

By: Senator(s) Huggins

To: Finance

SENATE BILL NO. 2081

1 AN ACT TO AMEND SECTION 27-35-50, MISSISSIPPI CODE OF 1972,  
2 TO REDUCE THE AMOUNT OF VARIATION, UP OR DOWN, FROM A PREVIOUS  
3 YEAR THAT THE TRUE VALUE OF AGRICULTURAL LAND MAY NOT EXCEED FROM  
4 TEN PERCENT TO FIVE PERCENT; AND FOR RELATED PURPOSES.

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

6 **SECTION 1.** Section 27-35-50, Mississippi Code of 1972, is  
7 amended as follows:

8 27-35-50. (1) True value shall mean and include, but shall  
9 not be limited to, market value, cash value, actual cash value,  
10 proper value and value for the purposes of appraisal for ad  
11 valorem taxation.

12 (2) With respect to each and every parcel of property  
13 subject to assessment, the tax assessor shall, in ascertaining  
14 true value, consider whenever possible the income capitalization  
15 approach to value, the cost approach to value and the market data  
16 approach to value, as such approaches are determined by the State  
17 Tax Commission. For differing types of categories of property,  
18 differing approaches may be appropriate. The choice of the  
19 particular valuation approach or approaches to be used should be  
20 made by the assessor upon a consideration of the category or  
21 nature of the property, the approaches to value for which the  
22 highest quality data is available, and the current use of the  
23 property.

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

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

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

36 In arriving at the true value of any land used for  
37 agricultural purposes, the appraisal shall be made according to  
38 its use on January 1 of each year, regardless of its location; in  
39 making the appraisal, the assessor shall use soil types,  
40 productivity and other criteria set forth in the land appraisal  
41 manuals of the State Tax Commission, which criteria shall include,  
42 but not be limited to, an income capitalization approach with a  
43 capitalization rate of not less than ten percent (10%) and a  
44 moving average of not more than ten (10) years. However, for the  
45 year 1990, the moving average shall not be more than five (5)  
46 years; for the year 1991, not more than six (6) years; for the  
47 year 1992, not more than seven (7) years; for the year 1993, not  
48 more than eight (8) years; and for the year 1994, not more than  
49 nine (9) years; and for the year 1990, the variation up or down  
50 from the previous year shall not exceed twenty percent  
51 (20%), \* \* \* thereafter, for each year through the year 2004, the  
52 variation, up or down, from a previous year shall not exceed ten  
53 percent (10%), and thereafter, the variation up or down from a  
54 previous year shall not exceed five percent (5%). The land shall  
55 be deemed to be used for agricultural purposes when it is devoted  
56 to the commercial production of crops and other commercial  
57 products of the soil, including, but not limited to, the  
58 production of fruits and timber or the raising of livestock and  
59 poultry; provided, however, enrollment in the federal Conservation  
60 Reserve Program or in any other United States Department of  
61 Agriculture conservation program shall not preclude land being

62 deemed to be used for agricultural purposes solely on the ground  
63 that the land is not being devoted to the production of commercial  
64 products of the soil, and income derived from participation in the  
65 federal program may be used in combination with other relevant  
66 criteria to determine the true value of such land. The true value  
67 of aquaculture shall be determined in the same manner as that used  
68 to determine the true value of row crops.

69 In determining the true value based upon current use, no  
70 consideration shall be taken of the prospective value such  
71 property might have if it were put to some other possible use.

72 (5) The true value of each class of property shall be  
73 determined annually.

74 (6) The State Tax Commission shall have the power to adopt,  
75 amend or repeal such rules or regulations in a manner consistent  
76 with the Constitution of the State of Mississippi to implement the  
77 duties assigned to the commission in this section.

78 **SECTION 2.** This act shall take effect and be in force from  
79 and after July 1, 2004.