

By: Representative Hopkins

To: Ways and Means

HOUSE BILL NO. 375

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

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

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

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

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

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

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



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

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



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

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

67 (f) All property, real or personal, whether belonging
68 to religious or charitable or benevolent organizations, which is



69 used for hospital purposes, and nurses' homes where a part
70 thereof, and which maintain one or more charity wards that are for
71 charity patients, and where all the income from said hospitals and
72 nurses' homes is used entirely for the purposes thereof and no
73 part of the same for profit. All property, real or personal,
74 belonging to a federally qualified health center where all the
75 income from such center is used entirely for the purposes thereof
76 and no part of the same for profit.

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

80 (h) Provisions on hand for family consumption.

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

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

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

92 (l) Household furniture, including all articles kept in
93 the home by the owner for his own personal or family use; but this



94 shall not apply to hotels, rooming houses or rented or leased
95 apartments.

96 (m) All cattle and oxen.

97 (n) All sheep, goats and hogs.

98 (o) All horses, mules and asses.

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

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

104 (r) The libraries of all persons.

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

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

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



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

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

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

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

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

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

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

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



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

145 2. Vessels that were used for the exploration
146 for, or production of, oil, gas and other minerals that are
147 converted to a new service for use outside the boundaries of this
148 state;

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

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

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

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



167 the extension of the exemption and setting a maximum period for
168 the exemption.

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

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

178 (bb) All growing nursery stock.

179 (cc) A semitrailer used in interstate commerce.

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

188 (ee) All vessels while in the hands of bona fide
189 dealers as merchandise and which are not being operated upon the
190 waters of this state shall be exempt from ad valorem taxes. As
191 used in this paragraph, the terms "vessel" and "waters of this



192 state" shall have the meaning ascribed to such terms in Section
193 59-21-3.

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

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



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

236 (ii) All property, real, personal or mixed, including
237 fixtures and leaseholds, used by Mississippi nonprofit entities
238 qualified, on or before January 1, 2005, under Section 501(c)(3)
239 of the Internal Revenue Code to provide support and operate
240 technology incubators for research and development start-up
241 companies, telecommunication startup companies and/or other



242 technology startup companies, utilizing technology spun-off from
243 research and development activities of the public colleges and
244 universities of this state, State of Mississippi governmental
245 research or development activities resulting therefrom located
246 within the State of Mississippi.

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

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

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

265 (mm) For any lease or contractual arrangement to which
266 the Department of Finance and Administration and a nonprofit



267 corporation are a party to as provided in Section 39-25-1(5), the
268 nonprofit corporation shall, along with the possessory and
269 leasehold interests and/or real and personal property of the
270 corporation, be exempt from all ad valorem taxation, including,
271 but not limited to, school, city and county ad valorem taxes, for
272 the term or period of time stated in the lease or contractual
273 arrangement.

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

284 (oo) From and after January 1, 2024, all real property,
285 excluding any improvements thereon.

286 **SECTION 2.** This act shall take effect and be in force from
287 and after July 1, 2023.

