

April 7th, 2025: <https://us15.campaign-archive.com/?u=c2ea65f8f6261271c6786714d&id=5269d58f09>

Session Wrap-Up

Legislators Leave with No State Budget

April 7, 2025 | Rob Pillow, MAR Government Relations Director

The 2025 regular legislative session came to a close last Wednesday when the Senate followed the House and adjourned sine die. The legislative priorities of the Mississippi Association of REALTORS® all survived the legislative process. Of the 3,706 bills introduced this legislative session, only 268 bills passed the legislative process, excluding resolutions and commendations in the two chambers. Noticeably absent from these bills are many of the appropriations bills, which died when the House adjourned before conference weekend, the time that has traditionally been used to hammer out deals in the budget process. Speaker Jason White made the decision to not participate in the conference weekend, a commitment to a longer budgetary process that he believes will increase transparency in the process. The two sides could not agree on a process to extend the session to address the lack of a budget, so the House and the Senate left without an agreement on how the state's \$7 billion budget would be allocated.

The fiscal year ends on June 30th, so state government functions will continue to operate on its current budget, but July 1st will hold many questions for many agency, department, and commission heads if they have no money to function. The only option on the table now is for Governor Tate Reeves to call a special session to convene the two chambers to reach a deal on the state budget. The Governor has not yet said when that may be, but he will likely wait until the two sides reach an agreement before a session is called, as he is very aware of the \$100,000 per day price tag that comes with a special session.

Legislative Priority Wins

[HB 1200 – The Real Property Owners Protection Act](#)

House Bill 1200 – The "Real Property Owners Protection Act" passed the House and Senate and awaits the Governor's signature. Representatives Shanda Yates and Joey Hood were both instrumental in drafting the legislation and guiding it through both chambers, and Representative Brent Powell sponsored the original legislation, which helped bring the issue to light. Other important sponsors of the bill were Representatives Clay Mansell, Lance Varner, Kevin Felsher, Jill Ford, Stephanie Foster, Jonathan McMillan, Gene Newman, Fred Shanks, Price Wallace, Lee Yancey, Hank Zuber, and Noah Sanford.

Senator Brice Wiggins received the bill in the Senate and worked hard to ensure the bill survived Senate scrutiny. Representative Shanda Yates and Senators Daniel Sparks and Nicole Boyd were also very helpful in defending the bill in the Senate Business and Financial Institutions committee so it could make it to the floor for final passage.

Please be sure to thank these Members and your member for supporting the legislation.

The bill enhances property rights for landowners by providing a clear and legal framework for addressing squatting, reducing the potential for lengthy disputes and protecting property ownership rights. The requirements and processes for expelling a squatter are outlined in the bill. This includes specific details that must be included in the affidavit that must be submitted by the property owner to begin the process to remove the squatter. The process offers a squatter three (3) days to appeal the removal in the municipal or justice court of jurisdiction. The increased penalties for various offenses serve as a deterrent against forgery, trespassing, and unlawful claims to property, ultimately strengthening the legal measures available to property owners in Mississippi.

[SB 2423 - MREC Regulation Changes](#)

The Governor signed SB 2423 and the proposed changes to the MREC rules and regulations have become law. Senator Jeremy England sponsored the bill in the Senate and Representative Joey Hood sponsored the companion in the House. Senators Daniel Sparks and Chad McMahan also helped shepherd the bill through the Senate, while Representative Lee Yancey guided it through his committee on the House side with no issue. The bill received almost unanimous support in the House and Senate. The legislature is listening to the needs of REALTORS® and responding positively! Please be sure to thank your Member for their support of this important legislation.

The bill that was signed into law makes the following changes:

- Sets a requirement to update licensees via email five business days before the effective date of a change in their license status.
- Changes the standard of proof of complaint in hearings from “preponderance of the evidence” to “clear and convincing.”
- Adds a one-year period in which certain deadlines must be met. First, within 120 days a licensee must be notified of a complaint and the commission must either dismiss the complaint or issue a formal complaint. If a formal complaint is filed, the commission must make a final decision within one year of the date a licensee is notified of a complaint. This timeline can be extended if a licensee requests an administrative hearing with the AG’s office.

Other Important Bills

HB 1 – The Build Up Mississippi Act

The Governor has signed a new tax bill into law. HB 1 originated in the House, but the Senate made significant amendments to the bill as well. The bill includes the following provisions:

- Continue current gradual reductions in the income tax from 4.4 percent to 3 percent in 2030;

- Starting in 2031, gradually eliminate the income tax after certain revenue triggers are met;
- Reduce the grocery tax from 7% to 5%
- Add a 3-cent tax on fuel each year for the next 3 years for a total of a 9-cent increase. The revenue raised from the additional fuel tax would be directed to infrastructure.
- Create a new fifth tier for PERS for any public employee hired after March 1, 2026.

SB 2248 – The Fresh Start Act

Close readers of the newsletter will be familiar with our work on the Fresh Start Act, but in short, the bill in its original form would have undermined the current provisions that serve to protect the public from individuals who have committed crimes that call into question their trustworthiness, such as fraud. The Legislative and Regulatory Affairs Committee discussed The Fresh Start Act, and recommended that we oppose the legislation unless amendments were made to exclude real estate licensees, appraisers and home inspectors from the provisions of the law. We successfully worked with lawmakers and stakeholders to ensure that those three groups were excluded from the provisions. However, the conference bill died on the Senate calendar. If necessary, we will work next session to ensure the provisions that protect the public by excluding real estate licensees, appraisers and home inspectors are adopted again.

HB 733

Creates the Property Cleanup Revolving Fund aimed at aiding municipalities in cleaning up hazardous properties that threaten public health, public safety, or public welfare. The Mississippi Home Corporation will administer the fund and develop a grant and loan program for projects identified as community hazards. Municipalities will be eligible to receive financial assistance covering up to 100% of eligible project costs.

HB 812

Extends the homestead exemption from ad valorem taxes to include unremarried surviving spouses of homeowners who were honorably discharged American veterans and unremarried surviving spouses of homeowners who were classified as totally disabled.

HB 999

Redefines a modular home as a structure that is transportable in sections, designed as a dwelling connected to required utilities, and certified by manufacturers based on the most current version of the residential building code adopted by the Mississippi Building Codes Council. Additionally, the language mandates that modular homes installed at their final destination must be placed on an approved foundation following the manufacturer's guidelines.

HB 1611

Requires insurance companies to provide notices for changes in coverage at least forty-five (45) days prior to the effective date of the change, extending the previous requirement of thirty (30) days. This applies to liability insurance, fire insurance, and single premium multiperil insurance.

HB 1644

Provides ad valorem tax exemptions for equipment used in the expansion of broadband between 2025 and 2030.

SB 2086

Deletes a provision that would have ended fees charged by the Mississippi Real Estate Commission for the issuance of broker and salesperson licenses and other fees associated with managing multiple offices. The fees will continue to be assessed indefinitely.

SB 2328

This bill, authored by Senator Walter Michel, establishes a legal framework for property owners seeking to reclaim their real estate from former tenants and sets forth best practices in the eviction process.

SB 2469

Establishes a study committee that will focus on addressing the issues related to unmerchantable and uninsurable titles that arise from land sales due to tax nonpayment. This committee aims to identify problems and propose solutions with the hope of enhancing land title clarity and marketability.

SB 2508

Allows mortgage originators, brokers, and lenders to conduct business from a remote location under supervision, provided that strict security protocols are established and met.

SB 2805

Incorporates third-party facilitators that engage in peer-to-peer rental transactions (AirBnB, VRBO, etc.) in the tax framework applied to hotels and motels. This addition clarifies that third parties engaged in listing, advertising, and handling payments for peer-to-peer accommodations are responsible for the transmission of sales taxes for all of the transactions on their platform, as opposed to the individual listing their property for rental on the platform.

March 26, 2025: <https://mailchi.mp/msrealtors/mar-legislative-update-march-26>

MAR To Close Session with At Least Two Major Wins!

March 26, 2025 | Rob Pillow, MAR Government Relations Director

Squatter's Bill

House Bill 1200 – The "Real Property Owners Protection Act" passed the House this morning, and the next stop for the bill will be the Governor's desk for signature. Representatives Shanda Yates and Joey Hood were both instrumental in drafting the legislation and guiding it through both chambers, and Representative Brent Powell sponsored the original legislation, which helped bring the issue to light. Other important sponsors of the bill were Representatives Clay Mansell, Lance Varner, Kevin Felsher, Jill Ford, Stephanie Foster, Jonathan McMillan, Gene Newman, Fred Shanks, Price Wallace, Lee Yancey, Hank Zuber, and Noah Sanford.

Senator Brice Wiggins received the bill in the Senate and worked hard to ensure the bill survived Senate scrutiny. Representative Shanda Yates and Senators Daniel Sparks and Nicole Boyd were also very helpful in defending the bill in the Senate Business and Financial Institutions committee so it could make it to the floor for final passage.

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various offenses serve as a deterrent against forgery, trespassing, and unlawful claims to property, ultimately strengthening the legal measures available to property owners in Mississippi.

MREC Regulation Changes

The Governor signed SB 2423 and the proposed changes to the MREC rules and regulations have become law. Senator Jeremy England sponsored the bill in the Senate and Representative Joey Hood sponsored the companion in the House. Senators Daniel Sparks and Chad McMahan also helped shepherd the bill through the Senate, while Representative Lee Yancey guided it through his committee on the House side with no issue. The bill received almost unanimous support in the House and Senate. The legislature is listening to the needs of REALTORS® and responding positively! Please be sure to thank your Member for their support of this important legislation.

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Fresh Start Act

Earlier this year, the Legislative and Regulatory Affairs Committee discussed Senate Bill 2246 – The Fresh Start Act, and recommended that we oppose the legislation unless amendments were made to exclude

REALTORS® from the provisions of the law. We successfully lobbied to include language to exclude REALTORS® from the law, and the bill is now going to conference for further conversation.

MREC rules and regulations include provisions that would bar certain individuals guilty of certain crimes from receiving a real estate license. Without our amendments, the Fresh Start Act would have undermined the current provisions that serve to protect the public from individuals who have committed crimes that call into question their trustworthiness, such as fraud.

Our team has worked closely with the authors and stakeholders of the bill to ensure that real estate professionals will not be subject to the provisions outlined in the law. We will continue to monitor the bill and work to ensure the provisions we fought so hard to put into the bill are kept through the conference process.

An Uncertain Tax Bill

Last week, the Senate passed a tax bill intended to be a compromise between the House and Senate versions of the bill. HB 1 originated in the House, but the Senate made significant amendments to the bill to edge closer to a compromise. The authors released the details of the bill, which would:

- Gradually eliminate the income tax after certain revenue triggers are met;
- Reduce the grocery tax from 7% to 5%
- Add a 3-cent tax on fuel each year for the next 3 years for a total of a 9-cent increase. The revenue raised from the additional fuel tax would be directed to infrastructure.
- Create a new fifth tier for PERS for any public employee hired after March 1, 2026.

However, in the version that passed off the Senate floor, an error in the revenue triggers were missed in the review, resulting in a bill that would all but guarantee the fastest path to tax elimination. The original version intended to create a goal of \$400 million in excess revenue. If the state generated at least 85% of that \$400 million in excess revenue, then additional tax cuts would automatically be implemented. Higher revenues would lead to higher cuts – 100% and 115% of \$400 million would lead to .25% and .30% cuts, respectively. However, the language as written set those triggers at 0.85%, 1%, and 1.15% instead of the intended 85%, 100%, and 115% of the \$400 million revenue goal, all but ensuring that a quick reduction in the income tax – even quicker than the original House version.

The House passed the bill as it was sent to them, originally holding the bill on a motion to reconsider for about 12 hours before sending it to the Governor's desk. The Governor has indicated his intention to sign the bill, but House and Senate leadership have signaled that they will continue negotiations.

While the Senate was making its own changes to HB 1, the House was also amending the Senate Tax Bill, SB 3095. This bill also made it back to the Senate, which chose to invite conference on the bill. Technically, the two chambers can still negotiate on this bill. Even if the Governor signs the original bill, the legislature could set the date of implementation of a new bill after the date HB 1 is set to take effect, overriding the bill. Additionally, since the gradual decrease isn't set to start until 2031, the legislature has plenty of time to fix the triggers in future legislative sessions. That being said, the future of the tax cuts is uncertain, but it looks very likely that the governor will sign at least one tax bill this session.

March 6, 2025: <https://mailchi.mp/msrealtors/mar-legislative-update-march-2025>

MAR Passes First Bill of the Session Off House Floor

President Delivers State of the Union Address

March 6, 2025 | Rob Pillow, MAR Government Relations Director

The State of the Union Address

Last night, President Donald Trump delivered the first State of the Union address (or SOTU, because everything in D.C. has to be acronymized) of his second term as President of the United States. The basis for the State of the Union is outlined in the Constitution, which states, “[the President] shall from time to time give to the Congress Information of the State of the Union, and recommend to their Consideration such measures as he shall judge necessary and expedient.” It wasn’t until the 1900s with the advent of the radio and television that the address became an opportunity for the President to speak directly to the American people.

In his 100-minute speech, President Trump outlined the Executive Orders he has signed so far in his tenure, outlined his legislative agenda to Congress, and highlighted heartwarming stories of guests he invited. He focused his speech on immigration, tariffs, inflation, and the economy, with the branding messaging claim that "America is back." If you missed it, you can watch President Trump’s entire SOTU address and the rebuttal from newly elected Michigan Senator Elissa Slotkin at the links below.

[Pres. Trump SOTU Address](#)

[Sen. Slotkin Rebuttal](#)

MREC Regulations

Chairman Lee Yancey of Rankin County passed Senate Bill 2423 out of his committee last week and brought it to the floor yesterday for a final vote. The bill passed with 115 yeas and 0 nays. The next stop is the Governor’s desk for a final signature before becoming law. We had a lot of help pushing the bill across the finish line, including Senator Jeremy England who

authored the bill and Representative Joey Hood who authored the companion House bill. We are thankful to the House and Senate, along with Lt. Governor Delbert Hosemann and Speaker Jason White, for considering this important bill and prioritizing REALTOR® endorsed legislation! The bill makes a few changes, which are outlined below.

The first change sets a requirement to update licensees via email five business days before the effective date of a change in their license status. Licensees are already required to submit a valid email address to MREC, so this data is already available for use.

The language also changes the standard of proof of complaint hearings from “preponderance of the evidence” to “clear and convincing.” This is a common standard of other Mississippi boards and commissions and, when hearings potentially result in the loss of a person’s livelihood, the standard should rise to the point of “clear and convincing.”

Finally, it adds a timeline to ensure that the hearings are conducted in a timely manner. The timeline adds a one year period in which certain deadlines must be met. First, within 120 days a licensee must be notified of a complaint and the commission must either dismiss the complaint or issue a formal complaint. If a formal complaint is filed, the commission must make a final decision within one year of the date a licensee is notified of a complaint. This timeline can be extended if a licensee requests an administrative hearing with the AG’s office.

Squatters Bill

House Bill 1200 – The "Real Property Owners Protection Act" passed through the Senate Judiciary A Committee this week and awaits action on the Senate floor. The bill enhances property rights for landowners by providing a clear and legal framework for addressing squatting, reducing the potential for lengthy disputes and protecting property ownership rights. The requirements and processes for expelling a squatter are outlined in the bill. This includes specific details that must be included in the affidavit that

must be submitted by the property owner to begin the process to remove the squatter. The process offers a squatter three (3) days to appeal the removal in the municipal or justice court of jurisdiction. The increased penalties for various offenses serve as a deterrent against forgery, trespassing, and unlawful claims to property, ultimately strengthening the legal measures available to property owners in Mississippi.

Representative Shanda Yates and Senator Brice Wiggins were instrumental in pushing the bill over the committee deadline hurdle. We are continuing to lobby the Senate on the legislation and hope to pass the legislation from the Senate floor and get it to the Governor's desk before sine die.

[Magnolia Tribune Article on Squatters Bill](#)

Update on Other Bills of Interest:

Earlier this year, the Legislative and Regulatory Affairs Committee discussed Senate Bill 2246 – The Fresh Start Act, and recommended that we oppose the legislation unless amendments were made to exclude REALTORS® from the provisions of the law. We successfully lobbied to include language to exclude real estate appraisers, real estate brokers and salespersons, and home inspectors.

MREC rules and regulations include provisions that would bar certain individuals guilty of certain crimes from receiving a real estate license. Without our amendments, the Fresh Start Act would have undermined the current provisions that serve to protect the public from individuals who have committed crimes that call into question their trustworthiness, such as fraud.

Our team has worked closely with the authors and stakeholders of the bill to ensure that real estate professionals will not be subject to the provisions outlined in the law. The legislation passed the House Accountability,

Efficiency, and Transparency Committee yesterday and awaits action on the floor with our amendments still intact.

Additionally, the Remote Online Notary legislation did not pass the Committee deadline. The bill is effectively dead until next session.

February 24, 2025: <https://mailchi.mp/msrealtors/mar-legislative-update-feb-24>

MAR Bills Survive the First Major Deadline

Another Successful REALTOR® Day at the Capitol

February 24, 2025 | Rob Pillow, MAR Government Relations Director

Last Thursday, the Capitol was filled with REALTORS® who were able to listen to a slate of elected officials and speak to their representatives about the issues that matter to the real estate industry. We heard from Lt. Governor Delbert Hosemann, Speaker Jason White, Secretary Michael Watson, Commissioner Mike Chaney, Attorney General Lynn Fitch, Treasurer David McRae, Auditor Shad White, Representative Joey Hood, and Senators Josh Harkins, Daniel Sparks, and Briggs Hopson. Additionally, REALTORS® at the Capitol made contact with lawmakers from dozens of districts, putting a face and professional smile with the issues that matter to us.

MAR priorities are primed to pass the next hurdle of the legislative process. All of our bills have passed their chamber of origin, so the House bill has been sent to the Senate, and the Senate bill has been sent to the House. The next deadline for our bills is March 4th, which is when our bills must pass the committee it is assigned to in the opposite chamber before it can be brought to the floor for a final vote. Below is an in depth review of the state of the bills we are watching.

MREC Regulations

We have passed identical bills in the House ([House Bill 1368](#)) and Senate ([Senate Bill 2423](#)) to make three changes to MREC rules and regulations. The first change sets a requirement to update licensees via email five business days before the effective date of a change in their license status. Licensees are already required to submit a valid email address to MREC, so this data is already available for use.

The language also changes the standard of proof of complaint hearings from “preponderance of the evidence” to “clear and convincing.” This is a common standard of other boards and commissions and, when hearings potentially result in the loss of a person’s livelihood, the standard should rise to the point of “clear and convincing.”

Finally, it adds a timeline to ensure that the hearings are conducted in a timely manner. The timeline adds a one year period in which certain deadlines must be met. First, within 120 days a licensee must be notified of a complaint and the commission must either dismiss the complaint or issue a formal complaint. If a formal complaint is filed, the commission must make a final decision within one year of the date a licensee is notified of a complaint. This timeline can be extended if a licensee requests an administrative hearing with the AG’s office.

Squatters Bill

There are two versions of the Squatters Bill, one that passed the House ([House Bill 1200](#)) and one that passed the Senate ([Senate Bill 2328](#)).

Senate Bill 2328 intends to create a process that enables property owners to quickly regain possession of unlawfully occupied property. New provisions of law have been added allowing property owners or their authorized agents to request immediate removal of unlawful occupants from residential or commercial properties from the sheriff, given certain specified conditions are met, including: (1) ownership verification, (2) restrictions against public entry at the time of unlawful entry, (3) prior eviction notice requirements, and (4) limitations concerning family members and tenants. The sheriff must act promptly upon receipt of this declaration, removing unlawful occupants, while providing civil action if a person is wrongly removed. This bill strengthens property rights by streamlining the process for regaining possession of their property from squatters. In an unexpected turn of events, an amendment was added from

the floor on the date of passage. We are working to remove this language in the House.

House Bill 1200 – The "Real Property Owners Protection Act" enhances property rights for landowners by providing a clear and legal framework for addressing squatting, reducing the potential for lengthy disputes and protecting property ownership rights. The requirements and processes for expelling a squatter are outlined in the bill. This includes specific details that must be included in the affidavit that must be submitted by the property owner to begin the process to remove the squatter. The process offers a squatter three (3) days to appeal the removal in the municipal or justice court of jurisdiction. The increased penalties for various offenses serve as a deterrent against forgery, trespassing, and unlawful claims to property, ultimately strengthening the legal measures available to property owners in Mississippi.

Both bills ultimately hope to accomplish the same goal – to provide property owners with a legal remedy to remove squatters. Because the language on them differs, however, there is a chance where the language will be referred to conference to resolve the differences in language. The goal is to have a remedy that would withstand any potential challenge in court, and I believe legislators on both sides of the Capitol are working with us to ensure we find a lasting solution to the squatters issue. However, we currently favor the language presented in HB 1200. The language provides a simpler process and does not require additional amendments.

Fresh Start Act

The Legislative and Regulatory Affairs Committee voted to oppose the "Fresh Start Act" if certain provisions excluding REALTORS® were not included. The motion that was approved by the Board of Directors stated, "that it be made a legislative priority to oppose the passage of the Fresh Start Act unless it includes language which excludes persons or entities

receiving licensure or certification under Section 73-34-1, Section 73-35-1, and Section 73-60-1.”

Currently, MREC rules and regulations include provisions that would bar certain individuals guilty of certain crimes from receiving a real estate license. The Fresh Start Act would undermine the current provisions that serve to protect the public from individuals who have committed crimes that call into question their trustworthiness, such as fraud.

Our team has worked closely with the authors and stakeholders of the bill to assure that, if this bill passes into law, real estate professionals will not be subject to the provisions outlined in the law. Currently, we have successfully lobbied to include language to exclude real estate appraisers, real estate brokers and salespersons, and home inspectors. A vestigial reference to Section 73-60-1 remains in the bill, but we are working to exclude this language in the House committee of referral.

The bill has been referred to the House Accountability, Efficiency, and Transparency Committee.

Tax Reform

The Senate released a tax reform proposal (Senate Bill 3095) on Wednesday of last week, outlining their plan to cut the income tax, grocery tax, and add an incremental increase on the gas tax. On Thursday of last week, the Board of Directors directed the Legislative Advocacy Team (LAT) to amend previous letters to the House and Senate to more substantively address our support of legislation included in the House and Senate tax plans. You can read the letters of support by clicking the links below.

Details of House Bill 1:

- Immediate cuts income tax from 4% to 3% in 2027, phasing down to 0% in 2037.
- Reduces the Grocery tax from 7% to 4.5% the first year, then phase in additional cuts to 2.5% over the next 10 years.
- Removes the current sales tax diversion to municipalities. Currently, 18.5% of the 7% sales tax is diverted to the county. This is equivalent to a 1.295% sales tax on the local level.
- Adds a 1.5% sales tax on top of the existing sales tax to make the effective rate 8.5%. This 1.5% sales tax goes to the municipalities and counties in which it was collected. Municipalities have the option to opt out. The 1.5% sales tax in counties will be used to maintain county roads and bridges.
- Adds a 5% gas tax. Currently, MS has a flat tax on gas at 18.4 cents per gallon. This 5% tax would be used to fund MDOT capacity and maintenance.
- The \$80MM in taxes generated from the lottery that was directed to MDOT for projects will be diverted to fund PERS.

Details of Senate Bill 3095:

- Decreases the taxable rate will be 3.75% in 2027, 3.5% in 2028, 3.25% in 2029, and 2.99% by 2030.
- Decreases the grocery tax rate from 7% to 5%.
- Amends the gas tax from 18 cents per gallon to 21 cents per gallon in FY 2026, 24 cents per gallon in FY 2027, and 27 cents per gallon during FY 2028.
- Starting in 2029 and every two years going forward, the gas tax rate will be amended by the index issued by the US Federal Highway Administration, but not to exceed 1 cent.
- The additional gas tax over 18 cents per gallon will be dispersed to the following funds in the following percentages:

- 23.25% to the special fund of the Office of State Aid Road Construction
- 2.75% to the Strategic Multi-Modal Investments Fund (Section 65-1-901)
- 74% to the Mississippi Department of Transportation (MDOT) for construction
- Amends state diversions to municipalities, counties, and political subdivisions to address loss of revenue from decrease in grocery tax.

REALTOR® Statement on HB1

REALTOR® Statement on SB3095

Income Tax		
Calendar Year	Tax Rate	Cost
2027	4% to 3.75%	(101,787,500)
2028	3.75% to 3.5%	(101,787,500)
2029	3.5% to 3.25%	(101,787,500)
2030	3.25% to 2.99%	(105,859,000)
		<u>(411,221,500)</u>

Fuel Tax		
Fiscal Year	Cents	Amount to MDOT
2026	18¢ to 21¢	70,830,453
2027	21¢ to 24¢	70,930,453
2028	24¢ to 27¢	70,830,753
		<u>212,591,659</u>

Grocery Tax		
Fiscal Year	Tax Rate	Cost
2026	7% to 5%	(127,567,300)

February 5, 2025: <https://mailchi.mp/msrealtors/mar-legislative-update-feb-5-2025>

MAR Bills Survive the First Major Deadline

MAR Sees First Success on House Floor

February 5, 2025 | Rob Pillow, MAR Government Relations Director

The first major deadline in the House has passed, cutting down the number of active bills significantly. Of the 2,587 bills introduced, only a fraction remain. The bills the Mississippi Association of REALTORS approved as legislative priorities are all alive and awaiting action on the floor.

Governor Tate Reeves delivered his State of the State address last Wednesday to update the state on his wins over the last year and priorities for the next. Please see below for an update on the Governor's speech from our friends at Capitol Resources:

Standing on the south steps of the Capitol, Governor Tate Reeves delivered his State of the State Address, highlighting economic growth, tax reform, education, and energy investments. He touted \$32 billion in private sector investments since 2020, pointing to major projects like Amazon Web Services' \$10 billion data center expansion and Compass Datacenters' \$10 billion investment in Meridian.

Reeves renewed his call to eliminate the state income tax, urging the Senate to act after the House passed HB 1. He framed the cut as a “once-in-a-generation opportunity”, arguing it would put more money back in Mississippians' pockets. On healthcare, he stood firm against Medicaid expansion, dismissing it as “welfare expansion” despite growing pressure from business and medical leaders.

Education remains a priority, with Reeves celebrating Mississippi's top-ranking math and reading gains while calling for stronger academic accountability. He urged universities to focus on career-driven degrees that lead to high-paying jobs. Additionally, he emphasized Mississippi's energy future, spotlighting the recent groundbreaking of a \$1.2 billion power plant and pushing for a diverse energy strategy that includes natural gas, nuclear, solar, and wind.

Closing on a note of urgency, Reeves challenged lawmakers to act boldly, stating that now is the time to "make Mississippi stronger, more competitive, and more prosperous." You may read the transcript [here](#), and you can watch the address [here](#).

Fresh Start Act

Last week, the Legislative and Regulatory Affairs Committee voted to recommend to the Board of Directors opposition to the "Fresh Start Act" if certain provisions excluding REALTORS® were not included. The motion that was subsequently approved by the Board of Directors stated, "that it be made a legislative priority to oppose the passage of the Fresh Start Act unless it includes language which excludes persons or entities receiving licensure or certification under Section 73-34-1, Section 73-35-1, and Section 73-60-1."

Currently, MREC rules and regulations include provisions that would bar certain individuals guilty of certain crimes from receiving a real estate license. The Fresh Start Act would undermine the current provisions that serve to protect the public from individuals who have committed crimes that call into question their trustworthiness, such as fraud.

Our team has worked closely with the authors and stakeholders of the bill to assure that, if this bill passes into law, real estate professionals will not be subject to the provisions outlined in the law. Currently, we have successfully lobbied to include language to exclude real estate brokers

under Section 73-34-1 et seq., real estate salespersons under Section 73-35-1 et seq., and home inspectors and appraisers under Section 73-60-1 et seq. A vestigial reference to Section 73-60-1 remains in the bill, but we are working to exclude this language in the coming weeks. The House version of the bill that did not include these specific exclusions died in committee yesterday.

Tax Reform

Additionally, the House and Senate continue to discuss the provisions of a tax reform bill. The details of HB 1 have been public for a few weeks now, but the Senate is still working to determine what provisions they would support. The Board of Directors released the following statement on Monday to broadcast the position the board adopted in our October meetings.

For decades now, Mississippi REALTORS® have supported responsible tax reforms that encourage savings, community development, investment and - most importantly - property ownership.

Mississippi REALTORS® support the efforts of our legislature and Governor Tate Reeves to lower tax burdens on homeowners, real estate professionals, and business professionals while protecting low property taxes that have made homeownership in Mississippi possible.

We welcome the opportunity to join in those discussions over the next few months as the legislature seeks sound tax policy that moves Mississippi, and Mississippians, forward.

At the MS Economic Council breakfast scrambler this week, Finance Chair Josh Harkins indicated that the Senate plans to release their details in mid to late February. An income reduction is likely to be included in their plan as

well, although it is unlikely to include a complete income tax elimination plan.

Legislative Priorities

The Mississippi Association of REALTORS® legislative priorities have successfully moved through committees in both chambers. Additionally, HB 1368, MAR's bill to add provisions to MREC's rules and regulations, passed the House of Representatives 116-0. The legislation was successfully shepherded through the process by 2024 House Legislator of the Year Joey Hood.

Jeremy England dropped the original Senate version of our Squatters Bill, however, Walter Michel adopted the same language in a separate bill, but added provisions to specify best practices in the event of evictions. Michel's bill moved forward through committee, attracting additional support from other stakeholders. Below, you can find the corresponding bill number and the status for your tracking purposes.

Squatters Bill

- [Senate Bill 2328](#); Senator Walter Michel; Passed Judiciary Division A and Judiciary Division B; Awaiting Floor Action
- [House Bill 1200](#); Representatives Powell, Yates, Mansell, Varner, Felsher, Ford (73rd), Foster, McMillan, Newman, Shanks, Wallace, Yancey, Zuber; Passed Judiciary A; Awaiting Floor Action

MREC Revisions

- [Senate Bill 2423](#); Senator Jeremy England; Passed Business and Financial Institutions; Awaiting Floor Action
- [House Bill 1368](#); Representative Joey Hood; Passed the House 116-0; Referred to Senate

January 27, 2025: <https://mailchi.mp/msrealtors/mar-legislative-update-jan-27>

The Legislative Playing Field is Set

MAR Legislative Priorities are Live: Squatters Bill and MREC Revisions

January 27, 2025 | Rob Pillow, MAR Government Relations Director

Although we saw bills continue to trickle in over the weekend, the legislative playing field of the session has been virtually set. Both the House and the Senate have signaled priorities, and committee meetings will ramp up this week to push legislation past the first major deadline on February 4th. Bills not passed by their assigned committee in their chamber of origin by February 4th will be considered dead, but as the saying at the Capitol goes, “nothing is dead until it’s dead, dead, dead.”

Legislative Priorities

The Mississippi Association of REALTORS® legislative priorities have been successfully dropped in the Senate. Companion bills were dropped in both the House and Senate to increase the likelihood of success in each chamber. Below, you can find the corresponding bill number and the committees of referral for your tracking purposes.

Squatters Bill

- [Senate Bill 2326](#); Senator Jeremy England; Referred to Judiciary Division A and Judiciary Division B
- [House Bill 1200](#); Representatives Powell, Yates, Mansell, Varner, Felsher, Ford (73rd), Foster, McMillan, Newman, Shanks, Wallace, Yancey, Zuber; Referred to Judiciary A

MREC Revisions

- [Senate Bill 2423](#); Senator Jeremy England; Referred to Business and Financial Institutions

- [House Bill 1368](#); Representative Joey Hood; Referred to Judiciary A

Other Bills to Watch:

Tax Reform

Details of the House Bill 1, the Build Up Mississippi Act, have not changed since last week.

Details of HB 1:

- Immediate cuts income tax from 4% to 3% in 2027, phasing down to 0% in 2037.
- Reduces the Grocery tax from 7% to 4.5% the first year, then phase in additional cuts to 2.5% over the next 10 years.
- Removes the current sales tax diversion to municipalities. Currently, 18.5% of the 7% sales tax is diverted to the county. This is equivalent to a 1.295% sales tax on the local level.
- Adds a 1.5% sales tax on top of the existing sales tax to make the effective rate 8.5%. This 1.5% sales tax goes to the municipalities and counties in which it was collected. Municipalities have the option to opt out. The 1.5% sales tax in counties will be used to maintain county roads and bridges.
- Adds a 5% gas tax. Currently, MS has a flat tax on gas at 18.4 cents per gallon. This 5% tax would be used to fund MDOT capacity and maintenance.
- The \$80MM in taxes generated from the lottery that was directed to MDOT for projects will be diverted to fund PERS.

The Senate's version of the bill has yet to drop, although some details have been released. The Senate hopes to address issues related to the decline in revenue and other fiscal operations, such as an expansion of Medicaid. You can read more in the article below:

Hurricane Damage Mitigation Program

Commissioner Mike Cheney has made it a priority to expand the “Comprehensive Hurricane Damage Mitigation Program” and to rename the program the “Strengthen MS Homes Program.”

The program was enacted in 2007, but didn’t receive funding until last legislative session, and provides grants to individuals and businesses in wind-damage prone areas of the state to update existing properties to the IBHS FORTIFIED standard to protect primary residences from wind damage. Currently available in Hancock, Harrison, and Jackson counties, the program seeks to expand coverage to the entire state and draws from a special fund created in the original bill text. The language introduced in this session would increase funding levels, increase eligible grant payments, and extend the repealer on the program to 2028. Beyond the language to protect homeowners from wind damage, the program seeks to lower insurance premiums on homeowners who mitigate their homes from wind damage.

You can find the language below along with more information from Mississippi Insurance Department.

[Strengthen MS Homes Program - HB 1328](#)

[The Comprehensive Hurricane Damage Mitigation Program](#)

Remote Online Notary

Remote Online Notary (RON) legislation has been dropped in both the House and Senate. Both bills would allow notaries in the state to use of remote ink-signed notarization and remote online notarization. Mississippi is one of only three states that has yet to approve the use of some form of online notarization, a practice to allow the notarization of documents via

distance using digital technology that became common during the COVID-19 pandemic. This session's version contains language that provides for the transfer of real property.

- [Senate Bill 2456](#); Senator Polk; Referred to Judiciary Division A
- [House Bill 1154](#); Representative Yancey; Referred to Business and Commerce

January 21, 2025: <https://us15.campaign-archive.com/?u=c2ea65f8f6261271c6786714d&id=9fccd0289a>

Mississippi Legislature Meets as New Administration is Sworn In

MAR Joins Important Amicus Brief

January 21, 2025 | Rob Pillow, MAR Government Relations Director

The Inauguration of the 47th President of the United States

Yesterday, President Donald Trump was sworn in as the 47th President of the United States. The ceremony was held in the Rotunda of the Capitol, a small diversion of tradition in response to the threatening frigid temperature that swept across our nation's capital city. The last president to break with the tradition of hosting the inauguration ceremony outside of the Capitol was President Ronald Reagan in 1985 when cold temperature also threatened the health of observers.

Along with a promise of unity in his address, President Trump outlined his plans to address illegal immigration along the southern border, implement an External Revenue Service to enact tariffs, establish the Department of Government Efficiency (DOGE), bring down inflation through actions by his cabinet and by increasing oil and gas production, retake the Panama Canal, and more. If you missed the address, you can find it in the link below.

[**President Donald Trump's Inauguration**](#)

Mississippi Legislature

Stateside, the House moved swiftly to introduce and pass legislation to reform Mississippi's tax code. The legislation introduced by Ways and Means Chair Trey Lamar includes a net \$1 billion tax cut over 10 years by eliminating the income tax and reducing the grocery tax. To account for the loss of revenue through the income tax, the House plan would implement a new tax on fuel and an increase in sales tax, shifting the state's tax policy to a consumption tax model. Key provisions of the tax plan can be seen below.

The legislation passed the House of Representatives last Thursday with 88 yeas and 24 nays. The Senate has not released the comprehensive details of their plan yet, although the details that have been disclosed signal that it will not be as comprehensive as the House version. The Senate version will focus on continuing the tax cut from 4% to 3% over a four year period and reducing the grocery tax from 7% to 5%. The Senate version may also include a provision to halt any cuts if revenue falls below certain thresholds.

Details of HB 1:

- Immediately cuts income tax from 4% to 3% in 2027, phasing down to 0% in 2037.
- Reduces the grocery tax from 7% to 4.5% the first year, then phases in additional cuts to 2.5% over the next 10 years.
- Removes the current sales tax diversion to municipalities. Currently, 18.5% of the 7% sales tax is diverted to the county. This is equivalent to a 1.295% sales tax on the local level.
- Adds a 1.5% sales tax on top of the existing sales tax to make the effective rate 8.5%. This 1.5% sales tax goes to the municipalities and counties in which it was collected. Municipalities have the option to opt out. The 1.5% sales tax in counties will be used to maintain county roads and bridges.
- Adds a 5% gas tax. Currently, MS has a flat tax on gas at 18.4 cents per gallon. This 5% tax would be used to fund MDOT capacity and maintenance.
- The \$80MM in taxes generated from the lottery that was directed to MDOT for projects will be diverted to fund PERS.

One tricky aspect of this session will be the redistricting of current House and Senate districts. Following a court decision ordering the legislature to redraw two senate districts and one House district to include a racial minority majority, the state legislature will have to submit a redistricting plan that could require multiple senators and representatives to run in

special elections for their newly drawn districts. Leaders in both chambers hope to create a map that is as least disruptive as possible. Looming elections are weighed by members before they cast votes, especially on politically sensitive topics. Word in the Capitol is that they will have the new maps finalized soon and they could impact up to a dozen Senate districts and a handful of House districts.

Yesterday saw the second deadline of the session — the deadline of the introduction of general bills. Over the next few hours, thousands of bills will drop, some of which could impact real estate professionals across the state. We are monitoring these bills as they drop, and will have a better understanding of the legislative climate in the coming hours and days.

USSA v. Minor Amicus Brief

The Mississippi Association of REALTORS® joined an amicus brief in support of the Appellant's request for a rehearing in the USSA v. Minor court decision. The latest decision of the Supreme Court in a case spanning almost 20 years undermined tort reform actions taken under Governor Barber to limit "jackpot justice" cases in Mississippi. In 2004, the legislature addressed the issue by implementing new statute to create a more business friendly environment. During his term, Governor Barbour signed a bill passed by the legislature that updated Miss. Code 11-1-65. The new language changed the trigger for punitive damages to actions affecting the "safety" of others. In its latest decision in this case, the Supreme Court awarded punitive damages based on actions affecting instead the "rights" of the defendant. The December decision by the court harkened back to pre-2004 laws, even though no current statute exists supporting the decision. This decision undermines the standing statute passed by the legislature and signed into law by the governor, effectively undermining two branches of Mississippi's government and overstepping the powers of the court by legislating from the bench. The Mississippi Association of REALTORS® joined the business community in an amicus brief that argues against the decision. You can read more about the case in the link below and you can find the amicus brief signed by MAR below.

[USAA v. Minor](#)

[BIPEC Amicus Brief](#)

January 10, 2025: <https://mailchi.mp/msrealtors/mar-legislative-update-jan-10-25>

Mississippi 2025 Session Kicks Off

Major Issues Include Tax Reform, Education, PERS

January 10, 2025 | Rob Pillow, MAR Government Relations Director

The Mississippi House and Senate were both convened on Tuesday, January 7th at 12:00 noon by the respective leaders of each chamber, Speaker Jason White and Lt. Governor Delbert Hosemann. This session is unlike the 2024 session in a few ceremonial and logistical areas. The balls and ceremonies of last year's swearing-in festivities have long faded into memory as members return for a shorter session, which will last 90 days as opposed to the 125-day session of 2024.

I'm grateful for the opportunity to represent the Mississippi Association of REALTORS® in my first session as your Government Relations Director. Like last session, Capitol Resources will be joining our team to help navigate the tumultuous legislative waters at the Capitol. I'm grateful that Camp Murphy and Matthew Majure – two very talented lobbyists – will return this session to help us advance our legislative priorities. I will be at the Capitol from gavel-in to gavel-out each week, so if you have any questions, please don't hesitate to contact me.

As a reminder, the Board of Directors determined the 2025 session legislative priorities based on responses from the annual survey and Legislative and Regulatory Affairs Committee input. The committee selected two legislative priorities to support. The first is to address the issue of squatters occupying abandoned or unoccupied property that the squatter does not own, rent, or otherwise have lawful permission to use. The second is to support statutory changes to certain MREC processes (see below). These bills are currently in the process of being drafted. Below is the language approved by the Board of Directors:

Squatters Bill

Squatting is the action of occupying an abandoned or unoccupied area of land or a building, usually residential, that the squatter does not own, rent or otherwise have lawful permission to use. Removal of squatters is an issue of increasing concern in many areas of the country, including Mississippi.

The Mississippi REALTORS® support legislation that establishes a timely and efficient process for removing squatters who are occupying a dwelling unlawfully.

MREC Statutory Changes

Mississippi REALTORS® strive to enhance the ability of its members to achieve career success in an ethical and professional manner and to promote and protect the rights of private property ownership. It is the intent of the Mississippi REALTORS® to cooperate with the Mississippi Real Estate Commission (MREC) in instances where disciplinary action is warranted while also preserving the due process rights of licensees during the disciplinary process. Current MREC Rules and Regulations and current practice can and should be enhanced to provide for proper notice and a timely and fair disciplinary process for licensees.

The Mississippi REALTORS® support statutory change to address the following: (a) decisions before the Mississippi Real Estate Commission or an Administrative Hearing Officer regarding the imposition of discipline must be based on a “clear and convincing” standard of proof; (b) the addition of an electronic notification process for licensees and brokers with regard to the change of status of licenses prior to a status change; (c) the addition of time limits for the Commission to resolve complaints.

2025 Major Issues:

The Lt. Governor and Speaker have both outlined a vision of their priorities in this legislative session, and both have expressed a desire to lower taxes. The details of the plans have not yet been released, but the House Ways and Means Committee is currently finalizing their plan and hopes to move quickly on the legislation. The Speaker has expressed that this plan will include a cut to the income tax, lowering it 3% over ten years, and a grocery tax cut to around 3.5% from its current 7% rate. The Lt. Governor has also expressed support for similar cuts at similar targets, although his plan may include a grocery tax cut to 4%.

Additionally, there has been discussion of introducing a “School Choice” bill. The prevailing ideas looks more like “open enrollment” than traditional school choice legislation. The Open Enrollment model typically allows students to transfer from one public school district to another while also granting receiving school districts the ability to deny the transfer for a number of potential reasons, with the most common being a lack of room in the classroom for additional students.

Medicaid Expansion will likely be a topic of the session, with House and Senate members reconvening to continue the fight over their different versions of the bill – primarily the inclusion of a work requirement. The new Trump Administration could bolster hopes for a work requirement.

The Public Employees Retirement System (PERS) currently has \$25 billion of unfunded liabilities that must be addressed if the program hopes to stay solvent in the coming years. The legislature is receiving significant pressure to stabilize the program without cutting current benefits, but little details have been released on the exact plan. There has been discussion of adding a new, fifth tier for new state employees, but its uncertain if this would be enough to overcome the massive financial hole that the program is in.

On top of all of these major issues, the legislature has been instructed to redraw legislative districts this session through a court ruling. The maps have not been shared publicly, and only a few legislators have seen them, but this will be a looming issue in the back of many legislators minds. Those members whose districts are impacted by the new maps will have to run in a new election for their district. This could play heavily in their decisions to support controversial pieces of legislation.

New Supreme Court

Justices Jenifer Branning and David Sullivan were sworn into the Mississippi Supreme Court on Monday, January 6th. The Mississippi Association of REALTORS® endorsed Branning in her successful campaign bid. One of the first major court decision they will consider is *USAA v. Minor*, which you can read more about in the link below. The Mississippi Association of REALTORS® has joined an amicus brief in support of a rehearing of the case.

[USAA v. Minor](#)