

Adopted
AMENDMENT NO 1 TO AMENDMENT NO 1 PROPOSED TO

Senate Bill No. 3163

BY: Representative Reynolds

1 **AMEND** by inserting the following after line 897 and
2 renumbering the succeeding sections accordingly:

3 **"SECTION 4.** Section 27-31-104, Mississippi Code of 1972, as
4 amended by Senate Bill No. 2095, 2022 Regular Session, is amended
5 as follows:

6 **[Through June 30, * * * 2025, this section shall read as**
7 **follows:]**

8 27-31-104. (1) (a) County boards of supervisors and
9 municipal authorities are each hereby authorized and empowered to
10 enter into an agreement with an enterprise granting, and pursuant
11 to such agreement grant a fee-in-lieu of ad valorem taxes,
12 including ad valorem taxes levied for school purposes, for the
13 following:



14 (i) Projects totaling over Sixty Million Dollars
15 (\$60,000,000.00) by any new enterprises enumerated in Section
16 27-31-101;

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

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

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

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

37 County boards of supervisors and municipal authorities may
38 not enter into an agreement with an enterprise that is a medical



cannabis establishment, as defined in the Mississippi Medical Cannabis Act, granting, and pursuant to such agreement grant a fee-in-lieu of ad valorem taxes.

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



64 (2) A county board of supervisors may enter into a
65 fee-in-lieu agreement on behalf of the county and any county
66 school district, and a municipality may enter into such a
67 fee-in-lieu agreement on behalf of the municipality and any
68 municipal school district located in the municipality; however, if
69 the project is located outside the limits of a municipality but
70 within the boundaries of the municipal school district, then the
71 county board of supervisors may enter into such a fee-in-lieu
72 agreement on behalf of the school district granting a fee-in-lieu
73 of ad valorem taxes for school district purposes.

74 (3) Any grant of a fee-in-lieu of ad valorem taxes shall be
75 evidenced by a written agreement negotiated by the enterprise and
76 the county board of supervisors and/or municipal authority, as the
77 case may be, and given final approval by the Mississippi
78 Development Authority as satisfying the requirements of this
79 section.

80 (4) The minimum sum allowable as a fee-in-lieu shall not be
81 less than one-third (1/3), or one-tenth (1/10) if the project is
82 also a project as defined in Section 27-31-46, of the ad valorem
83 levy, including ad valorem taxes for school district purposes, and
84 except as otherwise provided, the sum allowed shall be apportioned
85 between the county or municipality, as appropriate, and the school
86 districts in such amounts as may be determined by the county board
87 of supervisors or municipal governing authority, as the case may
88 be, however, except as otherwise provided in this section, from



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

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



114 from year to year based upon changes in the millage rate or
115 assessed value and shall not be less than one-third (1/3) of that
116 amount or one-tenth (1/10) of that amount if the project is also a
117 project as defined in Section 27-31-46. If the fee is a stated
118 dollar amount, said amount shall be the higher of the sum provided
119 for fixed payment or (a) one-third (1/3) of the total of all ad
120 valorem taxes otherwise payable as annually determined during each
121 year of the fee-in-lieu or (b) if the project is also a project as
122 defined in Section 27-31-46, one-tenth (1/10) of the total of all
123 ad valorem taxes otherwise payable as annually determined during
124 each year of the fee-in-lieu.

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

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



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

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

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

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

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

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



163 (i) Projects totaling over Sixty Million Dollars
164 (\$60,000,000.00) by any new enterprises enumerated in Section
165 27-31-101;

166 (ii) Projects by a private company (as such term
167 is defined in Section 57-61-5, Mississippi Code of 1972) having a
168 minimum capital investment of Sixty Million Dollars
169 (\$60,000,000.00);

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

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

184 County boards of supervisors and municipal authorities may
185 not enter into an agreement with an enterprise that is a medical
186 cannabis establishment, as defined in the Mississippi Medical



187 Cannabis Act, granting, and pursuant to such agreement grant a
188 fee-in-lieu of ad valorem taxes.

189 (b) A fee-in-lieu of ad valorem taxes granted in
190 accordance with this section may include any or all tangible
191 property, real or personal, including any leasehold interests
192 therein but excluding automobiles and trucks operating on and over
193 the highways of the State of Mississippi, used in connection with,
194 or necessary to, the operation of any enterprise, private company
195 or business described in paragraph (a) of this subsection (1), as
196 applicable, whether or not such property is owned, leased,
197 subleased, licensed or otherwise obtained by such enterprise,
198 private company or business, as applicable, irrespective of the
199 taxpayer to which any such leased property is assessed for ad
200 valorem tax purposes. If a fee-in-lieu of ad valorem taxes is
201 granted pursuant to this section with respect to any leasehold
202 interest under a lease, sublease or license of tangible property
203 used in connection with, or necessary to, the operation of an
204 enterprise, private company or business described in paragraph (a)
205 of this subsection (1), as applicable, the corresponding ownership
206 interest of the owner, lessor and sublessor of such tangible
207 property shall similarly and automatically be exempt and subject
208 to the fee-in-lieu granted in accordance herewith without any
209 action being required to be taken by such owner, lessor or
210 sublessor.



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

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

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



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

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



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

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

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



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

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

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

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

SECTION 5. A project as defined in Section 27-31-46, for which initial construction begins on or after July 1, 2022, but not later than December 31, 2024, shall be allowed an exemption from ad valorem taxation as provided in this section. For such a project, one-half (1/2) of that true value of property of the project that is subject to a fee-in-lieu of ad valorem taxes pursuant to an agreement under Section 27-31-104 shall be exempt from ad valorem taxation for a period of ten (10) years from and



310 after the date of the expiration of such fee-in-lieu of ad valorem
311 taxes."

312 **AMEND further** on line 899 by inserting the following after
313 the period: "Section 5 of this act shall be codified as a new
314 section in Chapter 31, Title 27, Mississippi Code of 1972."

315 **AMEND further** on line 902 by inserting "or ad valorem tax
316 laws" after "laws".

317 **AMEND further** on line 906 by inserting "and ad valorem tax
318 laws" after "laws".

319 **AMEND further** on line 914 by inserting "Sections 4 and 5 of
320 this act shall take effect and be in force from and after July 1,
321 2022," after "2020,".

322 **AMEND TITLE to conform.**

