

By: Representative Young

To: Ways and Means

HOUSE BILL NO. 300

1 AN ACT TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972,
2 TO INCREASE FROM 18.5% TO 20.5% THE AMOUNT OF THE STATE'S TOTAL
3 SALES TAX REVENUE COLLECTIONS ON BUSINESS ACTIVITIES WITHIN A
4 MUNICIPALITY THAT IS ALLOCATED FOR DISTRIBUTION TO SUCH
5 MUNICIPALITY; TO AMEND SECTION 27-65-53, MISSISSIPPI CODE OF 1972,
6 IN CONFORMITY THERETO; TO AMEND SECTIONS 21-33-45 AND 27-39-307,
7 MISSISSIPPI CODE OF 1972, TO CAP THE AD VALOREM MILLAGE RATE THAT
8 MAY BE LEVIED FOR GENERAL PURPOSES BY MUNICIPALITIES AT THE RATE
9 IN EFFECT FOR THE MUNICIPAL 1999 FISCAL YEAR; TO AMEND SECTIONS
10 27-39-203, 27-39-205, 27-39-320 AND 27-39-321, 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 through July 15, 1999, eighteen and
28 one-half percent (18-1/2%) of the total sales tax revenue
29 collected during the preceding month under the provisions of this
30 chapter, except that collected under the provisions of Sections
31 27-65-15, 27-65-19(3), 27-65-21, and that collected under the

provisions of Section 27-65-17(2) and the corresponding levy in
Section 27-65-23 on the rental or lease of private carriers of
passengers and light carriers of property as defined in Section
27-51-101, on business activities within a municipal corporation
shall be allocated for distribution to such municipality and paid
to such municipal corporation. On or before August 15, 1999, and
each succeeding month thereafter, twenty and one-half percent
(20-1/2%) of the total sales tax revenue collected during the
preceding month under the provisions of this chapter, except that
collected under the provisions of Sections 27-65-15, 27-65-19(3),
27-65-21, and that collected under the provisions of Section
27-65-17(2) and the corresponding levy in Section 27-65-23 on the
rental or lease of private carriers of passengers and light
carriers of property as defined in Section 27-51-101, on business
activities within a municipal corporation shall be allocated for
distribution to such municipality and paid to such municipal
corporation.

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

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

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

(2) On or before September 15, 1987, and each succeeding
month thereafter, from the revenue collected under this chapter
during the preceding month One Million One Hundred Twenty-five
Thousand Dollars (\$1,125,000.00) shall be allocated for
distribution to municipal corporations as defined under subsection

(1) of this section in the proportion that the number of gallons of gasoline and diesel fuel sold by distributors to consumers and retailers in each such municipality during the preceding fiscal year bears to the total gallons of gasoline and diesel fuel sold by distributors to consumers and retailers in municipalities statewide during the preceding fiscal year. The State Tax Commission shall require all distributors of gasoline and diesel fuel to report to the commission monthly the total number of gallons of gasoline and diesel fuel sold by them to consumers and retailers in each municipality during the preceding month. The State Tax Commission shall have the authority to promulgate such rules and regulations as is necessary to determine the number of gallons of gasoline and diesel fuel sold by distributors to consumers and retailers in each municipality. In determining the percentage allocation of funds under this subsection for the fiscal year beginning July 1, 1987, and ending June 30, 1988, the State Tax Commission may consider gallons of gasoline and diesel fuel sold for a period of less than one (1) fiscal year. For the purposes of this subsection, the term "fiscal year" means the fiscal year beginning July 1 of a year.

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

(4) On or before August 15, 1994, and on or before the fifteenth day of each succeeding month, from the proceeds of gasoline, diesel fuel or kerosene taxes as provided in Section

27-5-101(a)(ii)1, Four Million Dollars (\$4,000,000.00) shall be deposited in the State Treasury to the credit of a special fund designated as the "State Aid Road Fund," created by Section 65-9-17. Such funds shall be pledged to pay the principal of and interest on state aid road bonds heretofore issued under Sections 19-9-51 through 19-9-77, in lieu of and in substitution for the funds heretofore allocated to counties under this section. Such funds may not be pledged for the payment of any state aid road bonds issued after April 1, 1981; however, this prohibition against the pledging of any such funds for the payment of bonds shall not apply to any bonds for which intent to issue such bonds has been published, for the first time, as provided by law prior to March 29, 1981. From the amount of taxes paid into the special fund pursuant to this subsection and subsection (9) of this section, there shall be first deducted and paid the amount necessary to pay the expenses of the Office of State Aid Road Construction, as authorized by the Legislature for all other general and special fund agencies. The remainder of the fund shall be allocated monthly to the several counties in accordance with the following formula:

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

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

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

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

The amount of funds allocated to any county under this

subsection for any fiscal year after Fiscal Year 1994 shall not be less than the amount allocated to such county for Fiscal Year 1994. Monies allocated to a county from the State Aid Road Fund for Fiscal Year 1995 or any fiscal year thereafter that exceed the amount of funds allocated to that county from the State Aid Road Fund for Fiscal Year 1994, first must be expended by the county for replacement or rehabilitation of bridges on the state aid road system that have a sufficiency rating of less than twenty-five (25), according to National Bridge Inspection standards before such monies may be approved for expenditure by the State Aid Road Engineer on other projects that qualify for the use of state aid road funds.

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

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

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

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

172 (8) On or before August 15, 1992, and each succeeding month
173 thereafter, nine and seventy-three one-thousandths percent
174 (9.073%) of the total sales tax revenue collected during the
175 preceding month under the provisions of this chapter, except that
176 collected under the provisions of Section 27-65-17(2) shall be
177 deposited into the Education Enhancement Fund created pursuant to
178 Section 37-61-33.

179 (9) On or before August 15, 1994, and each succeeding month
180 thereafter, from the revenue collected under this chapter during
181 the preceding month, Two Hundred Fifty Thousand Dollars
182 (\$250,000.00) shall be paid into the State Aid Road Fund.

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

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

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

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

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

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

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

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

238 27-65-75. On or before the fifteenth day of each month, the
239 revenue collected under the provisions of this chapter during the

preceding month shall be paid and distributed as follows:

(1) On or before August 15, 1992, and each succeeding month thereafter through July 15, 1993, eighteen percent (18%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on business activities within a municipal corporation shall be allocated for distribution to such municipality and paid to such municipal corporation. On or before August 15, 1993, and each succeeding month thereafter through July 15, 1999, eighteen and one-half percent (18-1/2%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-17(2), 27-65-19(3) and 27-65-21, on business activities within a municipal corporation shall be allocated for distribution to such municipality and paid to such municipal corporation. On or before August 15, 1999, and each succeeding month thereafter, twenty and one-half percent (20-1/2%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-17(2), 27-65-19(3) and 27-65-21, on business activities within a municipal corporation shall be allocated for distribution to such municipality and paid to such municipal corporation.

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

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

In any county having a county seat which is not an

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

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

(3) On or before September 15, 1987, and on or before the fifteenth day of each succeeding month, until the date specified in Section 65-39-35, the proceeds derived from contractors' taxes

levied under Section 27-65-21 on contracts for the construction or reconstruction of highways designated under the Four-Lane Highway Program created under Section 65-3-97 shall be deposited into the State Treasury to the credit of the State Highway Fund to be used to fund such Four-Lane Highway Program. The Mississippi Department of Transportation shall provide to the State Tax Commission such information as is necessary to determine the amount of proceeds to be distributed under this subsection.

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

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

(b) One-third (1/3) shall be allocated to counties

based on the proportion that the total number of rural road miles in a county bears to the total number of rural road miles in all counties of the state; and

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

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

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

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

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

(6) An amount each month beginning August 15, 1983, through

November 15, 1986, as specified in Section 6 of Chapter 542, Laws of 1983, shall be paid into the special fund known as the Correctional Facilities Construction Fund created in Section 6 of Chapter 542, Laws of 1983.

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

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

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

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

(11) Notwithstanding any other provision of this section to the contrary, on or before February 15, 1995, and each succeeding

month thereafter, the sales tax revenue collected during the preceding month under the provisions of Section 27-65-17(2) shall be deposited, without diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund established in Section 27-51-105.

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

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

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

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

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

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

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

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

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

478 herein.

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

490 SECTION 3. Section 21-33-45, Mississippi Code of 1972, is
491 amended as follows:

492 21-33-45. Subject to the provisions of this section, the
493 governing authorities of each municipality of this state shall,
494 either at their regular meeting in September of each year or not
495 later than ten (10) days after the final approval of the
496 assessment rolls, levy the municipal ad valorem taxes for the
497 fiscal year next succeeding, and shall, by resolution, fix the tax
498 rate or levy for the municipality and for any other taxing
499 districts of which the municipality may be a part. The rates or
500 levies for the municipality or for any such taxing district shall
501 be expressed in mills or a decimal fraction of a mill, which tax
502 rates, or levies, shall determine the ad valorem taxes to be
503 collected upon each dollar of valuation upon the assessment rolls
504 of the municipality for municipal taxes, and to be collected upon
505 each dollar of valuation as shown upon the assessment rolls of the
506 municipality for each such taxing district, except as to such
507 values as may be exempt, in whole or in part, from certain tax
508 rates or levies. If the rates or levies for the municipality or
509 taxing district are an increase from the previous fiscal year,
510 then the proposed rate or levy increase shall be advertised in
511 accordance with Sections 27-39-203 and 27-39-205. However, from

and after July 1, 1999, the governing authorities of any municipality may not levy ad valorem taxes on taxable property for general revenue purposes in excess of the millage rate for general revenue purposes in effect for the municipality's 1999 fiscal year.

In making the levy of taxes, the governing authorities shall specify in such resolution the levy for each purpose as follows:

(a) For general revenue purposes and for general improvements, as authorized by Section 27-39-307.

(b) For school purposes, including all maintenance levies, whether made against the property within such municipality, or within any taxing district embraced in such municipality, as authorized by Section 27-39-307 and Section 37-57-3 et seq.

(c) For municipal bonds and interest thereon, for school bonds and interest thereon, separately for municipal-wide bonds and for the bonds of each school district.

(d) For municipal-wide bonds and interest thereon, other than for school bonds.

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

(f) For special improvement or special benefit levies, as now authorized by law.

(g) For any other purpose for which a levy is lawfully made. If any municipal-wide levy is made for any general or special purpose under the provisions of any law other than Section 27-39-307 each such levy shall be separately stated in the resolution, and the law authorizing same shall be expressly stated therein.

If the governing authorities of any municipality shall not levy the municipal taxes and the district taxes at its regular September meeting, such governing authorities shall levy the same at an adjourned or special meeting not later than ten (10) days after the final approval of the assessment rolls. However, that

if such levy be not made on or before September 15 then road and bridge privilege tax license plates may be issued by the tax collector or State Tax Commission, as the case may be, for motor vehicles as defined in the Motor Vehicle Ad Valorem Tax Law of 1958 (Section 27-51-1 et seq.), without collecting or requiring proof of payment of municipal ad valorem taxes until such levy is duly certified to him, and for twenty-four (24) hours thereafter.

In the case of a municipality operating under a special or private charter providing for or authorizing the assessment, levying and collection of ad valorem taxes prior to October in each year, ad valorem taxes for such municipality shall be levied at the time prescribed or authorized by such special or private charter, unless the governing authority of such municipality by resolution adopted and spread of record in its minutes elect to levy ad valorem taxes at the time prescribed hereinbefore in this section. In any event, however, all ad valorem taxes levied by any municipality in this state, shall be levied in the manner required herein regardless of the time when such taxes are levied.

SECTION 4. Section 27-39-307, Mississippi Code of 1972, is amended as follows:

27-39-307. Subject to the provisions of this section, municipalities may levy ad valorem taxes upon all taxable property within such municipality for general revenue purposes and for general improvements. Further, the governing authorities of any municipality may make additional levies for special purposes as authorized by law. Any such levy which is an increase from the previous fiscal year must be advertised in accordance with Sections 27-39-203 and 27-39-205. In addition to funding municipal general purposes, the municipal general ad valorem tax levy may be used to supplement any municipal ad valorem tax levy for a special purpose authorized by law, excluding levies for schools, without regard to any statutory millage limitation on such special purpose tax levy; however, nothing herein contained shall be construed to exempt such tax levies from the limitation

580 on total receipts under Section 27-39-321.

581 From and after July 1, 1999, the governing authorities of any
582 municipality may not levy ad valorem taxes on taxable property for
583 general revenue purposes in excess of the millage rate for general
584 revenue purposes in effect for the municipality's 1999 fiscal
585 year.

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

588 27-39-203. (1) Except as otherwise provided in this
589 subsection (1), no taxing entity may budget an increased amount of
590 ad valorem tax revenue as set forth in Section 112, Mississippi
591 Constitution of 1890, exclusive of revenue from new growth, unless
592 it advertises its intention to do so at the same time that it
593 advertises its intention to fix its budget for the forthcoming
594 fiscal year. From and after July 1, 1999, the governing
595 authorities of any municipality may not levy ad valorem taxes on
596 taxable property for general revenue purposes in excess of the
597 millage rate for general revenue purposes in effect for the
598 municipality's 1999 fiscal year.

599 (2) (a) For taxing entities operating under an October 1
600 through September 30 fiscal year this advertisement may be
601 combined with the advertisement required by Section 27-39-205 of
602 this article. For taxing entities operating under a January 1
603 through December 31 fiscal year or a July 1 through June 30 fiscal
604 year, the advertisement shall meet the size, type, placement and
605 frequency requirements established under Section 27-39-205 of this
606 article.

607 (b) The form of the advertisement shall be
608 substantially as follows:

609 "NOTICE OF TAX INCREASE

610 The (name of the taxing entity) has proposed to increase its
611 property tax revenue on all classes of property described in
612 Section 112, Mississippi Constitution of 1890, by (percentage of
613 increase of all classes showing the exact amount of percentage of

614 increase for each class) percent, and to (increase/decrease) its
615 total budget by (percentage of increase/decrease) percent.

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

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

622 (c) All taxing entities operating under the January 1
623 through December 31 fiscal year or a July 1 through June 30 fiscal
624 year shall hold a public hearing at which the budget for the
625 following fiscal year will be considered, regardless of whether
626 that budget is being increased or decreased, and shall notify the
627 county of the date, time and place of the public hearing. The
628 county shall include that information with the tax notice.

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

631 27-39-205. (1) Subject to the provisions of subsection (5)
632 of this section, no tax rate in excess of the certified tax rate
633 may be levied under Sections 21-33-45, 27-39-307, 27-39-317 and
634 27-39-320 until a resolution has been approved by the governing
635 body of the taxing entity in accordance with the following
636 procedure:

637 (a) The taxing entity shall advertise its intent to
638 exceed the certified tax rate in a newspaper of general
639 circulation in the county, except that a taxing entity collecting
640 taxes in more than one (1) county may make the advertisement
641 required under this section by publication in the county where the
642 taxing entity's principal place of business is located. The
643 advertisement shall be no less than one-fourth (1/4) page in size
644 and the type used shall be no smaller than eighteen (18) point and
645 surrounded by a one-fourth-inch solid black border. The
646 advertisement may not be placed in that portion of the newspaper
647 where legal notices and classified advertisements appear. It is

the intent of the Legislature that the advertisement appear in a newspaper that is published at least five (5) days a week, unless the only newspaper in the county is published less than five (5) days a week. It is further the intent of the Legislature that the newspaper selected be one of general interest and readership in the community, and not one of limited subject matter. The advertisement shall be run once each week for the two (2) weeks preceding the adoption of the final budget. The advertisement shall state that the taxing entity will meet on a certain day, time and place fixed in the advertisement, which shall be not less than seven (7) days after the day the first advertisement is published, for the purpose of hearing comments regarding any proposed increase and to explain the reasons for the proposed increase. The meeting on the proposed increase may coincide with the hearing on the proposed budget of the taxing entity.

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

"NOTICE OF TAX INCREASE

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

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

(c) The State Tax Commission shall adopt rules governing the joint use of one (1) advertisement under this section or Section 27-39-203 of this article by two (2) or more taxing entities and may, upon petition by any taxing entity, authorize either (i) the use of weekly newspapers in counties having both daily and weekly newspapers where the weekly newspaper would provide equal or greater notice to the taxpayer, or (ii) the

682 use of a State Tax Commission-approved direct notice to each
683 taxpayer if the cost of the advertisement would cause undue
684 hardship and the direct notice is different and separate from that
685 provided for in subsection (2).

686 (2) The governing body of the taxing entity, after the
687 hearing has been held in accordance with the above procedures, may
688 adopt a resolution levying a tax rate on classes of property
689 designated by Section 112, Mississippi Constitution of 1890, in
690 excess of the certified tax rate. If the resolution adopting the
691 tax rate is not adopted on the day of the public hearing, the
692 scheduled time and place for consideration and adoption of the
693 resolution shall be announced at the public hearing. If the
694 resolution is to be considered at a day and time that is more than
695 two (2) weeks after the public hearing, the governing body shall
696 advertise the date of the proposed adoption of the resolution in
697 the same manner as provided under subsection (1).

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

702 (4) Each taxing entity shall notify the county or municipal
703 governing body of the date, time and place of its public hearing.
704 No taxing entity may schedule its hearing at the same time as
705 another overlapping taxing entity in the same county, but all
706 taxing entities in which the power to set tax levies is vested in
707 the same governing authority may consolidate the required hearings
708 into one (1) hearing. The county or municipal governing body
709 shall resolve any conflicts in hearing dates and times after
710 consultation with each affected taxing entity.

711 (5) From and after July 1, 1999, the governing authorities
712 of any municipality may not levy ad valorem taxes on taxable
713 property for general revenue purposes in excess of the millage
714 rate for general revenue purposes in effect for the municipality's
715 1999 fiscal year.

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

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

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

This paragraph shall apply to taxes levied for the 1987 fiscal

750 year and for each fiscal year thereafter. If the Mississippi
751 Supreme Court or another court finally adjudicates that the tax
752 levied under Section 27-35-309(3) is unconstitutional, then this
753 paragraph shall stand repealed.

754 (3) With respect to ad valorem taxes levied on or after
755 October 1, 1980, no county or municipality shall levy those mills
756 heretofore required by law to be levied to an extent that such
757 levy shall produce more than the total receipts produced from such
758 levy in the next preceding year, plus, except as otherwise
759 provided in subsection (5) of this section, at the option of the
760 taxing authority, an increase not to exceed ten percent (10%) of
761 such receipts. Such total receipts shall be deemed to include the
762 total avails of such levy either collected from the property owner
763 or by reimbursement by the state. The revenues produced from any
764 newly constructed properties or any existing properties added to
765 the tax rolls or any properties previously exempt which were not
766 assessed in the next preceding year may be excluded from the
767 limitation set forth herein.

768 (4) Except as otherwise provided in subsection (5) of this
769 section, the ten percent (10%) increase limitation prescribed in
770 this section may be increased by an additional amount by the board
771 of supervisors of any county if the aggregate receipts from all
772 county levies to which this section and Sections 27-39-305 and
773 27-39-321 apply do not exceed one hundred ten percent (110%) of
774 the aggregate receipts from all such levies during any one (1) of
775 the immediately preceding three (3) fiscal years, as determined by
776 the board of supervisors.

777 (5) From and after July 1, 1999, the governing authorities
778 of any municipality may not levy ad valorem taxes on taxable
779 property for general revenue purposes in excess of the millage
780 rate for general revenue purposes in effect for the municipality's
781 1999 fiscal year.

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

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

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

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

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

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

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

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

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

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

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

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

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

(8) From and after July 1, 1999, the governing authorities
of any municipality may not levy ad valorem taxes on taxable

886 property for general revenue purposes in excess of the millage
887 rate for general revenue purposes in effect for the municipality's
888 1999 fiscal year.

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