

STATE OF MISSISSIPPI



JIM HOOD
ATTORNEY GENERAL

OPINIONS
DIVISION

June 21, 2019

Mr. Mark K. Seard
Washington County Tax Assessor
Post Office Box 1526
Greenville, Mississippi 38702-1526

Re: Greater Greenville Housing - Exemption Status on Commercial Property

Dear Mr. Seard:

Attorney General Jim Hood has received your opinion request and has assigned it to me for research and reply.

Issues Presented

In your request, you provide:

I am writing to seek information on whether Greater Greenville Housing is eligible for an exemption on a commercial building based on its status as a housing authority? They have recently acquired a building and it is not utilized as a home or is it being used exclusively as a permanent office of Greater Greenville Housing.

They intend to acquire property (commercial buildings) and lease them to individuals interested in placing businesses in the downtown area.

Please advise me on how to deal with this situation that has arisen in my county.

Applicable Law and Response

Tax exemptions for housing authorities are provided for in Section 43-33-37 of the Mississippi Code. Interpreting the Housing Authorities Law, Sections 43-33-1, *et seq.*, our office previously opined:

We conclude here that where the housing authority owns the real property

but leases it to a corporate tenant, the corporate tenant is responsible for any ad valorem taxes assessed by a county or city on the corporate tenant's leasehold interest.

To conclude otherwise would permit an otherwise taxable business enterprise to escape ad valorem taxation simply by seeking a lease of available property of any governmental subdivision, a result we find is not contemplated in the statutes regarding regional housing authorities.

A county or city may assess ad valorem taxes on the leasehold interest of a business enterprise which leases commercial space from a regional housing authority.

MS AG Op., Monroe (December 14, 2007). Accordingly, upon the factual determination by the county that a private commercial business is leasing property owned by the housing authority, the county may assess ad valorem taxes on the leasehold interest of the lessee.

If we may be of further service, please let us know.

Very truly yours,
OFFICIAL OPINION
JIM HOOD, ATTORNEY GENERAL

By:



Beebe Garrard
Special Assistant Attorney General