

By: Senator(s) Chaney, Michel, Clarke,  
Flowers, Dearing, King, White

To: Finance

SENATE BILL NO. 3014  
(As Sent to Governor)

1 AN ACT TO AMEND SECTION 27-31-101, MISSISSIPPI CODE OF 1972,  
2 TO AUTHORIZE BOARDS OF SUPERVISORS AND MUNICIPAL AUTHORITIES TO  
3 GRANT AD VALOREM TAX EXEMPTIONS FOR NEW ENTERPRISES UNDER CERTAIN  
4 CIRCUMSTANCES WHEN THE INITIAL REQUEST FOR EXEMPTION IS NOT TIMELY  
5 MADE; TO AUTHORIZE THE GOVERNING AUTHORITIES OF ANY MUNICIPALITY,  
6 IN THEIR DISCRETION, TO DEFER FOR A PERIOD OF UP TO THREE YEARS AD  
7 VALOREM TAX ON REAL PROPERTY AND/OR INVENTORY LEVIED UPON ANY NEW  
8 CAPITAL INVESTMENTS IN LAND, BUILDINGS OR DEPRECIABLE FIXED ASSETS  
9 AND IMPROVEMENTS WITHIN THE MUNICIPALITY MADE BY CERTAIN SMALL  
10 BUSINESSES OR ENTITIES MEETING CERTAIN NEW INVESTMENT AND  
11 EMPLOYMENT CRITERIA; AND FOR RELATED PURPOSES.

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

13 **SECTION 1.** Section 27-31-101, Mississippi Code of 1972, is  
14 amended as follows:

15 27-31-101. (1) County boards of supervisors and municipal  
16 authorities are hereby authorized and empowered, in their  
17 discretion, to grant exemptions from ad valorem taxation, except  
18 state ad valorem taxation; \* \* \* however, such governing  
19 authorities shall not exempt ad valorem taxes for school district  
20 purposes on tangible property used in, or necessary to, the  
21 operation of the manufacturers and other new enterprises \* \* \*  
22 enumerated by classes in this section, except to the extent  
23 authorized in Sections 27-31-104 and 27-31-105(2), nor shall they  
24 exempt from ad valorem taxes the products of the manufacturers or  
25 other new enterprises or automobiles and trucks belonging to  
26 the \* \* \* manufacturers or other new enterprises operating on and  
27 over the highways of the State of Mississippi. The time of such  
28 exemption shall be for a period not to exceed a total of ten (10)  
29 years which shall begin on the date of completion of the new  
30 enterprise for which the exemption is granted; however, boards of  
31 supervisors and municipal authorities, in lieu of granting the

32 exemption for one (1) period of ten (10) years, may grant the  
33 exemption in a period of less than ten (10) years. When the  
34 initial exemption period granted is less than ten (10) years, the  
35 boards of supervisors and municipal authorities may grant a  
36 subsequent consecutive period or periods to follow the initial  
37 period of exemption, provided that the total of all periods of  
38 exemption shall not exceed ten (10) years. The date of completion  
39 of the new enterprise, from which the initial period of exemption  
40 shall begin, shall be the date on which operations of the new  
41 enterprise begin. The initial request for an exemption must be  
42 made in writing by June 1 of the year immediately following the  
43 year in which the date of completion of a new enterprise occurs.  
44 If the initial request for the exemption is not timely made, the  
45 board of supervisors or municipal authorities may grant a  
46 subsequent request for the exemption and, in such case, the  
47 exemption shall begin on the anniversary date of completion of the  
48 enterprise in the year in which the request is made and may be for  
49 a period of time extending not more than ten (10) years from the  
50 date of completion of the new enterprise. Any subsequent request  
51 for the exemption must be made in writing by June 1 of the year in  
52 which it is granted.

53 \* \* \*

54 (2) Any exemption from ad valorem taxes heretofore granted  
55 to existing enterprises shall continue in full force and effect  
56 but only as to tangible property heretofore included in the  
57 exemption but not as to tangible property that may be later added  
58 as an addition or improvement to the exempt tangible property.

59 \* \* \*

60 (3) Any board of supervisors or municipal authority which  
61 has granted an exemption for a period of less than ten (10) years  
62 may grant subsequent periods of exemption to run consecutively  
63 with the initial exemption period, or a subsequently granted  
64 exemption period, but in no case shall the total of the exemption

65 periods granted for a new enterprise exceed ten (10) years. Any  
66 consecutive period of exemption shall be granted by entry of an  
67 order by the board or the authority granting the consecutive  
68 exemption on its minutes, reflecting the granting of the  
69 consecutive exemption period and the dates upon which such  
70 consecutive exemption period begins and expires. The entry of  
71 this order granting the consecutive period of exemption shall be  
72 made before the expiration of the exemption period immediately  
73 preceding the consecutive exemption period being granted.

74       (4) The new enterprises which may be exempt are enumerated  
75 as and limited to the following, as determined by the State Tax  
76 Commission:

77           (a) Warehouse and/or distribution centers;

78           (b) Manufacturing, processors and refineries;

79           (c) Research facilities;

80           (d) Corporate regional and national headquarters

81 meeting minimum criteria established by the Department of Economic  
82 and Community Development;

83           (e) Movie industry studios meeting minimum criteria  
84 established by the Mississippi Development Authority;

85           (f) Air transportation and maintenance facilities  
86 meeting minimum criteria established by the Mississippi  
87 Development Authority;

88           (g) Recreational facilities that impact tourism meeting  
89 minimum criteria established by the Mississippi Development  
90 Authority; and

91           (h) Telecommunications enterprises meeting minimum  
92 criteria established by the Mississippi Development Authority.

93 The term "telecommunications enterprises" means entities engaged  
94 in the creation, display, management, storage, processing,  
95 transmission or distribution for compensation of images, text,  
96 voice, video or data by wire or by wireless means, or entities  
97 engaged in the construction, design, development, manufacture,

98 maintenance or distribution for compensation of devices, products,  
99 software or structures used in the above activities. Companies  
100 organized to do business as commercial broadcast radio stations,  
101 television stations or news organizations primarily serving  
102 in-state markets shall not be included within the definition of  
103 the term "telecommunications enterprises."

104        SECTION 2. (1) Notwithstanding any other provisions of law  
105 to the contrary, the governing authorities of any municipality, in  
106 their discretion, may defer for a period of up to three (3) years  
107 ad valorem tax on real property and/or inventory, including ad  
108 valorem taxes imposed on commodities, products, goods, wares and  
109 merchandise held for resale, with the exception of school ad  
110 valorem taxes, levied upon any new capital investments in land,  
111 buildings, or depreciable fixed assets and improvements within the  
112 municipality made by any business or entity having less than fifty  
113 (50) employees whenever the new investment of such business or  
114 entity is at least One Hundred Thousand Dollars (\$100,000.00), in  
115 the aggregate, and such new investment provides for the employment  
116 of at least five (5) new employees.

117        (2) The deferral of taxes provided for under subsection (1)  
118 of this section may be authorized by resolution duly adopted and  
119 entered upon the minutes of the governing authorities of the  
120 municipality following receipt of an application filed with the  
121 governing authorities by the business or entity describing in  
122 detail:

123           (a) The total dollar amount of new capital investments  
124 proposed to be made;

125           (b) The property for which ad valorem taxation deferral  
126 is requested;

127           (c) A timetable for completion of the new capital  
128 investment project;

129           (d) A demonstration that the business or entity is  
130 financially sound and is likely to fulfill its commitments; and

131 (e) Any other information that the governing  
132 authorities of the municipality may require.

133 **SECTION 3.** This act shall take effect and be in force from  
134 and after its passage.