

## Legislative Update April 19, 2016

The 2016 Legislature worked through the weekend on appropriation, revenue and general conference reports as end-of-session deadlines are running. This week Monday (April 18) brings the deadline for final adoption of conference reports on appropriations and revenue bills, and the April 20 deadline for first consideration of conference reports on general bills. **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. The conference committee assigned to our bill removed all House amendments other than those we had approved. The conference report was adopted by the House on Saturday, April 16. The Senate is expected to adopt the conference report this week. Subject to the April 20 deadline for the Senate to consider adoption of the conference report.

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

**Tax equity for Mississippi's Self-Employed** - The current conference report incorporates a simple personal income tax cut and returns to the original goal 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. Subject to April 18 deadline for final adoption of conference reports on revenue bills.

- [SB 2858](#) – In conference

**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. In the current conference report, the franchise tax is progressively reduced each year from 2018 until phased completely out in 2028. Subject to April 18 deadline for final adoption of conference reports on revenue bills.

- [SB 2858](#) – In conference

**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. The House concurred in the Senate amendments on April 1, and the bill was sent to the Governor, who signed it into law on April 11.

- [HB 767](#) – Approved by Governor

**Creating the Mississippi Main Street Investment Act** – Mississippi REALTORS® support 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. The House passed the bill but it died in the Senate Finance Committee.

- [HB 1598](#) – DEAD

**First-Time Home Buyer Savings Account** – Mississippi REALTORS® support 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 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. The bill died in the Senate Finance Committee early in the session.

- [SB 2837](#) – DEAD

**Tax Credits for Historic Structures** - Mississippi REALTORS® support 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. The House

amendment capping total credits awarded to \$120 million remains in the current conference report , along with a provision extending eligibility under the program through December 31, 2020. The Senate rejected House amendments and invited conference. Subject to April 18 deadline for final adoption of conference reports on revenue bills.

- [SB 2922](#) – In conference
- [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 in the House Ways & Means Committee 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. The Governor's response is due April 19.

- [SB 2161](#) – Passed and sent to Governor
- [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 approved April 4.

- [SB 2438](#) – Passed and approved by 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. Approved by Governor on April 4.

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