

By: Senator(s) Simmons (12th), Williams

To: County Affairs

SENATE BILL NO. 2697
(As Passed the Senate)

1 AN ACT TO AMEND SECTION 27-31-1, MISSISSIPPI CODE OF 1972, TO
2 STIPULATE THAT PROPERTY USED EXCLUSIVELY AND DIRECTLY FOR
3 EDUCATIONAL AND OUTREACH PURPOSES AND IS NOT LEASED OR OTHERWISE
4 USED TO GENERATE REVENUE SHALL BE TREATED AS BELONGING TO THE
5 FOUNDATION USING IT; AND FOR RELATED PURPOSES.

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

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

9 27-31-1. The following shall be exempt from taxation:

10 (a) All cemeteries used exclusively for burial
11 purposes.

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



19 (c) All property, real or personal, owned by units of
20 the Mississippi National Guard, or title to which is vested in
21 trustees for the benefit of any unit of the Mississippi National
22 Guard; provided such property is used exclusively for such unit,
23 or for public purposes, and not for profit.

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



44 and is not leased or otherwise used to generate revenue. All
45 property, real or personal, belonging to any rural waterworks
46 system or rural sewage disposal system incorporated under the
47 provisions of Section 79-11-1. All property, real or personal,
48 belonging to any college or institution for the education of
49 youths, used directly and exclusively for such purposes, provided
50 that no such college or institution for the education of youths
51 shall have exempt from taxation more than six hundred forty (640)
52 acres of land; provided, however, this exemption shall not apply
53 to commercial schools and colleges or trade institutions or
54 schools where the profits of same inure to individuals,
55 associations or corporations. All property, real or personal,
56 belonging to an individual, institution or corporation and used
57 for the operation of a grammar school, junior high school, high
58 school or military school. All property, real or personal, owned
59 and occupied by a fraternal and benevolent organization, when used
60 by such organization, and from which no rentals or other profits
61 accrue to the organization, but any part rented or from which
62 revenue is received shall be taxed.

63 (e) All property, real or personal, held and occupied
64 by trustees of public schools, and school lands of the respective
65 townships for the use of public schools, and all property kept in
66 storage for the convenience and benefit of the State of
67 Mississippi in warehouses owned or leased by the State of
68 Mississippi, wherein said property is to be sold by the Alcoholic



69 Beverage Control Division of the Department of Revenue of the
70 State of Mississippi.

71 (f) All property, real or personal, whether belonging
72 to religious or charitable or benevolent organizations, which is
73 used for hospital purposes, and nurses' homes where a part
74 thereof, and which maintain one or more charity wards that are for
75 charity patients, and where all the income from said hospitals and
76 nurses' homes is used entirely for the purposes thereof and no
77 part of the same for profit. All property, real or personal,
78 belonging to a federally qualified health center where all the
79 income from such center is used entirely for the purposes thereof
80 and no part of the same for profit.

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

84 (h) Provisions on hand for family consumption.

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



93 (j) All guns and pistols kept by the owner for private
94 use.

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

96 (l) Household furniture, including all articles kept in
97 the home by the owner for his own personal or family use; but this
98 shall not apply to hotels, rooming houses or rented or leased
99 apartments.

100 (m) All cattle and oxen.

101 (n) All sheep, goats and hogs.

102 (o) All horses, mules and asses.

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

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

108 (r) The libraries of all persons.

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

111 (t) The tools of any mechanic necessary for carrying on
112 his trade.

113 (u) All state, county, municipal, levee, drainage and
114 all school bonds or other governmental obligations, and all bonds
115 and/or evidences of debts issued by any church or church
116 organization in this state, and all notes and evidences of
117 indebtedness which bear a rate of interest not greater than the



118 maximum rate per annum applicable under the law; and all money
119 loaned at a rate of interest not exceeding the maximum rate per
120 annum applicable under the law; and all stock in or bonds of
121 foreign corporations or associations shall be exempt from all ad
122 valorem taxes.

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

127 (w) Any and all money on deposit in either national
128 banks, state banks or trust companies, on open account, savings
129 account or time deposit.

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

132 (y) (i) Boats, seines and fishing equipment used in
133 fishing and shrimping operations and in the taking or catching of
134 oysters.

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

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

140 (ii) Vessels while under construction and/or
141 conversion;



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

146 1. Vessels used for the exploration for, or
147 production of, oil, gas and other minerals offshore outside the
148 boundaries of this state; or

149 2. Vessels that were used for the exploration
150 for, or production of, oil, gas and other minerals that are
151 converted to a new service for use outside the boundaries of this
152 state;

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

156 a. Be operating or operable, generating
157 or capable of generating its own power or connected to some other
158 power source, and not removed from the service or use for which
159 manufactured or to which converted; and

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

165 2. A vessel exempt from taxation under
166 subparagraph (iii) of this paragraph (z) may not be exempt for a



167 period of more than three (3) years unless the board of
168 supervisors of the county and/or governing authorities of the
169 municipality, as the case may be, in which the vessel would
170 otherwise be taxable adopts a resolution or ordinance authorizing
171 the extension of the exemption and setting a maximum period for
172 the exemption.

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

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

182 (bb) All growing nursery stock.

183 (cc) A semitrailer used in interstate commerce.

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



192 (ee) All vessels while in the hands of bona fide
193 dealers as merchandise and which are not being operated upon the
194 waters of this state shall be exempt from ad valorem taxes. As
195 used in this paragraph, the terms "vessel" and "waters of this
196 state" shall have the meaning ascribed to such terms in Section
197 59-21-3.

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

209 (gg) If a municipality changes its boundaries so as to
210 include within the boundaries of such municipality the project
211 site of any project as defined in Section 57-75-5(f)(iv)1, Section
212 57-75-5(f)(xxi) or Section 57-75-5(f)(xxviii) or Section
213 57-75-5(f)(xxix), all real and personal property located on the
214 project site within the boundaries of such municipality that is
215 owned by a business enterprise operating such project, shall be
216 exempt from ad valorem taxation for a period of time not to exceed



217 thirty (30) years upon receiving approval for such exemption by
218 the Mississippi Major Economic Impact Authority. The provisions
219 of this paragraph shall not be construed to authorize a breach of
220 any agreement entered into pursuant to Section 21-1-59.

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

240 (ii) All property, real, personal or mixed, including
241 fixtures and leaseholds, used by Mississippi nonprofit entities



242 qualified, on or before January 1, 2005, under Section 501(c) (3)
243 of the Internal Revenue Code to provide support and operate
244 technology incubators for research and development start-up
245 companies, telecommunication startup companies and/or other
246 technology startup companies, utilizing technology spun-off from
247 research and development activities of the public colleges and
248 universities of this state, State of Mississippi governmental
249 research or development activities resulting therefrom located
250 within the State of Mississippi.

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

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

264 (ll) Equipment brought into the state temporarily for
265 use during a disaster response period as provided in Sections
266 27-113-1 through 27-113-9 and subsequently removed from the state



267 on or before the end of the disaster response period as defined in
268 Section 27-113-5.

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

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

288 **SECTION 2.** This act shall take effect and be in force from
289 and after July 1, 2024, and shall stand repealed on June 30, 2024.

