

By: Representative Young

To: Ways and Means

HOUSE BILL NO. 290

1 AN ACT TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT AN ADDITIONAL 2% OF THE STATE'S TOTAL SALES TAX
3 REVENUE COLLECTIONS ON BUSINESS ACTIVITIES WITHIN MUNICIPALITIES
4 SHALL BE ALLOCATED FOR DISTRIBUTION TO THE COUNTY IN WHICH SUCH
5 MUNICIPALITIES ARE LOCATED; TO AMEND SECTION 27-65-53, MISSISSIPPI
6 CODE OF 1972, IN CONFORMITY THERETO; TO AMEND SECTIONS 27-39-303,
7 27-39-317, 27-39-320 AND 27-39-321, MISSISSIPPI CODE OF 1972, TO
8 CAP THE AD VALOREM MILLAGE RATE THAT MAY BE LEVIED FOR GENERAL
9 PURPOSES BY COUNTIES AT THE RATE IN EFFECT FOR FISCAL YEAR 1999;
10 TO AMEND SECTIONS 27-39-203 AND 27-39-205, MISSISSIPPI CODE OF
11 1972, IN CONFORMITY THERETO; AND FOR RELATED PURPOSES.

12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

13 SECTION 1. Section 27-65-75, Mississippi Code of 1972, is
14 amended as follows:

15 **[Until July 1, 2002, this section reads as follows:]**

16 27-65-75. On or before the fifteenth day of each month, the
17 revenue collected under the provisions of this chapter during the
18 preceding month shall be paid and distributed as follows:

19 (1) On or before August 15, 1992, and each succeeding month
20 thereafter through July 15, 1993, eighteen percent (18%) of the
21 total sales tax revenue collected during the preceding month under
22 the provisions of this chapter, except that collected under the
23 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
24 business activities within a municipal corporation shall be
25 allocated for distribution to such municipality and paid to such
26 municipal corporation. On or before August 15, 1993, and each
27 succeeding month thereafter, eighteen and one-half percent
28 (18-1/2%) of the total sales tax revenue collected during the
29 preceding month under the provisions of this chapter, except that
30 collected under the provisions of Sections 27-65-15, 27-65-19(3),
31 27-65-21, and that collected under the provisions of Section

32 27-65-17(2) and the corresponding levy in Section 27-65-23 on the
33 rental or lease of private carriers of passengers and light
34 carriers of property as defined in Section 27-51-101, on business
35 activities within a municipal corporation shall be allocated for
36 distribution to such municipality and paid to such municipal
37 corporation. On or before August 15, 1999, and each succeeding
38 month thereafter, an additional two percent (2%) of the total
39 sales tax revenue collected during the preceding month under the
40 provisions of this chapter, except that collected under the
41 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21, and that
42 collected under the provisions of Section 27-65-17(2) and the
43 corresponding levy in Section 27-65-23 on the rental or lease of
44 private carriers of passengers and light carriers of property as
45 defined in Section 27-51-101, on business activities within all of
46 the municipal corporations located within a county shall be
47 allocated for distribution to such county and paid to such county.

48 A municipal corporation, for the purpose of distributing the
49 tax under this subsection, shall mean and include all incorporated
50 cities, towns and villages.

51 Monies allocated for distribution and credited to a municipal
52 corporation under this subsection may be pledged as security for
53 any loan received by the municipal corporation for the purpose of
54 capital improvements as authorized under Section 57-1-303, or
55 loans as authorized under Section 57-44-7, or water systems
56 improvements as authorized under Section 41-3-16.

57 In any county having a county seat which is not an
58 incorporated municipality, the distribution provided hereunder
59 shall be made as though the county seat was an incorporated
60 municipality; however, the distribution to such municipality shall
61 be paid to the county treasury wherein the municipality is located
62 and such funds shall be used for road, bridge and street
63 construction or maintenance therein.

64 (2) On or before September 15, 1987, and each succeeding
65 month thereafter, from the revenue collected under this chapter
66 during the preceding month One Million One Hundred Twenty-five
67 Thousand Dollars (\$1,125,000.00) shall be allocated for
68 distribution to municipal corporations as defined under subsection
69 (1) of this section in the proportion that the number of gallons

70 of gasoline and diesel fuel sold by distributors to consumers and
71 retailers in each such municipality during the preceding fiscal
72 year bears to the total gallons of gasoline and diesel fuel sold
73 by distributors to consumers and retailers in municipalities
74 statewide during the preceding fiscal year. The State Tax
75 Commission shall require all distributors of gasoline and diesel
76 fuel to report to the commission monthly the total number of
77 gallons of gasoline and diesel fuel sold by them to consumers and
78 retailers in each municipality during the preceding month. The
79 State Tax Commission shall have the authority to promulgate such
80 rules and regulations as is necessary to determine the number of
81 gallons of gasoline and diesel fuel sold by distributors to
82 consumers and retailers in each municipality. In determining the
83 percentage allocation of funds under this subsection for the
84 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
85 State Tax Commission may consider gallons of gasoline and diesel
86 fuel sold for a period of less than one (1) fiscal year. For the
87 purposes of this subsection, the term "fiscal year" means the
88 fiscal year beginning July 1 of a year.

89 (3) On or before September 15, 1987, and on or before the
90 fifteenth day of each succeeding month, until the date specified
91 in Section 65-39-35, the proceeds derived from contractors' taxes
92 levied under Section 27-65-21 on contracts for the construction or
93 reconstruction of highways designated under the Four-Lane Highway
94 Program created under Section 65-3-97 shall be deposited into the
95 State Treasury to the credit of the State Highway Fund to be used
96 to fund such Four-Lane Highway Program. The Mississippi
97 Department of Transportation shall provide to the State Tax
98 Commission such information as is necessary to determine the
99 amount of proceeds to be distributed under this subsection.

100 (4) On or before August 15, 1994, and on or before the
101 fifteenth day of each succeeding month, from the proceeds of
102 gasoline, diesel fuel or kerosene taxes as provided in Section
103 27-5-101(a)(ii)1, Four Million Dollars (\$4,000,000.00) shall be

104 deposited in the State Treasury to the credit of a special fund
105 designated as the "State Aid Road Fund," created by Section
106 65-9-17. Such funds shall be pledged to pay the principal of and
107 interest on state aid road bonds heretofore issued under Sections
108 19-9-51 through 19-9-77, in lieu of and in substitution for the
109 funds heretofore allocated to counties under this section. Such
110 funds may not be pledged for the payment of any state aid road
111 bonds issued after April 1, 1981; however, this prohibition
112 against the pledging of any such funds for the payment of bonds
113 shall not apply to any bonds for which intent to issue such bonds
114 has been published, for the first time, as provided by law prior
115 to March 29, 1981. From the amount of taxes paid into the special
116 fund pursuant to this subsection and subsection (9) of this
117 section, there shall be first deducted and paid the amount
118 necessary to pay the expenses of the Office of State Aid Road
119 Construction, as authorized by the Legislature for all other
120 general and special fund agencies. The remainder of the fund
121 shall be allocated monthly to the several counties in accordance
122 with the following formula:

123 (a) One-third (1/3) shall be allocated to all counties
124 in equal shares;

125 (b) One-third (1/3) shall be allocated to counties
126 based on the proportion that the total number of rural road miles
127 in a county bears to the total number of rural road miles in all
128 counties of the state; and

129 (c) One-third (1/3) shall be allocated to counties
130 based on the proportion that the rural population of the county
131 bears to the total rural population in all counties of the state,
132 according to the latest federal decennial census.

133 For the purposes of this subsection, the term "gasoline,
134 diesel fuel or kerosene taxes" means such taxes as defined in
135 paragraph (f) of Section 27-5-101.

136 The amount of funds allocated to any county under this
137 subsection for any fiscal year after fiscal year 1994 shall not be

138 less than the amount allocated to such county for fiscal year
139 1994. Monies allocated to a county from the State Aid Road Fund
140 for fiscal year 1995 or any fiscal year thereafter that exceed the
141 amount of funds allocated to that county from the State Aid Road
142 Fund for fiscal year 1994, first must be expended by the county
143 for replacement or rehabilitation of bridges on the state aid road
144 system that have a sufficiency rating of less than twenty-five
145 (25), according to National Bridge Inspection standards before
146 such monies may be approved for expenditure by the State Aid Road
147 Engineer on other projects that qualify for the use of state aid
148 road funds.

149 Any reference in the general laws of this state or the
150 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
151 construed to refer and apply to subsection (4) of Section
152 27-65-75.

153 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
154 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
155 the special fund known as the "State Public School Building Fund"
156 created and existing under the provisions of Sections 37-47-1
157 through 37-47-67. Such payments into said fund are to be made on
158 the last day of each succeeding month hereafter.

159 (6) An amount each month beginning August 15, 1983, through
160 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
161 of 1983, shall be paid into the special fund known as the
162 Correctional Facilities Construction Fund created in Section 6 of
163 Chapter 542, Laws of 1983.

164 (7) On or before August 15, 1992, and each succeeding month
165 thereafter, two and two hundred sixty-six one-thousandths percent
166 (2.266%) of the total sales tax revenue collected during the
167 preceding month under the provisions of this chapter, except that
168 collected under the provisions of Section 27-65-17(2) shall be
169 deposited by the commission into the School Ad Valorem Tax
170 Reduction Fund created pursuant to Section 37-61-35.

171 (8) On or before August 15, 1992, and each succeeding month

172 thereafter, nine and seventy-three one-thousandths percent
173 (9.073%) of the total sales tax revenue collected during the
174 preceding month under the provisions of this chapter, except that
175 collected under the provisions of Section 27-65-17(2) shall be
176 deposited into the Education Enhancement Fund created pursuant to
177 Section 37-61-33.

178 (9) On or before August 15, 1994, and each succeeding month
179 thereafter, from the revenue collected under this chapter during
180 the preceding month, Two Hundred Fifty Thousand Dollars
181 (\$250,000.00) shall be paid into the State Aid Road Fund.

182 (10) On or before August 15, 1994, and each succeeding month
183 thereafter through August 15, 1995, from the revenue collected
184 under this chapter during the preceding month, Two Million Dollars
185 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
186 Valorem Tax Reduction Fund established in Section 27-51-105.

187 (11) Notwithstanding any other provision of this section to
188 the contrary, on or before February 15, 1995, and each succeeding
189 month thereafter, the sales tax revenue collected during the
190 preceding month under the provisions of Section 27-65-17(2) and
191 the corresponding levy in Section 27-65-23 on the rental or lease
192 of private carriers of passengers and light carriers of property
193 as defined in Section 27-51-101 shall be deposited, without
194 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
195 established in Section 27-51-105.

196 (12) Notwithstanding any other provision of this section to
197 the contrary, on or before August 15, 1995, and each succeeding
198 month thereafter, the sales tax revenue collected during the
199 preceding month under the provisions of Section 27-65-17(1) on
200 retail sales of private carriers of passengers and light carriers
201 of property, as defined in Section 27-51-101 and the corresponding
202 levy in Section 27-65-23 on the rental or lease of these vehicles,
203 shall be deposited, after diversion, into the Motor Vehicle Ad
204 Valorem Tax Reduction Fund established in Section 27-51-105.

205 (13) On or before July 15, 1994, and on or before the

206 fifteenth day of each succeeding month thereafter, that portion of
207 the avails of the tax imposed in Section 27-65-22, which is
208 derived from activities held on the Mississippi state fairgrounds
209 complex, shall be paid into a special fund hereby created in the
210 State Treasury and shall be expended pursuant to legislative
211 appropriations solely to defray the costs of repairs and
212 renovation at such Trade Mart and Coliseum.

213 (14) On or before August 15, 1998, and each succeeding month
214 thereafter through July 15, 2005, that portion of the avails of
215 the tax imposed in Section 27-65-23 which is derived from sales by
216 cotton compresses or cotton warehouses and which would otherwise
217 be paid into the General Fund, shall be deposited in an amount not
218 to exceed Two Million Dollars (\$2,000,000.00) into the special
219 fund created pursuant to Section 69-37-39.

220 (15) The remainder of the amounts collected under the
221 provisions of this chapter shall be paid into the State Treasury
222 to the credit of the General Fund.

223 (16) It shall be the duty of the municipal officials of any
224 municipality which expands its limits, or of any community which
225 incorporates as a municipality, to notify the commissioner of such
226 action thirty (30) days before the effective date. Failure to so
227 notify the commissioner shall cause such municipality to forfeit
228 the revenue which it would have been entitled to receive during
229 this period of time when the commissioner had no knowledge of the
230 action. If any funds have been erroneously disbursed to any
231 municipality or any overpayment of tax is recovered by the
232 taxpayer, the commissioner may make correction and adjust the
233 error or overpayment with such municipality by withholding the
234 necessary funds from any subsequent payment to be made to the
235 municipality.

236 **[From and after July 1, 2002, this section reads as follows:]**

237 27-65-75. On or before the fifteenth day of each month, the
238 revenue collected under the provisions of this chapter during the
239 preceding month shall be paid and distributed as follows:

240 (1) On or before August 15, 1992, and each succeeding month
241 thereafter through July 15, 1993, eighteen percent (18%) of the
242 total sales tax revenue collected during the preceding month under
243 the provisions of this chapter, except that collected under the
244 provisions of Sections 27-65-15, 27-65-17(2), 27-65-19(3) and
245 27-65-21, on business activities within a municipal corporation
246 shall be allocated for distribution to such municipality and paid
247 to such municipal corporation. On or before August 15, 1993, and
248 each succeeding month thereafter, eighteen and one-half percent
249 (18-1/2%) of the total sales tax revenue collected during the
250 preceding month under the provisions of this chapter, except that
251 collected under the provisions of Sections 27-65-15, 27-65-19(3)
252 and 27-65-21, on business activities within a municipal
253 corporation shall be allocated for distribution to such
254 municipality and paid to such municipal corporation. On or before
255 August 15, 1999, and each succeeding month thereafter, an
256 additional two percent (2%) of the total sales tax revenue
257 collected during the preceding month under the provisions of this
258 chapter, except that collected under the provisions of Sections
259 27-65-15, 27-65-17(2), 27-65-19(3) and 27-65-21, on business
260 activities within all of the municipal corporations located within
261 a county shall be allocated for distribution to such county and
262 paid to such county.

263 A municipal corporation, for the purpose of distributing the
264 tax under this subsection, shall mean and include all incorporated
265 cities, towns and villages.

266 Monies allocated for distribution and credited to a municipal
267 corporation under this subsection may be pledged as security for
268 any loan received by the municipal corporation for the purpose of
269 capital improvements as authorized under Section 57-1-303, or
270 loans as authorized under Section 57-44-7, or water systems
271 improvements as authorized under Section 41-3-16.

272 In any county having a county seat which is not an
273 incorporated municipality, the distribution provided hereunder

274 shall be made as though the county seat was an incorporated
275 municipality; however, the distribution to such municipality shall
276 be paid to the county treasury wherein the municipality is located
277 and such funds shall be used for road, bridge and street
278 construction or maintenance therein.

279 (2) On or before September 15, 1987, and each succeeding
280 month thereafter, from the revenue collected under this chapter
281 during the preceding month One Million One Hundred Twenty-five
282 Thousand Dollars (\$1,125,000.00) shall be allocated for
283 distribution to municipal corporations as defined under subsection
284 (1) of this section in the proportion that the number of gallons
285 of gasoline and diesel fuel sold by distributors to consumers and
286 retailers in each such municipality during the preceding fiscal
287 year bears to the total gallons of gasoline and diesel fuel sold
288 by distributors to consumers and retailers in municipalities
289 statewide during the preceding fiscal year. The State Tax
290 Commission shall require all distributors of gasoline and diesel
291 fuel to report to the commission monthly the total number of
292 gallons of gasoline and diesel fuel sold by them to consumers and
293 retailers in each municipality during the preceding month. The
294 State Tax Commission shall have the authority to promulgate such
295 rules and regulations as is necessary to determine the number of
296 gallons of gasoline and diesel fuel sold by distributors to
297 consumers and retailers in each municipality. In determining the
298 percentage allocation of funds under this subsection for the
299 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
300 State Tax Commission may consider gallons of gasoline and diesel
301 fuel sold for a period of less than one (1) fiscal year. For the
302 purposes of this subsection, the term "fiscal year" means the
303 fiscal year beginning July 1 of a year.

304 (3) On or before September 15, 1987, and on or before the
305 fifteenth day of each succeeding month, until the date specified
306 in Section 65-39-35, the proceeds derived from contractors' taxes
307 levied under Section 27-65-21 on contracts for the construction or

308 reconstruction of highways designated under the Four-Lane Highway
309 Program created under Section 65-3-97 shall be deposited into the
310 State Treasury to the credit of the State Highway Fund to be used
311 to fund such Four-Lane Highway Program. The Mississippi
312 Department of Transportation shall provide to the State Tax
313 Commission such information as is necessary to determine the
314 amount of proceeds to be distributed under this subsection.

315 (4) On or before August 15, 1994, and on or before the
316 fifteenth day of each succeeding month, from the proceeds of
317 gasoline, diesel fuel or kerosene taxes as provided in Section
318 27-5-101(a)(ii)1, Four Million Dollars (\$4,000,000.00) shall be
319 deposited in the State Treasury to the credit of a special fund
320 designated as the "State Aid Road Fund," created by Section
321 65-9-17. Such funds shall be pledged to pay the principal of and
322 interest on state aid road bonds heretofore issued under Sections
323 19-9-51 through 19-9-77, in lieu of and in substitution for the
324 funds heretofore allocated to counties under this section. Such
325 funds may not be pledged for the payment of any state aid road
326 bonds issued after April 1, 1981; however, this prohibition
327 against the pledging of any such funds for the payment of bonds
328 shall not apply to any bonds for which intent to issue such bonds
329 has been published, for the first time, as provided by law prior
330 to March 29, 1981. From the amount of taxes paid into the special
331 fund pursuant to this subsection and subsection (9) of this
332 section, there shall be first deducted and paid the amount
333 necessary to pay the expenses of the Office of State Aid Road
334 Construction, as authorized by the Legislature for all other
335 general and special fund agencies. The remainder of the fund
336 shall be allocated monthly to the several counties in accordance
337 with the following formula:

338 (a) One-third (1/3) shall be allocated to all counties
339 in equal shares;

340 (b) One-third (1/3) shall be allocated to counties
341 based on the proportion that the total number of rural road miles

342 in a county bears to the total number of rural road miles in all
343 counties of the state; and

344 (c) One-third (1/3) shall be allocated to counties
345 based on the proportion that the rural population of the county
346 bears to the total rural population in all counties of the state,
347 according to the latest federal decennial census.

348 For the purposes of this subsection, the term "gasoline,
349 diesel fuel or kerosene taxes" means such taxes as defined in
350 paragraph (f) of Section 27-5-101.

351 The amount of funds allocated to any county under this
352 subsection for any fiscal year after fiscal year 1994 shall not be
353 less than the amount allocated to such county for fiscal year
354 1994. Monies allocated to a county from the State Aid Road Fund
355 for fiscal year 1995 or any fiscal year thereafter that exceed the
356 amount of funds allocated to that county from the State Aid Road
357 Fund for fiscal year 1994, first must be expended by the county
358 for replacement or rehabilitation of bridges on the state aid road
359 system that have a sufficiency rating of less than twenty-five
360 (25), according to National Bridge Inspection standards before
361 such monies may be approved for expenditure by the State Aid Road
362 Engineer on other projects that qualify for the use of state aid
363 road funds.

364 Any reference in the general laws of this state or the
365 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
366 construed to refer and apply to subsection (4) of Section
367 27-65-75.

368 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
369 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
370 the special fund known as the "State Public School Building Fund"
371 created and existing under the provisions of Sections 37-47-1
372 through 37-47-67. Such payments into said fund are to be made on
373 the last day of each succeeding month hereafter.

374 (6) An amount each month beginning August 15, 1983, through
375 November 15, 1986, as specified in Section 6 of Chapter 542, Laws

376 of 1983, shall be paid into the special fund known as the
377 Correctional Facilities Construction Fund created in Section 6 of
378 Chapter 542, Laws of 1983.

379 (7) On or before August 15, 1992, and each succeeding month
380 thereafter, two and two hundred sixty-six one-thousandths percent
381 (2.266%) of the total sales tax revenue collected during the
382 preceding month under the provisions of this chapter, except that
383 collected under the provisions of Section 27-65-17(2), not to
384 exceed the fiscal year 1997 appropriated level shall be deposited
385 by the commission into the School Ad Valorem Tax Reduction Fund
386 created pursuant to Section 37-61-35, with the balance to be
387 transferred to the Education Enhancement Fund created under
388 Section 37-61-33 for appropriation by the Legislature as other
389 education needs and not subject to the percentage set asides set
390 forth in Section 37-61-33.

391 (8) On or before August 15, 1992, and each succeeding month
392 thereafter, nine and seventy-three one-thousandths percent
393 (9.073%) of the total sales tax revenue collected during the
394 preceding month under the provisions of this chapter, except that
395 collected under the provisions of Section 27-65-17(2) shall be
396 deposited into the Education Enhancement Fund created pursuant to
397 Section 37-61-33.

398 (9) On or before August 15, 1994, and each succeeding month
399 thereafter, from the revenue collected under this chapter during
400 the preceding month, Two Hundred Fifty Thousand Dollars
401 (\$250,000.00) shall be paid into the State Aid Road Fund.

402 (10) On or before August 15, 1994, and each succeeding month
403 thereafter through August 15, 1995, from the revenue collected
404 under this chapter during the preceding month, Two Million Dollars
405 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
406 Valorem Tax Reduction Fund established in Section 27-51-105.

407 (11) Notwithstanding any other provision of this section to
408 the contrary, on or before February 15, 1995, and each succeeding
409 month thereafter, the sales tax revenue collected during the

410 preceding month under the provisions of Section 27-65-17(2) shall
411 be deposited, without diversion, into the Motor Vehicle Ad Valorem
412 Tax Reduction Fund established in Section 27-51-105.

413 (12) Notwithstanding any other provision of this section to
414 the contrary, on or before August 15, 1995, and each succeeding
415 month thereafter, the sales tax revenue collected during the
416 preceding month under the provisions of Section 27-65-17(1) on
417 retail sales of private carriers of passengers and light carriers
418 of property, as defined in Section 27-51-101, shall be deposited,
419 after diversion, into the Motor Vehicle Ad Valorem Tax Reduction
420 Fund established in Section 27-51-105.

421 (13) On or before July 15, 1994, and on or before the
422 fifteenth day of each succeeding month thereafter, that portion of
423 the avails of the tax imposed in Section 27-65-22, which is
424 derived from activities held on the Mississippi state fairgrounds
425 complex, shall be paid into a special fund hereby created in the
426 State Treasury and shall be expended pursuant to legislative
427 appropriations solely to defray the costs of repairs and
428 renovation at such Trade Mart and Coliseum.

429 (14) On or before August 15, 1998, and each succeeding month
430 thereafter through July 15, 2005, that portion of the avails of
431 the tax imposed in Section 27-65-23 which is derived from sales by
432 cotton compresses or cotton warehouses and which would otherwise
433 be paid into the General Fund, shall be deposited in an amount not
434 to exceed Two Million Dollars (\$2,000,000.00) into the special
435 fund created pursuant to Section 69-37-39.

436 (15) The remainder of the amounts collected under the
437 provisions of this chapter shall be paid into the State Treasury
438 to the credit of the General Fund.

439 (16) It shall be the duty of the municipal officials of any
440 municipality which expands its limits, or of any community which
441 incorporates as a municipality, to notify the commissioner of such
442 action thirty (30) days before the effective date. Failure to so
443 notify the commissioner shall cause such municipality to forfeit

444 the revenue which it would have been entitled to receive during
445 this period of time when the commissioner had no knowledge of the
446 action. If any funds have been erroneously disbursed to any
447 municipality or any overpayment of tax is recovered by the
448 taxpayer, the commissioner may make correction and adjust the
449 error or overpayment with such municipality by withholding the
450 necessary funds from any subsequent payment to be made to the
451 municipality.

452 SECTION 2. Section 27-65-53, Mississippi Code of 1972, is
453 amended as follows:

454 27-65-53. If the commissioner finds that the taxpayer has
455 overpaid his tax for any reason and the taxpayer has discontinued
456 business and there is no subsequent liability upon which the
457 excess may be credited, or if the amount of the excess so paid
458 shall exceed the estimated liability for the next twelve (12)
459 months, the excess shall be refunded to the taxpayer. Such amount
460 shall be certified to the State Auditor of Public Accounts by the
461 commission. The * * * auditor may make such investigation and
462 audit of the claim as he finds necessary. If he finds that the
463 commissioner is correct in his determination, the auditor may
464 issue his warrant to the State Treasurer in favor of the taxpayer
465 for the amount of tax erroneously paid into the State Treasury,
466 such refunds to be made from current sales tax collections. If
467 part of the overpayment has been disbursed to any municipality or
468 county, under authority of Section 27-65-75, the municipality or
469 county, having erroneously received the money, shall adjust the
470 amount with the commissioner, or the overpayment may be withheld
471 by the state from any funds due by the state to the municipality
472 or county.

473 * * * Where the taxpayer has overpaid his tax, the
474 commissioner may give credit for same and allow the taxpayer to
475 take credit on a subsequent return or, if necessary, in his
476 discretion, have the taxpayer file for a refund as provided
477 herein.

478 If any overpayment of tax as reflected in an application or
479 amended return, or both, filed by the taxpayer, and verified by
480 the commissioner or otherwise determined to be due by the
481 commissioner or commission, is not refunded or credited to a
482 taxpayer's account within ninety (90) days after the application
483 or amended return is filed or the date the commission or
484 commissioner determines a refund is due, whichever is later,
485 interest at the rate of one percent (1%) per month shall be
486 allowed on such overpayment computed for the period after
487 expiration of the ninety-day period provided herein to the date of
488 payment.

489 SECTION 3. Section 27-39-303, Mississippi Code of 1972, is
490 amended as follows:

491 27-39-303. Subject to the provisions of this section, the
492 board of supervisors of any county is hereby empowered to levy ad
493 valorem taxes on taxable property in the respective counties in
494 any one (1) year, as shown by the assessment roll containing
495 assessments of property made as of January 1 of the year, and the
496 assessment of motor vehicles as made according to the provisions
497 of the Motor Vehicle Ad Valorem Tax Law of 1958 (Section 27-51-1
498 et seq.) for all general county purposes, exclusive only of levies
499 for roads and bridges and schools at the rate necessary to fund
500 such purposes. From and after July 1, 1999, the board of
501 supervisors of any county may not levy ad valorem taxes on taxable
502 property for general revenue purposes in excess of the millage
503 rate for general revenue purposes in effect for the county's 1999
504 fiscal year.

505 The board of supervisors of any county is further empowered
506 to expend the proceeds of this levy for any purpose authorized for
507 any other levy which the board of supervisors is authorized to
508 make, excluding the levy for roads and bridges, and the board may
509 authorize general fund expenditures for school purposes when
510 necessary to meet the minimum local ad valorem tax effort required
511 by Section 37-57-1.

512 The board of supervisors of any county is further empowered
513 to distribute from the county general fund a portion of the
514 county's share of payments made by the Tennessee Valley Authority
515 to the state in lieu of taxes (a) to the school districts of said
516 county and (b) for construction on the roads and bridges of said
517 county in an amount which bears the same proportion to the total
518 amount of the county's share as the millage for the school fund
519 and road and bridge fund bears to the total millage levied by the
520 county. In the event said in lieu payments are expended for
521 capital improvements, said payments shall not be subject to the
522 increase limitations specified in Section 27-39-321 or 37-57-107.

523 SECTION 4. Section 27-39-317, Mississippi Code of 1972, is
524 amended as follows:

525 27-39-317. The board of supervisors of each county shall, at
526 its regular meeting in September of each year, levy the county ad
527 valorem taxes for the fiscal year, and shall, by order, fix the
528 tax rate, or levy, for the county, for the road districts, if any,
529 and for the school districts, if any, and for any other taxing
530 districts; and the rates, or levies, for the county and for any
531 district shall be expressed in mills or a decimal fraction of a
532 mill. Said tax rates, or levies, shall determine the ad valorem
533 taxes to be collected upon each dollar of valuation, upon the
534 assessment rolls of the county, including the assessment of motor
535 vehicles as provided by the Motor Vehicle Ad Valorem Tax Law of
536 1958, Section 27-51-1 et seq., for county taxes; and upon each
537 dollar of valuation for the respective districts, as shown upon
538 the assessment rolls of the county, including the assessment of
539 motor vehicles as provided by the Motor Vehicle Ad Valorem Tax Law
540 of 1958, Section 27-51-1 et seq.; except as to such values as
541 shall be exempt, in whole or in part, from certain tax rates or
542 levies. Except as otherwise provided in this section, if the rate
543 or levy for the county is an increase from the previous fiscal
544 year, then the proposed rate or levy shall be advertised in
545 accordance with Sections 27-39-203 and 27-39-205. However, from

546 and after July 1, 1999, the board of supervisors of any county may
547 not levy ad valorem taxes on taxable property for general revenue
548 purposes in excess of the millage rate for general revenue
549 purposes in effect for the county's 1999 fiscal year. If the
550 board of supervisors of any county shall not levy the county taxes
551 and the district taxes at its regular September meeting, the board
552 shall levy the same on or before September 15 at an adjourned or
553 special meeting, or thereafter, provided, however, that if such
554 levy be not made on or before the fifteenth day of September then
555 the tax collector or State Tax Commission may issue road and
556 bridge privilege tax license plates for motor vehicles as defined
557 in the Motor Vehicle Ad Valorem Tax Law of 1958, Section 27-51-1
558 et seq., without collecting or requiring proof of payment of
559 county ad valorem taxes, and may continue to so issue such plates
560 until such levy is duly certified to him, and for twenty-four (24)
561 hours thereafter.

562 Notwithstanding the requirements of this section, in the
563 event the State Tax Commission orders the county to make an
564 adjustment to the tax roll pursuant to Section 27-35-113, the
565 county shall have a period of thirty (30) days from the date of
566 the commission's final determination to adjust the millage in
567 order to collect the same dollar amount of taxes as originally
568 levied by the board.

569 In making the levy of taxes, the board of supervisors shall
570 specify, in its order, the levy for each purpose, as follows:

571 (a) For general county purposes (current expense and
572 maintenance taxes), as authorized by Section 27-39-303.

573 (b) For roads and bridges, as authorized by Section
574 27-39-305.

575 (c) For schools, including the countywide minimum
576 education program levy and the levy for each school district
577 including special municipal separate school districts, but not
578 including other municipal separate school districts, and for an
579 agricultural high school, county high school or junior college

580 (current expense and maintenance taxes), as authorized by Chapter
581 57, Title 37, Mississippi Code of 1972, and any other applicable
582 statute. The levy for schools shall apply to the assessed value
583 of property in the respective school districts, including special
584 municipal separate school districts, but not including other
585 municipal separate school districts, and a distinct and separate
586 levy shall be made for each school district, and the purpose for
587 each levy shall be stated.

588 (d) For road bonds and the interest thereon, separately
589 for countywide bonds and for the bonds of each road district.

590 (e) For school bonds and the interest thereon,
591 separately for countywide bonds and for the bonds of each school
592 district.

593 (f) For countywide bonds, and the interest thereon,
594 other than for road bonds and school bonds.

595 (g) For loans, notes or any other obligation, and the
596 interest thereon, if permitted by the law.

597 (h) For any other purpose for which a levy is lawfully
598 made.

599 The order shall state all of the purposes for which the
600 general county levy is made, using the administrative items
601 suggested by the State Department of Audit of Mississippi under
602 the county budget law in its uniform system of accounts for
603 counties, but the rate or levy for any item or purpose need not be
604 shown; and if a countywide levy is made for any general or special
605 purpose under the provisions of any law other than Section
606 27-39-303, each such levy shall be separately stated.

607 During the month of February of each year, if the order or
608 resolution of the board of trustees of any school district of said
609 county or partly in said county, is filed with it requesting the
610 levying of ad valorem taxes for the support and maintenance of
611 such school district for the following fiscal year, then the board
612 of supervisors of every such county in the state shall notify, in
613 writing, within thirty (30) days, the county superintendent of

614 education of such county, the levy or levies it intends to make
615 for the support and maintenance of such school districts of such
616 county at its regular meeting in September following, and the
617 county superintendent of education and the trustees of all such
618 school districts shall be authorized to use such expressed
619 intention of the board of supervisors in computing the support and
620 maintenance budget or budgets of such school district or districts
621 for the ensuing fiscal school year.

622 SECTION 5. Section 27-39-203, Mississippi Code of 1972, is
623 amended as follows:

624 27-39-203. (1) Except as otherwise provided in this
625 subsection (1), no taxing entity may budget an increased amount of
626 ad valorem tax revenue as set forth in Section 112, Mississippi
627 Constitution of 1890, exclusive of revenue from new growth, unless
628 it advertises its intention to do so at the same time that it
629 advertises its intention to fix its budget for the forthcoming
630 fiscal year. From and after July 1, 1999, the board of
631 supervisors of any county may not levy ad valorem taxes on taxable
632 property for general revenue purposes in excess of the millage
633 rate for general revenue purposes in effect for the county's 1999
634 fiscal year.

635 (2) (a) For taxing entities operating under an October 1
636 through September 30 fiscal year this advertisement may be
637 combined with the advertisement required by Section 27-39-205 of
638 this article. For taxing entities operating under a January 1
639 through December 31 fiscal year or a July 1 through June 30 fiscal
640 year, the advertisement shall meet the size, type, placement and
641 frequency requirements established under Section 27-39-205 of this
642 article.

643 (b) The form of the advertisement shall be
644 substantially as follows:

645 "NOTICE OF TAX INCREASE

646 The (name of the taxing entity) has proposed to increase its
647 property tax revenue on all classes of property described in

648 Section 112, Mississippi Constitution of 1890, by (percentage of
649 increase of all classes showing the exact amount of percentage of
650 increase for each class) percent, and to (increase/decrease) its
651 total budget by (percentage of increase/decrease) percent.

652 All concerned citizens are invited to attend a public hearing
653 on the tax increase and budget to be held on (date and time) at
654 (meeting place).

655 A final decision on the proposed tax increase will be made on
656 (date and time) in a public hearing to be held at (meeting
657 place)."

658 (c) All taxing entities operating under the January 1
659 through December 31 fiscal year or a July 1 through June 30 fiscal
660 year shall hold a public hearing at which the budget for the
661 following fiscal year will be considered, regardless of whether
662 that budget is being increased or decreased, and shall notify the
663 county of the date, time and place of the public hearing. The
664 county shall include that information with the tax notice.

665 SECTION 6. Section 27-39-205, Mississippi Code of 1972, is
666 amended as follows:

667 27-39-205. (1) Except as otherwise provided in subsection
668 (5) of this section, no tax rate in excess of the certified tax
669 rate may be levied under Sections 21-33-45, 27-39-307, 27-39-317
670 and 27-39-320 until a resolution has been approved by the
671 governing body of the taxing entity in accordance with the
672 following procedure:

673 (a) The taxing entity shall advertise its intent to
674 exceed the certified tax rate in a newspaper of general
675 circulation in the county, except that a taxing entity collecting
676 taxes in more than one (1) county may make the advertisement
677 required under this section by publication in the county where the
678 taxing entity's principal place of business is located. The
679 advertisement shall be no less than one-fourth (1/4) page in size
680 and the type used shall be no smaller than eighteen (18) point and
681 surrounded by a one-fourth-inch solid black border. The

682 advertisement may not be placed in that portion of the newspaper
683 where legal notices and classified advertisements appear. It is
684 the intent of the Legislature that the advertisement appear in a
685 newspaper that is published at least five (5) days a week, unless
686 the only newspaper in the county is published less than five (5)
687 days a week. It is further the intent of the Legislature that the
688 newspaper selected be one of general interest and readership in
689 the community, and not one of limited subject matter. The
690 advertisement shall be run once each week for the two (2) weeks
691 preceding the adoption of the final budget. The advertisement
692 shall state that the taxing entity will meet on a certain day,
693 time and place fixed in the advertisement, which shall be not less
694 than seven (7) days after the day the first advertisement is
695 published, for the purpose of hearing comments regarding any
696 proposed increase and to explain the reasons for the proposed
697 increase. The meeting on the proposed increase may coincide with
698 the hearing on the proposed budget of the taxing entity.

699 (b) The form and content of the notice shall be as
700 follows:

701 "NOTICE OF TAX INCREASE

702 The (name of the taxing entity) has proposed to increase its
703 property tax revenue on all classes of property described in
704 Section 112, Mississippi Constitution of 1890, by (percentage of
705 increase of all classes showing the exact amount of percentage of
706 increase for each class) percent, and to (increase/decrease) its
707 total budget by (percentage of increase/decrease) percent.

708 All concerned citizens are invited to attend a public hearing
709 on the tax increase to be held on (date and time) at (meeting
710 place)."

711 (c) The State Tax Commission shall adopt rules
712 governing the joint use of one (1) advertisement under this
713 section or Section 27-39-203 of this article by two (2) or more
714 taxing entities and may, upon petition by any taxing entity,
715 authorize either (i) the use of weekly newspapers in counties

716 having both daily and weekly newspapers where the weekly newspaper
717 would provide equal or greater notice to the taxpayer, or (ii) the
718 use of a State Tax Commission-approved direct notice to each
719 taxpayer if the cost of the advertisement would cause undue
720 hardship and the direct notice is different and separate from that
721 provided for in subsection (2).

722 (2) The governing body of the taxing entity, after the
723 hearing has been held in accordance with the above procedures, may
724 adopt a resolution levying a tax rate on classes of property
725 designated by Section 112, Mississippi Constitution of 1890, in
726 excess of the certified tax rate. If the resolution adopting the
727 tax rate is not adopted on the day of the public hearing, the
728 scheduled time and place for consideration and adoption of the
729 resolution shall be announced at the public hearing. If the
730 resolution is to be considered at a day and time that is more than
731 two (2) weeks after the public hearing, the governing body shall
732 advertise the date of the proposed adoption of the resolution in
733 the same manner as provided under subsection (1).

734 (3) All hearings shall be open to the public. The governing
735 body of the taxing entity shall permit all interested parties
736 desiring to be heard an opportunity to present oral testimony
737 within reasonable time limits.

738 (4) Each taxing entity shall notify the county or municipal
739 governing body of the date, time and place of its public hearing.
740 No taxing entity may schedule its hearing at the same time as
741 another overlapping taxing entity in the same county, but all
742 taxing entities in which the power to set tax levies is vested in
743 the same governing authority may consolidate the required hearings
744 into one (1) hearing. The county or municipal governing body
745 shall resolve any conflicts in hearing dates and times after
746 consultation with each affected taxing entity.

747 (5) From and after July 1, 1999, the board of supervisors of
748 any county may not levy ad valorem taxes on taxable property for
749 general revenue purposes in excess of the millage rate for general

750 revenue purposes in effect for the county's 1999 fiscal year.

751 SECTION 7. Section 27-39-320, Mississippi Code of 1972, is
752 amended as follows:

753 27-39-320. (1) The Legislature finds and determines that
754 legislation requiring a specific levy or requiring consent of some
755 other governing body to reduce the levy was intended to raise a
756 certain amount of revenue for specific purposes. Upon this
757 determination and notwithstanding the provisions of any statute
758 which requires a definite levy to be made or which requires that a
759 levy may not be reduced except by the consent of some other
760 governing authority, the amount of such levy shall be deemed to be
761 an amount necessary to produce the revenues received in the next
762 preceding year plus, except as otherwise provided in subsection
763 (5) of this section, at the option of the taxing authority, an
764 increase not to exceed ten percent (10%) of such revenues.

765 (2) In any county where there is located a nuclear
766 generating power plant on which a tax is assessed under Section
767 27-35-309(3), such required levy and revenue produced thereby may
768 be reduced by the levying authority in an amount in proportion to
769 a reduction in the base revenue of any such county from the
770 previous year. Such reduction shall be allowed only if the
771 reduction in base revenue equals or exceeds five percent (5%).
772 "Base revenue" shall mean the revenue received by the county from
773 the ad valorem tax levy plus the revenue received by the county
774 from the tax assessed under Section 27-35-309(3) and authorized to
775 be used for any purposes for which a county is authorized by law
776 to levy an ad valorem tax. For purposes of determining if the
777 reduction equals or exceeds five percent (5%), a levy of millage
778 equal to the prior year's millage shall be hypothetically applied
779 to the current year's ad valorem tax base to determine the amount
780 of revenue to be generated from the ad valorem tax levy. For the
781 purposes of this section, the portion of base revenue used to fund
782 the purpose for which a specific levy is required shall be deemed
783 to be the total receipts from ad valorem taxes for such purpose.

784 This paragraph shall apply to taxes levied for the 1987 fiscal
785 year and for each fiscal year thereafter. If the Mississippi
786 Supreme Court or another court finally adjudicates that the tax
787 levied under Section 27-35-309(3) is unconstitutional, then this
788 paragraph shall stand repealed.

789 (3) With respect to ad valorem taxes levied on or after
790 October 1, 1980, no county or municipality shall levy those mills
791 heretofore required by law to be levied to an extent that such
792 levy shall produce more than the total receipts produced from such
793 levy in the next preceding year, plus, except as otherwise
794 provided in subsection (5) of this section, at the option of the
795 taxing authority, an increase not to exceed ten percent (10%) of
796 such receipts. Such total receipts shall be deemed to include the
797 total avails of such levy either collected from the property owner
798 or by reimbursement by the state. The revenues produced from any
799 newly constructed properties or any existing properties added to
800 the tax rolls or any properties previously exempt which were not
801 assessed in the next preceding year may be excluded from the
802 limitation set forth herein.

803 (4) Except as otherwise provided in subsection (5) of this
804 section, the ten percent (10%) increase limitation prescribed in
805 this section may be increased by an additional amount by the board
806 of supervisors of any county if the aggregate receipts from all
807 county levies to which this section and Sections 27-39-305 and
808 27-39-321 apply do not exceed one hundred ten percent (110%) of
809 the aggregate receipts from all such levies during any one (1) of
810 the immediately preceding three (3) fiscal years, as determined by
811 the board of supervisors.

812 (5) From and after July 1, 1999, the board of supervisors of
813 any county may not levy ad valorem taxes on taxable property for
814 general revenue purposes in excess of the millage rate for general
815 revenue purposes in effect for the county's 1999 fiscal year.

816 (6) The limitations set forth in this section shall apply to
817 the mandatory tax levied by Section 27-39-329.

818 SECTION 8. Section 27-39-321, Mississippi Code of 1972, is
819 amended as follows:

820 27-39-321. (1) Except as otherwise provided in subsection
821 (8) of this section, with respect to ad valorem taxes levied for
822 each fiscal year, no political subdivision may levy ad valorem
823 taxes in any fiscal year which would render in total receipts from
824 all levies an amount more than the receipts from that source
825 during any one (1) of the immediately preceding three (3) fiscal
826 years, as determined by the levying governing authority, plus, at
827 the option of the taxing authority, an increase not to exceed ten
828 percent (10%) of such receipts. The additional revenue from the
829 ad valorem tax on any newly constructed properties or any existing
830 properties added to the tax rolls or any properties previously
831 exempt, which were not assessed in the next preceding year and
832 cost incurred and paid in the next preceding year in connection
833 with reappraisal may be excluded from the ten percent (10%)
834 increase limitation set forth herein. Taxes levied for school
835 district purposes under any statute and taxes levied for the
836 maintenance and/or construction of roads and bridges under Section
837 27-39-305 shall be excluded from the ten percent (10%) increase
838 limitation set forth herein. Taxes levied for payment of
839 principal of and interest on general obligation bonds issued
840 heretofore or hereafter shall be excluded from the ten percent
841 (10%) increase limitation set forth herein. Any additional
842 millage levied to fund any new program mandated by the Legislature
843 shall be excluded from the limitation for the first year of the
844 levy and included within such limitation in any year thereafter.
845 The limitation imposed under this paragraph shall not apply to
846 those mandatory levies enumerated in Sections 27-39-320 and
847 27-39-329.

848 (2) The limitation of this section may be increased only as
849 provided in subsection (3) or (4) of this section or when the
850 governing body of a political subdivision has determined the need
851 for additional revenues, adopts a resolution declaring its

852 intention so to do and has held an election on the question of
853 raising the limitation prescribed in this section. The notice
854 calling for an election shall state the purposes for which the
855 additional revenues shall be used, the amount of the tax levy to
856 be imposed for such purposes and period of time for which such tax
857 levy shall be made; however, such tax levy shall not be made for
858 more than five (5) successive years. The limitation may be
859 increased under this subsection only if the proposed increase is
860 approved by a majority of those voting. Subject to specific
861 provisions of this paragraph to the contrary, the publication of
862 notice and manner of holding the election shall be as prescribed
863 by law for the holding of elections for the issuance of bonds by
864 the political subdivision. Revenues derived from any taxes levied
865 pursuant to such election shall be excluded from the tax base for
866 the purpose of determining aggregate receipts for which the ten
867 percent (10%) increase limitation applies.

868 (3) Except as otherwise provided in subsection (8) of this
869 section, as an alternative to the procedure provided in subsection
870 (2) of this section, the ten percent (10%) increase limitation
871 prescribed in this section may be increased by an additional
872 amount by the board of supervisors of any county without an
873 election thereon if the aggregate receipts from all county levies
874 to which this section and Sections 27-39-305 and 27-39-320 apply
875 do not exceed one hundred ten percent (110%) of the aggregate
876 receipts from all such levies during any one (1) of the
877 immediately preceding three (3) fiscal years, as determined by the
878 board of supervisors.

879 (4) Except as otherwise provided in subsection (8) of this
880 section, as an alternative to the procedure provided in
881 subsections (2) and (3) of this section, the board of supervisors
882 of any county or the governing authorities of any municipality
883 may, without an election thereon, increase the ad valorem tax levy
884 to which this section applies by the greater of:

885 (a) An ad valorem tax levy that does not result in an

886 aggregate levy to which this section applies in excess of twenty
887 (20) mills; or

888 (b) An ad valorem tax levy that is not in excess of any
889 aggregate levy to which this section applies in any one (1) of the
890 immediately preceding ten (10) fiscal years.

891 (5) In any county where there is located a nuclear
892 generating power plant on which a tax is assessed under Section
893 27-35-309(3), the term "total receipts" as used in this section
894 shall be the portion of the "base revenue" as defined in Section
895 27-39-320 which is used for General Fund purposes.

896 (6) If a shortfall occurs in revenues from sources other
897 than ad valorem taxes and oil and gas severance taxes budgeted for
898 the county or municipal general fund during the 1987 fiscal year,
899 then the county or municipality, as the case may be, may levy a
900 special ad valorem tax for the 1988 fiscal year in an amount the
901 avails of which shall not exceed such shortfall; provided,
902 however, that the aggregate receipts from all ad valorem levies
903 for the county or municipal general fund for the 1988 fiscal year
904 shall not exceed the aggregate receipts from this source for the
905 immediately preceding fiscal year plus an increase not to exceed
906 twenty percent (20%).

907 (7) If a shortfall occurs in revenues from oil and gas
908 severance taxes budgeted for the county or municipal general fund
909 during the 1987 fiscal year, then the county or municipality, as
910 the case may be, may levy a special ad valorem tax for the 1988
911 fiscal year in an amount the avails of which shall not exceed such
912 shortfall. The avails of such special ad valorem tax shall not be
913 included within the ten percent (10%) increase limitation. The ad
914 valorem taxes levied to offset the shortfall shall be deemed to be
915 ad valorem tax receipts produced in the 1988 fiscal year for the
916 purposes of determining the limitation on receipts for the
917 succeeding fiscal years.

918 (8) From and after July 1, 1999, the board of supervisors of
919 any county may not levy ad valorem taxes on taxable property for

920 general revenue purposes in excess of the millage rate for general
921 revenue purposes in effect for the county's 1999 fiscal year.

922 SECTION 9. This act shall take effect and be in force from
923 and after July 1, 1999.