

By: Representative Steverson

To: Ways and Means

## HOUSE BILL NO. 1851

1 AN ACT TO AMEND SECTION 27-31-1, MISSISSIPPI CODE OF 1972, TO  
2 EXEMPT FROM AD VALOREM TAXATION TRACTORS, AGRICULTURAL IMPLEMENTS  
3 AND EQUIPMENT, AND VEHICLES, NOT EXEMPT UNDER SECTION 27-51-41(2),  
4 WHILE IN THE HANDS OF A BONA FIDE DEALER AS MERCHANDISE ON A FLOOR  
5 PLAN, CONSIGNMENT OR OTHER BASIS; 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 not leased  
43 or otherwise used to generate revenue that is not used exclusively



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



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

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

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

(m) All cattle and oxen.

(n) All sheep, goats and hogs.

(o) All horses, mules and asses.

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

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

(r) The libraries of all persons.

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

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

(u) All state, county, municipal, levee, drainage and all school bonds or other governmental obligations, and all bonds and/or evidences of debts issued by any church or church organization in this state, and all notes and evidences of 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;



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

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

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

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

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

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

2. A vessel exempt from taxation under 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.





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

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

(gg) If a municipality changes its boundaries so as to include within the boundaries of such municipality the project site of any project as defined in Section 57-75-5(f)(iv)1, Section 57-75-5(f)(xxi) or Section 57-75-5(f)(xxviii) or Section 57-75-5(f)(xxix), all real and personal property located on the project site within the boundaries of such municipality that is owned by a business enterprise operating such project, shall be 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



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

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

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

(oo) Tractors, agricultural implements and equipment,  
and vehicles, not exempt under Section 27-51-41(2), while in the  
hands of a bona fide dealer as merchandise on a floor plan,  
consignment or other basis.



292           **SECTION 2.** This act shall take effect and be in force from  
293 and after January 1, 2026.

