

By: Senator(s) Parker, Blackwell, McLendon

To: Finance

SENATE BILL NO. 2318

1 AN ACT TO AMEND SECTIONS 27-31-7, 27-31-101 AND 27-31-105 AND
2 27-31-107, MISSISSIPPI CODE OF 1972, TO AUTHORIZE COUNTIES AND
3 MUNICIPALITIES TO EXEMPT FROM AD VALOREM TAXATION, EXCEPT AD
4 VALOREM TAXES FOR SCHOOL DISTRICT PURPOSES, THE VALUE OF RAW
5 MATERIALS AND WORK-IN-PROGRESS INVENTORY; TO RATIFY ANY SUCH
6 EXEMPTION FROM AD VALOREM TAXES GRANTED BEFORE JULY 1, 2024; AND
7 FOR RELATED PURPOSES.

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

9 **SECTION 1.** Section 27-31-7, Mississippi Code of 1972, is
10 amended as follows:

11 27-31-7. (1) The board of supervisors of any county or the
12 governing authority of any municipality is hereby authorized and
13 empowered, in its discretion, to exempt from ad valorem taxation,
14 excepting ad valorem taxes for school district purposes, all or
15 any portion of the value of the products, including raw materials,
16 work-in-progress and finished goods inventory, owned by or
17 remaining in the hands of any manufacturer, or its subsidiary, or
18 any distributor or wholesale merchant, located within such county
19 or municipality. The time of such exemption shall be for a period
20 not to exceed a total of ten (10) years, which shall commence from



21 the date such exemption is granted. Any request for an exemption
22 must be made in writing to the board of supervisors or the
23 municipal governing authority. Any exemption from ad valorem
24 taxes granted under this subsection (1) before July 1, 2024, and
25 consistent herewith is ratified, approved and confirmed.

26 (2) The exemption granted herein shall be in addition to all
27 other exemptions heretofore granted by the laws of the State of
28 Mississippi.

29 (3) It is the sense of the Legislature that time limits
30 imposed in Section 182, Mississippi Constitution of 1890, on the
31 terms of certain ad valorem tax exemptions which may be granted to
32 manufacturers and other new enterprises of public utility apply
33 only to the physical plant of such manufacturers and enterprises
34 and to any personal property necessary for the operation thereof;
35 and any exemption for the finished products of such manufacturers
36 and enterprises granted by the governing authorities of any county
37 or municipality under this section after December 31, 1960, but
38 prior to July 1, 1982, shall not be affected by the time limits
39 established in subsequent amendments to this section after July 1,
40 1982, but shall remain in full force and effect subject to the
41 original terms granted by such governing authorities.

42 **SECTION 2.** Section 27-31-101, Mississippi Code of 1972, is
43 amended as follows:

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



45 27-31-101. (1) County boards of supervisors and municipal
46 authorities are hereby authorized and empowered, in their
47 discretion, to grant exemptions from ad valorem taxation, except
48 state ad valorem taxation; however, such governing authorities
49 shall not exempt ad valorem taxes for school district purposes on
50 tangible property used in, or necessary to, the operation of the
51 manufacturers and other new enterprises enumerated by classes in
52 this section, including the projected annual value of raw
53 materials and work-in-progress inventory estimated to be necessary
54 to operate the new enterprise at full capacity during the term of
55 the exemption granted, except to the extent authorized in Sections
56 27-31-104 and 27-31-105(2), nor shall they exempt from ad valorem
57 taxes the finished products of the manufacturers or other new
58 enterprises or automobiles and trucks belonging to the
59 manufacturers or other new enterprises operating on and over the
60 highways of the State of Mississippi. The time of such exemption
61 shall be for a period not to exceed a total of ten (10) years
62 which shall begin on the date of completion of the new enterprise
63 for which the exemption is granted; however, boards of supervisors
64 and municipal authorities, in lieu of granting the exemption for
65 one (1) period of ten (10) years, may grant the exemption in a
66 period of less than ten (10) years. When the initial exemption
67 period granted is less than ten (10) years, the boards of
68 supervisors and municipal authorities may grant a subsequent
69 consecutive period or periods to follow the initial period of



70 exemption, provided that the total of all periods of exemption
71 shall not exceed ten (10) years. The date of completion of the
72 new enterprise, from which the initial period of exemption shall
73 begin, shall be the date on which operations of the new enterprise
74 begin. The initial request for an exemption must be made in
75 writing by June 1 of the year immediately following the year in
76 which the date of completion of a new enterprise occurs. If the
77 initial request for the exemption is not timely made, the board of
78 supervisors or municipal authorities may grant a subsequent
79 request for the exemption and, in such case, the exemption shall
80 begin on the anniversary date of completion of the enterprise in
81 the year in which the request is made and may be for a period of
82 time extending not more than ten (10) years from the date of
83 completion of the new enterprise. Any subsequent request for the
84 exemption must be made in writing by June 1 of the year in which
85 it is granted.

86 (2) Any board of supervisors or municipal authority which
87 has granted an exemption for a period of less than ten (10) years
88 may grant subsequent periods of exemption to run consecutively
89 with the initial exemption period, or a subsequently granted
90 exemption period, but in no case shall the total of the exemption
91 periods granted for a new enterprise exceed ten (10) years. Any
92 consecutive period of exemption shall be granted by entry of an
93 order by the board or the authority granting the consecutive
94 exemption on its minutes, reflecting the granting of the



95 consecutive exemption period and the dates upon which such
96 consecutive exemption period begins and expires. The entry of
97 this order granting the consecutive period of exemption shall be
98 made before the expiration of the exemption period immediately
99 preceding the consecutive exemption period being granted.

100 (3) (a) The new enterprises for which any or all of the
101 tangible property described in paragraph (b) of this subsection
102 (3) may be exempt from ad valorem taxation, except state ad
103 valorem taxation, ad valorem taxes for school district purposes,
104 and ad valorem taxes on the finished products thereof or on
105 automobiles and trucks belonging thereto and operating on and over
106 the highways of the State of Mississippi, are enumerated as and
107 limited to the following, as determined by the Department of
108 Revenue:

109 (i) Warehouse and/or distribution centers;

110 (ii) Manufacturing, processors and refineries;

111 (iii) Research facilities;

112 (iv) Corporate regional and national headquarters
113 meeting minimum criteria established by the Mississippi
114 Development Authority;

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

117 (vi) Air transportation and maintenance facilities
118 meeting minimum criteria established by the Mississippi
119 Development Authority;



120 (vii) Recreational facilities that impact tourism
121 meeting minimum criteria established by the Mississippi
122 Development Authority;

123 (viii) Data/information processing enterprises
124 meeting minimum criteria established by the Mississippi
125 Development Authority;

126 (ix) Technology intensive enterprises or
127 facilities meeting criteria established by the Mississippi
128 Development Authority;

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

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

132 (xii) Telecommunications enterprises meeting
133 minimum criteria established by the Mississippi Development
134 Authority. The term "telecommunications enterprises" means
135 entities engaged in the creation, display, management, storage,
136 processing, transmission or distribution for compensation of
137 images, text, voice, video or data by wire or by wireless means,
138 or entities engaged in the construction, design, development,
139 manufacture, maintenance or distribution for compensation of
140 devices, products, software or structures used in the above
141 activities. Companies organized to do business as commercial
142 broadcast radio stations, television stations or news
143 organizations primarily serving in-state markets shall not be



144 included within the definition of the term "telecommunications
145 enterprises"; and

146 (xiii) Controlled environment agriculture
147 enterprises meeting minimum criteria established by the
148 Mississippi Development Authority.

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

152 (b) An exemption from ad valorem taxes granted under
153 this section may include any or all tangible property, real or
154 personal, including any leasehold interests therein but excluding
155 automobiles and trucks operating on and over the highways of the
156 State of Mississippi, used in connection with, or necessary to,
157 the operation of an enterprise enumerated in paragraph (a) of this
158 subsection (3), whether or not such property is owned, leased,
159 subleased, licensed or otherwise obtained by such enterprise,
160 irrespective of the taxpayer to which any such leased property is
161 assessed for ad valorem tax purposes. If an exemption is granted
162 pursuant to this section with respect to any leasehold interest
163 under a lease, sublease or license of tangible property used in
164 connection with, or necessary to, the operation of an enterprise
165 enumerated in paragraph (a) of this subsection (3), the
166 corresponding ownership interest of the owner, lessor and
167 sublessor of such tangible property shall similarly and



168 automatically be exempt without any action being required to be
169 taken by such owner, lessor or sublessor.

170 (4) Any exemption from ad valorem taxes granted under this
171 section before * * * July 1, 2024, and consistent herewith, is
172 hereby ratified, approved and confirmed.

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

175 27-31-101. (1) County boards of supervisors and municipal
176 authorities are hereby authorized and empowered, in their
177 discretion, to grant exemptions from ad valorem taxation, except
178 state ad valorem taxation; however, such governing authorities
179 shall not exempt ad valorem taxes for school district purposes on
180 tangible property used in, or necessary to, the operation of the
181 manufacturers and other new enterprises enumerated by classes in
182 this section, including the projected annual value of raw
183 materials and work-in-progress inventory estimated to be necessary
184 to operate the new enterprise at full capacity during the term of
185 the exemption granted, except to the extent authorized in Sections
186 27-31-104 and 27-31-105(2), nor shall they exempt from ad valorem
187 taxes the finished products of the manufacturers or other new
188 enterprises or automobiles and trucks belonging to the
189 manufacturers or other new enterprises operating on and over the
190 highways of the State of Mississippi. The time of such exemption
191 shall be for a period not to exceed a total of ten (10) years
192 which shall begin on the date of completion of the new enterprise



193 for which the exemption is granted; however, boards of supervisors
194 and municipal authorities, in lieu of granting the exemption for
195 one (1) period of ten (10) years, may grant the exemption in a
196 period of less than ten (10) years. When the initial exemption
197 period granted is less than ten (10) years, the boards of
198 supervisors and municipal authorities may grant a subsequent
199 consecutive period or periods to follow the initial period of
200 exemption, provided that the total of all periods of exemption
201 shall not exceed ten (10) years. The date of completion of the
202 new enterprise, from which the initial period of exemption shall
203 begin, shall be the date on which operations of the new enterprise
204 begin. The initial request for an exemption must be made in
205 writing by June 1 of the year immediately following the year in
206 which the date of completion of a new enterprise occurs. If the
207 initial request for the exemption is not timely made, the board of
208 supervisors or municipal authorities may grant a subsequent
209 request for the exemption and, in such case, the exemption shall
210 begin on the anniversary date of completion of the enterprise in
211 the year in which the request is made and may be for a period of
212 time extending not more than ten (10) years from the date of
213 completion of the new enterprise. Any subsequent request for the
214 exemption must be made in writing by June 1 of the year in which
215 it is granted.

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



218 may grant subsequent periods of exemption to run consecutively
219 with the initial exemption period, or a subsequently granted
220 exemption period, but in no case shall the total of the exemption
221 periods granted for a new enterprise exceed ten (10) years. Any
222 consecutive period of exemption shall be granted by entry of an
223 order by the board or the authority granting the consecutive
224 exemption on its minutes, reflecting the granting of the
225 consecutive exemption period and the dates upon which such
226 consecutive exemption period begins and expires. The entry of
227 this order granting the consecutive period of exemption shall be
228 made before the expiration of the exemption period immediately
229 preceding the consecutive exemption period being granted.

230 (3) (a) The new enterprises for which any or all of the
231 tangible property described in paragraph (b) of this subsection
232 (3) may be exempt from ad valorem taxation, except state ad
233 valorem taxation, ad valorem taxes for school district purposes,
234 and ad valorem taxes on the finished products thereof or on
235 automobiles and trucks belonging thereto and operating on and over
236 the highways of the State of Mississippi, are enumerated as and
237 limited to the following, as determined by the Department of
238 Revenue:

- 239 (i) Warehouse and/or distribution centers;
240 (ii) Manufacturing, processors and refineries;
241 (iii) Research facilities;



242 (iv) Corporate regional and national headquarters
243 meeting minimum criteria established by the Mississippi
244 Development Authority;

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

247 (vi) Air transportation and maintenance facilities
248 meeting minimum criteria established by the Mississippi
249 Development Authority;

250 (vii) Recreational facilities that impact tourism
251 meeting minimum criteria established by the Mississippi
252 Development Authority;

253 (viii) Data/information processing enterprises
254 meeting minimum criteria established by the Mississippi
255 Development Authority;

256 (ix) Technology intensive enterprises or
257 facilities meeting criteria established by the Mississippi
258 Development Authority;

259 (x) Data centers as defined in Section 57-113-21;

260 (xi) Telecommunications enterprises meeting
261 minimum criteria established by the Mississippi Development
262 Authority. The term "telecommunications enterprises" means
263 entities engaged in the creation, display, management, storage,
264 processing, transmission or distribution for compensation of
265 images, text, voice, video or data by wire or by wireless means,
266 or entities engaged in the construction, design, development,



267 manufacture, maintenance or distribution for compensation of
268 devices, products, software or structures used in the above
269 activities. Companies organized to do business as commercial
270 broadcast radio stations, television stations or news
271 organizations primarily serving in-state markets shall not be
272 included within the definition of the term "telecommunications
273 enterprises"; and

274 (xii) Controlled environment agriculture
275 enterprises meeting minimum criteria established by the
276 Mississippi Development Authority.

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

280 (b) An exemption from ad valorem taxes granted under
281 this section may include any or all tangible property, real or
282 personal, including any leasehold interests therein but excluding
283 automobiles and trucks operating on and over the highways of the
284 State of Mississippi, used in connection with, or necessary to,
285 the operation of an enterprise enumerated in paragraph (a) of this
286 subsection (3), whether or not such property is owned, leased,
287 subleased, licensed or otherwise obtained by such enterprise,
288 irrespective of the taxpayer to which any such leased property is
289 assessed for ad valorem tax purposes. If an exemption is granted
290 pursuant to this section with respect to any leasehold interest
291 under a lease, sublease or license of tangible property used in



292 connection with, or necessary to, the operation of an enterprise
293 enumerated in paragraph (a) of this subsection (3), the
294 corresponding ownership interest of the owner, lessor and
295 sublessor of such tangible property shall similarly and
296 automatically be exempt without any action being required to be
297 taken by such owner, lessor or sublessor.

298 (4) Any exemption from ad valorem taxes granted under this
299 section before * * * July 1, 2024, and consistent herewith, is
300 hereby ratified, approved and confirmed.

301 **SECTION 3.** Section 27-31-105, Mississippi Code of 1972, is
302 amended as follows:

303 27-31-105. (1) Any person, firm or corporation who owns or
304 operates a manufacturing or other enterprise of public utility as
305 enumerated in Section 27-31-101 and who makes additions to or
306 expansions of the facilities or properties or replaces equipment
307 used in connection with or necessary to the operation of such
308 enterprise may be granted an exemption from ad valorem taxation,
309 except state ad valorem taxation, ad valorem taxes for school
310 district purposes, and ad valorem taxes on the finished products
311 thereof or on automobiles and trucks belonging thereto and
312 operating on and over the highways of the State of Mississippi,
313 upon each addition to or expansion of the facility or property or
314 replacement of equipment, used in connection with, or necessary
315 to, the operation of an enterprise enumerated in Section
316 27-31-101, including the projected annual value of raw materials



317 and work-in-progress inventory estimated to be necessary to
318 operate the additions to or expansions of the facilities or
319 properties at full capacity during the term of the exemption
320 granted, whether or not such property is owned, leased, subleased,
321 licensed or otherwise obtained by such enterprise, irrespective of
322 the taxpayer to which any such leased property is assessed for ad
323 valorem tax purposes, within the discretion of the county board of
324 supervisors and municipal authorities; however, such governing
325 authorities shall not exempt ad valorem taxes for school district
326 purposes on such additions or expansions of the facility or
327 property, or replacement of equipment. If an exemption is granted
328 pursuant to this subsection (1) with respect to any leasehold
329 interest under a lease, sublease or license of tangible property
330 used in connection with, or necessary to, the operation of an
331 enterprise enumerated in Section 27-31-101, the corresponding
332 ownership interest of the owner, lessor and sublessor of such
333 tangible property shall similarly and automatically be exempt
334 without any action being required to be taken by such owner,
335 lessor or sublessor. In order to obtain the exemptions authorized
336 by this section, a person, firm or corporation shall follow the
337 same procedure prescribed for obtaining an exemption on a new
338 enterprise, except as otherwise provided in this section. For any
339 additions, expansions or replacements with reference to any
340 particular new enterprise, which have been completed during any
341 calendar year, only one (1) request must be made for the



342 exemptions sought for the additions, expansions or replacements.
343 The time of the exemption shall commence from the date of
344 completion of the additions, expansions or replacements, and shall
345 extend for a period not to exceed ten (10) years thereafter;
346 however, boards of supervisors and municipal authorities, in lieu
347 of granting the exemption for one (1) period of ten (10) years,
348 may grant the exemption in consecutive periods of five (5) years
349 each, but the total of such consecutive periods shall not exceed
350 ten (10) years. The initial request for an exemption must be made
351 in writing by June 1 of the year immediately following the year in
352 which the additions, expansions or replacements are completed. If
353 the initial request for the exemption is not timely made, the
354 board of supervisors or municipal authorities may grant a
355 subsequent request for the exemption and, in such case, the
356 exemption shall begin on the anniversary date of completion of the
357 additions, expansions or replacements in the year in which the
358 request is made and may be for a period of time extending not more
359 than ten (10) years from the date of completion of the additions,
360 expansions or replacements. Any subsequent request for the
361 exemption must be made in writing by June 1 of the year in which
362 it is granted. Any exemption from ad valorem taxes granted under
363 this subsection (1) before * * * July 1, 2024, and consistent
364 herewith, is hereby ratified, approved and confirmed.

365 (2) For expansions of facilities or properties, or
366 replacement of equipment, county boards of supervisors and



367 municipal authorities may grant a fee in lieu of taxes in the same
368 manner, to the same extent, and with the same qualifying threshold
369 as provided for projects under Section 27-31-104, Mississippi Code
370 of 1972. Any fee-in-lieu of taxes granted under this subsection
371 (2) before March 28, 2019, and consistent herewith, is hereby
372 ratified, approved and confirmed.

373 **SECTION 4.** Section 27-31-107, Mississippi Code of 1972, is
374 amended as follows:

375 27-31-107. Any person, firm or corporation claiming
376 exemptions from municipal or county ad valorem taxation as
377 provided in Sections 27-31-101 through 27-31-117 shall first file
378 an application with the governing authorities of the municipality
379 or the county board of supervisors, as the case may be, on or
380 before June 1 of the year following the year of completion of the
381 new enterprise or completion of the expansion or addition;
382 however, no such application shall be required for, nor shall this
383 section otherwise apply to, any fee-in-lieu of ad valorem
384 taxation, granted pursuant to Section 27-31-104 or 27-31-105(2).
385 Each copy shall be subscribed and sworn to by the individual
386 making the application or, if a firm or corporation, by an officer
387 or person duly authorized to do so. In the application, full
388 information shall be given as to the property proposed to be
389 exempted, the kind of articles to be manufactured, and the date
390 from which exemption is claimed. Each application shall also show
391 an itemized listing of the true value of all such property,



392 including the projected annual value of raw materials and
393 work-in-progress inventory, sought to be exempted. The governing
394 authorities of the municipality or county board of supervisors
395 may, by resolution spread on its minutes, approve such application
396 for all or any part of the property sought to be exempted and for
397 all or any part of the authorized period of exemption. The
398 resolution of approval shall also have an itemized listing of the
399 true value of all property, including the projected annual value
400 of raw materials and work-in-progress inventory, to be exempted.
401 The application, together with the resolution of approval, shall
402 be forwarded to the Department of Revenue within thirty (30) days
403 from the date of the resolution. The department shall proceed to
404 investigate the matter and determine whether the property is
405 eligible for the exemption. After investigation of the
406 eligibility of the property, the department shall certify its
407 determination to the governing authorities of the municipality or
408 the county board of supervisors. If such property sought to be
409 exempted is not eligible for such exemption, as above set forth,
410 the Department of Revenue shall so certify. If the Department of
411 Revenue certifies that the applicant is eligible for an exemption,
412 it shall be discretionary with the board of supervisors or
413 municipal authorities as to whether they grant the exemption, but
414 in no event shall an exemption be granted if the Department of
415 Revenue certifies that the applicant is not eligible for an
416 exemption. The original copy of the application for exemption



417 shall be returned to the governing authorities of the municipality
418 or the county board of supervisors, as the case may be.

419 **SECTION 5.** This act shall take effect and be in force from
420 and after July 1, 2024.

