

By: Representatives Reeves, Smith (39th)

To: Ways and Means

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 614

1 AN ACT TO AMEND SECTIONS 27-39-203 AND 27-39-205, MISSISSIPPI
2 CODE OF 1972, TO REVISE THE FORM OF THE NOTICE REQUIRED WHEN A
3 TAXING ENTITY PROPOSES TO INCREASE AD VALOREM TAXES REVENUE; TO
4 PROVIDE FOR THE CONTENTS OF SUCH NOTICE; TO AMEND SECTION
5 27-39-207, MISSISSIPPI CODE OF 1972, TO REVISE THE FORM OF THE
6 NOTICE REQUIRED WHEN A SCHOOL DISTRICT INTENDS TO INCREASE ITS
7 BUDGET BY REQUESTING AN INCREASE IN AD VALOREM TAX EFFORT IN
8 DOLLARS TO SUPPORT THE SCHOOL DISTRICT; TO PROVIDE FOR THE
9 CONTENTS OF SUCH NOTICE; TO REVISE WHEN SUCH NOTICE IS REQUIRED;
10 AND FOR RELATED PURPOSES.

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

12 SECTION 1. Section 27-39-203, Mississippi Code of 1972, is
13 amended as follows:

14 27-39-203. (1) All taxing entities operating under the
15 January 1 through December 31 fiscal year or a July 1 through June
16 30 fiscal year shall hold a public hearing at which the budget for
17 the following fiscal year will be considered, regardless of
18 whether that budget will be increased or decreased from the
19 current budget or will remain the same as the current budget, and
20 shall notify the county of the date, time and place of the public
21 hearing. The county shall include that information with the tax
22 notice.

23 (2) Unless the increased revenue in a budget is derived from
24 the expansion of a taxing entity's ad valorem tax base, a taxing
25 entity shall not budget an increased amount of * * * revenue
26 derived from the classes of ad valorem property described in
27 Section 112, Mississippi Constitution of 1890, * * * unless it
28 first advertises its intention to do so at the same time that it
29 advertises its intention to fix its budget for the next fiscal
30 year.

31 (3) (a) For taxing entities operating under an October 1
32 through September 30 fiscal year, this advertisement may be
33 combined with the advertisement required by Section
34 27-39-205 * * *. For all taxing entities * * *, the advertisement
35 shall meet the size, type, placement and frequency requirements
36 established under Section 27-39-205 * * *.

37 (b) When the advertisement is required, it shall be in
38 the following form:

39 **"NOTICE OF TAX INCREASE - (Name of the taxing entity)**

40 The (name of the taxing entity) will hold a public hearing on
41 its proposed budget for fiscal year (insert the year) on (date and
42 time) at (meeting place). At this meeting, a proposed ad valorem
43 tax revenue increase in the proposed budget will be considered.
44 "Ad valorem" means "according to value." Ad valorem taxes are
45 levied on the following kinds of property according to Section 112
46 of the Mississippi Constitution of 1890:

47 1. Single family, owner-occupied, residential real
48 property (this property is assessed at ten percent (10%)
49 of true value).

50 2. All other real property (this property is
51 assessed at fifteen percent (15%) of true value).

52 3. Personal property, except motor vehicles (this
53 property is assessed at fifteen percent (15%) of true
54 value).

55 4. Public utility property owned or used by public
56 service corporations, except railroad and airline
57 property and motor vehicles (this property is assessed
58 at thirty percent (30%) of true value).

59 5. Motor vehicles (this property is assessed at
60 thirty percent (30%) of true value).

61 The (name of the taxing entity) is now operating with
62 projected total budget revenue of \$_____ (_____ percent) or
63 \$_____ of such revenue is obtained through ad valorem taxes.

64 For next fiscal year, the proposed budget has total projected
65 revenue of \$_____ . Of that amount, (_____ percent) or \$_____ ,
66 is proposed to be financed through a total ad valorem tax levy.

67 This increase in ad valorem tax revenue means that you will
68 pay more in ad valorem taxes. Here is an estimate of a projected
69 increase in ad valorem taxes on the following kinds of property
70 based upon figures provided by (insert name of the appropriate tax
71 assessor's office):

72 1. The owner of a Fifty Thousand Dollar
73 (\$50,000.00) home will pay \$_____ per year more in ad
74 valorem taxes.

75 2. The owner of a Fifty Thousand Dollar
76 (\$50,000.00) parcel of rental real property will pay
77 \$_____ per year more in ad valorem taxes.

78 3. A business owner of Twenty Thousand Dollars
79 (\$20,000.00) in fixtures and equipment will pay \$_____
80 per year more in ad valorem taxes.

81 4. A public service utility corporation will pay
82 \$_____ per year more in ad valorem taxes on
83 property valued at One Million Dollars (\$1,000,000.00).

84 This increase is passed on to the consumer through the
85 corporation's rate structure.

86 5. The owner of a Ten Thousand Dollar (\$10,000.00)
87 automobile will pay \$_____ per year more in ad valorem
88 taxes as part of the cost for a license tag.

89 Any citizen of (name of the taxing entity) is invited to
90 attend this public hearing on the proposed ad valorem tax revenue
91 increase in the budget and will be allowed to speak for a
92 reasonable amount of time and offer tangible evidence before any
93 vote is taken."

94 * * *

95 SECTION 2. Section 27-39-205, Mississippi Code of 1972, is
96 amended as follows:

97 27-39-205. (1) A tax rate in excess of the certified tax
98 rate shall not be levied under Sections 21-33-45, 27-39-307,
99 27-39-317 and 27-39-320 until a resolution has been approved by
100 the governing body of the taxing entity in accordance with the
101 following procedure:

102 (a) The taxing entity shall advertise its intent to
103 exceed the certified tax rate in a newspaper of general
104 circulation in the county. A taxing entity collecting taxes in
105 more than one (1) county shall make the advertisement required
106 under this section by publication in each county where the taxing
107 entity collects taxes. The advertisement shall be no less than
108 one-fourth (1/4) page in size and the type used shall be no
109 smaller than eighteen (18) point and surrounded by a
110 one-fourth-inch solid black border. The advertisement shall not
111 be placed in any portion of the newspaper where legal notices and
112 classified advertisements appear. * * * The advertisement shall
113 appear in a newspaper that is published at least five (5) days a
114 week, unless the only newspaper in the county is published less
115 than five (5) days a week. * * * The newspaper selected shall be
116 one of general interest, readership and circulation in all areas
117 of the community * * *. The advertisement shall be published once
118 each week for the two-week period preceding the adoption of the
119 final budget. The advertisement shall provide that the taxing
120 entity will meet on a certain day, date, time and place fixed in
121 the advertisement, which shall be no less than seven (7) days
122 after the day the first advertisement is published * * *. The
123 meeting on the proposed increase may coincide with the hearing on
124 the proposed budget of the taxing entity.

125 (b) When the advertisement is required it shall be in
126 the following form:

127 **"NOTICE OF TAX INCREASE - (Name of the taxing entity)**

128 The (name of the taxing entity) will hold a public hearing on
129 a proposed ad valorem tax revenue increase for fiscal year (insert

130 the year) on (date and time) at (meeting place). "Ad valorem"
131 means "according to value." Ad valorem taxes are levied on the
132 following kinds of property according to Section 112 of the
133 Mississippi Constitution of 1890:

134 1. Single family, owner-occupied, residential real
135 property (this property is assessed at ten percent (10%)
136 of true value).

137 2. All other real property (this property is
138 assessed at fifteen percent (15%) of true value).

139 3. Personal property, except motor vehicles (this
140 property is assessed at fifteen percent (15%) of true
141 value).

142 4. Public utility property owned or used by public
143 service corporations, except railroad and airline
144 property and motor vehicles (this property is assessed
145 at thirty percent (30%) of true value).

146 5. Motor vehicles (this property is assessed at
147 thirty percent (30%) of true value).

148 The (name of the taxing entity) is now operating with
149 projected total budget revenue of \$_____ (_____ percent) or
150 \$_____, of such revenue is obtained through ad valorem taxes.
151 For next fiscal year, the proposed budget has total projected
152 revenue of \$_____. Of that amount, (_____ percent) or
153 \$_____, is proposed to be financed through a total ad valorem
154 tax levy.

155 For next fiscal year, the (name of the taxing entity) plans
156 to increase your ad valorem tax millage rate by _____ mills from
157 _____ mills to _____ mills. This increase means that you will pay
158 more in ad valorem taxes. Here is an estimate of a projected
159 increase in ad valorem taxes on the following kinds of property
160 based upon figures provided by (insert name of the appropriate tax
161 assessor's office):

162 1. The owner of a Fifty Thousand Dollar

163 (\$50,000.00) home will pay \$_____ per year more in ad
164 valorem taxes.

165 2. The owner of a Fifty Thousand Dollar
166 (\$50,000.00) parcel of rental real property will pay
167 \$_____ per year more in ad valorem taxes.

168 3. A business owner of Twenty Thousand Dollars
169 (\$20,000.00) in fixtures and equipment will pay \$_____
170 per year more in ad valorem taxes.

171 4. A public service utility corporation will pay
172 \$_____ per year more in ad valorem taxes on property
173 valued at One Million Dollars (\$1,000,000.00). This
174 increase is passed on to the consumer through the
175 corporation's rate structure.

176 5. The owner of a Ten Thousand Dollar (\$10,000.00)
177 automobile will pay \$_____ per year more in ad valorem
178 taxes as part of the cost for a license tag.

179 Any citizen of (name of the taxing entity) is invited to
180 attend this public hearing on the proposed ad valorem tax
181 increase, and will be allowed to speak for a reasonable amount of
182 time and offer tangible evidence before any vote is taken."

183 * * *

184 (2) * * * After the hearing has been held in accordance with
185 the above procedures, the governing body of the taxing entity may
186 adopt a resolution levying a tax rate on classes of property
187 designated by Section 112, Mississippi Constitution of 1890, in
188 excess of the certified tax rate. If the resolution adopting the
189 tax rate is not adopted on the day of the public hearing, the
190 scheduled time and place for consideration and adoption of the
191 resolution shall be announced at the public hearing. If the
192 resolution is to be considered at a day and time that is more than
193 two (2) weeks after the public hearing, the governing body shall
194 advertise the date of the proposed adoption of the resolution in
195 the same manner as provided under subsection (1).

196 (3) All hearings shall be open to the public. The governing
197 body of the taxing entity shall permit all interested parties
198 desiring to be heard an opportunity to present oral testimony
199 within reasonable time limits and offer tangible evidence.

200 (4) Each taxing entity shall notify the county or municipal
201 governing body of the date, time and place of its public hearing.
202 No taxing entity may schedule its hearing at the same time as
203 another overlapping taxing entity in the same county, but all
204 taxing entities in which the power to set tax levies is vested in
205 the same governing authority may consolidate the required hearings
206 into one (1) hearing. The county or municipal governing body
207 shall resolve any conflicts in hearing dates and times after
208 consultation with each affected taxing entity.

209 SECTION 3. Section 27-39-207, Mississippi Code of 1972, is
210 amended as follows:

211 27-39-207. (1) Unless the increased revenue in a budget is
212 derived from the expansion of a school district's ad valorem tax
213 base, a school district shall not budget an increase in an ad
214 valorem tax effort in dollars for support of the school district
215 unless it first advertises its intention to do so at the same time
216 that it advertises its intention to fix its budget for the next
217 fiscal year.

218 (2) A request for an ad valorem tax effort in dollars for
219 the support of the school district in excess of the certified tax
220 rate pursuant to Sections 37-57-105 and 37-57-107 shall not be
221 levied until an order has been approved by the school board of the
222 school district in accordance with the following procedure:

223 (a) The school board of the school district shall
224 advertise its intent to exceed the certified tax rate in a
225 newspaper of general circulation in the county. The advertisement
226 shall be no less than one-fourth (1/4) page in size and the type
227 used shall be no smaller than eighteen (18) point and surrounded
228 by a one-fourth-inch (1/4") solid black border. The advertisement

229 shall not be placed in any portion of the newspaper where legal
230 notices and classified advertisements appear. The advertisement
231 shall appear in a newspaper that is published at least five (5)
232 days a week, unless the only newspaper in the county is published
233 less than five (5) days a week. * * * The newspaper selected
234 shall be one of general interest, readership and circulation in
235 all areas of the community * * *. The advertisement shall be
236 published once each week for the two-week period preceding the
237 adoption of the final budget. The advertisement shall provide
238 that the school board of the school district will meet on a
239 certain day, date, time and place fixed in the advertisement,
240 which shall be no less than seven (7) days after the day the first
241 advertisement is published * * *. The meeting on the proposed
242 increase may coincide with the hearing on the proposed budget of
243 the school board of the school district.

244 (b) When the advertisement is required, it shall be in
245 the following form:

246 **"NOTICE OF TAX INCREASE - (Name of the school district)**

247 The (name of the school district) will hold a public hearing
248 on its proposed school district budget for fiscal year (insert the
249 year) on (date and time) at (meeting place). At this meeting, a
250 proposed ad valorem tax effort increase will be considered.

251 "Ad valorem" means "according to value." Ad valorem taxes are
252 levied on the following kinds of property according to Section 112
253 of the Mississippi Constitution of 1890:

254 1. Single family, owner-occupied, residential real
255 property (this property is assessed at ten percent (10%)
256 of true value).

257 2. All other real property (this property is
258 assessed at fifteen percent (15%) of true value).

259 3. Personal property, except motor vehicles (this
260 property is assessed at fifteen percent (15%) of true
261 value).

262 4. Public utility property owned or used by public
263 service corporations, except railroad and airline
264 property and motor vehicles (this property is assessed
265 at thirty percent (30%) of true value).

266 5. Motor vehicles (this property is assessed at
267 thirty percent (30%) of true value).

268 The (name of the school district) is now operating with
269 projected total budget revenue of \$_____ (_____ percent) or
270 \$_____, of such revenue is obtained through ad valorem taxes.
271 For next fiscal year, the proposed budget has total projected
272 revenue of \$_____. Of that amount, (_____ percent) or
273 \$_____, is proposed to be financed through a total ad valorem
274 tax levy.

275 For the next fiscal year, the (name of the school district)
276 plans to increase your ad valorem tax millage rate by _____ mills
277 from _____ mills to _____ mills. (This portion of the notice
278 shall not be required if the school district does not propose an
279 increase in the ad valorem tax millage rate.)

280 This increase in ad valorem tax revenue means that you will
281 pay more in ad valorem taxes. Here is an estimate of a projected
282 increase in ad valorem taxes on the following kinds of property
283 based upon figures provided by (insert name of the appropriate tax
284 assessor's office):

285 1. The owner of a Fifty Thousand Dollar (\$50,000.00)
286 home will pay \$_____ per year more in ad valorem taxes.

287 2. The owner of a Fifty Thousand Dollar
288 (\$50,000.00) parcel of rental real property will pay
289 \$_____ per year more in ad valorem taxes.

290 3. A business owner of Twenty Thousand Dollars
291 (\$20,000.00) in fixtures and equipment will pay \$_____
292 per year more in ad valorem taxes.

293 4. A public service utility corporation will pay
294 \$_____ per year more in ad valorem taxes on property

295 valued at One Million Dollars (\$1,000,000.00). This
296 increase is passed on to the consumer through the
297 corporation's rate structure.

298 5. The owner of a Ten Thousand Dollar (\$10,000.00)
299 automobile will pay \$ _____ per year more in ad valorem
300 taxes as part of the cost for a license tag.

301 Any citizen of (name of the school district) is invited to
302 attend this public hearing on the proposed ad valorem tax
303 increase, and will be allowed to speak for a reasonable amount of
304 time and offer tangible evidence before any vote is taken."

305 (3) The school board of the school district, after the
306 hearing has been held in accordance with the above procedures, may
307 adopt an order requesting the levying of an ad valorem tax effort
308 in dollars in excess of the certified tax rate.

309 (4) All hearings shall be open to the public. The school
310 board of the school district shall permit all interested parties
311 desiring to be heard an opportunity to present oral testimony
312 within reasonable time limits and offer tangible evidence.

313 (5) Each school board of a school district shall notify the
314 taxing entity of the date, time and place of its public hearing.
315 No school board of a school district may schedule its hearing at
316 the same time as another overlapping school district in the same
317 county.

318 SECTION 4. This act shall take effect and be in force from
319 and after July 1, 1999.