

By: Senator(s) Berry

To: Accountability,
Efficiency, Transparency

SENATE BILL NO. 2858

1 AN ACT TO BRING FORWARD SECTIONS 27-31-1, 27-31-3, 27-31-17,
2 27-31-101, 27-31-113, 27-33-21, 27-35-4, 27-35-49 AND 27-35-50,
3 MISSISSIPPI CODE OF 1972, FOR THE PURPOSE OF POSSIBLE AMENDMENT;
4 AND FOR RELATED PURPOSES.

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

6 **SECTION 1.** Section 27-31-1, Mississippi Code of 1972, is
7 brought forward as follows:

8 27-31-1. The following shall be exempt from taxation:

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

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

18 (c) All property, real or personal, owned by units of
19 the Mississippi National Guard, or title to which is vested in



20 trustees for the benefit of any unit of the Mississippi National
21 Guard; provided such property is used exclusively for such unit,
22 or for public purposes, and not for profit.

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



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

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



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

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

83 (h) Provisions on hand for family consumption.

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

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

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



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

99 (m) All cattle and oxen.

100 (n) All sheep, goats and hogs.

101 (o) All horses, mules and asses.

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

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

107 (r) The libraries of all persons.

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

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

112 (u) All state, county, municipal, levee, drainage and
113 all school bonds or other governmental obligations, and all bonds
114 and/or evidences of debts issued by any church or church
115 organization in this state, and all notes and evidences of
116 indebtedness which bear a rate of interest not greater than the
117 maximum rate per annum applicable under the law; and all money
118 loaned at a rate of interest not exceeding the maximum rate per
119 annum applicable under the law; and all stock in or bonds of



120 foreign corporations or associations shall be exempt from all ad
121 valorem taxes.

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

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

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

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

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

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

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

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



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

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

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

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

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

164 2. A vessel exempt from taxation under
165 subparagraph (iii) of this paragraph (z) may not be exempt for a
166 period of more than three (3) years unless the board of
167 supervisors of the county and/or governing authorities of the
168 municipality, as the case may be, in which the vessel would
169 otherwise be taxable adopts a resolution or ordinance authorizing



170 the extension of the exemption and setting a maximum period for
171 the exemption.

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

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

181 (bb) All growing nursery stock.

182 (cc) A semitrailer used in interstate commerce.

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

191 (ee) All vessels while in the hands of bona fide
192 dealers as merchandise and which are not being operated upon the
193 waters of this state shall be exempt from ad valorem taxes. As
194 used in this paragraph, the terms "vessel" and "waters of this



195 state" shall have the meaning ascribed to such terms in Section
196 59-21-3.

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

208 (gg) If a municipality changes its boundaries so as to
209 include within the boundaries of such municipality the project
210 site of any project as defined in Section 57-75-5(f)(iv)1, Section
211 57-75-5(f)(xxi) or Section 57-75-5(f)(xxviii) or Section
212 57-75-5(f)(xxix), all real and personal property located on the
213 project site within the boundaries of such municipality that is
214 owned by a business enterprise operating such project, shall be
215 exempt from ad valorem taxation for a period of time not to exceed
216 thirty (30) years upon receiving approval for such exemption by
217 the Mississippi Major Economic Impact Authority. The provisions
218 of this paragraph shall not be construed to authorize a breach of
219 any agreement entered into pursuant to Section 21-1-59.



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

239 (ii) All property, real, personal or mixed, including
240 fixtures and leaseholds, used by Mississippi nonprofit entities
241 qualified, on or before January 1, 2005, under Section 501(c)(3)
242 of the Internal Revenue Code to provide support and operate
243 technology incubators for research and development start-up
244 companies, telecommunication startup companies and/or other



245 technology startup companies, utilizing technology spun-off from
246 research and development activities of the public colleges and
247 universities of this state, State of Mississippi governmental
248 research or development activities resulting therefrom located
249 within the State of Mississippi.

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

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

263 (ll) Equipment brought into the state temporarily for
264 use during a disaster response period as provided in Sections
265 27-113-1 through 27-113-9 and subsequently removed from the state
266 on or before the end of the disaster response period as defined in
267 Section 27-113-5.

268 (mm) For any lease or contractual arrangement to which
269 the Department of Finance and Administration and a nonprofit



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

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

287 **SECTION 2.** Section 27-31-3, Mississippi Code of 1972, is
288 brought forward as follows:

289 27-31-3. Crude turpentine gum (oleoresin), the product of a
290 living tree, or trees, of the pine species, and
291 gum-spirits-of-turpentine and gum-rosin as processed therefrom,
292 are hereby classified and declared to be agricultural commodities,
293 agricultural products and farm products.



294 **SECTION 3.** Section 27-31-17, Mississippi Code of 1972, is
295 brought forward as follows:

296 27-31-17. All stocks in, bonds of or other evidences of debt
297 issued by any agricultural credit corporation or association, and
298 all money loaned by any such organization for agricultural
299 purposes are hereby exempted from all ad valorem taxes; provided,
300 however, that the exemption from taxation on money loaned, as
301 provided herein, shall not apply to money loaned at a rate of
302 interest in excess of eight per cent per annum.

303 **SECTION 4.** Section 27-31-101, Mississippi Code of 1972, is
304 brought forward as follows:

305 **[Through June 30, 2025, this section shall read as follows:]**

306 27-31-101. (1) County boards of supervisors and municipal
307 authorities are hereby authorized and empowered, in their
308 discretion, to grant exemptions from ad valorem taxation, except
309 state ad valorem taxation; however, such governing authorities
310 shall not exempt ad valorem taxes for school district purposes on
311 tangible property used in, or necessary to, the operation of the
312 manufacturers and other new enterprises enumerated by classes in
313 this section, except to the extent authorized in Sections
314 27-31-104 and 27-31-105(2), nor shall they exempt from ad valorem
315 taxes the products of the manufacturers or other new enterprises
316 or automobiles and trucks belonging to the manufacturers or other
317 new enterprises operating on and over the highways of the State of
318 Mississippi. The time of such exemption shall be for a period not



319 to exceed a total of ten (10) years which shall begin on the date
320 of completion of the new enterprise for which the exemption is
321 granted; however, boards of supervisors and municipal authorities,
322 in lieu of granting the exemption for one (1) period of ten (10)
323 years, may grant the exemption in a period of less than ten (10)
324 years. When the initial exemption period granted is less than ten
325 (10) years, the boards of supervisors and municipal authorities
326 may grant a subsequent consecutive period or periods to follow the
327 initial period of exemption, provided that the total of all
328 periods of exemption shall not exceed ten (10) years. The date of
329 completion of the new enterprise, from which the initial period of
330 exemption shall begin, shall be the date on which operations of
331 the new enterprise begin. The initial request for an exemption
332 must be made in writing by June 1 of the year immediately
333 following the year in which the date of completion of a new
334 enterprise occurs. If the initial request for the exemption is
335 not timely made, the board of supervisors or municipal authorities
336 may grant a subsequent request for the exemption and, in such
337 case, the exemption shall begin on the anniversary date of
338 completion of the enterprise in the year in which the request is
339 made and may be for a period of time extending not more than ten
340 (10) years from the date of completion of the new enterprise. Any
341 subsequent request for the exemption must be made in writing by
342 June 1 of the year in which it is granted.



343 (2) Any board of supervisors or municipal authority which
344 has granted an exemption for a period of less than ten (10) years
345 may grant subsequent periods of exemption to run consecutively
346 with the initial exemption period, or a subsequently granted
347 exemption period, but in no case shall the total of the exemption
348 periods granted for a new enterprise exceed ten (10) years. Any
349 consecutive period of exemption shall be granted by entry of an
350 order by the board or the authority granting the consecutive
351 exemption on its minutes, reflecting the granting of the
352 consecutive exemption period and the dates upon which such
353 consecutive exemption period begins and expires. The entry of
354 this order granting the consecutive period of exemption shall be
355 made before the expiration of the exemption period immediately
356 preceding the consecutive exemption period being granted.

357 (3) (a) The new enterprises for which any or all of the
358 tangible property described in paragraph (b) of this subsection
359 (3) may be exempt from ad valorem taxation, except state ad
360 valorem taxation, ad valorem taxes for school district purposes,
361 and ad valorem taxes on the products thereof or on automobiles and
362 trucks belonging thereto and operating on and over the highways of
363 the State of Mississippi, are enumerated as and limited to the
364 following, as determined by the Department of Revenue:

- 365 (i) Warehouse and/or distribution centers;
366 (ii) Manufacturing, processors and refineries;
367 (iii) Research facilities;



368 (iv) Corporate regional and national headquarters
369 meeting minimum criteria established by the Mississippi
370 Development Authority;

371 (v) Movie industry studios meeting minimum
372 criteria established by the Mississippi Development Authority;

373 (vi) Air transportation and maintenance facilities
374 meeting minimum criteria established by the Mississippi
375 Development Authority;

376 (vii) Recreational facilities that impact tourism
377 meeting minimum criteria established by the Mississippi
378 Development Authority;

379 (viii) Data/information processing enterprises
380 meeting minimum criteria established by the Mississippi
381 Development Authority;

382 (ix) Technology intensive enterprises or
383 facilities meeting criteria established by the Mississippi
384 Development Authority;

385 (x) Health care industry facilities as defined in
386 Section 57-117-3;

387 (xi) Data centers as defined in Section 57-113-21;

388 (xii) Telecommunications enterprises meeting
389 minimum criteria established by the Mississippi Development
390 Authority. The term "telecommunications enterprises" means
391 entities engaged in the creation, display, management, storage,
392 processing, transmission or distribution for compensation of



393 images, text, voice, video or data by wire or by wireless means,
394 or entities engaged in the construction, design, development,
395 manufacture, maintenance or distribution for compensation of
396 devices, products, software or structures used in the above
397 activities. Companies organized to do business as commercial
398 broadcast radio stations, television stations or news
399 organizations primarily serving in-state markets shall not be
400 included within the definition of the term "telecommunications
401 enterprises"; and

402 (xiii) Controlled environment agriculture
403 enterprises meeting minimum criteria established by the
404 Mississippi Development Authority.

405 The new enterprises enumerated in this paragraph (a) do not
406 include medical cannabis establishments as defined in the
407 Mississippi Medical Cannabis Act.

408 (b) An exemption from ad valorem taxes granted under
409 this section may include any or all tangible property, real or
410 personal, including any leasehold interests therein but excluding
411 automobiles and trucks operating on and over the highways of the
412 State of Mississippi, used in connection with, or necessary to,
413 the operation of an enterprise enumerated in paragraph (a) of this
414 subsection (3), whether or not such property is owned, leased,
415 subleased, licensed or otherwise obtained by such enterprise,
416 irrespective of the taxpayer to which any such leased property is
417 assessed for ad valorem tax purposes. If an exemption is granted



418 pursuant to this section with respect to any leasehold interest
419 under a lease, sublease or license of tangible property used in
420 connection with, or necessary to, the operation of an enterprise
421 enumerated in paragraph (a) of this subsection (3), the
422 corresponding ownership interest of the owner, lessor and
423 sublessor of such tangible property shall similarly and
424 automatically be exempt without any action being required to be
425 taken by such owner, lessor or sublessor.

426 (4) Any exemption from ad valorem taxes granted under this
427 section before March 28, 2019, and consistent herewith, is hereby
428 ratified, approved and confirmed.

429 **[From and after July 1, 2025, this section shall read as**
430 **follows:]**

431 27-31-101. (1) County boards of supervisors and municipal
432 authorities are hereby authorized and empowered, in their
433 discretion, to grant exemptions from ad valorem taxation, except
434 state ad valorem taxation; however, such governing authorities
435 shall not exempt ad valorem taxes for school district purposes on
436 tangible property used in, or necessary to, the operation of the
437 manufacturers and other new enterprises enumerated by classes in
438 this section, except to the extent authorized in Sections
439 27-31-104 and 27-31-105(2), nor shall they exempt from ad valorem
440 taxes the products of the manufacturers or other new enterprises
441 or automobiles and trucks belonging to the manufacturers or other
442 new enterprises operating on and over the highways of the State of



443 Mississippi. The time of such exemption shall be for a period not
444 to exceed a total of ten (10) years which shall begin on the date
445 of completion of the new enterprise for which the exemption is
446 granted; however, boards of supervisors and municipal authorities,
447 in lieu of granting the exemption for one (1) period of ten (10)
448 years, may grant the exemption in a period of less than ten (10)
449 years. When the initial exemption period granted is less than ten
450 (10) years, the boards of supervisors and municipal authorities
451 may grant a subsequent consecutive period or periods to follow the
452 initial period of exemption, provided that the total of all
453 periods of exemption shall not exceed ten (10) years. The date of
454 completion of the new enterprise, from which the initial period of
455 exemption shall begin, shall be the date on which operations of
456 the new enterprise begin. The initial request for an exemption
457 must be made in writing by June 1 of the year immediately
458 following the year in which the date of completion of a new
459 enterprise occurs. If the initial request for the exemption is
460 not timely made, the board of supervisors or municipal authorities
461 may grant a subsequent request for the exemption and, in such
462 case, the exemption shall begin on the anniversary date of
463 completion of the enterprise in the year in which the request is
464 made and may be for a period of time extending not more than ten
465 (10) years from the date of completion of the new enterprise. Any
466 subsequent request for the exemption must be made in writing by
467 June 1 of the year in which it is granted.



468 (2) Any board of supervisors or municipal authority which
469 has granted an exemption for a period of less than ten (10) years
470 may grant subsequent periods of exemption to run consecutively
471 with the initial exemption period, or a subsequently granted
472 exemption period, but in no case shall the total of the exemption
473 periods granted for a new enterprise exceed ten (10) years. Any
474 consecutive period of exemption shall be granted by entry of an
475 order by the board or the authority granting the consecutive
476 exemption on its minutes, reflecting the granting of the
477 consecutive exemption period and the dates upon which such
478 consecutive exemption period begins and expires. The entry of
479 this order granting the consecutive period of exemption shall be
480 made before the expiration of the exemption period immediately
481 preceding the consecutive exemption period being granted.

482 (3) (a) The new enterprises for which any or all of the
483 tangible property described in paragraph (b) of this subsection
484 (3) may be exempt from ad valorem taxation, except state ad
485 valorem taxation, ad valorem taxes for school district purposes,
486 and ad valorem taxes on the products thereof or on automobiles and
487 trucks belonging thereto and operating on and over the highways of
488 the State of Mississippi, are enumerated as and limited to the
489 following, as determined by the Department of Revenue:

- 490 (i) Warehouse and/or distribution centers;
491 (ii) Manufacturing, processors and refineries;
492 (iii) Research facilities;



493 (iv) Corporate regional and national headquarters
494 meeting minimum criteria established by the Mississippi
495 Development Authority;

496 (v) Movie industry studios meeting minimum
497 criteria established by the Mississippi Development Authority;

498 (vi) Air transportation and maintenance facilities
499 meeting minimum criteria established by the Mississippi
500 Development Authority;

501 (vii) Recreational facilities that impact tourism
502 meeting minimum criteria established by the Mississippi
503 Development Authority;

504 (viii) Data/information processing enterprises
505 meeting minimum criteria established by the Mississippi
506 Development Authority;

507 (ix) Technology intensive enterprises or
508 facilities meeting criteria established by the Mississippi
509 Development Authority;

510 (x) Data centers as defined in Section 57-113-21;

511 (xi) Telecommunications enterprises meeting
512 minimum criteria established by the Mississippi Development
513 Authority. The term "telecommunications enterprises" means
514 entities engaged in the creation, display, management, storage,
515 processing, transmission or distribution for compensation of
516 images, text, voice, video or data by wire or by wireless means,
517 or entities engaged in the construction, design, development,



518 manufacture, maintenance or distribution for compensation of
519 devices, products, software or structures used in the above
520 activities. Companies organized to do business as commercial
521 broadcast radio stations, television stations or news
522 organizations primarily serving in-state markets shall not be
523 included within the definition of the term "telecommunications
524 enterprises"; and

525 (xii) Controlled environment agriculture
526 enterprises meeting minimum criteria established by the
527 Mississippi Development Authority.

528 The new enterprises enumerated in this paragraph (a) do not
529 include medical cannabis establishments as defined in the
530 Mississippi Medical Cannabis Act.

531 (b) An exemption from ad valorem taxes granted under
532 this section may include any or all tangible property, real or
533 personal, including any leasehold interests therein but excluding
534 automobiles and trucks operating on and over the highways of the
535 State of Mississippi, used in connection with, or necessary to,
536 the operation of an enterprise enumerated in paragraph (a) of this
537 subsection (3), whether or not such property is owned, leased,
538 subleased, licensed or otherwise obtained by such enterprise,
539 irrespective of the taxpayer to which any such leased property is
540 assessed for ad valorem tax purposes. If an exemption is granted
541 pursuant to this section with respect to any leasehold interest
542 under a lease, sublease or license of tangible property used in



543 connection with, or necessary to, the operation of an enterprise
544 enumerated in paragraph (a) of this subsection (3), the
545 corresponding ownership interest of the owner, lessor and
546 sublessor of such tangible property shall similarly and
547 automatically be exempt without any action being required to be
548 taken by such owner, lessor or sublessor.

549 (4) Any exemption from ad valorem taxes granted under this
550 section before March 28, 2019, and consistent herewith, is hereby
551 ratified, approved and confirmed.

552 **SECTION 5.** Section 27-31-113, Mississippi Code of 1972, is
553 brought forward as follows:

554 27-31-113. If, at any time after exemption from ad valorem
555 taxation hereunder has been obtained, it comes to the attention of
556 the governing authorities of the municipality, the county board of
557 supervisors, the Mississippi Agricultural and Industrial Board,
558 the state tax commission, or the attorney general, that such
559 exemption was obtained by fraud, misstatement or
560 misrepresentation, or that the industry does not meet the
561 definitions of a manufacturing industry as set forth in Section
562 27-31-101, it shall be the duty of the governing authorities of
563 the municipality or the county board of supervisors to cancel such
564 exemption.

565 **SECTION 6.** Section 27-33-21, Mississippi Code of 1972, is
566 brought forward as follows:



567 27-33-21. There is excluded from the definition of a home
568 and from homestead exemption the property enumerated in this
569 section.

570 (a) Any building and land on which it is located, any
571 part of which is used or intended to be used, by the owner or by
572 anyone else, for business purposes; or from which revenue is
573 derived or intended to be derived, except as permitted in
574 paragraphs (f), (g), (h) and (t) of Section 27-33-19 of this
575 article; or which is rented or is available for rent, for business
576 purposes; or any building and the land on which it is located used
577 as a hotel, tourist court, apartment building except as provided
578 in paragraph (e) of Section 27-33-19 of this article; or a
579 dwelling whereof more than six (6) rooms are rented; and where
580 there is one (1) apartment and rented rooms the apartment shall be
581 counted as three (3) rooms; less than three (3) rooms rented and
582 used for housekeeping shall be counted as rented rooms. A
583 proportionate share of agricultural products, produced on the
584 land, received for the use of the land and a tenant house, where
585 the use of the tenant house is merely incidental to the use of the
586 land (where no money is paid and no consideration is paid other
587 than a proportionate share of agricultural products produced on
588 the land), shall not be considered as rent or income from the
589 property so as to exclude it from the definition of a home.

590 (b) Any buildings or structures and the land on which
591 located used as gins, sawmills, stores, gasoline stations, repair



592 shops, and the like; and any buildings and the land on which
593 located used for the conduct of any business or private
594 manufacture or processing, all whether used in connection with
595 farming operations or not.

596 (c) Any dwelling house and the land on which it is
597 located, or other land, which is owned by any person or family
598 group to whom an exemption has been allowed on another home in
599 this state except in cases defined in paragraphs (c) and (d) of
600 Section 27-33-13; or any dwelling and the land on which it is
601 located in which any person or family group owns a joint estate,
602 an estate in common, a life estate or other estate defined in
603 paragraph (a) of Section 27-33-17 of this article to whom an
604 exemption has been allowed on another home in this state to the
605 extent of such person's interest; provided, this exclusion shall
606 not apply in the case of husband, or wife, allowed an exemption on
607 the home owned and occupied by them, and when either is a part
608 owner, either as a joint tenant or tenant in common, of another
609 home which is occupied by father, mother, brother, or sister as a
610 bona fide home, eligible for exemption under paragraph (a) of
611 Section 27-33-19 of this article.

612 (d) Any dwelling house and the land on which it is
613 located, or other land, which is not held under eligible title of
614 ownership, but is being occupied under an agreement to buy, or
615 under a conveyance or contract of conditional sale, or purchase or



616 any similar contract, except as permitted by paragraph (i) of
617 Section 27-33-19 of this article.

618 (e) Any jointly owned land or jointly owned dwelling
619 combined with individually owned land on which exemption has been
620 claimed and allowed, except as provided in paragraphs (a) and (c)
621 of Section 27-33-19 of this article; and no homestead shall
622 consist of individually owned lands combined with lands held for
623 life.

624 (f) Any dwelling and the land on which it is located
625 acquired, other than by a bona fide gift or by inheritance, since
626 July 1, 1938, for which one-fourth (1/4) of the full purchase
627 price has not been actually paid by the purchaser, unless the deed
628 or instrument by which title is acquired provides, bona fide, for
629 annual payment of interest at the normal rate, and for substantial
630 and regular payments on the principal debt at intervals of one (1)
631 year or less.

632 (g) Any building of any kind and the land on which it
633 is located, whether inside or outside a municipality, if any part
634 thereof is rented out or held available to be rented out, except
635 as provided in Section 27-33-19, paragraphs (e) and (f), and
636 except rental of farm property for a proportionate share of the
637 crop.

638 (h) Any land, whether inside or outside a municipality
639 unless it is situated and described as provided in Sections
640 27-33-23 and 27-33-25 of this article.



641 **SECTION 7.** Section 27-35-4, Mississippi Code of 1972, is
642 brought forward as follows:

643 27-35-4. (1) All Class I property, as defined in Section
644 112, Mississippi Constitution of 1890, shall be assessed at the
645 rate of ten percent (10%) of true value.

646 (2) All Class II property and Class III property, as defined
647 in Section 112, Mississippi Constitution of 1890, shall be
648 assessed at the rate of fifteen percent (15%) of true value.

649 (3) All Class IV property and Class V property, as defined
650 in Section 112, Mississippi Constitution of 1890, shall be
651 assessed at the rate of thirty percent (30%) of true value.

652 **SECTION 8.** Section 27-35-49, Mississippi Code of 1972, is
653 brought forward as follows:

654 27-35-49. It shall be the duty of the tax assessor to assess
655 all the lands in his county and he shall require the owner, agent,
656 or person having possession, or charge, of any lands, to render a
657 list of all lands owned, or in charge, or in possession, of such
658 owner, agent or person, and land shall be appraised according to
659 its true value and assessed in proportion thereto, taking into
660 consideration the improvements thereon.

661 Every person owning or being in possession, or in charge, of
662 any land shall deliver to the tax assessor on demand, and in any
663 event, not later than April first in each year, a list of all
664 lands owned by, or in possession, or in charge, made out on the
665 tax lists prescribed; and showing the total number of acres



666 (except the land be platted by blocks and lots), the total number
667 of acres of cultivatable lands and the value thereof, and the
668 number of acres of uncultivable land and the value thereof and
669 the number of acres devoted to agricultural purposes as of January
670 1 of each year; and buildings or improvements subject to taxation
671 on any lands returned for assessment. If the lands be surveyed
672 and platted, it shall be returned so as to clearly identify it by
673 the recorded plat thereof, and the list rendered shall disclose
674 the value of each lot and the value of any buildings, structures,
675 or improvements thereon. Any person required by this section to
676 render a list of any lands shall show in what road district,
677 school district, levee district, municipality, or other taxing
678 district, the same is located. If any person shall deliver or
679 disclose to an assessor, or deputy assessor, a list, statement or
680 return in regard to his land which, in the opinion of the
681 assessor, or deputy assessor, is false or fraudulent, or contains
682 any understatement or undervaluation, or fails to show the proper
683 classification of lands, or fails to show buildings and
684 improvements, or other elements of value, the assessor shall make
685 an assessment of the land with the proper classification thereof
686 including the omitted things, at a valuation equal to the value at
687 which like lands similarly situated are assessed. Lands not given
688 in by any person shall be assessed in the same manner by the
689 assessor at a valuation equal to the assessment of other like
690 lands similarly situated and all buildings and improvements, or



691 other elements of value shall in all cases be separately valued
692 and assessed.

693 **SECTION 9.** Section 27-35-50, Mississippi Code of 1972, is
694 brought forward as follows:

695 27-35-50. (1) True value shall mean and include, but shall
696 not be limited to, market value, cash value, actual cash value,
697 proper value and value for the purposes of appraisal for ad
698 valorem taxation.

699 (2) With respect to each and every parcel of property
700 subject to assessment, the tax assessor shall, in ascertaining
701 true value, consider whenever possible the income capitalization
702 approach to value, the cost approach to value and the market data
703 approach to value, as such approaches are determined by the
704 Department of Revenue. For differing types of categories of
705 property, differing approaches may be appropriate. The choice of
706 the particular valuation approach or approaches to be used should
707 be made by the assessor upon a consideration of the category or
708 nature of the property, the approaches to value for which the
709 highest quality data is available, and the current use of the
710 property.

711 (3) Except as otherwise provided in subsection (4) of this
712 section, in determining the true value of land and improvements
713 thereon, factors to be taken into consideration are the proximity
714 to navigation; to a highway; to a railroad; to a city, town,
715 village or road; and any other circumstances that tend to affect



716 its value, and not what it might bring at a forced sale but what
717 the owner would be willing to accept and would expect to receive
718 for it if he were disposed to sell it to another able and willing
719 to buy.

720 (4) (a) In arriving at the true value of all Class I and
721 Class II property and improvements, the appraisal shall be made
722 according to current use, regardless of location.

723 (b) In arriving at the true value of any land used for
724 agricultural purposes, the appraisal shall be made according to
725 its use on January 1 of each year, regardless of its location; in
726 making the appraisal, the assessor shall use soil types,
727 productivity and other criteria set forth in the land appraisal
728 manuals of the Department of Revenue, which criteria shall
729 include, but not be limited to, an income capitalization approach
730 with a capitalization rate of not less than ten percent (10%) and
731 a moving average of not more than ten (10) years; however, for the
732 year 2022 and thereafter, the moving average for such land, except
733 land devoted to the production of timber, shall be as follows:
734 for the year 2022, four (4) years; for the year 2023, five (5)
735 years; for the year 2024, six (6) years; for the year 2025, seven
736 (7) years; for the year 2026, eight (8) years; for the year 2027,
737 nine (9) years; and for the year 2028 and thereafter, ten (10)
738 years. However, for the year 1990, the moving average shall not
739 be more than five (5) years; for the year 1991, not more than six
740 (6) years; for the year 1992, not more than seven (7) years; for



741 the year 1993, not more than eight (8) years; and for the year
742 1994, not more than nine (9) years; and for the year 1990, the
743 variation up or down from the previous year shall not exceed
744 twenty percent (20%) and thereafter, the variation, up or down,
745 from a previous year shall not exceed ten percent (10%) through
746 the year 2018; and for the year 2019 and thereafter, the
747 variation, up or down, from a previous year shall not exceed four
748 percent (4%). Government payments and crop insurance indemnities
749 shall not be included in determining the true value of such land,
750 and a charge for management of each crop equal to twenty-five
751 percent (25%) of the sum of a crop's estimated variable cost,
752 machinery ownership cost, and general farm overhead cost, shall be
753 deducted in determining the true value of such land. The land
754 shall be deemed to be used for agricultural purposes when it is
755 devoted to the commercial production of crops and other commercial
756 products of the soil, including, but not limited to, the
757 production of fruits and timber or the raising of livestock and
758 poultry; however, enrollment in the federal Conservation Reserve
759 Program or in any other United States Department of Agriculture
760 conservation program or the fact that the land is leased for
761 hunting or fishing purposes shall not preclude land being deemed
762 to be used for agricultural purposes solely on the ground that the
763 land is not being devoted to the production of commercial products
764 of the soil, and income derived from participation in the federal
765 program or income derived from a hunting or fishing lease may be



766 used in combination with other relevant criteria to determine the
767 true value of such land. The true value of aquaculture shall be
768 determined in the same manner as that used to determine the true
769 value of row crops.

770 (c) In determining the true value based upon current
771 use, no consideration shall be taken of the prospective value such
772 property might have if it were put to some other possible use.

773 (d) In arriving at the true value of affordable rental
774 housing, the assessor shall use the appraisal procedure set forth
775 in land appraisal manuals of the Department of Revenue. Such
776 procedure shall prescribe that the appraisal shall be made
777 according to actual net operating income attributable to the
778 property, capitalized at a market value capitalization rate
779 prescribed by the Department of Revenue that reflects the
780 prevailing cost of capital for commercial real estate in the
781 geographical market in which the affordable rental housing is
782 located adjusted for the enhanced risk that any recorded land use
783 regulation places on the net operating income from the property.
784 The owner of affordable rental housing shall provide to the county
785 tax assessor on or before April 1 of each year, an accurate
786 statement of the actual net operating income attributable to the
787 property for the immediately preceding year prepared in accordance
788 with generally acceptable accounting principles. As used in this
789 paragraph:



790 (i) "Affordable rental housing" means residential
791 housing consisting of one or more rental units, the construction
792 and/or rental of which is subject to Section 42 of the Internal
793 Revenue Code (26 USC 42), the Home Investment Partnership Program
794 under the Cranston-Gonzalez National Affordable Housing Act (42
795 USC 12741 et seq.), the Federal Home Loan Banks Affordable Housing
796 Program established pursuant to the Financial Institutions Reform,
797 Recovery and Enforcement Act (FIRREA) of 1989 (Public Law 101-73),
798 or any other federal, state or similar program intended to provide
799 affordable housing to persons of low or moderate income and the
800 occupancy and maximum rental rates of such housing are restricted
801 based on the income of the persons occupying such housing.

802 (ii) "Land use regulation" means a restriction
803 imposed by an extended low-income housing agreement or other
804 covenant recorded in the applicable land records or by applicable
805 law or regulation restricting the maximum income of residents
806 and/or the maximum rental rate in the affordable rental housing.

807 (e) In arriving at the true value of ground leases on
808 real property leased by the Mississippi State Port at Gulfport,
809 the assessor shall use the appraisal procedure set forth in land
810 appraisal manuals of the Department of Revenue. Such procedure
811 shall prescribe that the appraisal shall be made according to
812 actual net ground rent attributable to the leased premises,
813 capitalized at a market value capitalization rate prescribed by
814 the Department of Revenue that reflects the prevailing cost of



815 capital of commercial real estate in the geographical market in
816 which the Mississippi State Port at Gulfport is located. As used
817 in this paragraph (e):

818 (i) "Ground leases" means those leases of land
819 where the Mississippi State Port at Gulfport is the landlord and a
820 person or business entity is the tenant.

821 (ii) "Ground rent" means the rent paid to the
822 Mississippi State Port at Gulfport in a set amount for a specific
823 length of tenancy where the amount of rent may be adjusted from
824 time to time based upon market indices, such as the consumer price
825 index. Ground rent does not include percentage rent and rent
826 based on improvements or any other type of rental payment.

827 (iii) "Percentage rent" means the rent paid to the
828 Mississippi State Port at Gulfport that is calculated based upon
829 revenue generated by the tenant by virtue of the ground lease.

830 (iv) "Rent based on improvements" means the rent
831 paid to the Mississippi State Port at Gulfport that is calculated
832 based upon investments in improvements to the leased premises made
833 by tenant.

834 (5) The true value of each class of property shall be
835 determined annually.

836 (6) The Department of Revenue shall have the power to adopt,
837 amend or repeal such rules or regulations in a manner consistent
838 with the Constitution of the State of Mississippi to implement the
839 duties assigned to the department in this section.



840 **SECTION 10.** This act shall take effect and be in force from
841 and after July 1, 2025.

