

By: Representatives Gibbs, Eaton, Buck,
Dickson, Ellis, Fleming, Harrison, Holloway,
Huddleston, Markham, Thomas

To: Oil, Gas and Other
Minerals; Ways and Means

HOUSE BILL NO. 486

1 AN ACT TO REQUIRE OWNERS OF ALL NONPRODUCING MINERAL ESTATES
2 AND LEASEHOLD INTERESTS IN MINERALS OWNED SEPARATELY AND APART
3 FROM THE SURFACE ESTATE TO PAY A CERTAIN PORTION OF PROPERTY
4 TAXES; TO PROVIDE THAT WHERE THE TAX BECOMES DELINQUENT THE
5 MINERAL ESTATE OR LEASEHOLD INTEREST SHALL REVERT TO THE SURFACE
6 OWNER; TO AMEND SECTION 27-31-85, MISSISSIPPI CODE OF 1972, IN
7 CONFORMITY TO THE PROVISIONS OF THIS ACT; TO REPEAL SECTIONS
8 27-31-73 AND 27-31-75, MISSISSIPPI CODE OF 1972, WHICH RELATE TO
9 THE EXEMPTION OF NONPRODUCING MINERAL AND LEASEHOLD INTERESTS FROM
10 AD VALOREM TAXES; AND FOR RELATED PURPOSES.

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

12 **SECTION 1.** (1) From and after January 1, 2007, all owners
13 of nonproducing mineral estates and all leasehold interests in
14 minerals which are owned separately and apart from the surface
15 estate shall pay twenty-five percent (25%) of the property taxes.
16 Such tax shall become due and be payable in the same manner as
17 taxes on the surface estate.

18 (2) If the taxes provided for in subsection (1) of this
19 section are not paid when they become due, such mineral estate or
20 leasehold interest shall revert to the surface owner.

21 **SECTION 2.** Section 27-31-85, Mississippi Code of 1972, is
22 amended as follows:

23 27-31-85. From the taxes levied and collected under and by
24 virtue of Sections 27-31-77 through 27-31-83 inclusive, and
25 Section 1 of this act, the chancery clerk shall retain ten percent
26 (10%) as a fee for the collection thereof, and shall pay the
27 remainder thereof into the proper depository to the credit of the
28 county, one-half (1/2) to the common county fund and one-half
29 (1/2) to the county school fund. Such deposit shall be made on or
30 before the fifteenth day of the month next succeeding that in
31 which such collection may be made. * * *

32 **SECTION 3.** Sections 27-31-73 and 27-31-75, Mississippi Code
33 of 1972, which relate to the exemption of nonproducing mineral and
34 leasehold interests, are repealed.

35 **SECTION 4.** This act shall take effect and be in force
36 retroactively from and after January 1, 2006.