

By: Senator(s) Wilemon

To: Finance

SENATE BILL NO. 2293

1 AN ACT TO AMEND SECTION 27-35-50, MISSISSIPPI CODE OF 1972,
 2 TO PROVIDE THAT AFTER THE YEAR 2005 A MOVING AVERAGE OF 15 YEARS
 3 SHALL BE APPLIED IN ARRIVING AT THE TRUE VALUE OF LAND USED FOR
 4 AGRICULTURAL PURPOSES, AND TO PROVIDE THAT AFTER THE YEAR 2005 THE
 5 AMOUNT OF VARIATION, UP OR DOWN, FROM A PREVIOUS YEAR THAT THE
 6 TRUE VALUE OF AGRICULTURAL LAND MAY FLUCTUATE SHALL NOT EXCEED
 7 2-1/2%; AND FOR RELATED PURPOSES.

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

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

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

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

27 (3) Except as otherwise provided in subsection (4) of this
 28 section, in determining the true value of land and improvements
 29 thereon, factors to be taken into consideration are the proximity

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

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

39 In arriving at the true value of any land used for
40 agricultural purposes, the appraisal shall be made according to
41 its use on January 1 of each year, regardless of its location; in
42 making the appraisal, the assessor shall use soil types,
43 productivity and other criteria set forth in the land appraisal
44 manuals of the State Tax Commission, which criteria shall include,
45 but not be limited to, an income capitalization approach with a
46 capitalization rate of not less than ten percent (10%) and a
47 moving average of not more than ten (10) years for years 1995
48 through 2005 and thereafter a moving average of not more than
49 fifteen (15) years. However, for the year 1990, the moving
50 average shall not be more than five (5) years; for the year 1991,
51 not more than six (6) years; for the year 1992, not more than
52 seven (7) years; for the year 1993, not more than eight (8) years;
53 and for the year 1994, not more than nine (9) years. * * * For
54 the year 1990, the variation up or down from the previous year
55 shall not exceed twenty percent (20%) * * *. * * * For the years
56 1995 through 2005 the variation, up or down, from a previous year
57 shall not exceed ten percent (10%) and thereafter the variation,
58 up or down, from a previous year shall not exceed two and one-half
59 percent (2-1/2%). The land shall be deemed to be used for
60 agricultural purposes when it is devoted to the commercial
61 production of crops and other commercial products of the soil,
62 including, but not limited to, the production of fruits and timber

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

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

77 (5) The true value of each class of property shall be
78 determined annually.

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

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