

By: Young

To: Ways and Means

HOUSE BILL NO. 29

1 AN ACT TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972,
 2 TO INCREASE FROM 18.5% TO 20.5% THE DIVERSION OF STATE SALES TAX
 3 REVENUE ALLOCATED FOR DISTRIBUTION TO ALL MUNICIPALITIES; TO AMEND
 4 SECTIONS 21-33-45, 27-39-307, 27-39-320 and 27-39-321, MISSISSIPPI
 5 CODE OF 1972, TO CAP THE AD VALOREM MILLAGE RATE THAT MAY BE
 6 LEVIED FOR GENERAL PURPOSES BY MUNICIPALITIES AT THE RATE IN
 7 EFFECT FOR THE MUNICIPAL 2000 FISCAL YEAR; TO AMEND SECTIONS
 8 27-39-203 AND 27-39-205, MISSISSIPPI CODE OF 1972, IN CONFORMITY
 9 THERETO; AND FOR RELATED PURPOSES.

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

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

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

14 27-65-75. On or before the fifteenth day of each month, the
 15 revenue collected under the provisions of this chapter during the
 16 preceding month shall be paid and distributed as follows:

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

25 succeeding month thereafter through July 15, 2000, eighteen and
26 one-half percent (18-1/2%) of the total sales tax revenue
27 collected during the preceding month under the provisions of this
28 chapter, except that collected under the provisions of Sections
29 27-65-15, 27-65-19(3) and 27-65-21, on business activities within
30 a municipal corporation shall be allocated for distribution to
31 such municipality and paid to such municipal corporation. On or
32 before August 15, 2000, and each succeeding month thereafter,
33 twenty and one-half percent (20&%) of the total sales tax revenue
34 collected during the preceding month under the provisions of this
35 chapter, except that collected under the provisions of Sections
36 27-65-15, 27-65-19(3), 27-65-21, and that collected under the
37 provisions of Section 27-65-17(2) and the corresponding levy in
38 Section 27-65-23 on the rental or lease of private carriers of
39 passengers and light carriers of property as defined in Section
40 27-51-101, on business activities within a municipal corporation
41 shall be allocated for distribution to such municipality and paid
42 to such municipal corporation.

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

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

52 In any county having a county seat which is not an
53 incorporated municipality, the distribution provided hereunder
54 shall be made as though the county seat was an incorporated
55 municipality; however, the distribution to such municipality shall

56 be paid to the county treasury wherein the municipality is located
57 and such funds shall be used for road, bridge and street
58 construction or maintenance therein.

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

84 (3) On or before September 15, 1987, and on or before the
85 fifteenth day of each succeeding month, until the date specified
86 in Section 65-39-35, the proceeds derived from contractors' taxes
87 levied under Section 27-65-21 on contracts for the construction or
88 reconstruction of highways designated under the Four-Lane Highway
89 Program created under Section 65-3-97 shall, except as otherwise
90 provided in Section 31-17-127, be deposited into the State
91 Treasury to the credit of the State Highway Fund to be used to
92 fund such Four-Lane Highway Program. The Mississippi Department
93 of Transportation shall provide to the State Tax Commission such
94 information as is necessary to determine the amount of proceeds to
95 be distributed under this subsection.

96 (4) On or before August 15, 1994, and on or before the
97 fifteenth day of each succeeding month through July 15, 1999, from
98 the proceeds of gasoline, diesel fuel or kerosene taxes as
99 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
100 (\$4,000,000.00) shall be deposited in the State Treasury to the
101 credit of a special fund designated as the "State Aid Road Fund,"
102 created by Section 65-9-17. On or before August 15, 1999, and on
103 or before the fifteenth day of each succeeding month, from the
104 total amount of the proceeds of gasoline, diesel fuel or kerosene
105 taxes apportioned by Section 27-5-101(a)(ii), Four Million Dollars
106 (\$4,000,000.00) or an amount equal to twenty-three and one-fourth
107 percent (23.25%) of such funds, whichever is the greater amount,
108 shall be deposited in the State Treasury to the credit of the
109 "State Aid Road Fund," created by Section 65-9-17. Such funds
110 shall be pledged to pay the principal of and interest on state aid
111 road bonds heretofore issued under Sections 19-9-51 through

112 19-9-77, in lieu of and in substitution for the funds heretofore
113 allocated to counties under this section. Such funds may not be
114 pledged for the payment of any state aid road bonds issued after
115 April 1, 1981; however, this prohibition against the pledging of
116 any such funds for the payment of bonds shall not apply to any
117 bonds for which intent to issue such bonds has been published, for
118 the first time, as provided by law prior to March 29, 1981. From
119 the amount of taxes paid into the special fund pursuant to this
120 subsection and subsection (9) of this section, there shall be
121 first deducted and paid the amount necessary to pay the expenses
122 of the Office of State Aid Road Construction, as authorized by the
123 Legislature for all other general and special fund agencies. The
124 remainder of the fund shall be allocated monthly to the several
125 counties in accordance with the following formula:

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

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

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

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

139 The amount of funds allocated to any county under this

140 subsection for any fiscal year after fiscal year 1994 shall not be
141 less than the amount allocated to such county for fiscal year
142 1994. Monies allocated to a county from the State Aid Road Fund
143 for fiscal year 1995 or any fiscal year thereafter that exceed the
144 amount of funds year 1994, first must be expended by the county
145 for replacement or rehabilitation of bridges on the state aid road
146 system that have a sufficiency rating of less than twenty-five
147 (25), according to National Bridge Inspection standards before
148 such monies may be approved for expenditure by the State Aid Road
149 Engineer on other projects that qualify for the use of state aid
150 road funds.

151 Any reference in the general laws of this state or the
152 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
153 construed to refer and apply to subsection (4) of Section
154 27-65-75.

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

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

166 (7) On or before August 15, 1992, and each succeeding month
167 thereafter, two and two hundred sixty-six one-thousandths percent

168 (2.266%) of the total sales tax revenue collected during the
169 preceding month under the provisions of this chapter, except that
170 collected under the provisions of Section 27-65-17(2) shall be
171 deposited by the commission into the School Ad Valorem Tax
172 Reduction Fund created pursuant to Section 37-61-35.

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

180 (9) On or before August 15, 1994, and each succeeding month
181 thereafter, from the revenue collected under this chapter during
182 the preceding month, Two Hundred Fifty Thousand Dollars
183 (\$250,000.00) shall be paid into the State Aid Road Fund.

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

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

196 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
197 established in Section 27-51-105.

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

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

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

222 (15) The remainder of the amounts collected under the
223 provisions of this chapter shall be paid into the State Treasury

224 to the credit of the General Fund.

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

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

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

242 (1) On or before August 15, 1992, and each succeeding month
243 thereafter through July 15, 1993, eighteen percent (18%) of the
244 total sales tax revenue collected during the preceding month under
245 the provisions of this chapter, except that collected under the
246 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
247 business activities within a municipal corporation shall be
248 allocated for distribution to such municipality and paid to such
249 municipal corporation. On or before August 15, 1993, and each
250 succeeding month thereafter through July 15, 2000, eighteen and
251 one-half percent (18-1/2%) of the total sales tax revenue

252 collected during the preceding month under the provisions of this
253 chapter, except that collected under the provisions of Sections
254 27-65-15, 27-65-19(3) and 27-65-21, on business activities within
255 a municipal corporation shall be allocated for distribution to
256 such municipality and paid to such municipal corporation. On or
257 before August 15, 2000, and each succeeding month thereafter,
258 twenty and one-half percent (20%) of the total sales tax revenue
259 collected during the preceding month under the provisions of this
260 chapter, except that collected under the provisions of Sections
261 27-65-15, 27-65-17(2), 27-65-19(3), and 27-65-21, on business
262 activities within a municipal corporation shall be allocated for
263 distribution to such municipality and paid to such municipal
264 corporation.

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

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

274 In any county having a county seat which is not an
275 incorporated municipality, the distribution provided hereunder
276 shall be made as though the county seat was an incorporated
277 municipality; however, the distribution to such municipality shall
278 be paid to the county treasury wherein the municipality is located
279 and such funds shall be used for road, bridge and street

280 construction or maintenance therein.

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

306 (3) On or before September 15, 1987, and on or before the
307 fifteenth day of each succeeding month, until the date specified

308 in Section 65-39-35, the proceeds derived from contractors' taxes
309 levied under Section 27-65-21 on contracts for the construction or
310 reconstruction of highways designated under the Four-Lane Highway
311 Program created under Section 65-3-97 shall, except as otherwise
312 provided in Section 31-17-127, be deposited into the State
313 Treasury to the credit of the State Highway Fund to be used to
314 fund such Four-Lane Highway Program. The Mississippi Department
315 of Transportation shall provide to the State Tax Commission such
316 information as is necessary to determine the amount of proceeds to
317 be distributed under this subsection.

318 (4) On or before August 15, 1994, and on or before the
319 fifteenth day of each succeeding month through July 15, 1999, from
320 the proceeds of gasoline, diesel fuel or kerosene taxes as
321 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
322 (\$4,000,000.00) shall be deposited in the State Treasury to the
323 credit of a special fund designated as the "State Aid Road Fund,"
324 created by Section 65-9-17. On or before August 15, 1999, and on
325 or before the fifteenth day of each succeeding month, from the
326 total amount of the proceeds of gasoline, diesel fuel or kerosene
327 taxes apportioned by Section 27-5-101(a)(ii), Four Million Dollars
328 (\$4,000,000.00) or an amount equal to twenty-three and one-fourth
329 percent (23.25%) of such funds, whichever is the greater amount,
330 shall be deposited in the State Treasury to the credit of the
331 "State Aid Road Fund," created by Section 65-9-17. Such funds
332 shall be pledged to pay the principal of and interest on state aid
333 road bonds heretofore issued under Sections 19-9-51 through
334 19-9-77, in lieu of and in substitution for the funds heretofore
335 allocated to counties under this section. Such funds may not be

336 pledged for the payment of any state aid road bonds issued after
337 April 1, 1981; however, this prohibition against the pledging of
338 any such funds for the payment of bonds shall not apply to any
339 bonds for which intent to issue such bonds has been published, for
340 the first time, as provided by law prior to March 29, 1981. From
341 the amount of taxes paid into the special fund pursuant to this
342 subsection and subsection (9) of this section, there shall be
343 first deducted and paid the amount necessary to pay the expenses
344 of the Office of State Aid Road Construction, as authorized by the
345 Legislature for all other general and special fund agencies. The
346 remainder of the fund shall be allocated monthly to the several
347 counties in accordance with the following formula:

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

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

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

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

361 The amount of funds allocated to any county under this
362 subsection for any fiscal year after fiscal year 1994 shall not be
363 less than the amount allocated to such county for fiscal year

364 1994. Monies allocated to a county from the State Aid Road Fund
365 for fiscal year 1995 or any fiscal year thereafter that exceed the
366 amount of funds allocated to that county from the State Aid Road
367 Fund for fiscal year 1994, first must be expended by the county
368 for replacement or rehabilitation of bridges on the state aid road
369 system that have a sufficiency rating of less than twenty-five
370 (25), according to National Bridge Inspection standards before
371 such monies may be approved for expenditure by the State Aid Road
372 Engineer on other projects that qualify for the use of state aid
373 road funds.

374 Any reference in the general laws of this state or the
375 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
376 construed to refer and apply to subsection (4) of Section
377 27-65-75.

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

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

389 (7) On or before August 15, 1992, and each succeeding month
390 thereafter, two and two hundred sixty-six one-thousandths percent
391 (2.266%) of the total sales tax revenue collected during the

392 preceding month under the provisions of this chapter, except that
393 collected under the provisions of Section 27-65-17(2), not to
394 exceed the fiscal year 1997 appropriated level shall be deposited
395 by the commission into the School Ad Valorem Tax Reduction Fund
396 created pursuant to Section 37-61-35, with the balance to be
397 transferred to the Education Enhancement Fund created under
398 Section 37-61-33 for appropriation by the Legislature as other
399 education needs and not subject to the percentage set asides set
400 forth in Section 37-61-33.

401 (8) On or before August 15, 1992, and each succeeding month
402 thereafter, nine and seventy-three one-thousandths percent
403 (9.073%) of the total sales tax revenue collected during the
404 preceding month under the provisions of this chapter, except that
405 collected under the provisions of Section 27-65-17(2) shall be
406 deposited into the Education Enhancement Fund created pursuant to
407 Section 37-61-33.

408 (9) On or before August 15, 1994, and each succeeding month
409 thereafter, from the revenue collected under this chapter during
410 the preceding month, Two Hundred Fifty Thousand Dollars
411 (\$250,000.00) shall be paid into the State Aid Road Fund.

412 (10) On or before August 15, 1994, and each succeeding month
413 thereafter through August 15, 1995, from the revenue collected
414 under this chapter during the preceding month, Two Million Dollars
415 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
416 Valorem Tax Reduction Fund established in Section 27-51-105.

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

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

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

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

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

446 (15) The remainder of the amounts collected under the
447 provisions of this chapter shall be paid into the State Treasury

448 to the credit of the General Fund.

449 (16) It shall be the duty of the municipal officials of any
450 municipality which expands its limits, or of any community which
451 incorporates as a municipality, to notify the commissioner of such
452 action thirty (30) days before the effective date. Failure to so
453 notify the commissioner shall cause such municipality to forfeit
454 the revenue which it would have been entitled to receive during
455 this period of time when the commissioner had no knowledge of the
456 action. If any funds have been erroneously disbursed to any
457 municipality or any overpayment of tax is recovered by the
458 taxpayer, the commissioner may make correction and adjust the
459 error or overpayment with such municipality by withholding the
460 necessary funds from any subsequent payment to be made to the
461 municipality.

462 SECTION 2. Section 21-33-45, Mississippi Code of 1972, is
463 amended as follows:

464 21-33-45. Subject to the provisions of this section, the
465 governing authorities of each municipality of this state shall,
466 either at their regular meeting in September of each year or not
467 later than ten (10) days after the final approval of the
468 assessment rolls, levy the municipal ad valorem taxes for the
469 fiscal year next succeeding, and shall, by resolution, fix the tax
470 rate or levy for the municipality and for any other taxing
471 districts of which the municipality may be a part. The rates or
472 levies for the municipality or for any such taxing district shall
473 be expressed in mills or a decimal fraction of a mill, which tax
474 rates, or levies, shall determine the ad valorem taxes to be
475 collected upon each dollar of valuation upon the assessment rolls

476 of the municipality for municipal taxes, and to be collected upon
477 each dollar of valuation as shown upon the assessment rolls of the
478 municipality for each such taxing district, except as to such
479 values as may be exempt, in whole or in part, from certain tax
480 rates or levies. If the rates or levies for the municipality or
481 taxing district are an increase from the previous fiscal year,
482 then the proposed rate or levy increase shall be advertised in
483 accordance with Sections 27-39-203 and 27-39-205. From and after
484 July 1, 2000, the governing authorities of a municipality may not
485 levy ad valorem taxes on taxable property for general revenue
486 purposes in excess of the millage rate for general revenue
487 purposes in effect for the municipality's 2000 fiscal year.

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

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

492 (b) For school purposes, including all maintenance
493 levies, whether made against the property within such
494 municipality, or within any taxing district embraced in such
495 municipality, as authorized by Section 27-39-307 and Section
496 37-57-3 et seq.

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

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

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

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

506 (g) For any other purpose for which a levy is lawfully
507 made. If any municipal-wide levy is made for any general or
508 special purpose under the provisions of any law other than Section
509 27-39-307 each such levy shall be separately stated in the
510 resolution, and the law authorizing same shall be expressly stated
511 therein.

512 If the governing authorities of any municipality shall not
513 levy the municipal taxes and the district taxes at its regular
514 September meeting, such governing authorities shall levy the same
515 at an adjourned or special meeting not later than ten (10) days
516 after the final approval of the assessment rolls. * * * If such
517 levy be not made on or before September 15 then road and bridge
518 privilege tax license plates may be issued by the tax collector or
519 State Tax Commission, as the case may be, for motor vehicles as
520 defined in the Motor Vehicle Ad Valorem Tax Law of 1958 (Section
521 27-51-1 et seq.), without collecting or requiring proof of payment
522 of municipal ad valorem taxes until such levy is duly certified to
523 him, and for twenty-four (24) hours thereafter.

524 In the case of a municipality operating under a special or
525 private charter providing for or authorizing the assessment,
526 levying and collection of ad valorem taxes prior to October in
527 each year, ad valorem taxes for such municipality shall be levied
528 at the time prescribed or authorized by such special or private
529 charter, unless the governing authority of such municipality by
530 resolution adopted and spread of record in its minutes elect to
531 levy ad valorem taxes at the time prescribed hereinbefore in this

532 section. In any event, however, all ad valorem taxes levied by
533 any municipality in this state, shall be levied in the manner
534 required herein regardless of the time when such taxes are levied.

535 SECTION 3. Section 27-39-203, Mississippi Code of 1972, is
536 amended as follows:

537 27-39-203. (1) All taxing entities operating under the
538 January 1 through December 31 fiscal year or a July 1 through June
539 30 fiscal year shall hold a public hearing at which the budget for
540 the following fiscal year will be considered, regardless of
541 whether that budget will be increased or decreased from the
542 current budget or will remain the same as the current budget, and
543 shall notify the county of the date, time and place of the public
544 hearing. The county shall include that information with the tax
545 notice.

546 (2) Unless the increased revenue in a budget is derived
547 solely from the expansion of a taxing entity's ad valorem tax
548 base, a taxing entity shall not budget an increased amount of
549 revenue derived from the classes of ad valorem property described
550 in Section 112, Mississippi Constitution of 1890, unless it first
551 advertises its intention to do so at the same time that it
552 advertises its intention to fix its budget for the next fiscal
553 year. From and after July 1, 2000, the governing authorities of a
554 municipality may not levy ad valorem taxes on taxable property for
555 general revenue purposes in excess of the millage rate for general
556 revenue purposes in effect for the municipality's 2000 fiscal
557 year.

558 (3) (a) For taxing entities operating under an October 1
559 through September 30 fiscal year, this advertisement may be

560 combined with the advertisement required by Section 27-39-205.
561 For all taxing entities, the advertisement shall meet the size,
562 type, placement and frequency requirements established under
563 Section 27-39-205.

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

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

567 The (name of the taxing entity) will hold a public hearing on
568 its proposed budget for fiscal year (insert the year) on (date and
569 time) at (meeting place). At this meeting, a proposed ad valorem
570 tax revenue increase in the proposed budget will be considered.

571 The (name of the taxing entity) is now operating with
572 projected total budget revenue of \$_____. (____ percent) or
573 \$_____ of such revenue is obtained through ad valorem taxes.
574 For next fiscal year, the proposed budget has total projected
575 revenue of \$_____. Of that amount, (____ percent) or \$_____,
576 is proposed to be financed through a total ad valorem tax levy.

577 This increase in ad valorem tax revenue means that you will
578 pay more in ad valorem taxes on your home, automobile tag,
579 utilities, business fixtures and equipment and rental real
580 property.

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

586 SECTION 4. Section 27-39-205, Mississippi Code of 1972, is
587 amended as follows:

588 27-39-205. (1) Except as otherwise provided in subsection
589 (5) of this section, a tax rate in excess of the certified tax
590 rate shall not be levied under Sections 21-33-45, 27-39-307,
591 27-39-317 and 27-39-320 until a resolution has been approved by
592 the governing body of the taxing entity in accordance with the
593 following procedure:

594 (a) The taxing entity shall advertise its intent to
595 exceed the certified tax rate in a newspaper of general
596 circulation in the county. A taxing entity collecting taxes in
597 more than one (1) county shall make the advertisement required
598 under this section by publication in each county where the taxing
599 entity collects taxes. The advertisement shall be no less than
600 one-fourth (1/4) page in size and the type used shall be no
601 smaller than eighteen (18) point and surrounded by a
602 one-fourth-inch solid black border. The advertisement shall not
603 be placed in any portion of the newspaper where legal notices and
604 classified advertisements appear. The advertisement shall appear
605 in a newspaper that is published at least five (5) days a week,
606 unless the only newspaper in the county is published less than
607 five (5) days a week. The newspaper selected shall be one of
608 general interest, readership and circulation in all areas of the
609 community. The advertisement shall be published once each week
610 for the two-week period preceding the adoption of the final
611 budget. The advertisement shall provide that the taxing entity
612 will meet on a certain day, date, time and place fixed in the
613 advertisement, which shall be no less than seven (7) days after
614 the day the first advertisement is published. The meeting on the
615 proposed increase may coincide with the hearing on the proposed

616 budget of the taxing entity.

617 (b) When the advertisement is required it shall be in
618 the following form:

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

620 The (name of the taxing entity) will hold a public hearing on
621 a proposed ad valorem tax revenue increase for fiscal year (insert
622 the year) on (date and time) at (meeting place).

623 The (name of the taxing entity) is now operating with
624 projected total budget revenue of \$_____. (____ percent) or
625 \$_____, of such revenue is obtained through ad valorem taxes.
626 For next fiscal year, the proposed budget has total projected
627 revenue of \$_____. Of that amount, (____ percent) or
628 \$_____, is proposed to be financed through a total ad valorem
629 tax levy.

630 For next fiscal year, the (name of the taxing entity) plans
631 to increase your ad valorem tax millage rate by _____ mills from
632 _____ mills to _____ mills. This increase means that you will pay
633 more in ad valorem taxes on your home, automobile tag, utilities,
634 business fixtures and equipment and rental real property.

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

639 (2) After the hearing has been held in accordance with the
640 above procedures, the governing body of the taxing entity may
641 adopt a resolution levying a tax rate on classes of property
642 designated by Section 112, Mississippi Constitution of 1890, in
643 excess of the certified tax rate. If the resolution adopting the

644 tax rate is not adopted on the day of the public hearing, the
645 scheduled date, time and place for consideration and adoption of
646 the resolution shall be announced at the public hearing and the
647 governing body shall advertise the date, time and place of the
648 proposed adoption of the resolution in the same manner as provided
649 under subsection (1).

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

654 (4) Each taxing entity shall notify the county or municipal
655 governing body of the date, time and place of its public hearing.
656 No taxing entity may schedule its hearing at the same time as
657 another overlapping taxing entity in the same county, but all
658 taxing entities in which the power to set tax levies is vested in
659 the same governing authority may consolidate the required hearings
660 into one (1) hearing. The county or municipal governing body
661 shall resolve any conflicts in hearing dates and times after
662 consultation with each affected taxing entity.

663 (5) From and after July 1, 2000, the governing authorities
664 of a municipality may not levy ad valorem taxes on taxable
665 property for general revenue purposes in excess of the millage
666 rate for general revenue purposes in effect for the municipality's
667 2000 fiscal year.

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

670 27-39-307. Subject to the provisions of this section,
671 municipalities may levy ad valorem taxes upon all taxable property

672 within such municipality for general revenue purposes and for
673 general improvements. Further, the governing authorities of any
674 municipality may make additional levies for special purposes as
675 authorized by law. Any such levy which is an increase from the
676 previous fiscal year must be advertised in accordance with
677 Sections 27-39-203 and 27-39-205. In addition to funding
678 municipal general purposes, the municipal general ad valorem tax
679 levy may be used to supplement any municipal ad valorem tax levy
680 for a special purpose authorized by law, excluding levies for
681 schools, without regard to any statutory millage limitation on
682 such special purpose tax levy; however, nothing herein contained
683 shall be construed to exempt such tax levies from the limitation
684 on total receipts under Section 27-39-321.

685 From and after July 1, 2000, the governing authorities of a
686 municipality may not levy ad valorem taxes on taxable property for
687 general revenue purposes in excess of the millage rate for general
688 revenue purposes in effect for the municipality's 2000 fiscal
689 year.

690 SECTION 6. Section 27-39-320, Mississippi Code of 1972, is
691 amended as follows:

692 27-39-320. (1) The Legislature finds and determines that
693 legislation requiring a specific levy or requiring consent of some
694 other governing body to reduce the levy was intended to raise a
695 certain amount of revenue for specific purposes. Upon this
696 determination and notwithstanding the provisions of any statute
697 which requires a definite levy to be made or which requires that a
698 levy may not be reduced except by the consent of some other
699 governing authority, except as otherwise provided in subsection

700 (5) of this section, the amount of such levy shall be deemed to be
701 an amount necessary to produce the revenues received in the next
702 preceding year plus, at the option of the taxing authority, an
703 increase not to exceed ten percent (10%) of such revenues.

704 (2) In any county where there is located a nuclear
705 generating power plant on which a tax is assessed under Section
706 27-35-309(3), such required levy and revenue produced thereby may
707 be reduced by the levying authority in an amount in proportion to
708 a reduction in the base revenue of any such county from the
709 previous year. Such reduction shall be allowed only if the
710 reduction in base revenue equals or exceeds five percent (5%).

711 "Base revenue" shall mean the revenue received by the county from
712 the ad valorem tax levy plus the revenue received by the county
713 from the tax assessed under Section 27-35-309(3) and authorized to
714 be used for any purposes for which a county is authorized by law
715 to levy an ad valorem tax. For purposes of determining if the
716 reduction equals or exceeds five percent (5%), a levy of millage
717 equal to the prior year's millage shall be hypothetically applied
718 to the current year's ad valorem tax base to determine the amount
719 of revenue to be generated from the ad valorem tax levy. For the
720 purposes of this section, the portion of base revenue used to fund
721 the purpose for which a specific levy is required shall be deemed
722 to be the total receipts from ad valorem taxes for such purpose.
723 This paragraph shall apply to taxes levied for the 1987 fiscal
724 year and for each fiscal year thereafter. If the Mississippi
725 Supreme Court or another court finally adjudicates that the tax
726 levied under Section 27-35-309(3) is unconstitutional, then this
727 paragraph shall stand repealed.

728 (3) Except as otherwise provided in subsection (5) of this
729 section, with respect to ad valorem taxes levied on or after
730 October 1, 1980, no county or municipality shall levy those mills
731 heretofore required by law to be levied to an extent that such
732 levy shall produce more than the total receipts produced from such
733 levy in the next preceding year, plus, at the option of the taxing
734 authority, an increase not to exceed ten percent (10%) of such
735 receipts. Such total receipts shall be deemed to include the
736 total avails of such levy either collected from the property owner
737 or by reimbursement by the state. The revenues produced from any
738 newly constructed properties or any existing properties added to
739 the tax rolls or any properties previously exempt which were not
740 assessed in the next preceding year may be excluded from the
741 limitation set forth herein.

742 (4) Except as otherwise provided in subsection (5) of this
743 section, the ten percent (10%) increase limitation prescribed in
744 this section may be increased by an additional amount by the board
745 of supervisors of any county if the aggregate receipts from all
746 county levies to which this section and Sections 27-39-305 and
747 27-39-321 apply do not exceed one hundred ten percent (110%) of
748 the aggregate receipts from all such levies during any one (1) of
749 the immediately preceding three (3) fiscal years, as determined by
750 the board of supervisors.

751 (5) From and after July 1, 2000, the governing authorities
752 of a municipality may not levy ad valorem taxes on taxable
753 property for general revenue purposes in excess of the millage
754 rate for general revenue purposes in effect for the municipality's
755 2000 fiscal year.

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

758 SECTION 7. Section 27-39-321, Mississippi Code of 1972, is
759 amended as follows:

760 27-39-321. (1) Except as otherwise provided in subsection
761 (8) of this section, with respect to ad valorem taxes levied for
762 each fiscal year, no political subdivision may levy ad valorem
763 taxes in any fiscal year which would render in total receipts from
764 all levies an amount more than the receipts from that source
765 during any one (1) of the immediately preceding three (3) fiscal
766 years, as determined by the levying governing authority, plus, at
767 the option of the taxing authority, an increase not to exceed ten
768 percent (10%) of such receipts. The additional revenue from the
769 ad valorem tax on any newly constructed properties or any existing
770 properties added to the tax rolls or any properties previously
771 exempt, which were not assessed in the next preceding year and
772 cost incurred and paid in the next preceding year in connection
773 with reappraisal may be excluded from the ten percent (10%)
774 increase limitation set forth herein. Taxes levied for school
775 district purposes under any statute and taxes levied for the
776 maintenance and/or construction of roads and bridges under Section
777 27-39-305 shall be excluded from the ten percent (10%) increase
778 limitation set forth herein. Taxes levied for payment of
779 principal of and interest on general obligation bonds issued
780 heretofore or hereafter shall be excluded from the ten percent
781 (10%) increase limitation set forth herein. Any additional
782 millage levied to fund any new program mandated by the Legislature
783 shall be excluded from the limitation for the first year of the

784 levy and included within such limitation in any year thereafter.
785 The limitation imposed under this paragraph shall not apply to
786 those mandatory levies enumerated in Sections 27-39-320 and
787 27-39-329.

788 (2) Except as otherwise provided in subsection (8) of this
789 section, the limitation of this section may be increased only as
790 provided in subsection (3) or (4) of this section or when the
791 governing body of a political subdivision has determined the need
792 for additional revenues, adopts a resolution declaring its
793 intention so to do and has held an election on the question of
794 raising the limitation prescribed in this section. The notice
795 calling for an election shall state the purposes for which the
796 additional revenues shall be used, the amount of the tax levy to
797 be imposed for such purposes and period of time for which such tax
798 levy shall be made; however, such tax levy shall not be made for
799 more than five (5) successive years. The limitation may be
800 increased under this subsection only if the proposed increase is
801 approved by a majority of those voting. Subject to specific
802 provisions of this paragraph to the contrary, the publication of
803 notice and manner of holding the election shall be as prescribed
804 by law for the holding of elections for the issuance of bonds by
805 the political subdivision. Revenues derived from any taxes levied
806 pursuant to such election shall be excluded from the tax base for
807 the purpose of determining aggregate receipts for which the ten
808 percent (10%) increase limitation applies.

809 (3) Except as otherwise provided in subsection (8) of this
810 section, as an alternative to the procedure provided in subsection
811 (2) of this section, the ten percent (10%) increase limitation

812 prescribed in this section may be increased by an additional
813 amount by the board of supervisors of any county without an
814 election thereon if the aggregate receipts from all county levies
815 to which this section and Sections 27-39-305 and 27-39-320 apply
816 do not exceed one hundred ten percent (110%) of the aggregate
817 receipts from all such levies during any one (1) of the
818 immediately preceding three (3) fiscal years, as determined by the
819 board of supervisors.

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

826 (a) An ad valorem tax levy that does not result in an
827 aggregate levy to which this section applies in excess of twenty
828 (20) mills; or

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

832 (5) In any county where there is located a nuclear
833 generating power plant on which a tax is assessed under Section
834 27-35-309(3), the term "total receipts" as used in this section
835 shall be the portion of the "base revenue" as defined in Section
836 27-39-320 which is used for General Fund purposes.

837 (6) If a shortfall occurs in revenues from sources other
838 than ad valorem taxes and oil and gas severance taxes budgeted for
839 the county or municipal general fund during the 1987 fiscal year,

840 then the county or municipality, as the case may be, may levy a
841 special ad valorem tax for the 1988 fiscal year in an amount the
842 avails of which shall not exceed such shortfall; provided,
843 however, that the aggregate receipts from all ad valorem levies
844 for the county or municipal general fund for the 1988 fiscal year
845 shall not exceed the aggregate receipts from this source for the
846 immediately preceding fiscal year plus an increase not to exceed
847 twenty percent (20%).

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

859 (8) From and after July 1, 2000, the governing authorities
860 of a municipality may not levy ad valorem taxes on taxable
861 property for general revenue purposes in excess of the millage
862 rate for general revenue purposes in effect for the municipality's
863 2000 fiscal year.

864 SECTION 8. This act shall take effect and be in force from
865 and after July 1, 2000.