

# Legislative Update April 25, 2016

The 2016 Mississippi Legislature adjourned sine die last week. **Below you will find MAR's 2016 legislative priorities and legislation that we were tracking, with final outcome:**

**Background checks on Real Estate Licensees** – MAR's number one Legislative priority, we supported amending Mississippi license law to require fingerprinting and background checks on new real estate license applicants and real estate license renewals. This new law protects the public and licensees by requiring all applicants for licensure or renewals to undergo a fingerprint-based criminal history records check by MREC. Licensees over age 70 and have held a broker's or salesperson's license in Mississippi for at least 25 years are exempted from this requirement.

- [SB 2725](#) – Passed and sent to Governor

**Tax equity for Mississippi's Self-Employed** – This law incorporates a simple personal income tax cut and allows a self-employment tax deduction on the Mississippi State income tax return, similar to the current adjustment allowed on the federal return; and as similarly allowed for corporations on the Mississippi State return for the employer-paid portion of federal Medicare and FICA taxes.

- [SB 2858](#) – Passed and sent to Governor

**Eliminating the Franchise Tax** – Mississippi REALTORS® believe that eliminating the franchise tax will make Mississippi more attractive for businesses to relocate here or encourage existing businesses to expand. The franchise tax hits companies in the state for capital or property at a rate of \$2.50 per \$1,000 of capital or property, whichever is greater. The state's franchise tax rate is sixth-highest in the nation and is one of the few without limits on the maximum payment. Mississippi is one of 18 states with a franchise tax. Eliminating the franchise tax could help Mississippi's tax climate for business. The franchise tax is paired with a corporate income tax, making it more onerous. Unlike in New York, Rhode Island and Connecticut, where a company pays only the higher charge of the two taxes, Mississippi whacks companies with both taxes every year. This new law provides for the franchise tax to be progressively reduced each year from 2018 until phased completely out in 2028.

- [SB 2858](#) – Passed and sent to Governor

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**Trespassing Act** – Mississippi REALTORS® supported legislation stating that a landowner does not owe any responsibility to a trespasser who is injured on their property. This legislation codifies case law concerning land possessors' duty of care regarding trespassers. Homeowners, companies, factories, and farmers may all be at risk of liability for activities inherently out of their control. The Senate Jud-A

committee amended the bill to expand on language in the original bill, including the operative provisions of the bill that define a property possessor's duty to "refrain from willfully or wantonly injuring" a trespasser.

- [HB 767](#) – Approved by Governor

**Creating the Mississippi Main Street Investment Act** – Mississippi REALTORS® supported legislation to create the Mississippi main street investment act. This act would have created the Mississippi main street investment loan fund and required the Mississippi Development Authority to establish a program to make loans to municipalities to assist with maintaining and improving the viability of revitalization zones.

- [HB 1598](#) – DEAD

**First-Time Home Buyer Savings Account** – Mississippi REALTORS® supported legislation establishing first-time home buyer savings accounts that can be used for saving funds for the purchase of homes by first-time home buyers. Monies in the account are required to be used solely for the down payment and closing costs for the purchase of a home by a first-time home buyer. Being unable to come up with a hefty down payment is often a major hurdle for first-time homebuyers, particularly young people who are grappling with massive student loan debt. The issue has become a critical concern for members of the real estate community, who have noticed a steady decline in the number of first-time and young home buyers in the market.

- [SB 2837](#) – DEAD

**Tax Credits for Historic Structures** - Mississippi REALTORS® supported legislation authorizing an income tax credit for costs and expenses incurred for the rehabilitation of certain historic structures. HB 1691 died in the Senate Finance Committee. Total credits awarded are capped at \$12 million in any fiscal year and \$120 million for the overall program, with eligibility under the program extended through December 31, 2020.

- [SB 2922](#) – Passed and sent to Governor
- [HB 1691](#) – DEAD

**Excelerate Mississippi Road Program** - The Mississippi REALTORS® recognize the need to increase funding for vital transportation infrastructure needs at the state and local level. We support reasonable and responsible funding mechanisms to support the Mississippi Economic Council's Excelerate Mississippi Program. The bill died upon failure of the House and Senate leadership to identify an acceptable means of financing improvements and maintenance.

- [SB 2921](#) - DEAD

**Charter Schools** - SB 2161 is the only legislation alive, with HB 1044 having died on the calendar on March 30. SB 2161, as amended by the House and sent to the Senate for concurrence or non-concurrence, allows students in C, D and F districts to cross district lines to attend charter schools. The original provision in the Senate bill as introduced allowing establishment of charter schools in C districts without local board approval was removed by the House. Charter schools may participate in PERS, must meet or exceed MDE's high school graduation requirements, and the bill requires local school districts to sell or lease a school at or below market value to conversion charter schools.

- [SB 2161](#) - Passed and approved by Governor
- [HB 1044](#) - DEAD

**Appointed Superintendents** - Mandates appointed school superintendents after January 1, 2019. Mississippi is one of just three remaining states that elects school superintendents. Currently, a little less than half of the state's superintendents are elected, while the rest are appointed by the local school board- as is common through most of the country. Superintendents should not be worrying about political maneuvering or the next election, their focus should be on their school district without outside distractions. Based on the latest accountability rankings from the Mississippi Dept. of Education, 14 of the 19 A-rated school districts in the state have appointed superintendents.

- [SB 2438](#) - Passed and approved by Governor

**Online Sales of Land for Taxes** - This law will allow online sales of land for taxes. The sales are currently advertised in the newspaper and the land on which taxes are past due is sold on the courthouse steps. This will give county tax collectors the option of having an online auction as long as it is advertised in the newspaper with instructions for how to bid electronically.

- [HB 425](#) - DEAD
- [SB 2240](#) - Passed and approved by Governor