

By: Senator(s) Blackwell

To: Finance

SENATE BILL NO. 2014

1 AN ACT TO AMEND SECTIONS 27-31-101 AND 27-31-103, MISSISSIPPI  
 2 CODE OF 1972, TO PROVIDE THAT IF A MUNICIPALITY ANNEXES AN AREA  
 3 ALREADY CONTAINING AN ENTERPRISE OF A KIND OTHERWISE ELIGIBLE TO  
 4 RECEIVE DISCRETIONARY AD VALOREM TAX EXEMPTIONS AS A NEW  
 5 ENTERPRISE, SUCH ENTERPRISE SHALL BE CONSIDERED A "NEW ENTERPRISE"  
 6 FOR PURPOSES OF THE MUNICIPALITY'S AUTHORITY TO GRANT THE  
 7 DISCRETIONARY EXEMPTIONS; TO PROVIDE THAT THE DATE FROM WHICH THE  
 8 INITIAL PERIOD OF EXEMPTION BEGINS SHALL BE THE EFFECTIVE DATE OF  
 9 THE ANNEXATION OF THE AREA IN WHICH THE ENTERPRISE IS LOCATED; TO  
 10 AMEND SECTIONS 27-31-104, 27-31-105, 27-31-107 AND 27-31-115  
 11 MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND FOR RELATED  
 12 PURPOSES.

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

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

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

17 27-31-101. (1) County boards of supervisors and municipal  
 18 authorities are hereby authorized and empowered, in their  
 19 discretion, to grant exemptions from ad valorem taxation, except  
 20 state ad valorem taxation; however, such governing authorities  
 21 shall not exempt ad valorem taxes for school district purposes on  
 22 tangible property used in, or necessary to, the operation of the  
 23 manufacturers and other new enterprises enumerated by classes in



24 this section, except to the extent authorized in Sections  
25 27-31-104 and 27-31-105(2), nor shall they exempt from ad valorem  
26 taxes the products of the manufacturers or other new enterprises  
27 or automobiles and trucks belonging to the manufacturers or other  
28 new enterprises operating on and over the highways of the State of  
29 Mississippi. The time of such exemption shall be for a period not  
30 to exceed a total of ten (10) years which shall begin on the date  
31 of completion of the new enterprise for which the exemption is  
32 granted; however, boards of supervisors and municipal authorities,  
33 in lieu of granting the exemption for one (1) period of ten (10)  
34 years, may grant the exemption in a period of less than ten (10)  
35 years. When the initial exemption period granted is less than ten  
36 (10) years, the boards of supervisors and municipal authorities  
37 may grant a subsequent consecutive period or periods to follow the  
38 initial period of exemption, provided that the total of all  
39 periods of exemption shall not exceed ten (10) years. The date of  
40 completion of the new enterprise, from which the initial period of  
41 exemption shall begin, shall be the date on which operations of  
42 the new enterprise begin. The initial request for an exemption  
43 must be made in writing by June 1 of the year immediately  
44 following the year in which the date of completion of a new  
45 enterprise occurs. If the initial request for the exemption is  
46 not timely made, the board of supervisors or municipal authorities  
47 may grant a subsequent request for the exemption and, in such  
48 case, the exemption shall begin on the anniversary date of



49 completion of the enterprise in the year in which the request is  
50 made and may be for a period of time extending not more than ten  
51 (10) years from the date of completion of the new enterprise. Any  
52 subsequent request for the exemption must be made in writing by  
53 June 1 of the year in which it is granted.

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

68 (3) (a) The new enterprises for which any or all of the  
69 tangible property described in paragraph (b) of this subsection  
70 (3) may be exempt from ad valorem taxation, except state ad  
71 valorem taxation, ad valorem taxes for school district purposes,  
72 and ad valorem taxes on the products thereof or on automobiles and  
73 trucks belonging thereto and operating on and over the highways of



74 the State of Mississippi, are enumerated as and limited to the  
75 following, as determined by the Department of Revenue:

76 (i) Warehouse and/or distribution centers;

77 (ii) Manufacturing, processors and refineries;

78 (iii) Research facilities;

79 (iv) Corporate regional and national headquarters  
80 meeting minimum criteria established by the Mississippi  
81 Development Authority;

82 (v) Movie industry studios meeting minimum  
83 criteria established by the Mississippi Development Authority;

84 (vi) Air transportation and maintenance facilities  
85 meeting minimum criteria established by the Mississippi  
86 Development Authority;

87 (vii) Recreational facilities that impact tourism  
88 meeting minimum criteria established by the Mississippi  
89 Development Authority;

90 (viii) Data/information processing enterprises  
91 meeting minimum criteria established by the Mississippi  
92 Development Authority;

93 (ix) Technology intensive enterprises or  
94 facilities meeting criteria established by the Mississippi  
95 Development Authority;

96 (x) Health care industry facilities as defined in  
97 Section 57-117-3;



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

99 and

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

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

117 (b) An exemption from ad valorem taxes granted under  
118 this section may include any or all tangible property, real or  
119 personal, including any leasehold interests therein but excluding  
120 automobiles and trucks operating on and over the highways of the  
121 State of Mississippi, used in connection with, or necessary to,  
122 the operation of an enterprise enumerated in paragraph (a) of this



123 subsection (3), whether or not such property is owned, leased,  
124 subleased, licensed or otherwise obtained by such enterprise,  
125 irrespective of the taxpayer to which any such leased property is  
126 assessed for ad valorem tax purposes. If an exemption is granted  
127 pursuant to this section with respect to any leasehold interest  
128 under a lease, sublease or license of tangible property used in  
129 connection with, or necessary to, the operation of an enterprise  
130 enumerated in paragraph (a) of this subsection (3), the  
131 corresponding ownership interest of the owner, lessor and  
132 sublessor of such tangible property shall similarly and  
133 automatically be exempt without any action being required to be  
134 taken by such owner, lessor or sublessor.

135 (4) If a municipality annexes an area already containing an  
136 enterprise of a kind enumerated in paragraph (a) of subsection (3)  
137 of this section, such enterprise shall be considered a "new  
138 enterprise" for purposes of the municipality's authority to grant,  
139 in its discretion, any exemptions from ad valorem taxation  
140 authorized by this chapter. The date from which the initial  
141 period of exemption begins shall be the effective date of the  
142 annexation of the area in which the enterprise is located.

143 ( \* \* \*5) Any exemption from ad valorem taxes granted under  
144 this section before March 28, 2019, and consistent herewith, is  
145 hereby ratified, approved and confirmed.

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



148           27-31-101. (1) County boards of supervisors and municipal  
149 authorities are hereby authorized and empowered, in their  
150 discretion, to grant exemptions from ad valorem taxation, except  
151 state ad valorem taxation; however, such governing authorities  
152 shall not exempt ad valorem taxes for school district purposes on  
153 tangible property used in, or necessary to, the operation of the  
154 manufacturers and other new enterprises enumerated by classes in  
155 this section, except to the extent authorized in Sections  
156 27-31-104 and 27-31-105(2), nor shall they exempt from ad valorem  
157 taxes the products of the manufacturers or other new enterprises  
158 or automobiles and trucks belonging to the manufacturers or other  
159 new enterprises operating on and over the highways of the State of  
160 Mississippi. The time of such exemption shall be for a period not  
161 to exceed a total of ten (10) years which shall begin on the date  
162 of completion of the new enterprise for which the exemption is  
163 granted; however, boards of supervisors and municipal authorities,  
164 in lieu of granting the exemption for one (1) period of ten (10)  
165 years, may grant the exemption in a period of less than ten (10)  
166 years. When the initial exemption period granted is less than ten  
167 (10) years, the boards of supervisors and municipal authorities  
168 may grant a subsequent consecutive period or periods to follow the  
169 initial period of exemption, provided that the total of all  
170 periods of exemption shall not exceed ten (10) years. The date of  
171 completion of the new enterprise, from which the initial period of  
172 exemption shall begin, shall be the date on which operations of



173 the new enterprise begin. The initial request for an exemption  
174 must be made in writing by June 1 of the year immediately  
175 following the year in which the date of completion of a new  
176 enterprise occurs. If the initial request for the exemption is  
177 not timely made, the board of supervisors or municipal authorities  
178 may grant a subsequent request for the exemption and, in such  
179 case, the exemption shall begin on the anniversary date of  
180 completion of the enterprise in the year in which the request is  
181 made and may be for a period of time extending not more than ten  
182 (10) years from the date of completion of the new enterprise. Any  
183 subsequent request for the exemption must be made in writing by  
184 June 1 of the year in which it is granted.

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





197 made before the expiration of the exemption period immediately  
198 preceding the consecutive exemption period being granted.

199 (3) (a) The new enterprises for which any or all of the  
200 tangible property described in paragraph (b) of this subsection  
201 (3) may be exempt from ad valorem taxation, except state ad  
202 valorem taxation, ad valorem taxes for school district purposes,  
203 and ad valorem taxes on the products thereof or on automobiles and  
204 trucks belonging thereto and operating on and over the highways of  
205 the State of Mississippi, are enumerated as and limited to the  
206 following, as determined by the Department of Revenue:

207 (i) Warehouse and/or distribution centers;

208 (ii) Manufacturing, processors and refineries;

209 (iii) Research facilities;

210 (iv) Corporate regional and national headquarters  
211 meeting minimum criteria established by the Mississippi  
212 Development Authority;

213 (v) Movie industry studios meeting minimum  
214 criteria established by the Mississippi Development Authority;

215 (vi) Air transportation and maintenance facilities  
216 meeting minimum criteria established by the Mississippi  
217 Development Authority;

218 (vii) Recreational facilities that impact tourism  
219 meeting minimum criteria established by the Mississippi  
220 Development Authority;



221 (viii) Data/information processing enterprises  
222 meeting minimum criteria established by the Mississippi  
223 Development Authority;

224 (ix) Technology intensive enterprises or  
225 facilities meeting criteria established by the Mississippi  
226 Development Authority;

227 (x) Data centers as defined in Section 57-113-21;  
228 and

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

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



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) If a municipality annexes an area already containing an  
265 enterprise of a kind enumerated in paragraph (a) of subsection (3)  
266 of this section, such enterprise shall be considered a "new  
267 enterprise" for purposes of the municipality's authority to grant,  
268 in its discretion, any exemptions from ad valorem taxation  
269 authorized by this chapter. The date from which the initial



270 period of exemption begins shall be the effective date of the  
271 annexation of the area in which the enterprise is located.

272 ( \* \* \*5) Any exemption from ad valorem taxes granted under  
273 this section before March 28, 2019, and consistent herewith, is  
274 hereby ratified, approved and confirmed.

275 **SECTION 2.** Section 27-31-103, Mississippi Code of 1972, is  
276 amended as follows:

277 27-31-103. County boards of supervisors and municipal  
278 authorities in counties bordering on the Gulf of Mexico are hereby  
279 authorized and empowered, in their discretion, to grant exemption  
280 from ad valorem taxation in addition to those enumerated in  
281 Section 27-31-101, except state ad valorem taxation, on all  
282 tangible property, excepting motor vehicles, used in or necessary  
283 to the operation of new enterprises completed after May 6, 1958,  
284 which enterprises are commonly or are usually designated as  
285 hotels, motels, or both. If a municipality annexes an area  
286 already containing an enterprise commonly or usually designated as  
287 a hotel or motel, such enterprise shall be considered a "new  
288 enterprise" for purposes of the municipality's authority to grant,  
289 in its discretion, the exemption from ad valorem taxation  
290 authorized by this section. The date from which the initial  
291 period of exemption begins shall be the effective date of the  
292 annexation of the area in which the enterprise is located.

293 In the case of the county board of supervisors, the exemption  
294 shall not exceed five (5) years and in the case of the municipal



295 authorities, the exemption shall not exceed ten (10) years. Said  
296 exemption may be granted in the case of domestic corporations,  
297 without regard to the date of its charter, and in the case of  
298 foreign corporations, without regard to the date on which it  
299 qualified to do business, and is authorized to do business, and in  
300 the case of an individual enterprise, said exemption shall be  
301 granted from the date said work is commenced.

302 No new exemption from ad valorem taxes levied for school  
303 district purposes shall be granted pursuant to this section from  
304 and after July 1, 1990.

305 **SECTION 3.** Section 27-31-104, Mississippi Code of 1972, is  
306 amended as follows:

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

308 27-31-104. (1) (a) County boards of supervisors and  
309 municipal authorities are each hereby authorized and empowered to  
310 enter into an agreement with an enterprise granting, and pursuant  
311 to such agreement grant a fee-in-lieu of ad valorem taxes,  
312 including ad valorem taxes levied for school purposes, for the  
313 following:

314 (i) Projects totaling over Sixty Million Dollars  
315 (\$60,000,000.00) by any new enterprises enumerated in Section  
316 27-31-101, including enterprises annexed by a municipality as  
317 provided in Section 27-31-101(4);



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

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

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

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

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



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

365           (2) A county board of supervisors may enter into a  
366 fee-in-lieu agreement on behalf of the county and any county  
367 school district, and a municipality may enter into such a



368 fee-in-lieu agreement on behalf of the municipality and any  
369 municipal school district located in the municipality; however, if  
370 the project is located outside the limits of a municipality but  
371 within the boundaries of the municipal school district, then the  
372 county board of supervisors may enter into such a fee-in-lieu  
373 agreement on behalf of the school district granting a fee-in-lieu  
374 of ad valorem taxes for school district purposes.

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

381 (4) The minimum sum allowable as a fee-in-lieu shall not be  
382 less than one-third (1/3), or one-tenth (1/10) if the project is  
383 also a project eligible for an ad valorem tax exemption under  
384 Section 27-31-46 and a fee-in-lieu agreement is entered into  
385 before July 1, 2023, of the ad valorem levy, including ad valorem  
386 taxes for school district purposes, and except as otherwise  
387 provided, the sum allowed shall be apportioned between the county  
388 or municipality, as appropriate, and the school districts in such  
389 amounts as may be determined by the county board of supervisors or  
390 municipal governing authority, as the case may be, however, except  
391 as otherwise provided in this section, from the sum allowed the  
392 apportionment to school districts shall not be less than the





393 school districts' pro rata share based upon the proportion that  
394 the millage imposed for the school districts by the appropriate  
395 levying authority bears to the millage imposed by such levying  
396 authority for all other county or municipal purposes. Any  
397 fee-in-lieu agreement entered into under this section shall become  
398 a binding obligation of the parties to the agreement, be effective  
399 upon its execution by the parties and approval by the Mississippi  
400 Development Authority and, except as otherwise provided in Section  
401 17-25-23 or Section 57-75-33, or any other provision of law,  
402 continue in effect for a period not to exceed thirty (30) years  
403 commencing on the date that the fee-in-lieu granted thereunder  
404 begins in accordance with the agreement; however, no particular  
405 parcel of land, real property improvement or item of personal  
406 property shall be subject to a fee-in-lieu for a duration of more  
407 than ten (10) years. Any such agreement shall be binding,  
408 according to its terms, on future boards of supervisors of the  
409 county and/or governing authorities of a municipality, as the case  
410 may be, for the duration of the agreement.

411 (5) The fee-in-lieu may be a stated fraction or percentage  
412 of the ad valorem taxes otherwise payable or a stated dollar  
413 amount. If the fee is a fraction or percentage of the ad valorem  
414 tax levy, it shall be annually computed on all ad valorem taxes  
415 otherwise payable, including school taxes, as the same may vary  
416 from year to year based upon changes in the millage rate or  
417 assessed value and shall not be less than one-third (1/3) of that



418 amount or one-tenth (1/10) of that amount if the project is also a  
419 project eligible for an ad valorem tax exemption under Section  
420 27-31-46 and a fee-in-lieu agreement is entered into before July  
421 1, 2023. If the fee is a stated dollar amount, said amount shall  
422 be the higher of the sum provided for fixed payment or (a)  
423 one-third (1/3) of the total of all ad valorem taxes otherwise  
424 payable as annually determined during each year of the fee-in-lieu  
425 or (b) if the project is also a project eligible for an ad valorem  
426 tax exemption under Section 27-31-46 and a fee-in-lieu agreement  
427 is entered into before July 1, 2023, one-tenth (1/10) of the total  
428 of all ad valorem taxes otherwise payable as annually determined  
429 during each year of the fee-in-lieu.

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

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



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

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

452 (9) For a project as defined in Section 57-75-5(f) (xxviii),  
453 the annual amount of the fee-in-lieu apportioned to the county  
454 shall not be less than the amount necessary to pay the debt  
455 service on bonds issued by the county pursuant to Section  
456 57-75-37(3) (c) .

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

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

462 27-31-104. (1) (a) County boards of supervisors and  
463 municipal authorities are each hereby authorized and empowered to  
464 enter into an agreement with an enterprise granting, and pursuant  
465 to such agreement grant a fee-in-lieu of ad valorem taxes,  
466 including ad valorem taxes levied for school purposes, for the  
467 following:



468 (i) Projects totaling over Sixty Million Dollars  
469 (\$60,000,000.00) by any new enterprises enumerated in Section  
470 27-31-101, including enterprises annexed by a municipality as  
471 provided in Section 27-31-101(4);

472 (ii) Projects by a private company (as such term  
473 is defined in Section 57-61-5, Mississippi Code of 1972) having a  
474 minimum capital investment of Sixty Million Dollars  
475 (\$60,000,000.00);

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

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

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



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

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



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

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

533 (4) The minimum sum allowable as a fee-in-lieu shall not be  
534 less than one-third (1/3), or one-tenth (1/10) if the project is  
535 also a project eligible for an ad valorem tax exemption under  
536 Section 27-31-46 and a fee-in-lieu agreement is entered into  
537 before July 1, 2023, of the ad valorem levy, including ad valorem  
538 taxes for school district purposes, and except as otherwise  
539 provided, the sum allowed shall be apportioned between the county  
540 or municipality, as appropriate, and the school districts in such  
541 amounts as may be determined by the county board of supervisors or



542 municipal governing authority, as the case may be, however, except  
543 as otherwise provided in this section, from the sum allowed the  
544 apportionment to school districts shall not be less than the  
545 school districts' pro rata share based upon the proportion that  
546 the millage imposed for the school districts by the appropriate  
547 levying authority bears to the millage imposed by such levying  
548 authority for all other county or municipal purposes. Any  
549 fee-in-lieu agreement entered into under this section shall become  
550 a binding obligation of the parties to the agreement, be effective  
551 upon its execution by the parties and approval by the Mississippi  
552 Development Authority and, except as otherwise provided in Section  
553 17-25-23 or Section 57-75-33, or any other provision of law,  
554 continue in effect for a period not to exceed thirty (30) years  
555 commencing on the date that the fee-in-lieu granted thereunder  
556 begins in accordance with the agreement; however, no particular  
557 parcel of land, real property improvement or item of personal  
558 property shall be subject to a fee-in-lieu for a duration of more  
559 than ten (10) years. Any such agreement shall be binding,  
560 according to its terms, on future boards of supervisors of the  
561 county and/or governing authorities of a municipality, as the case  
562 may be, for the duration of the agreement.

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



567 otherwise payable, including school taxes, as the same may vary  
568 from year to year based upon changes in the millage rate or  
569 assessed value and shall not be less than one-third (1/3) of that  
570 amount or one-tenth (1/10) of that amount if the project is also a  
571 project eligible for an ad valorem tax exemption under Section  
572 27-31-46 and a fee-in-lieu agreement is entered into before July  
573 1, 2023. If the fee is a stated dollar amount, said amount shall  
574 be the higher of the sum provided for fixed payment or (a)  
575 one-third (1/3) of the total of all ad valorem taxes otherwise  
576 payable as annually determined during each year of the fee-in-lieu  
577 or (b) if the project is also a project eligible for an ad valorem  
578 tax exemption under Section 27-31-46 and a fee-in-lieu agreement  
579 is entered into before July 1, 2023, one-tenth (1/10) of the total  
580 of all ad valorem taxes otherwise payable as annually determined  
581 during each year of the fee-in-lieu.

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

589 (7) For a project as defined in Section 57-75-5(f)(xxi) and  
590 located in a county that is a member of a regional economic  
591 development alliance created under Section 57-64-1 et seq., the





592 members of the regional economic development alliance may divide  
593 the sum allowed as a fee-in-lieu in a manner as determined by the  
594 alliance agreement, and the boards of supervisors of the member  
595 counties may then apportion the sum allowed between school  
596 district purposes and all other county purposes.

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

604 (9) For a project as defined in Section 57-75-5(f) (xxviii),  
605 the annual amount of the fee-in-lieu apportioned to the county  
606 shall not be less than the amount necessary to pay the annual debt  
607 service on bonds issued by the county pursuant to Section  
608 57-75-37(3) (c) .

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

612 **SECTION 4.** Section 27-31-105, Mississippi Code of 1972, is  
613 amended as follows:

614 27-31-105. (1) Any person, firm or corporation who owns or  
615 operates a manufacturing or other enterprise of public utility as  
616 enumerated in Section 27-31-101 and who makes additions to or



617 expansions of the facilities or properties or replaces equipment  
618 used in connection with or necessary to the operation of such  
619 enterprise may be granted an exemption from ad valorem taxation,  
620 except state ad valorem taxation, ad valorem taxes for school  
621 district purposes, and ad valorem taxes on the products thereof or  
622 on automobiles and trucks belonging thereto and operating on and  
623 over the highways of the State of Mississippi, upon each addition  
624 to or expansion of the facility or property or replacement of  
625 equipment, used in connection with, or necessary to, the operation  
626 of an enterprise enumerated in Section 27-31-101, whether or not  
627 such property is owned, leased, subleased, licensed or otherwise  
628 obtained by such enterprise, irrespective of the taxpayer to which  
629 any such leased property is assessed for ad valorem tax purposes,  
630 within the discretion of the county board of supervisors and  
631 municipal authorities; however, such governing authorities shall  
632 not exempt ad valorem taxes for school district purposes on such  
633 additions or expansions of the facility or property, or  
634 replacement of equipment. If an exemption is granted pursuant to  
635 this subsection (1) with respect to any leasehold interest under a  
636 lease, sublease or license of tangible property used in connection  
637 with, or necessary to, the operation of an enterprise enumerated  
638 in Section 27-31-101, the corresponding ownership interest of the  
639 owner, lessor and sublessor of such tangible property shall  
640 similarly and automatically be exempt without any action being  
641 required to be taken by such owner, lessor or sublessor. In order



642 to obtain the exemptions authorized by this section, a person,  
643 firm or corporation shall follow the same procedure prescribed for  
644 obtaining an exemption on a new enterprise, except as otherwise  
645 provided in this section. For any additions, expansions or  
646 replacements with reference to any particular new enterprise,  
647 including an enterprise annexed by a municipality as provided in  
648 Section 27-31-101(4), which have been completed during any  
649 calendar year, only one (1) request must be made for the  
650 exemptions sought for the additions, expansions or replacements.  
651 The time of the exemption shall commence from the date of  
652 completion of the additions, expansions or replacements, and shall  
653 extend for a period not to exceed ten (10) years thereafter;  
654 however, boards of supervisors and municipal authorities, in lieu  
655 of granting the exemption for one (1) period of ten (10) years,  
656 may grant the exemption in consecutive periods of five (5) years  
657 each, but the total of such consecutive periods shall not exceed  
658 ten (10) years. The initial request for an exemption must be made  
659 in writing by June 1 of the year immediately following the year in  
660 which the additions, expansions or replacements are completed. If  
661 the initial request for the exemption is not timely made, the  
662 board of supervisors or municipal authorities may grant a  
663 subsequent request for the exemption and, in such case, the  
664 exemption shall begin on the anniversary date of completion of the  
665 additions, expansions or replacements in the year in which the  
666 request is made and may be for a period of time extending not more



667 than ten (10) years from the date of completion of the additions,  
668 expansions or replacements. Any subsequent request for the  
669 exemption must be made in writing by June 1 of the year in which  
670 it is granted. Any exemption from ad valorem taxes granted under  
671 this subsection (1) before March 28, 2019, and consistent  
672 herewith, is hereby ratified, approved and confirmed.

673 (2) For expansions of facilities or properties, or  
674 replacement of equipment, county boards of supervisors and  
675 municipal authorities may grant a fee in lieu of taxes in the same  
676 manner, to the same extent, and with the same qualifying threshold  
677 as provided for projects under Section 27-31-104, Mississippi Code  
678 of 1972. Any fee-in-lieu of taxes granted under this subsection  
679 (2) before March 28, 2019, and consistent herewith, is hereby  
680 ratified, approved and confirmed.

681 **SECTION 5.** Section 27-31-107, Mississippi Code of 1972, is  
682 amended as follows:

683 27-31-107. Any person, firm or corporation claiming  
684 exemptions from municipal or county ad valorem taxation as  
685 provided in Sections 27-31-101 through 27-31-117 shall first file  
686 an application with the governing authorities of the municipality  
687 or the county board of supervisors, as the case may be, on or  
688 before June 1 of the year following the year of completion or  
689 annexation of the new enterprise, or completion of the expansion  
690 or addition; however, no such application shall be required for,  
691 nor shall this section otherwise apply to, any fee-in-lieu of ad



692 valorem taxation, granted pursuant to Section 27-31-104 or  
693 27-31-105(2). Each copy shall be subscribed and sworn to by the  
694 individual making the application or, if a firm or corporation, by  
695 an officer or person duly authorized to do so. In the  
696 application, full information shall be given as to the property  
697 proposed to be exempted, the kind of articles to be manufactured,  
698 and the date from which exemption is claimed. Each application  
699 shall also show an itemized listing of the true value of all such  
700 property sought to be exempted. The governing authorities of the  
701 municipality or county board of supervisors may, by resolution  
702 spread on its minutes, approve such application for all or any  
703 part of the property sought to be exempted and for all or any part  
704 of the authorized period of exemption. The resolution of approval  
705 shall also have an itemized listing of the true value of all  
706 property to be exempted. The application, together with the  
707 resolution of approval, shall be forwarded to the Department of  
708 Revenue within thirty (30) days from the date of the resolution.  
709 The department shall proceed to investigate the matter and  
710 determine whether the property is eligible for the exemption.  
711 After investigation of the eligibility of the property, the  
712 department shall certify its determination to the governing  
713 authorities of the municipality or the county board of  
714 supervisors. If such property sought to be exempted is not  
715 eligible for such exemption, as above set forth, the Department of  
716 Revenue shall so certify. If the Department of Revenue certifies



717 that the applicant is eligible for an exemption, it shall be  
718 discretionary with the board of supervisors or municipal  
719 authorities as to whether they grant the exemption, but in no  
720 event shall an exemption be granted if the Department of Revenue  
721 certifies that the applicant is not eligible for an exemption.  
722 The original copy of the application for exemption shall be  
723 returned to the governing authorities of the municipality or the  
724 county board of supervisors, as the case may be.

725         **SECTION 6.** Section 27-31-115, Mississippi Code of 1972, is  
726 amended as follows:

727         27-31-115. All municipalities may grant like exemptions from  
728 municipal ad valorem taxation for a period not exceeding ten (10)  
729 years to all manufacturers and other new enterprises, including  
730 annexed enterprises, mentioned in Section 27-31-101 hereof, and  
731 gasworks, waterworks, cooperative electrification associations,  
732 excepting railroads and additions or expansions or replacements  
733 mentioned in Section 27-31-105 hereof; however, municipal  
734 authorities, in lieu of granting the exemption for one (1) period  
735 of ten (10) years, may grant the exemption in consecutive periods  
736 of less than ten (10) years, but the total of such consecutive  
737 periods shall not exceed ten (10) years.

738         No new exemption from ad valorem taxes levied for school  
739 district purposes shall be granted pursuant to this section from  
740 and after July 1, 1990.



741           **SECTION 7.** This act shall take effect and be in force from  
742 and after its passage.

