

By: Senator(s) McLendon

To: Finance

SENATE BILL NO. 2809

1 AN ACT TO AMEND SECTION 27-31-1, MISSISSIPPI CODE OF 1972, TO
2 EXEMPT FROM ALL MUNICIPAL AD VALOREM TAXES ALL REAL PROPERTY
3 LOCATED IN AN AREA ANNEXED BY A MUNICIPALITY, FOR A PERIOD OF 12
4 MONTHS AFTER THE DATE OF ANNEXATION; TO AMEND SECTION 27-51-41,
5 MISSISSIPPI CODE OF 1972, TO EXEMPT FROM ALL MUNICIPAL AD VALOREM
6 TAXES ALL MOTOR VEHICLES REGISTERED TO AN ADDRESS IN AN AREA
7 ANNEXED BY A MUNICIPALITY, FOR A PERIOD OF 12 MONTHS AFTER THE
8 DATE OF ANNEXATION; AND FOR RELATED PURPOSES.

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

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

12 27-31-1. The following shall be exempt from taxation:

13 (a) All cemeteries used exclusively for burial
14 purposes.

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



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

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



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

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



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

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

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

(h) Provisions on hand for family consumption.

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



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

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

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

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

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

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

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

143 (ii) Vessels while under construction and/or
144 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



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

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

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

(bb) All growing nursery stock.

(cc) A semitrailer used in interstate commerce.

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



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

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

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



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

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

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

267 (ll) Equipment brought into the state temporarily for
268 use during a disaster response period as provided in Sections
269 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) All real property located in an area annexed by a
municipality shall be exempt from all municipal ad valorem taxes
for a period of twelve (12) months after the date of annexation.



294 **SECTION 2.** Section 27-51-41, Mississippi Code of 1972, is
295 amended as follows:

296 27-51-41. (1) The exemptions from the provisions of this
297 chapter shall be confined to those persons or property exempted by
298 this chapter or by the provisions of the Constitution of the
299 United States or the State of Mississippi. No exemption as now
300 provided by any other statute shall be valid as against the tax
301 levied by this chapter. Any subsequent exemption from the tax
302 levied hereunder shall be provided by amendment to this section
303 which shall be inserted in the bill at length.

304 (2) The following shall be exempt from ad valorem taxation:

305 (a) All motor vehicles, as defined in this chapter, and
306 including motor-propelled farm implements and vehicles, while in
307 the hands of bona fide dealers as merchandise and which are not
308 being operated upon the highways of this state.

309 (b) All motor vehicles belonging to the federal
310 government or the State of Mississippi or any agencies or
311 instrumentalities thereof.

312 (c) All motor vehicles owned by any school district in
313 the state.

314 (d) All motor vehicles owned by any fire protection
315 district incorporated in accordance with Sections 19-5-151 through
316 19-5-207 or by any fire protection grading district incorporated
317 in accordance with Sections 19-5-215 through 19-5-241.



(e) All motor vehicles owned by units of the
Mississippi National Guard.

(f) All motor vehicles which are exempted from highway
privilege taxes under Section 27-19-1 et seq.

(g) All motor vehicles operated in this state as common
and contract carriers of property, private commercial carriers of
property, private carriers of property and buses, all of which
have a gross weight in excess of ten thousand (10,000) pounds.

(h) Antique automobiles as defined in Section 27-19-47,
and antique pickup trucks as provided for under Section
27-19-47.2, Mississippi Code of 1972.

(i) Street rods as defined in Section 27-19-56.6.

(j) (i) Two (2) motor vehicles owned by a disabled
American veteran, or by the spouse of a deceased disabled American
veteran, who is entitled to purchase a distinctive license plate
or tag in accordance with Section 27-19-53, regardless of the
license plate or tag issued to the disabled American veteran or
the veteran's spouse if the disabled American veteran is deceased.

(ii) One (1) motorcycle owned by a disabled
American veteran, or by the spouse of a deceased disabled American
veteran, who is entitled to purchase a distinctive license plate
or tag in accordance with Section 27-19-53, regardless of the
license plate or tag issued to the disabled American veteran or
the veteran's spouse if the disabled American veteran is deceased.



(k) One (1) motor vehicle owned by the unremarried surviving spouse of a member of the Armed Forces of the United States who, while on active duty, is killed or dies and one (1) motor vehicle owned by the unremarried surviving spouse of a member of a reserve component of the Armed Forces of the United States or of the National Guard who, while on active duty for training, is killed or dies.

(l) Motor vehicles owned by recipients of the Congressional Medal of Honor or by former prisoners of war, or by spouses of such deceased persons, in accordance with Section 27-19-54.

(m) (i) One (1) private carrier of passengers, as defined in Section 27-19-3, owned by any religious society, ecclesiastical body or any congregation thereof which is used exclusively for such society and not for profit.

(ii) All motor vehicles owned by any such religious society or any educational institution having a seating capacity greater than seven (7) passengers and used exclusively for transporting passengers for religious or educational purposes and not for profit.

(n) All motor vehicles primarily used as rentals under rental agreements with a term of not more than thirty (30) continuous days each and under the control of persons who are engaged in the business of renting such motor vehicles and who are subject to the tax under Section 27-65-231.



367 (o) Antique motorcycles as defined in Section
368 27-19-47.1.

369 (p) One (1) motor vehicle owned by a recipient of the
370 Purple Heart, and one (1) motor vehicle owned by the unremarried
371 surviving spouse of a recipient of the Purple Heart, as provided
372 in Section 27-19-56.5.

373 (q) Motor vehicles that are eligible to display an
374 authentic historical license plate as provided for in Section
375 27-19-56.11.

376 (r) Motor vehicles that are (i) designed or adapted to
377 be used exclusively in the preparation and loading of chemicals or
378 other material for aerial agricultural application to crops; and
379 (ii) only incidentally used on public roadways in this state.

380 (s) One (1) motor vehicle owned by the mother of a
381 service member who died while serving on active duty in the Armed
382 Forces of the United States while the United States was engaged in
383 hostile activities or a time of war after September 11, 2001, as
384 provided for in Section 27-19-56.162 or Section 27-19-56.524(5).

385 (t) One (1) motor vehicle owned by the unremarried
386 spouse of a service member who died while serving on active duty
387 in the Armed Forces of the United States while the United States
388 was engaged in hostile activities or a time of war after September
389 11, 2001, as provided for in Section 27-19-56.162 or Section
390 27-19-56.524(5) .



391 (u) Buses and other motor vehicles that are (a) owned
392 and operated by an entity that has entered into a contract with a
393 school board under Section 37-41-31 for the purpose of
394 transporting students to and from schools and (b) used by the
395 entity for such transportation purposes. This paragraph (u) shall
396 apply to contracts entered into or renewed on or after July 1,
397 2010.

398 (v) One (1) motor vehicle owned by a recipient of the
399 Silver Star, and one (1) motor vehicle owned by the unremarried
400 surviving spouse of a recipient of the Silver Star, as provided in
401 Section 27-19-56.284.

402 (w) One (1) motor vehicle owned by a person who is a
403 law enforcement officer and who (i) was wounded or otherwise
404 received intentional or accidental bodily injury, regardless of
405 whether occurring before or after July 1, 2014, while engaged in
406 the performance of his official duties, provided the wound or
407 injury was not self-inflicted, (ii) was required to receive
408 medical treatment for the wound or injury due to the nature and
409 extent of the wound or injury, and (iii) is eligible to receive a
410 special license plate or tag under Section 27-19-56 as a result of
411 such wound or injury, regardless of whether the person obtains
412 such a plate or tag. Application for the exemption provided in
413 this paragraph (w) may be made at the time of initial registration
414 of a vehicle and renewal of registration. In addition, an
415 applicant for the exemption must provide official written



documentation that (i) the applicant is a law enforcement officer who was wounded or otherwise received intentional or accidental bodily injury while engaged in the performance of his official duties and that the wound or injury was not self-inflicted along with official written documentation verifying receipt of medical treatment for the wound or injury and the nature and extent of the wound or injury, and (ii) the applicant is eligible to receive a special license plate or tag under Section 27-19-56 as a result of such wound or injury, regardless of whether the person obtains such a plate or tag.

(x) One (1) motor vehicle owned by an honorably discharged veteran of the Armed Forces of the United States who served during World War II, and one (1) motor vehicle owned by the unremarried surviving spouse of such veteran, as provided in Section 27-19-56.438.

(y) All motor vehicles registered to an address in an area annexed by a municipality shall be exempt from all municipal ad valorem taxes for a period of twelve (12) months after the date of annexation.

(3) Any claim for tax exemption by authority of the above-mentioned code sections or by any other legal authority shall be set out in the application for the road and bridge privilege license, and the specific legal authority for such tax exemption claim shall be cited in said application, and such authority cited shall be shown by the tax collector on the tax



441 receipt as his authority for not collecting such ad valorem taxes,
442 and the tax collector shall carry forward such information in his
443 tax collection reports.

444 (4) Any motor vehicle driven over the highways of this state
445 to the extent that the owner of such motor vehicle is required to
446 purchase a road and bridge privilege license in this state, yet
447 the legal situs of such motor vehicle is located in another state,
448 shall be exempt from ad valorem taxes authorized by this chapter.

449 (5) If a taxpayer shall sell, trade or otherwise dispose of
450 a vehicle on which the ad valorem and road and bridge privilege
451 taxes have been paid in any county in the state, he shall remove
452 the license plate from the vehicle. Such license plate must be
453 surrendered to the issuing authority with the corresponding tax
454 receipt, if required, and credit shall be allowed for the taxes
455 paid for the remaining tax year on like privilege or ad valorem
456 taxes due on another vehicle owned by the seller or transferor or
457 by the seller's or transferor's spouse or dependent child. If the
458 seller or transferor does not elect to receive such credit at the
459 time the license plate is surrendered, the issuing authority shall
460 issue a certificate of credit to the seller or transferor, or to
461 the seller's or transferor's spouse or dependent child, or to any
462 other person, business or corporation, at the direction of the
463 seller or transferor, for the remaining unexpired taxes prorated
464 from the first day of the month following the month in which the
465 license plate is surrendered. The total of such credit may be



used by the person or entity to whom the certificate of credit is issued, regardless of the relative amounts attributed to privilege taxes or to county, school or municipal ad valorem taxes. Any credit allowed for taxes due or any certificate of credit issued may be applied to like taxes owed in any county by the person to whom the credit is allowed or by the person possessing the certificate of credit. No credit, however, shall be allowed on the charge made for the license plate. Such license plates surrendered to the tax collector shall be retained by him, and in no event shall such license plate be attached to any vehicle after being surrendered to the tax collector, nor shall any license plate be transferred from one (1) vehicle to any other vehicle.

(6) If the person owning a vehicle subject to taxation under the provisions of this chapter does not operate such vehicle on the highways of this state from the date of acquisition or, if previously registered, from the end of the anniversary month of the tag and decals to the date on which he makes application for a current license tag or decals, he shall pay such ad valorem tax for a period of twelve (12) months beginning with the first day of the month in which he applies for a current license tag or decals under Chapter 19, Title 27, Mississippi Code of 1972. The owner shall submit an affidavit with an application attesting to the fact that the vehicle was not operated on the highways of this state from the date of acquisition or, if previously registered, from the end of the anniversary month of the tag and decals to the



491 date on which he makes application for the current license tag or
492 decals.

493 (7) Any person found violating any of the provisions of this
494 section shall be arrested and tried, and if found guilty shall be
495 fined in an amount double the total amount of taxes involved.

496 **SECTION 3.** This act shall take effect and be in force from
497 and after January 1, 2025.

