

By: Representative Chism

To: Ways and Means

HOUSE BILL NO. 1570

1 AN ACT TO AMEND SECTION 27-35-50, MISSISSIPPI CODE OF 1972,
 2 TO PROVIDE THAT IN DETERMINING THE TRUE VALUE OF LAND FOR AD
 3 VALOREM TAX PURPOSES, UNDEVELOPED AND UNIMPROVED LAND THAT BECOMES
 4 PART OF A RECORDED SUBDIVISION SHALL RETAIN ITS VALUE AND
 5 CLASSIFICATION AS TO CATEGORY OF PROPERTY THAT IT HAD BEFORE
 6 RECORDING OF THE SUBDIVISION UNTIL TITLE TO THE LAND IS
 7 TRANSFERRED TO ANOTHER PERSON OR PERSONS WHO USE THE LAND FOR THE
 8 PURPOSE OR PURPOSES FOR WHICH THE LAND WAS INITIALLY IMPROVED OR
 9 DEVELOPED; AND FOR RELATED PURPOSES.

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

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

13 27-35-50. (1) True value shall mean and include, but shall
 14 not be limited to, market value, cash value, actual cash value,
 15 proper value and value for the purposes of appraisal for ad
 16 valorem taxation.

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

29 (3) Except as otherwise provided in subsection (4) of this
 30 section, in determining the true value of land and improvements

31 thereon, factors to be taken into consideration are the proximity
32 to navigation; to a highway; to a railroad; to a city, town,
33 village or road; and any other circumstances that tend to affect
34 its value, and not what it might bring at a forced sale but what
35 the owner would be willing to accept and would expect to receive
36 for it if he were disposed to sell it to another able and willing
37 to buy.

38 Undeveloped and unimproved land that becomes part of a
39 recorded subdivision shall retain its value and classification as
40 to category of property that it had before recording of the
41 subdivision until title to the land is transferred to another
42 person or persons who use the land for the purpose or purposes for
43 which the land was initially improved or developed.

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

47 In arriving at the true value of any land used for
48 agricultural purposes, the appraisal shall be made according to
49 its use on January 1 of each year, regardless of its location; in
50 making the appraisal, the assessor shall use soil types,
51 productivity and other criteria set forth in the land appraisal
52 manuals of the State Tax Commission, which criteria shall include,
53 but not be limited to, an income capitalization approach with a
54 capitalization rate of not less than ten percent (10%) and a
55 moving average of not more than ten (10) years. However, for the
56 year 1990, the moving average shall not be more than five (5)
57 years; for the year 1991, not more than six (6) years; for the
58 year 1992, not more than seven (7) years; for the year 1993, not
59 more than eight (8) years; and for the year 1994, not more than
60 nine (9) years; and for the year 1990, the variation up or down
61 from the previous year shall not exceed twenty percent (20%) and
62 thereafter, the variation, up or down, from a previous year shall
63 not exceed ten percent (10%). The land shall be deemed to be used

64 for agricultural purposes when it is devoted to the commercial
65 production of crops and other commercial products of the soil,
66 including, but not limited to, the production of fruits and timber
67 or the raising of livestock and poultry; provided, however,
68 enrollment in the federal Conservation Reserve Program or in any
69 other United States Department of Agriculture conservation program
70 shall not preclude land being deemed to be used for agricultural
71 purposes solely on the ground that the land is not being devoted
72 to the production of commercial products of the soil, and income
73 derived from participation in the federal program may be used in
74 combination with other relevant criteria to determine the true
75 value of such land. The true value of aquaculture shall be
76 determined in the same manner as that used to determine the true
77 value of row crops.

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

81 (5) The true value of each class of property shall be
82 determined annually.

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

87 **SECTION 2.** This act shall take effect and be in force from
88 and after July 1, 2005.