

By: Representative Young

To: Ways and Means

HOUSE BILL NO. 1013

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 PROVIDE THAT AN ADDITIONAL 2% OF THE STATE'S
6 TOTAL SALES TAX REVENUE COLLECTIONS ON BUSINESS ACTIVITIES WITHIN
7 A COUNTY SHALL BE ALLOCATED FOR DISTRIBUTION TO THE COUNTY; TO
8 PROVIDE THAT ONE-HALF OF THE ADDITIONAL 2% EACH ALLOCATED FOR
9 DISTRIBUTION TO A MUNICIPALITY AND COUNTY SHALL BE USED TO REDUCE
10 THE AD VALOREM TAXES LEVIED BY THE MUNICIPALITY AND COUNTY; TO
11 AMEND SECTIONS 27-65-53, 21-33-45, 27-39-303, 27-39-307 AND
12 27-39-317, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND
13 FOR RELATED PURPOSES.

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

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

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

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

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

33 27-65-15, 27-65-19(3), 27-65-21, and that collected under the
34 provisions of Section 27-65-17(2) and the corresponding levy in
35 Section 27-65-23 on the rental or lease of private carriers of
36 passengers and light carriers of property as defined in Section
37 27-51-101, on business activities within a municipal corporation
38 shall be allocated for distribution to such municipality and paid
39 to such municipal corporation. On or before August 15, 1999, and
40 each succeeding month thereafter, twenty and one-half percent
41 (20-1/2%) of the total sales tax revenue collected during the
42 preceding month under the provisions of this chapter, except that
43 collected under the provisions of Sections 27-65-15, 27-65-19(3),
44 27-65-21, and that collected under the provisions of Section
45 27-65-17(2) and the corresponding levy in Section 27-65-23 on the
46 rental or lease of private carriers of passengers and light
47 carriers of property as defined in Section 27-51-101, on business
48 activities within a municipal corporation shall be allocated for
49 distribution to such municipality and paid to such municipal
50 corporation. At least one-half (1/2) of the revenue derived from
51 two percent (2%) of the sales tax revenue distributed under this
52 paragraph (a) shall be used to reduce the amount of ad valorem
53 taxes levied by such municipality.

54 (b) On or before August 15, 1999, and each succeeding
55 month thereafter, an additional two percent (2%) of the total
56 sales tax revenue collected during the preceding month under the
57 provisions of this chapter, except that collected under the
58 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21, and that
59 collected under the provisions of Section 27-65-17(2) and the
60 corresponding levy in Section 27-65-23 on the rental or lease of
61 private carriers of passengers and light carriers of property as
62 defined in Section 27-51-101, on business activities within all of
63 the municipal corporations located within a county shall be
64 allocated for distribution to such county and paid to such county.
65 At least one-half (1/2) of the revenue derived from the sales tax
66 revenue distributed under this paragraph (b) shall be used to
67 reduce the amount of ad valorem taxes levied by such county.

68 (c) A municipal corporation, for the purpose of
69 distributing the tax under this subsection, shall mean and include
70 all incorporated cities, towns and villages.

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

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

84 (2) On or before September 15, 1987, and each succeeding
85 month thereafter, from the revenue collected under this chapter
86 during the preceding month One Million One Hundred Twenty-five
87 Thousand Dollars (\$1,125,000.00) shall be allocated for
88 distribution to municipal corporations as defined under subsection
89 (1) of this section in the proportion that the number of gallons
90 of gasoline and diesel fuel sold by distributors to consumers and
91 retailers in each such municipality during the preceding fiscal
92 year bears to the total gallons of gasoline and diesel fuel sold
93 by distributors to consumers and retailers in municipalities
94 statewide during the preceding fiscal year. The State Tax
95 Commission shall require all distributors of gasoline and diesel
96 fuel to report to the commission monthly the total number of
97 gallons of gasoline and diesel fuel sold by them to consumers and
98 retailers in each municipality during the preceding month. The
99 State Tax Commission shall have the authority to promulgate such
100 rules and regulations as is necessary to determine the number of
101 gallons of gasoline and diesel fuel sold by distributors to
102 consumers and retailers in each municipality. In determining the
103 percentage allocation of funds under this subsection for the
104 fiscal year beginning July 1, 1987, and ending June 30, 1988, the

105 State Tax Commission may consider gallons of gasoline and diesel
106 fuel sold for a period of less than one (1) fiscal year. For the
107 purposes of this subsection, the term "fiscal year" means the
108 fiscal year beginning July 1 of a year.

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

120 (4) On or before August 15, 1994, and on or before the
121 fifteenth day of each succeeding month, from the proceeds of
122 gasoline, diesel fuel or kerosene taxes as provided in Section
123 27-5-101(a)(ii)1, Four Million Dollars (\$4,000,000.00) shall be
124 deposited in the State Treasury to the credit of a special fund
125 designated as the "State Aid Road Fund," created by Section
126 65-9-17. Such funds shall be pledged to pay the principal of and
127 interest on state aid road bonds heretofore issued under Sections
128 19-9-51 through 19-9-77, in lieu of and in substitution for the
129 funds heretofore allocated to counties under this section. Such
130 funds may not be pledged for the payment of any state aid road
131 bonds issued after April 1, 1981; however, this prohibition
132 against the pledging of any such funds for the payment of bonds
133 shall not apply to any bonds for which intent to issue such bonds
134 has been published, for the first time, as provided by law prior
135 to March 29, 1981. From the amount of taxes paid into the special
136 fund pursuant to this subsection and subsection (9) of this
137 section, there shall be first deducted and paid the amount
138 necessary to pay the expenses of the Office of State Aid Road

139 Construction, as authorized by the Legislature for all other
140 general and special fund agencies. The remainder of the fund
141 shall be allocated monthly to the several counties in accordance
142 with the following formula:

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

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

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

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

156 The amount of funds allocated to any county under this
157 subsection for any fiscal year after fiscal year 1994 shall not be
158 less than the amount allocated to such county for fiscal year
159 1994. Monies allocated to a county from the State Aid Road Fund
160 for fiscal year 1995 or any fiscal year thereafter that exceed the
161 amount of funds allocated to that county from the State Aid Road
162 Fund for fiscal year 1994, first must be expended by the county
163 for replacement or rehabilitation of bridges on the state aid road
164 system that have a sufficiency rating of less than twenty-five
165 (25), according to National Bridge Inspection standards before
166 such monies may be approved for expenditure by the State Aid Road
167 Engineer on other projects that qualify for the use of state aid
168 road funds.

169 Any reference in the general laws of this state or the
170 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
171 construed to refer and apply to subsection (4) of Section
172 27-65-75.

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

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

184 (7) On or before August 15, 1992, and each succeeding month
185 thereafter, two and two hundred sixty-six one-thousandths percent
186 (2.266%) of the total sales tax revenue collected during the
187 preceding month under the provisions of this chapter, except that
188 collected under the provisions of Section 27-65-17(2) shall be
189 deposited by the commission into the School Ad Valorem Tax
190 Reduction Fund created pursuant to Section 37-61-35.

191 (8) On or before August 15, 1992, and each succeeding month
192 thereafter, nine and seventy-three one-thousandths percent
193 (9.073%) of the total sales tax revenue collected during the
194 preceding month under the provisions of this chapter, except that
195 collected under the provisions of Section 27-65-17(2) shall be
196 deposited into the Education Enhancement Fund created pursuant to
197 Section 37-61-33.

198 (9) On or before August 15, 1994, and each succeeding month
199 thereafter, from the revenue collected under this chapter during
200 the preceding month, Two Hundred Fifty Thousand Dollars
201 (\$250,000.00) shall be paid into the State Aid Road Fund.

202 (10) On or before August 15, 1994, and each succeeding month
203 thereafter through August 15, 1995, from the revenue collected
204 under this chapter during the preceding month, Two Million Dollars
205 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
206 Valorem Tax Reduction Fund established in Section 27-51-105.

207 (11) Notwithstanding any other provision of this section to
208 the contrary, on or before February 15, 1995, and each succeeding
209 month thereafter, the sales tax revenue collected during the
210 preceding month under the provisions of Section 27-65-17(2) and
211 the corresponding levy in Section 27-65-23 on the rental or lease
212 of private carriers of passengers and light carriers of property
213 as defined in Section 27-51-101 shall be deposited, without
214 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
215 established in Section 27-51-105.

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

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

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

240 (15) The remainder of the amounts collected under the

241 provisions of this chapter shall be paid into the State Treasury
242 to the credit of the General Fund.

243 (16) It shall be the duty of the municipal officials of any
244 municipality which expands its limits, or of any community which
245 incorporates as a municipality, to notify the commissioner of such
246 action thirty (30) days before the effective date. Failure to so
247 notify the commissioner shall cause such municipality to forfeit
248 the revenue which it would have been entitled to receive during
249 this period of time when the commissioner had no knowledge of the
250 action. If any funds have been erroneously disbursed to any
251 municipality or county or any overpayment of tax is recovered by
252 the taxpayer, the commissioner may make correction and adjust the
253 error or overpayment with such municipality or county by
254 withholding the necessary funds from any subsequent payment to be
255 made to the municipality or county.

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

257 27-65-75. On or before the fifteenth day of each month, the
258 revenue collected under the provisions of this chapter during the
259 preceding month shall be paid and distributed as follows:

260 (1) (a) On or before August 15, 1992, and each succeeding
261 month thereafter through July 15, 1993, eighteen percent (18%) of
262 the total sales tax revenue collected during the preceding month
263 under the provisions of this chapter, except that collected under
264 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
265 business activities within a municipal corporation shall be
266 allocated for distribution to such municipality and paid to such
267 municipal corporation. On or before August 15, 1993, and each
268 succeeding month thereafter through July 15, 1999, eighteen and
269 one-half percent (18-1/2%) of the total sales tax revenue
270 collected during the preceding month under the provisions of this
271 chapter, except that collected under the provisions of Sections
272 27-65-15, 27-65-17(2), 27-65-19(3) and 27-65-21, on business
273 activities within a municipal corporation shall be allocated for
274 distribution to such municipality and paid to such municipal

275 corporation. On or before August 15, 1999, and each succeeding
276 month thereafter, twenty and one-half percent (20-1/2%) of the
277 total sales tax revenue collected during the preceding month under
278 the provisions of this chapter, except that collected under the
279 provisions of Sections 27-65-15, 27-65-17(2), 27-65-19(3) and
280 27-65-21, on business activities within a municipal corporation
281 shall be allocated for distribution to such municipality and paid
282 to such municipal corporation. At least one-half (1/2) of the
283 revenue derived from two percent (2%) of the sales tax revenue
284 distributed under this paragraph (a) shall be used to reduce the
285 amount of ad valorem taxes levied by such municipality.

286 (b) On or before August 15, 1999, and each succeeding
287 month thereafter, an additional two percent (2%) of the total
288 sales tax revenue collected during the preceding month under the
289 provisions of this chapter, except that collected under the
290 provisions of Sections 27-65-15, 27-65-17(2), 27-65-19(3) and
291 27-65-21, on business activities within all of the municipal
292 corporations located within a county shall be allocated for
293 distribution to such county and paid to such county. At least
294 one-half (1/2) of the revenue derived from the sales tax revenue
295 distributed under this paragraph (b) shall be used to reduce the
296 amount of ad valorem taxes levied by such county.

297 (c) A municipal corporation, for the purpose of
298 distributing the tax under this subsection, shall mean and include
299 all incorporated cities, towns and villages.

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

306 In any county having a county seat which is not an
307 incorporated municipality, the distribution provided hereunder
308 shall be made as though the county seat was an incorporated

309 municipality; however, the distribution to such municipality shall
310 be paid to the county treasury wherein the municipality is located
311 and such funds shall be used for road, bridge and street
312 construction or maintenance therein.

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

338 (3) On or before September 15, 1987, and on or before the
339 fifteenth day of each succeeding month, until the date specified
340 in Section 65-39-35, the proceeds derived from contractors' taxes
341 levied under Section 27-65-21 on contracts for the construction or
342 reconstruction of highways designated under the Four-Lane Highway

343 Program created under Section 65-3-97 shall be deposited into the
344 State Treasury to the credit of the State Highway Fund to be used
345 to fund such Four-Lane Highway Program. The Mississippi
346 Department of Transportation shall provide to the State Tax
347 Commission such information as is necessary to determine the
348 amount of proceeds to be distributed under this subsection.

349 (4) On or before August 15, 1994, and on or before the
350 fifteenth day of each succeeding month, from the proceeds of
351 gasoline, diesel fuel or kerosene taxes as provided in Section
352 27-5-101(a)(ii)1, Four Million Dollars (\$4,000,000.00) shall be
353 deposited in the State Treasury to the credit of a special fund
354 designated as the "State Aid Road Fund," created by Section
355 65-9-17. Such funds shall be pledged to pay the principal of and
356 interest on state aid road bonds heretofore issued under Sections
357 19-9-51 through 19-9-77, in lieu of and in substitution for the
358 funds heretofore allocated to counties under this section. Such
359 funds may not be pledged for the payment of any state aid road
360 bonds issued after April 1, 1981; however, this prohibition
361 against the pledging of any such funds for the payment of bonds
362 shall not apply to any bonds for which intent to issue such bonds
363 has been published, for the first time, as provided by law prior
364 to March 29, 1981. From the amount of taxes paid into the special
365 fund pursuant to this subsection and subsection (9) of this
366 section, there shall be first deducted and paid the amount
367 necessary to pay the expenses of the Office of State Aid Road
368 Construction, as authorized by the Legislature for all other
369 general and special fund agencies. The remainder of the fund
370 shall be allocated monthly to the several counties in accordance
371 with the following formula:

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

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

377 counties of the state; and

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

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

385 The amount of funds allocated to any county under this
386 subsection for any fiscal year after fiscal year 1994 shall not be
387 less than the amount allocated to such county for fiscal year
388 1994. Monies allocated to a county from the State Aid Road Fund
389 for fiscal year 1995 or any fiscal year thereafter that exceed the
390 amount of funds allocated to that county from the State Aid Road
391 Fund for fiscal year 1994, first must be expended by the county
392 for replacement or rehabilitation of bridges on the state aid road
393 system that have a sufficiency rating of less than twenty-five
394 (25), according to National Bridge Inspection standards before
395 such monies may be approved for expenditure by the State Aid Road
396 Engineer on other projects that qualify for the use of state aid
397 road funds.

398 Any reference in the general laws of this state or the
399 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
400 construed to refer and apply to subsection (4) of Section
401 27-65-75.

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

408 (6) An amount each month beginning August 15, 1983, through
409 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
410 of 1983, shall be paid into the special fund known as the

411 Correctional Facilities Construction Fund created in Section 6 of
412 Chapter 542, Laws of 1983.

413 (7) On or before August 15, 1992, and each succeeding month
414 thereafter, two and two hundred sixty-six one-thousandths percent
415 (2.266%) of the total sales tax revenue collected during the
416 preceding month under the provisions of this chapter, except that
417 collected under the provisions of Section 27-65-17(2), not to
418 exceed the fiscal year 1997 appropriated level shall be deposited
419 by the commission into the School Ad Valorem Tax Reduction Fund
420 created pursuant to Section 37-61-35, with the balance to be
421 transferred to the Education Enhancement Fund created under
422 Section 37-61-33 for appropriation by the Legislature as other
423 education needs and not subject to the percentage set asides set
424 forth in Section 37-61-33.

425 (8) On or before August 15, 1992, and each succeeding month
426 thereafter, nine and seventy-three one-thousandths percent
427 (9.073%) of the total sales tax revenue collected during the
428 preceding month under the provisions of this chapter, except that
429 collected under the provisions of Section 27-65-17(2) shall be
430 deposited into the Education Enhancement Fund created pursuant to
431 Section 37-61-33.

432 (9) On or before August 15, 1994, and each succeeding month
433 thereafter, from the revenue collected under this chapter during
434 the preceding month, Two Hundred Fifty Thousand Dollars
435 (\$250,000.00) shall be paid into the State Aid Road Fund.

436 (10) On or before August 15, 1994, and each succeeding month
437 thereafter through August 15, 1995, from the revenue collected
438 under this chapter during the preceding month, Two Million Dollars
439 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
440 Valorem Tax Reduction Fund established in Section 27-51-105.

441 (11) Notwithstanding any other provision of this section to
442 the contrary, on or before February 15, 1995, and each succeeding
443 month thereafter, the sales tax revenue collected during the
444 preceding month under the provisions of Section 27-65-17(2) shall

445 be deposited, without diversion, into the Motor Vehicle Ad Valorem
446 Tax Reduction Fund established in Section 27-51-105.

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

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

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

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

473 (16) It shall be the duty of the municipal officials of any
474 municipality which expands its limits, or of any community which
475 incorporates as a municipality, to notify the commissioner of such
476 action thirty (30) days before the effective date. Failure to so
477 notify the commissioner shall cause such municipality to forfeit
478 the revenue which it would have been entitled to receive during

479 this period of time when the commissioner had no knowledge of the
480 action. If any funds have been erroneously disbursed to any
481 municipality or county or any overpayment of tax is recovered by
482 the taxpayer, the commissioner may make correction and adjust the
483 error or overpayment with such municipality or county by
484 withholding the necessary funds from any subsequent payment to be
485 made to the municipality or county.

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

488 27-65-53. If the commissioner finds that the taxpayer has
489 overpaid his tax for any reason and the taxpayer has discontinued
490 business and there is no subsequent liability upon which the
491 excess may be credited, or if the amount of the excess so paid
492 shall exceed the estimated liability for the next twelve (12)
493 months, the excess shall be refunded to the taxpayer. Such amount
494 shall be certified to the State Auditor of Public Accounts by the
495 commission. The * * * auditor may make such investigation and
496 audit of the claim as he finds necessary. If he finds that the
497 commissioner is correct in his determination, the auditor may
498 issue his warrant to the State Treasurer in favor of the taxpayer
499 for the amount of tax erroneously paid into the State Treasury,
500 such refunds to be made from current sales tax collections. If
501 part of the overpayment has been disbursed to any municipality or
502 county, under authority of Section 27-65-75, the municipality or
503 county, having erroneously received the money, shall adjust the
504 amount with the commissioner, or the overpayment may be withheld
505 by the state from any funds due by the state to the municipality
506 or county.

507 * * * Where the taxpayer has overpaid his tax, the
508 commissioner may give credit for same and allow the taxpayer to
509 take credit on a subsequent return or, if necessary, in his
510 discretion, have the taxpayer file for a refund as provided
511 herein.

512 If any overpayment of tax as reflected in an application or

513 amended return, or both, filed by the taxpayer, and verified by
514 the commissioner or otherwise determined to be due by the
515 commissioner or commission, is not refunded or credited to a
516 taxpayer's account within ninety (90) days after the application
517 or amended return is filed or the date the commission or
518 commissioner determines a refund is due, whichever is later,
519 interest at the rate of one percent (1%) per month shall be
520 allowed on such overpayment computed for the period after
521 expiration of the ninety-day period provided herein to the date of
522 payment.

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

525 21-33-45. Subject to the provisions of the last paragraph of
526 this section, the governing authorities of each municipality of
527 this state shall, either at their regular meeting in September of
528 each year or not later than ten (10) days after the final approval
529 of the assessment rolls, levy the municipal ad valorem taxes for
530 the fiscal year next succeeding, and shall, by resolution, fix the
531 tax rate or levy for the municipality and for any other taxing
532 districts of which the municipality may be a part. The rates or
533 levies for the municipality or for any such taxing district shall
534 be expressed in mills or a decimal fraction of a mill, which tax
535 rates, or levies, shall determine the ad valorem taxes to be
536 collected upon each dollar of valuation upon the assessment rolls
537 of the municipality for municipal taxes, and to be collected upon
538 each dollar of valuation as shown upon the assessment rolls of the
539 municipality for each such taxing district, except as to such
540 values as may be exempt, in whole or in part, from certain tax
541 rates or levies. If the rates or levies for the municipality or
542 taxing district are an increase from the previous fiscal year,
543 then the proposed rate or levy increase shall be advertised in
544 accordance with Sections 27-39-203 and 7-39-205.

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

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

549 (b) For school purposes, including all maintenance
550 levies, whether made against the property within such
551 municipality, or within any taxing district embraced in such
552 municipality, as authorized by Section 27-39-307 and Section
553 37-57-3 et seq.

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

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

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

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

563 (g) For any other purpose for which a levy is lawfully
564 made. If any municipal-wide levy is made for any general or
565 special purpose under the provisions of any law other than Section
566 27-39-307 each such levy shall be separately stated in the
567 resolution, and the law authorizing same shall be expressly stated
568 therein.

569 If the governing authorities of any municipality shall not
570 levy the municipal taxes and the district taxes at its regular
571 September meeting, such governing authorities shall levy the same
572 at an adjourned or special meeting not later than ten (10) days
573 after the final approval of the assessment rolls. However, * * *
574 if such levy be not made on or before September 15 then road and
575 bridge privilege tax license plates may be issued by the tax
576 collector or State Tax Commission, as the case may be, for motor
577 vehicles as defined in the Motor Vehicle Ad Valorem Tax Law of
578 1958 (Section 27-51-1 et seq.), without collecting or requiring
579 proof of payment of municipal ad valorem taxes until such levy is
580 duly certified to him, and for twenty-four (24) hours thereafter.

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

592 From and after August 15, 1999, the governing authorities of
593 each municipality shall utilize one-half (1/2) of the revenue
594 derived from two percent (2%) of the sales tax revenue distributed
595 to it under Section 27-65-75(1)(a) to reduce the ad valorem taxes
596 levied by the municipality.

597 SECTION 4. Section 27-39-303, Mississippi Code of 1972, is
598 amended as follows:

599 27-39-303. Subject to the provisions of this section, the
600 board of supervisors of any county is hereby empowered to levy ad
601 valorem taxes on taxable property in the respective counties in
602 any one (1) year, as shown by the assessment roll containing
603 assessments of property made as of January 1 of the year, and the
604 assessment of motor vehicles as made according to the provisions
605 of the Motor Vehicle Ad Valorem Tax Law of 1958 (Section 27-51-1
606 et seq.) for all general county purposes, exclusive only of levies
607 for roads and bridges and schools at the rate necessary to fund
608 such purposes. From and after August 15, 1999, the board of
609 supervisors of each county shall utilize one-half (1/2) of the
610 sales tax revenue distributed to it under Section 27-65-75(1)(b)
611 to reduce the ad valorem taxes levied by the county.

612 The board of supervisors of any county is further empowered
613 to expend the proceeds of this levy for any purpose authorized for
614 any other levy which the board of supervisors is authorized to

615 make, excluding the levy for roads and bridges, and the board may
616 authorize general fund expenditures for school purposes when
617 necessary to meet the minimum local ad valorem tax effort required
618 by Section 37-57-1.

619 The board of supervisors of any county is further empowered
620 to distribute from the county general fund a portion of the
621 county's share of payments made by the Tennessee Valley Authority
622 to the state in lieu of taxes (a) to the school districts of said
623 county and (b) for construction on the roads and bridges of said
624 county in an amount which bears the same proportion to the total
625 amount of the county's share as the millage for the school fund
626 and road and bridge fund bears to the total millage levied by the
627 county. In the event said in lieu payments are expended for
628 capital improvements, said payments shall not be subject to the
629 increase limitations specified in Section 27-39-321 or 37-57-107.

630 SECTION 5. Section 27-39-307, Mississippi Code of 1972, is
631 amended as follows:

632 27-39-307. Subject to the provisions of this section,
633 municipalities may levy ad valorem taxes upon all taxable property
634 within such municipality for general revenue purposes and for
635 general improvements. Further, the governing authorities of any
636 municipality may make additional levies for special purposes as
637 authorized by law. Any such levy which is an increase from the
638 previous fiscal year must be advertised in accordance with
639 Sections 27-39-203 and 27-39-205. In addition to funding
640 municipal general purposes, the municipal general ad valorem tax
641 levy may be used to supplement any municipal ad valorem tax levy
642 for a special purpose authorized by law, excluding levies for
643 schools, without regard to any statutory millage limitation on
644 such special purpose tax levy; however, nothing herein contained
645 shall be construed to exempt such tax levies from the limitation
646 on total receipts under Section 27-39-321.

647 From and after August 15, 1999, the governing authorities of
648 each municipality shall utilize one-half (1/2) of the revenue

649 derived from two percent (2%) of the sales tax revenue distributed
650 to it under Section 27-65-75(1)(a) to reduce the ad valorem taxes
651 levied by the municipality.

652 SECTION 6. Section 27-39-317, Mississippi Code of 1972, is
653 amended as follows:

654 27-39-317. Subject to the provisions of the last paragraph
655 of this section, the board of supervisors of each county shall, at
656 its regular meeting in September of each year, levy the county ad
657 valorem taxes for the fiscal year, and shall, by order, fix the
658 tax rate, or levy, for the county, for the road districts, if any,
659 and for the school districts, if any, and for any other taxing
660 districts; and the rates, or levies, for the county and for any
661 district shall be expressed in mills or a decimal fraction of a
662 mill. Said tax rates, or levies, shall determine the ad valorem
663 taxes to be collected upon each dollar of valuation, upon the
664 assessment rolls of the county, including the assessment of motor
665 vehicles as provided by the Motor Vehicle Ad Valorem Tax Law of
666 1958, Section 27-51-1 et seq., for county taxes; and upon each
667 dollar of valuation for the respective districts, as shown upon
668 the assessment rolls of the county, including the assessment of
669 motor vehicles as provided by the Motor Vehicle Ad Valorem Tax Law
670 of 1958, Section 27-51-1 et seq.; except as to such values as
671 shall be exempt, in whole or in part, from certain tax rates or
672 levies. If the rate or levy for the county is an increase from
673 the previous fiscal year, then the proposed rate or levy shall be
674 advertised in accordance with Sections 27-39-203 and 27-39-205.
675 If the board of supervisors of any county shall not levy the
676 county taxes and the district taxes at its regular September
677 meeting, the board shall levy the same on or before September 15
678 at an adjourned or special meeting, or thereafter, provided,
679 however, that if such levy be not made on or before the fifteenth
680 day of September then the tax collector or State Tax Commission
681 may issue road and bridge privilege tax license plates for motor
682 vehicles as defined in the Motor Vehicle Ad Valorem Tax Law of

683 1958, Section 27-51-1 et seq., without collecting or requiring
684 proof of payment of county ad valorem taxes, and may continue to
685 so issue such plates until such levy is duly certified to him, and
686 for twenty-four (24) hours thereafter.

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

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

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

698 (b) For roads and bridges, as authorized by Section
699 27-39-305.

700 (c) For schools, including the countywide minimum
701 education program levy and the levy for each school district
702 including special municipal separate school districts, but not
703 including other municipal separate school districts, and for an
704 agricultural high school, county high school or junior college
705 (current expense and maintenance taxes), as authorized by Chapter
706 57, Title 37, Mississippi Code of 1972, and any other applicable
707 statute. The levy for schools shall apply to the assessed value
708 of property in the respective school districts, including special
709 municipal separate school districts, but not including other
710 municipal separate school districts, and a distinct and separate
711 levy shall be made for each school district, and the purpose for
712 each levy shall be stated.

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

715 (e) For school bonds and the interest thereon,
716 separately for countywide bonds and for the bonds of each school

717 district.

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

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

722 (h) For any other purpose for which a levy is lawfully
723 made.

724 The order shall state all of the purposes for which the
725 general county levy is made, using the administrative items
726 suggested by the State Department of Audit of Mississippi under
727 the county budget law in its uniform system of accounts for
728 counties, but the rate or levy for any item or purpose need not be
729 shown; and if a countywide levy is made for any general or special
730 purpose under the provisions of any law other than Section
731 27-39-303, each such levy shall be separately stated.

732 During the month of February of each year, if the order or
733 resolution of the board of trustees of any school district of said
734 county or partly in said county, is filed with it requesting the
735 levying of ad valorem taxes for the support and maintenance of
736 such school district for the following fiscal year, then the board
737 of supervisors of every such county in the state shall notify, in
738 writing, within thirty (30) days, the county superintendent of
739 education of such county, the levy or levies it intends to make
740 for the support and maintenance of such school districts of such
741 county at its regular meeting in September following, and the
742 county superintendent of education and the trustees of all such
743 school districts shall be authorized to use such expressed
744 intention of the board of supervisors in computing the support and
745 maintenance budget or budgets of such school district or districts
746 for the ensuing fiscal school year.

747 From and after August 15, 1999, the board of supervisors of
748 any county shall utilize one-half (1/2) of the sales tax revenue
749 distributed to it under Section 27-65-75(1)(b) to reduce the ad
750 valorem taxes levied by the county.

751 SECTION 7. This act shall take effect and be in force from
752 and after July 1, 1999.