

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

To: County Affairs

SENATE BILL NO. 2697
(As Sent to Governor)

1 AN ACT TO AMEND SECTION 27-31-1, MISSISSIPPI CODE OF 1972, TO
2 REVISE CERTAIN PROVISIONS REGARDING THE LEASING OR OTHER USE OF
3 PROPERTY BELONGING TO AN ENTITY THAT IS WHOLLY OWNED BY AND
4 CONTROLLED BY AN EDUCATION FOUNDATION AND WHETHER THE PROPERTY
5 WILL BE TREATED AS BELONGING TO THE FOUNDATION; AND FOR RELATED
6 PURPOSES.

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

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

10 27-31-1. The following shall be exempt from taxation:

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

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



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

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



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

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



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

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

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

85 (h) Provisions on hand for family consumption.

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



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

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

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

101 (m) All cattle and oxen.

102 (n) All sheep, goats and hogs.

103 (o) All horses, mules and asses.

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

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

109 (r) The libraries of all persons.

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

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

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



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

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

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

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

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

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

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

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



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

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

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

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

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

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

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



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

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

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

183 (bb) All growing nursery stock.

184 (cc) A semitrailer used in interstate commerce.

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



193 (ee) All vessels while in the hands of bona fide
194 dealers as merchandise and which are not being operated upon the
195 waters of this state shall be exempt from ad valorem taxes. As
196 used in this paragraph, the terms "vessel" and "waters of this
197 state" shall have the meaning ascribed to such terms in Section
198 59-21-3.

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

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



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

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

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



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

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

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

265 (ll) Equipment brought into the state temporarily for
266 use during a disaster response period as provided in Sections
267 27-113-1 through 27-113-9 and subsequently removed from the state



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

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

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

289 **SECTION 2.** This act shall take effect and be in force from
290 and after July 1, 2024.

