federal income  
1037 tax purposes;

1038                                 3. Component building materials, machinery  
1039 and equipment used in the construction of buildings, and any other  
1040 additions or improvements to the project site for the project;

1041                                 4. Nonmanufacturing furniture, fixtures and  
1042 equipment (inclusive of all communications, computer, server,  
1043 software and other hardware equipment); and

1044                                 5. Fuel, supplies (other than  
1045 nonmanufacturing consumable supplies and water), electricity,  
1046 nitrogen gas and natural gas used directly in the  
1047 manufacturing/production operations of such project or used to  
1048 provide climate control for manufacturing/production areas of such  
1049 project;

1050                   (ii) All replacements of, repair parts for or  
1051 services to repair items described in subparagraph (i)1, 2 and 3  
1052 of this paragraph; and



1053 (iii) All services taxable pursuant to Section  
1054 27-65-23 required to establish, support, operate, repair and/or  
1055 maintain such project.

1056 (vv) Sales or leases to an enterprise operating a  
1057 project that has been certified by the Mississippi Major Economic  
1058 Impact Authority as a project as defined in Section  
1059 57-75-5(f) (xxx) of:

1060 (i) Purchases required to establish and operate  
1061 the project, including, but not limited to, sales of component  
1062 building materials, machinery and equipment required to establish  
1063 the project facility and any additions or improvements thereon;  
1064 and

1065 (ii) Machinery, special tools (such as dies,  
1066 molds, and jigs) or repair parts thereof, or replacements and  
1067 lease thereof, repair services thereon, fuel, supplies and  
1068 electricity, coal and natural gas used in the manufacturing  
1069 process and purchased by the enterprise owning or operating the  
1070 project for the benefit of the project.

1071 (ww) Sales of component materials used in the  
1072 construction of a building, or any expansion or improvement  
1073 thereon, sales of machinery and/or equipment to be used therein,  
1074 and sales of processing machinery and equipment which is  
1075 permanently attached to the ground or to a permanent foundation  
1076 which is not by its nature intended to be housed in a building  
1077 structure, no later than three (3) months after initial startup,  
1078 expansion or improvement of a permanent enterprise solely engaged

1079 in the conversion of natural sand into proppants used in oil and  
1080 gas exploration and development with at least ninety-five percent  
1081 (95%) of such proppants used in the production of oil and/or gas  
1082 from horizontally drilled wells and/or horizontally drilled  
1083 recompletion wells as defined in Sections 27-25-501 and 27-25-701.

1084 (2) Sales of component materials used in the construction of  
1085 a building, or any addition or improvement thereon, sales of  
1086 machinery and equipment to be used therein, and sales of  
1087 manufacturing or processing machinery and equipment which is  
1088 permanently attached to the ground or to a permanent foundation  
1089 and which is not by its nature intended to be housed within a  
1090 building structure, not later than three (3) months after the  
1091 initial start-up date, to permanent business enterprises engaging  
1092 in manufacturing or processing in Tier Two areas and Tier One  
1093 areas (as such areas are designated in accordance with Section  
1094 57-73-21), which businesses are certified by the Department of  
1095 Revenue as being eligible for the exemption granted in this  
1096 subsection, shall be exempt from one-half (1/2) of the taxes  
1097 imposed on such transactions under this chapter. The exemption  
1098 provided in this subsection (2) shall not apply to sales to any  
1099 business enterprise that is a medical cannabis establishment as  
1100 defined in the Mississippi Medical Cannabis Act.

1101 (3) Sales of component materials used in the construction of  
1102 a facility, or any addition or improvement thereon, and sales or  
1103 leases of machinery and equipment not later than three (3) months  
1104 after the completion of construction of the facility, or any

1105 addition or improvement thereto, to be used in the building or any  
1106 addition or improvement thereto, to a permanent business  
1107 enterprise operating a data/information enterprise in Tier Two  
1108 areas and Tier One areas (as such areas are designated in  
1109 accordance with Section 57-73-21), which businesses meet minimum  
1110 criteria established by the Mississippi Development Authority,  
1111 shall be exempt from one-half (1/2) of the taxes imposed on such  
1112 transaction under this chapter. The exemption provided in this  
1113 subsection (3) shall not apply to sales to any business enterprise  
1114 that is a medical cannabis establishment as defined in the  
1115 Mississippi Medical Cannabis Act.

1116 (4) Sales of component materials used in the construction of  
1117 a facility, or any addition or improvement thereto, and sales of  
1118 machinery and equipment not later than three (3) months after the  
1119 completion of construction of the facility, or any addition or  
1120 improvement thereto, to be used in the building or any addition or  
1121 improvement thereto, to technology intensive enterprises for  
1122 industrial purposes in Tier Two areas and Tier One areas (as such  
1123 areas are designated in accordance with Section 57-73-21), which  
1124 businesses are certified by the Department of Revenue as being  
1125 eligible for the exemption granted in this subsection, shall be  
1126 exempt from one-half (1/2) of the taxes imposed on such  
1127 transactions under this chapter. For purposes of this subsection,  
1128 an enterprise must meet the criteria provided for in Section  
1129 27-65-17(1)(f) in order to be considered a technology intensive  
1130 enterprise.

1131 (5) (a) For purposes of this subsection:

1132 (i) "Telecommunications enterprises" shall have  
1133 the meaning ascribed to such term in Section 57-73-21;

1134 (ii) "Tier One areas" mean counties designated as  
1135 Tier One areas pursuant to Section 57-73-21;

1136 (iii) "Tier Two areas" mean counties designated as  
1137 Tier Two areas pursuant to Section 57-73-21;

1138 (iv) "Tier Three areas" mean counties designated  
1139 as Tier Three areas pursuant to Section 57-73-21; and

1140 (v) "Equipment used in the deployment of broadband  
1141 technologies" means any equipment capable of being used for or in  
1142 connection with the transmission of information at a rate, prior  
1143 to taking into account the effects of any signal degradation, that  
1144 is not less than three hundred eighty-four (384) kilobits per  
1145 second in at least one (1) direction, including, but not limited  
1146 to, asynchronous transfer mode switches, digital subscriber line  
1147 access multiplexers, routers, servers, multiplexers, fiber optics  
1148 and related equipment.

1149 (b) Sales of equipment to telecommunications  
1150 enterprises after June 30, 2003, and before July 1, 2025, that is  
1151 installed in Tier One areas and used in the deployment of  
1152 broadband technologies shall be exempt from one-half (1/2) of the  
1153 taxes imposed on such transactions under this chapter.

1154 (c) Sales of equipment to telecommunications  
1155 enterprises after June 30, 2003, and before July 1, 2025, that is  
1156 installed in Tier Two and Tier Three areas and used in the

1157 deployment of broadband technologies shall be exempt from the  
1158 taxes imposed on such transactions under this chapter.

1159 (6) Sales of component materials used in the replacement,  
1160 reconstruction or repair of a building that has been destroyed or  
1161 sustained extensive damage as a result of a disaster declared by  
1162 the Governor, sales of machinery and equipment to be used therein  
1163 to replace machinery or equipment damaged or destroyed as a result  
1164 of such disaster, including, but not limited to, manufacturing or  
1165 processing machinery and equipment which is permanently attached  
1166 to the ground or to a permanent foundation and which is not by its  
1167 nature intended to be housed within a building structure, to  
1168 enterprises that were eligible for the partial exemptions provided  
1169 for in subsections (2), (3) and (4) of this section during initial  
1170 construction of the building that was destroyed or damaged, which  
1171 enterprises are certified by the Department of Revenue as being  
1172 eligible for the partial exemption granted in this subsection,  
1173 shall be exempt from one-half (1/2) of the taxes imposed on such  
1174 transactions under this chapter.

1175 **SECTION 10.** This act shall take effect and be in force from  
1176 and after July 1, 2022.

**Further, amend by striking the title in its entirety and  
inserting in lieu thereof the following:**

1 AN ACT TO REENACT SECTIONS 57-117-1, 57-117-3, 57-117-5,  
2 57-117-7, 57-117-9 AND 57-117-11, MISSISSIPPI CODE OF 1972, WHICH  
3 CONSTITUTE THE MISSISSIPPI HEALTH CARE INDUSTRY ZONE ACT; TO AMEND  
4 REENACTED SECTION 57-117-3, MISSISSIPPI CODE OF 1972, AS AMENDED  
5 BY SENATE BILL NO. 2095, 2022 REGULAR SESSION, TO CONFORM TO  
6 AMENDMENTS MADE TO THAT SECTION BY SENATE BILL NO. 2095, 2022

7 REGULAR SESSION, AND TO MAKE MINOR FORMATTING REVISIONS; TO AMEND  
8 REENACTED SECTION 57-117-11, MISSISSIPPI CODE OF 1972, TO EXTEND  
9 THE DATE OF REPEAL ON THE MISSISSIPPI HEALTH CARE INDUSTRY ZONE  
10 ACT; TO AMEND SECTION 27-31-101, MISSISSIPPI CODE OF 1972, WHICH  
11 AUTHORIZES COUNTY BOARDS OF SUPERVISORS AND MUNICIPAL GOVERNING  
12 AUTHORITIES TO GRANT CERTAIN AD VALOREM TAX EXEMPTIONS, TO EXTEND  
13 THE REVERTER ON THE PROVISION OF LAW ALLOWING SUCH EXEMPTIONS FOR  
14 HEALTH CARE INDUSTRY FACILITIES AS DEFINED IN THE MISSISSIPPI  
15 HEALTH CARE INDUSTRY ZONE ACT; TO AMEND SECTION 27-31-104,  
16 MISSISSIPPI CODE OF 1972, AS AMENDED BY SENATE BILL NO. 2095, 2022  
17 REGULAR SESSION, WHICH AUTHORIZES COUNTY BOARDS OF SUPERVISORS AND  
18 MUNICIPAL GOVERNING AUTHORITIES TO ENTER INTO AGREEMENTS WITH  
19 CERTAIN ENTERPRISES GRANTING A FEE-IN-LIEU OF AD VALOREM TAXES, TO  
20 EXTEND THE REVERTER ON THE PROVISION OF LAW ALLOWING SUCH  
21 AGREEMENTS FOR PROJECTS TOTALING OVER \$100,000,000.00 BY QUALIFIED  
22 BUSINESSES, AS DEFINED IN THE MISSISSIPPI HEALTH CARE INDUSTRY  
23 ZONE ACT, MEETING MINIMUM CRITERIA ESTABLISHED BY THE MISSISSIPPI  
24 DEVELOPMENT AUTHORITY; TO AMEND SECTION 27-65-101, MISSISSIPPI  
25 CODE OF 1972, AS AMENDED BY SENATE BILL NO. 2095, 2022 REGULAR  
26 SESSION, WHICH PROVIDES INDUSTRIAL EXEMPTIONS TO THE SALES TAX, TO  
27 EXTEND THE DATE OF REPEAL ON THE EXEMPTION OF SALES OF MATERIALS  
28 USED IN THE CONSTRUCTION OF A HEALTH CARE INDUSTRY FACILITY, OR  
29 ADDITIONS OR IMPROVEMENTS THEREON, AND SALES OF CERTAIN RELATED  
30 MACHINERY AND EQUIPMENT TO QUALIFIED BUSINESSES AS DEFINED IN THE  
31 MISSISSIPPI HEALTH CARE INDUSTRY ZONE ACT; AND FOR RELATED  
32 PURPOSES.

HR31\SB2842PH.J

Andrew Ketchings  
Clerk of the House of Representatives