

April 4, 2016 Legislative Report

Tuesday of this week (4/5) brings the deadline for each house to take original floor action on appropriations and revenue bills from the other house. After the April 5 deadline, our next major deadline is Friday, April 8, the deadline to concur nor not concur (invite conference) on appropriations and revenue bills from the other house. **Below you will find MAR's current legislative priorities, where they are in the process as well as links to the legislation. Also below you will find legislation that we are tracking.**

Background checks on Real Estate Licensees – MAR's number one Legislative priority, we support amending Mississippi license law to require fingerprinting and background checks on new real estate license applicants and real estate license renewals. On Wednesday, March 30, the House voted to amend our bill to remove an amendment Jud-A Chairman Mark Baker added to the bill when it came up initially in the House. Following removal of this unsolicited amendment, the bill goes to the Senate, where we support concurrence in the bill as amended by the House. Subject to the April 8 deadline for floor action in the Senate.

- [SB 2725](#) – Passed by House and transferred to Senate.

Tax equity for Mississippi's Self-Employed - The goal is for tax equity for Mississippi's self-employed by allowing 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. The state's self-employed deserve equal tax treatment with corporations in being able to deduct for state income tax purposes one-half of their self-employment tax in figuring one's adjusted gross income, being the employer-equivalent portion of one's self-employment tax, and also the same as allowed on the federal return for the employer portion of Medicare and Social Security tax payments paid by a corporation. Subject to April 5 deadline for floor action in House.

- [SB 2858](#) – Passed the Senate / Assigned to House Ways & Means Committee

Eliminating the Franchise Tax - Eliminating the Franchise Tax will make MS more attractive for businesses to relocate to MS 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. Subject to April 5 deadline for floor action in House.

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Trespassing Act – MAR supports legislation stating that a landowner does not owe any responsibility to a trespasser who is injured on their property. This legislation would help codify the 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. The House concurred in the Senate amendments on April 1, meaning this version of the bill will be sent to the Governor.

- [HB 767](#) – House concurred in Senate amendments; Going to Governor.

Creating the Mississippi Main Street Investment Act – MAR supports legislation to create the Mississippi main street investment act. This act would create the Mississippi main street investment loan fund and require the Mississippi Development Authority to establish a program to make loans to municipalities to assist with maintaining and improving the viability of revitalization zones; to require a municipality desiring a loan under this act to submit an application to the Mississippi development authority; to authorize the issuance of state general obligation bonds and provide that the proceeds of such bonds shall be deposited into the Mississippi main street investment loan fund. Subject to April 5 deadline for floor action in Senate.

- [HB 1598](#) – Passed the House; Assigned to Senate Finance Committee.

First-Time Home Buyer Savings Account – MAR supports 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. Moneys 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 home buyers, 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 - MAR Supports legislation authorizing an income tax credit for costs and expenses incurred for the rehabilitation of certain historic structures. SB 2922 subject to April 5 deadline for floor action in House; HB 1691 subject to April 5 deadline for floor action in Senate.

- [SB 2922](#) - Passed the Senate / Assigned to House Ways & Means Committee
- [HB 1691](#) - Passed the House / Assigned to Senate Finance Committee

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. Thus far, SB 2921 does not specify one or more sources of funds, identify specific infrastructure improvements or provide the mechanism for improvements to be handled. Subject to April 5 deadline for floor action in House.

- [SB 2921](#) - Passed the Senate / Assigned to House Ways & Means Committee

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. Subject to April 14 deadline for Senate to concur or not concur in House amendments.

- [SB 2161](#) - Passed the House as amended and sent to Senate for concurrence or non-concurrence
- [HB 1044](#) - Dead

Appointed Superintendents - Will mandate 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. Governor's response due April 5.

- [SB 2438](#) – Passed and sent to Governor

Online Sales of Land for Taxes – This Legislation would 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 would 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. SB 2240 passed and sent to Governor. Governor's response due April 5.

- [HB 425](#) – Dead
- [SB 2240](#) - Passed and sent to Governor