

AD VALOREM TAX EXEMPTION POLICY

**Section 1 Procedural Requirements**

**1.1 General Provisions.**

(a) Enterprises meeting the requirements of Miss. Code Ann. § 27-31-101 *et seq.* are eligible for consideration by the Madison County Board of Supervisors to receive an exemption from certain *ad valorem* taxation as outlined herein below.

(b) The Madison County Economic Development Authority (MCEDA) together with the Madison County Chancery Clerk (Chancery Clerk) are charged with responsibility of disseminating this policy to all enterprises which may qualify for consideration hereunder.

**1.2 Deadlines.**

(a) In accordance with Miss. Code Ann. § 27-31-107, the enterprise must file an application with the Chancery Clerk on or before March 1 of the year following the year of completion of the new enterprise or completion of the expansion or addition. Applications will be accepted between January 1 and March 1.

(b) Thereafter, and on or before March 15, the Chancery Clerk shall (1) review the same and ascertain whether both the enterprise and the application meet the requirements of Miss. Code Ann. § 27-31-101, *et seq.*; (2) compute the amount and level of exemption to which it appears that each enterprise would be entitled based upon the applicable formula set forth in Section 2.0 below; and (3) present each application together with his findings thereon to the Executive Director of the Madison County Economic Development Authority.

(c) Thereafter, the Executive Director of said Authority shall immediately (1) forward the Position Statement submitted with each application to the Tax Assessor for his review and consideration; (2) shall conduct his own independent review of each application.

(d) On or before May 15, the Tax Assessor shall present his completed position statement to the MCEDA Board.

(e) On or before June 15, the MCEDA Board (1) shall recommend either approval or rejection of each application based upon its review thereof and of the findings of the Chancery Clerk and the Executive Director (and it may also

recommend modifications to the computations rendered by the Chancery Clerk and the Executive Director); and (2) shall forward its determination to Chancery Clerk for presentation to the Madison County Board of Supervisors.

(f) On or before the first monthly meeting of the Board of Supervisors in July, the Chancery Clerk shall present the applications for exemption to the Board together with his findings thereon, the Position Statement of the Tax Assessor and the recommendation of the MCEDA Board, and any other related materials.

(g) If any such application is approved by the Board of Supervisors, the Chancery Clerk shall forward said applications and related materials to the Mississippi State Tax Commission, providing a copy thereof to the Tax Assessor.

(h) The Chancery Clerk shall then notify each applicant in writing as to the action of the Board of Supervisors, and, in cases in which the Board gives its approval to an application, the Chancery Clerk shall advise the applicant that the exemption is approved subject to the approval of the Mississippi State Tax Commission (Tax Commission).

(i) Upon approval by the Tax Commission, the Chancery Clerk shall present the same to the Board for final approval and docketing and shall notify the applicants thereof.

## **Section 2 Substantive Requirements**

### **2.1 General Provisions.**

(a) Madison County is not obligated to grant any tax exemption to any industry or qualified entity. Exemptions are a privilege and the board expressly reserves the right to modify, deviate from or completely disregard this policy in circumstances it deems appropriate.

(b) No exemption shall be granted from fire district levies.

\_\_\_\_\_(c) Nissan and Nissan suppliers which are subject to any previously executed MOU are exempted from the following requirements and will be assessed according to the MOU and/or on a case-by case basis.

**2.2 County Enterprise Zones.** County Enterprise Development Zones are hereby created for purposes of consideration of enterprise exemptions as follows, to-wit:

**(1) ZONE A.** Zone A constitutes the Canton area and north eastern areas of the county, defined generally as follows: all that area of the county lying within Townships 12, 11, 10 and 9 North which also lies within Ranges 2, 3, 5 and 5 East, less and except those parcels of real property which are subject to the provisions of Section 2.1(b) above. The mission of the incentives in this zone include renovation of existing structures, redevelopment, and removal of blight, and the utilization of the good median skills of residents.

**(a) New Enterprises.** In Zone A, enterprise exemptions for new enterprises will be considered based upon the following criteria:

**(1) Jobs:** 2.5% for every 1 job local job (employment of residents of Zone A) created with a 10 local job minimum to be eligible for credit under this criteria (50% maximum).

**(2) Capital Investment:** 2.5% for every \$100,000 of investment with a \$200,000 minimum and (35% maximum).

**(3) Wages/Jobs Created Due to this Investment:** 2.5% for every dollar above minimum wage paid on average (50% maximum).

**(4) Employment Multiplier:** .833% (one month) for every one (1) indirect job created (35% maximum).

**(5) Renovation or Re-use Multiplier:** Of the total investment calculated in criteria (2) above, an additional 2.5% will be considered for every \$100,000 spent on renovation of existing buildings and structures (50% maximum).

**(6) Construction Period and Construction Employees:** 2% per employee multiplied by the construction period as a percentage of the maximum term (10 years) (35% maximum)

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**(b) Additions to or Expansions of Existing Enterprises.** In Zone A, enterprise exemptions for additions to or expansions of existing enterprises will be considered based upon the following criteria:

**(1) Jobs:** 2.5% for every 1 local job (employment of

residents of Zone A) created with a 1 local job minimum to be eligible for credit under this criteria (50% maximum).

**(2) Capital Investment:** 2.5% for every \$100,000 of investment with a \$200,000 minimum and (35% maximum).

**(3) Wages/Jobs Created Due to this Investment:** 2.5% for every dollar above minimum wage paid on average (50% maximum).

**(4) Years of Operation:** .5% credit for every year in operation (35% maximum).

**(5) Long Term Employment:** .5% credit for every employee, based upon the average annual employment since the establishment of the enterprise.

**(6) Employment Multiplier:** .833% (one month) for every one (1) indirect job created (35% maximum).

**(7) Renovation or Re-use Multiplier:** Of the total investment calculated in criteria (2) above, an additional 2.5% will be considered for every \$100,000 spent on renovation of existing buildings and structures (50% maximum).

**(8) Construction Period and Construction Employees:** 2% per employee multiplied by the construction period as a percentage of the maximum term (10 years) (35% maximum).

**(2) ZONE B.** Zone B constitutes the Flora area more particularly described as all those lands lying within Range 1 West and Range 2 West in Madison County. The mission of the incentives in this zone is to enhance the creation of new jobs and investment, assist with the new city dynamic in Flora, and encourage a new sustainable economy and help to foster future residential growth.

**(a) New Enterprises.** In Zone B, enterprise exemptions will be considered based upon the following criteria:

**(1) Jobs:** 2.5% for every 1 job created with a 10 job minimum to be eligible for credit under this criteria (50%

maximum).

**(2) Capital Investment:** 2.5% for every \$100,000 of investment with a \$200,000 minimum (35% maximum).

**(3) Wages/Jobs Created Due to this Investment:** *20% for the first five dollars above minimum wage paid on average and an additional 5% for every dollar thereafter* (50% maximum).

**(4) Employment Multiplier:** .833% (one month) for every one (1) indirect job created (35% maximum).

**(5) Construction Period and Construction Employees:** 2% per employee multiplied by the construction period as a percentage of the maximum term (10 years) (35% maximum)

**(b) Additions to or Expansions of Existing Enterprises.** In Zone B, enterprise exemptions for additions to or expansions of existing enterprises will be considered based upon the following criteria:

**(1) Jobs:** 2.5% for every 1 job created with a 1 job minimum to be eligible for credit under this criteria (50% maximum).

**(2) Expansion Investment:** 2.5% for every \$100,000 of investment with a \$200,000 minimum (35% maximum).

**(3) Wages/Jobs Created Due to this Investment:** *20% for the first five dollars above minimum wage paid on average and an additional 5% for every dollar thereafter* (50% maximum).

**(4) Years of Operation:** .5% credit for every year in operation (35% maximum).

**(5) Long Term Employment:** .5% credit for every employee, based upon the average annual employment since the establishment of the enterprise.

**(6) Employment Multiplier:** .833% (one month) for every one (1) indirect job created (35% maximum) based upon the most current Table of Multipliers promulgated

by the U. S. Department of Commerce.

**(7) Construction Period and Construction**

**Employees:** 2% per employee multiplied by the construction period as a percentage of the maximum term (10 years) (35% maximum).

**(3) ZONE C.** Zone C constitutes the Ridgeland, Madison, Gluckstadt and adjacent areas where high tech and high wage enterprises are to be encouraged, generally described as lying within Township 7 North, Ranges 1, 2, and 3 East, and Township 8 North, Ranges 1, 2, 3 and 4 East. Here, in addition, enterprises must only minimally impact the existing community infrastructure and must encourage high resident-based employment.

**(a) New Enterprises.** In Zone C, enterprise exemptions will be considered based upon the following criteria:

**(1) Jobs:** 1% for every 1 job created with a 10 job minimum to be eligible for credit under this criteria (50% maximum).

**(2) Capital Investment:** 2.5% for every \$300,000 of investment with a \$1,000,000 minimum to be eligible for credit under this criteria (35% maximum).

**(3) Wages/Jobs Created Due to this Investment: 20% for the first ten dollars above minimum wage paid on average and an additional 5% for every two dollars thereafter** (50% maximum).

**(4) Employment Multiplier:** .833% (one month) for every one (1) indirect job created (35% maximum).

**(5) Redevelopment Multiplier:** Of the total investment calculated in criteria (2) above, an additional 2.5% will be considered for every \$100,000 spent on redevelopment (50% maximum).

**(6) Construction Period and Construction**

**Employees:** 2% per employee multiplied by the construction period as a percentage of the maximum term (10 years) (35% maximum).

**(b) Additions to or Expansions of Existing Enterprises.** In Zone C, enterprise exemptions for additions to or expansions of existing enterprises will be considered based upon the following criteria:

**(1) Jobs:** 2.5% for every 1 job created with a 1 job minimum to be eligible for credit under this criteria (50% maximum).

**(2) Expansion Investment:** 2.5% for every \$200,000 of investment with a \$400,000 minimum to be eligible for credit under this criteria (35% maximum).

**(3) Wages/Jobs Created Due to this Investment: 20%** *for the first ten dollars above minimum wage paid on average and an additional 5% for every two dollars thereafter* (50% maximum).

**(4) Years of Operation:** .5% credit for every year in operation (35% maximum).

**(5) Long Term Employment:** .5% credit for every employee, based upon the average annual employment since the establishment of the enterprise.

**(6) Employment Multiplier:** .833% (one month) for every one (1) indirect job created (35% maximum) based upon the most current Table of Multipliers promulgated by the U. S. Department of Commerce.

**(7) Construction Period and Construction Employees:** 2% per employee multiplied by the construction period as a percentage of the maximum term (10 years) (35% maximum).