

## House Amendments to Senate Bill No. 2697

TO THE SECRETARY OF THE SENATE:

THIS IS TO INFORM YOU THAT THE HOUSE HAS ADOPTED THE AMENDMENTS SET OUT BELOW:

### AMENDMENT NO. 1

Amend by striking all after the enacting clause and inserting in lieu thereof the following:

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.

**Further, amend by striking the title in its entirety and  
inserting in lieu thereof the following:**

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.

HR43\SB2697A.J

Andrew Ketchings  
Clerk of the House of Representatives