

By: Representatives Hood, Stamps, Boyd
(19th)

To: Ways and Means

HOUSE BILL NO. 1561

1 AN ACT TO AMEND SECTION 27-31-101, MISSISSIPPI CODE OF 1972,
2 TO INCLUDE CONTROLLED ENVIRONMENT AGRICULTURE ENTERPRISES MEETING
3 MINIMUM CRITERIA ESTABLISHED BY THE MISSISSIPPI DEVELOPMENT
4 AUTHORITY IN THE TYPES OF NEW ENTERPRISES FOR WHICH COUNTY BOARDS
5 OF SUPERVISORS AND MUNICIPAL GOVERNING AUTHORITIES MAY GRANT AD
6 VALOREM TAX EXEMPTIONS; AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** Section 27-31-101, Mississippi Code of 1972, is
9 amended as follows:

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

11 27-31-101. (1) County boards of supervisors and municipal
12 authorities are hereby authorized and empowered, in their
13 discretion, to grant exemptions from ad valorem taxation, except
14 state ad valorem taxation; however, such governing authorities
15 shall not exempt ad valorem taxes for school district purposes on
16 tangible property used in, or necessary to, the operation of the
17 manufacturers and other new enterprises enumerated by classes in
18 this section, except to the extent authorized in Sections
19 27-31-104 and 27-31-105(2), nor shall they exempt from ad valorem
20 taxes the products of the manufacturers or other new enterprises



21 or automobiles and trucks belonging to the manufacturers or other
22 new enterprises operating on and over the highways of the State of
23 Mississippi. The time of such exemption shall be for a period not
24 to exceed a total of ten (10) years which shall begin on the date
25 of completion of the new enterprise for which the exemption is
26 granted; however, boards of supervisors and municipal authorities,
27 in lieu of granting the exemption for one (1) period of ten (10)
28 years, may grant the exemption in a period of less than ten (10)
29 years. When the initial exemption period granted is less than ten
30 (10) years, the boards of supervisors and municipal authorities
31 may grant a subsequent consecutive period or periods to follow the
32 initial period of exemption, provided that the total of all
33 periods of exemption shall not exceed ten (10) years. The date of
34 completion of the new enterprise, from which the initial period of
35 exemption shall begin, shall be the date on which operations of
36 the new enterprise begin. The initial request for an exemption
37 must be made in writing by June 1 of the year immediately
38 following the year in which the date of completion of a new
39 enterprise occurs. If the initial request for the exemption is
40 not timely made, the board of supervisors or municipal authorities
41 may grant a subsequent request for the exemption and, in such
42 case, the exemption shall begin on the anniversary date of
43 completion of the enterprise in the year in which the request is
44 made and may be for a period of time extending not more than ten
45 (10) years from the date of completion of the new enterprise. Any



46 subsequent request for the exemption must be made in writing by
47 June 1 of the year in which it is granted.

48 (2) Any board of supervisors or municipal authority which
49 has granted an exemption for a period of less than ten (10) years
50 may grant subsequent periods of exemption to run consecutively
51 with the initial exemption period, or a subsequently granted
52 exemption period, but in no case shall the total of the exemption
53 periods granted for a new enterprise exceed ten (10) years. Any
54 consecutive period of exemption shall be granted by entry of an
55 order by the board or the authority granting the consecutive
56 exemption on its minutes, reflecting the granting of the
57 consecutive exemption period and the dates upon which such
58 consecutive exemption period begins and expires. The entry of
59 this order granting the consecutive period of exemption shall be
60 made before the expiration of the exemption period immediately
61 preceding the consecutive exemption period being granted.

62 (3) (a) The new enterprises for which any or all of the
63 tangible property described in paragraph (b) of this subsection
64 (3) may be exempt from ad valorem taxation, except state ad
65 valorem taxation, ad valorem taxes for school district purposes,
66 and ad valorem taxes on the products thereof or on automobiles and
67 trucks belonging thereto and operating on and over the highways of
68 the State of Mississippi, are enumerated as and limited to the
69 following, as determined by the Department of Revenue:

70 (i) Warehouse and/or distribution centers;



71 (ii) Manufacturing, processors and refineries;
72 (iii) Research facilities;
73 (iv) Corporate regional and national headquarters
74 meeting minimum criteria established by the Mississippi
75 Development Authority;
76 (v) Movie industry studios meeting minimum
77 criteria established by the Mississippi Development Authority;
78 (vi) Air transportation and maintenance facilities
79 meeting minimum criteria established by the Mississippi
80 Development Authority;
81 (vii) Recreational facilities that impact tourism
82 meeting minimum criteria established by the Mississippi
83 Development Authority;
84 (viii) Data/information processing enterprises
85 meeting minimum criteria established by the Mississippi
86 Development Authority;
87 (ix) Technology intensive enterprises or
88 facilities meeting criteria established by the Mississippi
89 Development Authority;
90 (x) Health care industry facilities as defined in
91 Section 57-117-3;
92 (xi) Data centers as defined in Section
93 57-113-21; * * *
94 (xii) Telecommunications enterprises meeting
95 minimum criteria established by the Mississippi Development



96 Authority. The term "telecommunications enterprises" means
97 entities engaged in the creation, display, management, storage,
98 processing, transmission or distribution for compensation of
99 images, text, voice, video or data by wire or by wireless means,
100 or entities engaged in the construction, design, development,
101 manufacture, maintenance or distribution for compensation of
102 devices, products, software or structures used in the above
103 activities. Companies organized to do business as commercial
104 broadcast radio stations, television stations or news
105 organizations primarily serving in-state markets shall not be
106 included within the definition of the term "telecommunications
107 enterprises * * *"; and
108 (xiii) Controlled environment agriculture
109 enterprises meeting minimum criteria established by the
110 Mississippi Development Authority.

111 The new enterprises enumerated in this paragraph (a) do not
112 include medical cannabis establishments as defined in the
113 Mississippi Medical Cannabis Act.

114 (b) An exemption from ad valorem taxes granted under
115 this section may include any or all tangible property, real or
116 personal, including any leasehold interests therein but excluding
117 automobiles and trucks operating on and over the highways of the
118 State of Mississippi, used in connection with, or necessary to,
119 the operation of an enterprise enumerated in paragraph (a) of this
120 subsection (3), whether or not such property is owned, leased,



121 subleased, licensed or otherwise obtained by such enterprise,
122 irrespective of the taxpayer to which any such leased property is
123 assessed for ad valorem tax purposes. If an exemption is granted
124 pursuant to this section with respect to any leasehold interest
125 under a lease, sublease or license of tangible property used in
126 connection with, or necessary to, the operation of an enterprise
127 enumerated in paragraph (a) of this subsection (3), the
128 corresponding ownership interest of the owner, lessor and
129 sublessor of such tangible property shall similarly and
130 automatically be exempt without any action being required to be
131 taken by such owner, lessor or sublessor.

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

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

137 27-31-101. (1) County boards of supervisors and municipal
138 authorities are hereby authorized and empowered, in their
139 discretion, to grant exemptions from ad valorem taxation, except
140 state ad valorem taxation; however, such governing authorities
141 shall not exempt ad valorem taxes for school district purposes on
142 tangible property used in, or necessary to, the operation of the
143 manufacturers and other new enterprises enumerated by classes in
144 this section, except to the extent authorized in Sections
145 27-31-104 and 27-31-105(2), nor shall they exempt from ad valorem



146 taxes the products of the manufacturers or other new enterprises
147 or automobiles and trucks belonging to the manufacturers or other
148 new enterprises operating on and over the highways of the State of
149 Mississippi. The time of such exemption shall be for a period not
150 to exceed a total of ten (10) years which shall begin on the date
151 of completion of the new enterprise for which the exemption is
152 granted; however, boards of supervisors and municipal authorities,
153 in lieu of granting the exemption for one (1) period of ten (10)
154 years, may grant the exemption in a period of less than ten (10)
155 years. When the initial exemption period granted is less than ten
156 (10) years, the boards of supervisors and municipal authorities
157 may grant a subsequent consecutive period or periods to follow the
158 initial period of exemption, provided that the total of all
159 periods of exemption shall not exceed ten (10) years. The date of
160 completion of the new enterprise, from which the initial period of
161 exemption shall begin, shall be the date on which operations of
162 the new enterprise begin. The initial request for an exemption
163 must be made in writing by June 1 of the year immediately
164 following the year in which the date of completion of a new
165 enterprise occurs. If the initial request for the exemption is
166 not timely made, the board of supervisors or municipal authorities
167 may grant a subsequent request for the exemption and, in such
168 case, the exemption shall begin on the anniversary date of
169 completion of the enterprise in the year in which the request is
170 made and may be for a period of time extending not more than ten



171 (10) years from the date of completion of the new enterprise. Any
172 subsequent request for the exemption must be made in writing by
173 June 1 of the year in which it is granted.

174 (2) Any board of supervisors or municipal authority which
175 has granted an exemption for a period of less than ten (10) years
176 may grant subsequent periods of exemption to run consecutively
177 with the initial exemption period, or a subsequently granted
178 exemption period, but in no case shall the total of the exemption
179 periods granted for a new enterprise exceed ten (10) years. Any
180 consecutive period of exemption shall be granted by entry of an
181 order by the board or the authority granting the consecutive
182 exemption on its minutes, reflecting the granting of the
183 consecutive exemption period and the dates upon which such
184 consecutive exemption period begins and expires. The entry of
185 this order granting the consecutive period of exemption shall be
186 made before the expiration of the exemption period immediately
187 preceding the consecutive exemption period being granted.

188 (3) (a) The new enterprises for which any or all of the
189 tangible property described in paragraph (b) of this subsection
190 (3) may be exempt from ad valorem taxation, except state ad
191 valorem taxation, ad valorem taxes for school district purposes,
192 and ad valorem taxes on the products thereof or on automobiles and
193 trucks belonging thereto and operating on and over the highways of
194 the State of Mississippi, are enumerated as and limited to the
195 following, as determined by the Department of Revenue:



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200 meeting minimum criteria established by the Mississippi
201 Development Authority;
202 (v) Movie industry studios meeting minimum
203 criteria established by the Mississippi Development Authority;
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205 meeting minimum criteria established by the Mississippi
206 Development Authority;
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208 meeting minimum criteria established by the Mississippi
209 Development Authority;
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211 meeting minimum criteria established by the Mississippi
212 Development Authority;
213 (ix) Technology intensive enterprises or
214 facilities meeting criteria established by the Mississippi
215 Development Authority;
216 (x) Data centers as defined in Section
217 57-113-21; * * *
218 (xi) Telecommunications enterprises meeting
219 minimum criteria established by the Mississippi Development
220 Authority. The term "telecommunications enterprises" means



221 entities engaged in the creation, display, management, storage,
222 processing, transmission or distribution for compensation of
223 images, text, voice, video or data by wire or by wireless means,
224 or entities engaged in the construction, design, development,
225 manufacture, maintenance or distribution for compensation of
226 devices, products, software or structures used in the above
227 activities. Companies organized to do business as commercial
228 broadcast radio stations, television stations or news
229 organizations primarily serving in-state markets shall not be
230 included within the definition of the term "telecommunications
231 enterprises * * *"; and

232 (xii) Controlled environment agriculture
233 enterprises meeting minimum criteria established by the
234 Mississippi Development Authority.

235 The new enterprises enumerated in this paragraph (a) do not
236 include medical cannabis establishments as defined in the
237 Mississippi Medical Cannabis Act.

238 (b) An exemption from ad valorem taxes granted under
239 this section may include any or all tangible property, real or
240 personal, including any leasehold interests therein but excluding
241 automobiles and trucks operating on and over the highways of the
242 State of Mississippi, used in connection with, or necessary to,
243 the operation of an enterprise enumerated in paragraph (a) of this
244 subsection (3), whether or not such property is owned, leased,
245 subleased, licensed or otherwise obtained by such enterprise,



246 irrespective of the taxpayer to which any such leased property is
247 assessed for ad valorem tax purposes. If an exemption is granted
248 pursuant to this section with respect to any leasehold interest
249 under a lease, sublease or license of tangible property used in
250 connection with, or necessary to, the operation of an enterprise
251 enumerated in paragraph (a) of this subsection (3), the
252 corresponding ownership interest of the owner, lessor and
253 sublessor of such tangible property shall similarly and
254 automatically be exempt without any action being required to be
255 taken by such owner, lessor or sublessor.

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

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

