

By: Young

To: Ways and Means

HOUSE BILL NO. 70

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
 4 PROVIDE THAT AN ADDITIONAL 2% OF THE STATE'S TOTAL SALES TAX
 5 REVENUE COLLECTIONS ON BUSINESS ACTIVITIES WITHIN MUNICIPALITIES
 6 SHALL BE ALLOCATED FOR DISTRIBUTION TO THE COUNTY IN WHICH SUCH
 7 MUNICIPALITIES ARE LOCATED; TO PROVIDE THAT ONE-HALF OF THE
 8 ADDITIONAL 2% EACH ALLOCATED FOR DISTRIBUTION TO A MUNICIPALITY
 9 AND COUNTY SHALL BE USED TO REDUCE THE AD VALOREM TAXES LEVIED BY
 10 THE MUNICIPALITY AND COUNTY; TO AMEND SECTIONS 27-65-53, 21-33-45,
 11 27-39-303, 27-39-307, 27-39-317, 27-39-320 AND 27-39-321,
 12 MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND FOR RELATED
 13 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) On or before August 15, 1992, and each succeeding month
 22 thereafter through July 15, 1993, eighteen percent (18%) of the
 23 total sales tax revenue collected during the preceding month under
 24 the provisions of this chapter, except that collected under the
 25 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, 2000, 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) and 27-65-21, on business activities within
34 a municipal corporation shall be allocated for distribution to
35 such municipality and paid to such municipal corporation. On or
36 before August 15, 2000, and each succeeding month thereafter,
37 twenty and one-half percent (20%) of the total sales tax revenue
38 collected during the preceding month under the provisions of this
39 chapter, except that collected under the provisions of Sections
40 27-65-15, 27-65-19(3), 27-65-21, and that collected under the
41 provisions of Section 27-65-17(2) and the corresponding levy in
42 Section 27-65-23 on the rental or lease of private carriers of
43 passengers and light carriers of property as defined in Section
44 27-51-101, on business activities within a municipal corporation
45 shall be allocated for distribution to such municipality and paid
46 to such municipal corporation. At least one-half (1/2) of the
47 revenue derived from two percent (2%) of the sales tax revenue
48 distributed to a municipality shall be used to reduce the amount
49 of ad valorem taxes levied by such municipality. On or before
50 August 15, 2000, and each succeeding month thereafter, an
51 additional two percent (2%) of the total sales tax revenue
52 collected during the preceding month under the provisions of this
53 chapter, except that collected under the provisions of Sections
54 27-65-15, 27-65-19(3), 27-65-21, and that collected under the
55 provisions of Section 27-65-17(2) and the corresponding levy in
56 Section 27-65-23 on the rental or lease of private carriers of
57 passengers and light carriers of property as defined in Section

58 27-51-101, on business activities within all of the municipal
59 corporations located within a county shall be allocated for
60 distribution to such county and paid to such county. At least
61 one-half (1/2) of the revenue derived from the sales tax revenue
62 distributed to a county shall be used to reduce the amount of ad
63 valorem taxes levied by such county.

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

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

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

80 (2) On or before September 15, 1987, and each succeeding
81 month thereafter, from the revenue collected under this chapter
82 during the preceding month One Million One Hundred Twenty-five
83 Thousand Dollars (\$1,125,000.00) shall be allocated for
84 distribution to municipal corporations as defined under subsection
85 (1) of this section in the proportion that the number of gallons
86 of gasoline and diesel fuel sold by distributors to consumers and
87 retailers in each such municipality during the preceding fiscal
88 year bears to the total gallons of gasoline and diesel fuel sold

89 by distributors to consumers and retailers in municipalities
90 statewide during the preceding fiscal year. The State Tax
91 Commission shall require all distributors of gasoline and diesel
92 fuel to report to the commission monthly the total number of
93 gallons of gasoline and diesel fuel sold by them to consumers and
94 retailers in each municipality during the preceding month. The
95 State Tax Commission shall have the authority to promulgate such
96 rules and regulations as is necessary to determine the number of
97 gallons of gasoline and diesel fuel sold by distributors to
98 consumers and retailers in each municipality. In determining the
99 percentage allocation of funds under this subsection for the
100 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
101 State Tax Commission may consider gallons of gasoline and diesel
102 fuel sold for a period of less than one (1) fiscal year. For the
103 purposes of this subsection, the term "fiscal year" means the
104 fiscal year beginning July 1 of a year.

105 (3) On or before September 15, 1987, and on or before the
106 fifteenth day of each succeeding month, until the date specified
107 in Section 65-39-35, the proceeds derived from contractors' taxes
108 levied under Section 27-65-21 on contracts for the construction or
109 reconstruction of highways designated under the Four-Lane Highway
110 Program created under Section 65-3-97 shall, except as otherwise
111 provided in Section 31-17-127, be deposited into the State
112 Treasury to the credit of the State Highway Fund to be used to
113 fund such Four-Lane Highway Program. The Mississippi Department
114 of Transportation shall provide to the State Tax Commission such
115 information as is necessary to determine the amount of proceeds to
116 be distributed under this subsection.

117 (4) On or before August 15, 1994, and on or before the
118 fifteenth day of each succeeding month through July 15, 1999, from
119 the proceeds of gasoline, diesel fuel or kerosene taxes as
120 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
121 (\$4,000,000.00) shall be deposited in the State Treasury to the
122 credit of a special fund designated as the "State Aid Road Fund,"
123 created by Section 65-9-17. On or before August 15, 1999, and on
124 or before the fifteenth day of each succeeding month, from the
125 total amount of the proceeds of gasoline, diesel fuel or kerosene
126 taxes apportioned by Section 27-5-101(a)(ii), Four Million Dollars
127 (\$4,000,000.00) or an amount equal to twenty-three and one-fourth
128 percent (23.25%) of such funds, whichever is the greater amount,
129 shall be deposited in the State Treasury to the credit of the
130 "State Aid Road Fund," created by Section 65-9-17. Such funds
131 shall be pledged to pay the principal of and interest on state aid
132 road bonds heretofore issued under Sections 19-9-51 through
133 19-9-77, in lieu of and in substitution for the funds heretofore
134 allocated to counties under this section. Such funds may not be
135 pledged for the payment of any state aid road bonds issued after
136 April 1, 1981; however, this prohibition against the pledging of
137 any such funds for the payment of bonds shall not apply to any
138 bonds for which intent to issue such bonds has been published, for
139 the first time, as provided by law prior to March 29, 1981. From
140 the amount of taxes paid into the special fund pursuant to this
141 subsection and subsection (9) of this section, there shall be
142 first deducted and paid the amount necessary to pay the expenses
143 of the Office of State Aid Road Construction, as authorized by the
144 Legislature for all other general and special fund agencies. The

145 remainder of the fund shall be allocated monthly to the several
146 counties in accordance with the following formula:

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

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

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

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

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

172 Any reference in the general laws of this state or the

173 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
174 construed to refer and apply to subsection (4) of Section
175 27-65-75.

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

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

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

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

201 (9) On or before August 15, 1994, and each succeeding month
202 thereafter, from the revenue collected under this chapter during
203 the preceding month, Two Hundred Fifty Thousand Dollars
204 (\$250,000.00) shall be paid into the State Aid Road Fund.

205 (10) On or before August 15, 1994, and each succeeding month
206 thereafter through August 15, 1995, from the revenue collected
207 under this chapter during the preceding month, Two Million Dollars
208 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
209 Valorem Tax Reduction Fund established in Section 27-51-105.

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

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

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

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

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

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

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

257 withholding the necessary funds from any subsequent payment to be
258 made to the municipality or county.

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

260 27-65-75. On or before the fifteenth day of each month, the
261 revenue collected under the provisions of this chapter during the
262 preceding month shall be paid and distributed as follows:

263 (1) On or before August 15, 1992, and each succeeding month
264 thereafter through July 15, 1993, eighteen percent (18%) of the
265 total sales tax revenue collected during the preceding month under
266 the provisions of this chapter, except that collected under the
267 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
268 business activities within a municipal corporation shall be
269 allocated for distribution to such municipality and paid to such
270 municipal corporation. On or before August 15, 1993, and each
271 succeeding month thereafter through July 15, 2000, eighteen and
272 one-half percent (18-1/2%) of the total sales tax revenue
273 collected during the preceding month under the provisions of this
274 chapter, except that collected under the provisions of Sections
275 27-65-15, 27-65-19(3) and 27-65-21, on business activities within
276 a municipal corporation shall be allocated for distribution to
277 such municipality and paid to such municipal corporation. On or
278 before August 15, 2000, and each succeeding month thereafter,
279 twenty and one-half percent (20&%) of the total sales tax revenue
280 collected during the preceding month under the provisions of this
281 chapter, except that collected under the provisions of Sections
282 27-65-15, 27-65-17(2), 27-65-19(3) and 27-65-21, on business
283 activities within a municipal corporation shall be allocated for
284 distribution to such municipality and paid to such municipal

285 corporation. At least one-half (1/2) of the revenue derived from
286 two percent (2%) of the sales tax revenue distributed to a
287 municipality shall be used to reduce the amount of ad valorem
288 taxes levied by such municipality. On or before August 15, 2000,
289 and each succeeding month thereafter, an additional two percent
290 (2%) of the total sales tax revenue collected during the preceding
291 month under the provisions of this chapter, except that collected
292 under the provisions of Sections 27-65-15, 27-65-17(2),
293 27-65-19(3) and 27-65-21, on business activities within all of the
294 municipal corporations located within a county shall be allocated
295 for distribution to such county and paid to such county. At least
296 one-half (1/2) of the revenue derived from the sales tax revenue
297 distributed to a county shall be used to reduce the amount of ad
298 valorem taxes levied by such county.

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

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

308 In any county having a county seat which is not an
309 incorporated municipality, the distribution provided hereunder
310 shall be made as though the county seat was an incorporated
311 municipality; however, the distribution to such municipality shall
312 be paid to the county treasury wherein the municipality is located

313 and such funds shall be used for road, bridge and street
314 construction or maintenance therein.

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

340 (3) On or before September 15, 1987, and on or before the

341 fifteenth day of each succeeding month, until the date specified
342 in Section 65-39-35, the proceeds derived from contractors' taxes
343 levied under Section 27-65-21 on contracts for the construction or
344 reconstruction of highways designated under the Four-Lane Highway
345 Program created under Section 65-3-97 shall, except as otherwise
346 provided in Section 31-17-127, be deposited into the State
347 Treasury to the credit of the State Highway Fund to be used to
348 fund such Four-Lane Highway Program. The Mississippi Department
349 of Transportation shall provide to the State Tax Commission such
350 information as is necessary to determine the amount of proceeds to
351 be distributed under this subsection.

352 (4) On or before August 15, 1994, and on or before the
353 fifteenth day of each succeeding month through July 15, 1999, from
354 the proceeds of gasoline, diesel fuel or kerosene taxes as
355 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
356 (\$4,000,000.00) shall be deposited in the State Treasury to the
357 credit of a special fund designated as the "State Aid Road Fund,"
358 created by Section 65-9-17. On or before August 15, 1999, and on
359 or before the fifteenth day of each succeeding month, from the
360 total amount of the proceeds of gasoline, diesel fuel or kerosene
361 taxes apportioned by Section 27-5-101(a)(ii), Four Million Dollars
362 (\$4,000,000.00) or an amount equal to twenty-three and one-fourth
363 percent (23.25%) of such funds, whichever is the greater amount,
364 shall be deposited in the State Treasury to the credit of the
365 "State Aid Road Fund," created by Section 65-9-17. Such funds
366 shall be pledged to pay the principal of and interest on state aid
367 road bonds heretofore issued under Sections 19-9-51 through
368 19-9-77, in lieu of and in substitution for the funds heretofore

369 allocated to counties under this section. Such funds may not be
370 pledged for the payment of any state aid road bonds issued after
371 April 1, 1981; however, this prohibition against the pledging of
372 any such funds for the payment of bonds shall not apply to any
373 bonds for which intent to issue such bonds has been published, for
374 the first time, as provided by law prior to March 29, 1981. From
375 the amount of taxes paid into the special fund pursuant to this
376 subsection and subsection (9) of this section, there shall be
377 first deducted and paid the amount necessary to pay the expenses
378 of the Office of State Aid Road Construction, as authorized by the
379 Legislature for all other general and special fund agencies. The
380 remainder of the fund shall be allocated monthly to the several
381 counties in accordance with the following formula:

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

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

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

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

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

397 less than the amount allocated to such county for fiscal year
398 1994. Monies allocated to a county from the State Aid Road Fund
399 for fiscal year 1995 or any fiscal year thereafter that exceed the
400 amount of funds allocated to that county from the State Aid Road
401 Fund for fiscal year 1994, first must be expended by the county
402 for replacement or rehabilitation of bridges on the state aid road
403 system that have a sufficiency rating of less than twenty-five
404 (25), according to National Bridge Inspection standards before
405 such monies may be approved for expenditure by the State Aid Road
406 Engineer on other projects that qualify for the use of state aid
407 road funds.

408 Any reference in the general laws of this state or the
409 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
410 construed to refer and apply to subsection (4) of Section
411 27-65-75.

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

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

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

425 (2.266%) of the total sales tax revenue collected during the
426 preceding month under the provisions of this chapter, except that
427 collected under the provisions of Section 27-65-17(2), not to
428 exceed the fiscal year 1997 appropriated level shall be deposited
429 by the commission into the School Ad Valorem Tax Reduction Fund
430 created pursuant to Section 37-61-35, with the balance to be
431 transferred to the Education Enhancement Fund created under
432 Section 37-61-33 for appropriation by the Legislature as other
433 education needs and not subject to the percentage set asides set
434 forth in Section 37-61-33.

435 (8) On or before August 15, 1992, and each succeeding month
436 thereafter, nine and seventy-three one-thousandths percent
437 (9.073%) of the total sales tax revenue collected during the
438 preceding month under the provisions of this chapter, except that
439 collected under the provisions of Section 27-65-17(2) shall be
440 deposited into the Education Enhancement Fund created pursuant to
441 Section 37-61-33.

442 (9) On or before August 15, 1994, and each succeeding month
443 thereafter, from the revenue collected under this chapter during
444 the preceding month, Two Hundred Fifty Thousand Dollars
445 (\$250,000.00) shall be paid into the State Aid Road Fund.

446 (10) On or before August 15, 1994, and each succeeding month
447 thereafter through August 15, 1995, from the revenue collected
448 under this chapter during the preceding month, Two Million Dollars
449 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
450 Valorem Tax Reduction Fund established in Section 27-51-105.

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

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

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

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

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

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

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

483 (16) It shall be the duty of the municipal officials of any
484 municipality which expands its limits, or of any community which
485 incorporates as a municipality, to notify the commissioner of such
486 action thirty (30) days before the effective date. Failure to so
487 notify the commissioner shall cause such municipality to forfeit
488 the revenue which it would have been entitled to receive during
489 this period of time when the commissioner had no knowledge of the
490 action. If any funds have been erroneously disbursed to any
491 municipality or county or any overpayment of tax is recovered by
492 the taxpayer, the commissioner may make correction and adjust the
493 error or overpayment with such municipality or county by
494 withholding the necessary funds from any subsequent payment to be
495 made to the municipality or county.

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

498 27-65-53. If the commissioner finds that the taxpayer has
499 overpaid his tax for any reason and the taxpayer has discontinued
500 business and there is no subsequent liability upon which the
501 excess may be credited, or if the amount of the excess so paid
502 shall exceed the estimated liability for the next twelve (12)
503 months, the excess shall be refunded to the taxpayer. Such amount
504 shall be certified to the State Auditor of Public Accounts by the
505 commission. The * * * auditor may make such investigation and
506 audit of the claim as he finds necessary. If he finds that the
507 commissioner is correct in his determination, the auditor may
508 issue his warrant to the State Treasurer in favor of the taxpayer

509 for the amount of tax erroneously paid into the State Treasury,
510 such refunds to be made from current sales tax collections. If
511 part of the overpayment has been disbursed to any municipality or
512 county, under authority of Section 27-65-75, the municipality or
513 county having erroneously received the money, shall adjust the
514 amount with the commissioner, or the overpayment may be withheld
515 by the state from any funds due by the state to the municipality
516 or county.

517 * * * Where the taxpayer has overpaid his tax, the
518 commissioner may give credit for same and allow the taxpayer to
519 take credit on a subsequent return or, if necessary, in his
520 discretion, have the taxpayer file for a refund as provided
521 herein.

522 If any overpayment of tax as reflected in an application or
523 amended return, or both, filed by the taxpayer, and verified by
524 the commissioner or otherwise determined to be due by the
525 commissioner or commission, is not refunded or credited to a
526 taxpayer's account within ninety (90) days after the application
527 or amended return is filed or the date the commission or
528 commissioner determines a refund is due, whichever is later,
529 interest at the rate of one percent (1%) per month shall be
530 allowed on such overpayment computed for the period after
531 expiration of the ninety-day period provided herein to the date of
532 payment.

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

535 21-33-45. Subject to the provisions of this section, the
536 governing authorities of each municipality of this state shall,

537 either at their regular meeting in September of each year or not
538 later than ten (10) days after the final approval of the
539 assessment rolls, levy the municipal ad valorem taxes for the
540 fiscal year next succeeding, and shall, by resolution, fix the tax
541 rate or levy for the municipality and for any other taxing
542 districts of which the municipality may be a part. The rates or
543 levies for the municipality or for any such taxing district shall
544 be expressed in mills or a decimal fraction of a mill, which tax
545 rates, or levies, shall determine the ad valorem taxes to be
546 collected upon each dollar of valuation upon the assessment rolls
547 of the municipality for municipal taxes, and to be collected upon
548 each dollar of valuation as shown upon the assessment rolls of the
549 municipality for each such taxing district, except as to such
550 values as may be exempt, in whole or in part, from certain tax
551 rates or levies. If the rates or levies for the municipality or
552 taxing district are an increase from the previous fiscal year,
553 then the proposed rate or levy increase shall be advertised in
554 accordance with Sections 27-39-203 and 27-39-205. From and after
555 August 15, 2000, the governing authorities of a municipality shall
556 use one-half (1/2) of the revenue derived from two percent (2%) of
557 the sales tax revenue distributed to it under Section 27-65-75(1)
558 to reduce the ad valorem taxes levied by the municipality.

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

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

563 (b) For school purposes, including all maintenance
564 levies, whether made against the property within such

565 municipality, or within any taxing district embraced in such
566 municipality, as authorized by Section 27-39-307 and Section
567 37-57-3 et seq.

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

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

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

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

577 (g) For any other purpose for which a levy is lawfully
578 made. If any municipal-wide levy is made for any general or
579 special purpose under the provisions of any law other than Section
580 27-39-307 each such levy shall be separately stated in the
581 resolution, and the law authorizing same shall be expressly stated
582 therein.

583 If the governing authorities of any municipality shall not
584 levy the municipal taxes and the district taxes at its regular
585 September meeting, such governing authorities shall levy the same
586 at an adjourned or special meeting not later than ten (10) days
587 after the final approval of the assessment rolls. However, * * *
588 if such levy be not made on or before September 15 then road and
589 bridge privilege tax license plates may be issued by the tax
590 collector or State Tax Commission, as the case may be, for motor
591 vehicles as defined in the Motor Vehicle Ad Valorem Tax Law of
592 1958 (Section 27-51-1 et seq.), without collecting or requiring

593 proof of payment of municipal ad valorem taxes until such levy is
594 duly certified to him, and for twenty-four (24) hours thereafter.

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

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

608 27-39-303. Subject to the provisions of this section, the
609 board of supervisors of any county is hereby empowered to levy ad
610 valorem taxes on taxable property in the respective counties in
611 any one (1) year, as shown by the assessment roll containing
612 assessments of property made as of January 1 of the year, and the
613 assessment of motor vehicles as made according to the provisions
614 of the Motor Vehicle Ad Valorem Tax Law of 1958 (Section 27-51-1
615 et seq.) for all general county purposes, exclusive only of levies
616 for roads and bridges and schools at the rate necessary to fund
617 such purposes. From and after August 15, 2000, the board of
618 supervisors of a county shall use one-half (1/2) of the sales tax
619 revenue distributed to it under Section 27-65-75(1) to reduce the
620 ad valorem taxes levied by the county. The board of supervisors

621 of any county is further empowered to expend the proceeds of this
622 levy for any purpose authorized for any other levy which the board
623 of supervisors is authorized to make, excluding the levy for roads
624 and bridges, and the board may authorize general fund expenditures
625 for school purposes when necessary to meet the minimum local ad
626 valorem tax effort required by Section 37-57-1.

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

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

640 27-39-307. Subject to the provisions of this section,
641 municipalities may levy ad valorem taxes upon all taxable property
642 within such municipality for general revenue purposes and for
643 general improvements. Further, the governing authorities of any
644 municipality may make additional levies for special purposes as
645 authorized by law. Any such levy which is an increase from the
646 previous fiscal year must be advertised in accordance with
647 Sections 27-39-203 and 27-39-205. In addition to funding
648 municipal general purposes, the municipal general ad valorem tax

649 levy may be used to supplement any municipal ad valorem tax levy
650 for a special purpose authorized by law, excluding levies for
651 schools, without regard to any statutory millage limitation on
652 such special purpose tax levy; however, nothing herein contained
653 shall be construed to exempt such tax levies from the limitation
654 on total receipts under Section 27-39-321.

655 From and after August 15, 2000, the governing authorities of
656 a municipality shall use one-half (1/2) of the revenue derived
657 from two percent (2%) of the sales tax revenue distributed to it
658 under Section 27-65-75(1) to reduce the ad valorem taxes levied by
659 the municipality.

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

662 27-39-317. The board of supervisors of each county shall, at
663 its regular meeting in September of each year, levy the county ad
664 valorem taxes for the fiscal year, and shall, by order, fix the
665 tax rate, or levy, for the county, for the road districts, if any,
666 and for the school districts, if any, and for any other taxing
667 districts; and the rates, or levies, for the county and for any
668 district shall be expressed in mills or a decimal fraction of a
669 mill. Said tax rates, or levies, shall determine the ad valorem
670 taxes to be collected upon each dollar of valuation, upon the
671 assessment rolls of the county, including the assessment of motor
672 vehicles as provided by the Motor Vehicle Ad Valorem Tax Law of
673 1958, Section 27-51-1 et seq., for county taxes; and upon each
674 dollar of valuation for the respective districts, as shown upon
675 the assessment rolls of the county, including the assessment of
676 motor vehicles as provided by the Motor Vehicle Ad Valorem Tax Law

677 of 1958, Section 27-51-1 et seq.; except as to such values as
678 shall be exempt, in whole or in part, from certain tax rates or
679 levies. If the rate or levy for the county is an increase from
680 the previous fiscal year, then the proposed rate or levy shall be
681 advertised in accordance with Sections 27-39-203 and 27-39-205.
682 From and after August 15, 2000, the board of supervisors of a
683 county shall use one-half (1/2) of the sales tax revenue
684 distributed to it under Section 27-65-75(1) to reduce the ad
685 valorem taxes levied by the county. If the board of supervisors
686 of any county shall not levy the county taxes and the district
687 taxes at its regular September meeting, the board shall levy the
688 same on or before September 15 at an adjourned or special meeting,
689 or thereafter, provided, however, that if such levy be not made on
690 or before the fifteenth day of September then the tax collector or
691 State Tax Commission may issue road and bridge privilege tax
692 license plates for motor vehicles as defined in the Motor Vehicle
693 Ad Valorem Tax Law of 1958, Section 27-51-1 et seq., without
694 collecting or requiring proof of payment of county ad valorem
695 taxes, and may continue to so issue such plates until such levy is
696 duly certified to him, and for twenty-four (24) hours thereafter.

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

704 In making the levy of taxes, the board of supervisors shall

705 specify, in its order, the levy for each purpose, as follows:

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

708 (b) For roads and bridges, as authorized by Section
709 27-39-305.

710 (c) For schools, including the countywide minimum
711 education program levy and the levy for each school district
712 including special municipal separate school districts, but not
713 including other municipal separate school districts, and for an
714 agricultural high school, county high school or junior college
715 (current expense and maintenance taxes), as authorized by Chapter
716 57, Title 37, Mississippi Code of 1972, and any other applicable
717 statute. The levy for schools shall apply to the assessed value
718 of property in the respective school districts, including special
719 municipal separate school districts, but not including other
720 municipal separate school districts, and a distinct and separate
721 levy shall be made for each school district, and the purpose for
722 each levy shall be stated.

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

725 (e) For school bonds and the interest thereon,
726 separately for countywide bonds and for the bonds of each school
727 district.

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

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

732 (h) For any other purpose for which a levy is lawfully

733 made.

734 The order shall state all of the purposes for which the
735 general county levy is made, using the administrative items
736 suggested by the State Department of Audit of Mississippi under
737 the county budget law in its uniform system of accounts for
738 counties, but the rate or levy for any item or purpose need not be
739 shown; and if a countywide levy is made for any general or special
740 purpose under the provisions of any law other than Section
741 27-39-303, each such levy shall be separately stated.

742 During the month of February of each year, if the order or
743 resolution of the board of trustees of any school district of said
744 county or partly in said county, is filed with it requesting the
745 levying of ad valorem taxes for the support and maintenance of
746 such school district for the following fiscal year, then the board
747 of supervisors of every such county in the state shall notify, in
748 writing, within thirty (30) days, the county superintendent of
749 education of such county, the levy or levies it intends to make
750 for the support and maintenance of such school districts of such
751 county at its regular meeting in September following, and the
752 county superintendent of education and the trustees of all such
753 school districts shall be authorized to use such expressed
754 intention of the board of supervisors in computing the support and
755 maintenance budget or budgets of such school district or districts
756 for the ensuing fiscal school year.

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

759 27-39-320. (1) The Legislature finds and determines that
760 legislation requiring a specific levy or requiring consent of some

761 other governing body to reduce the levy was intended to raise a
762 certain amount of revenue for specific purposes. Upon this
763 determination and notwithstanding the provisions of any statute
764 which requires a definite levy to be made or which requires that a
765 levy may not be reduced except by the consent of some other
766 governing authority, subject to the provisions of subsection (5)
767 of this section, the amount of such levy shall be deemed to be an
768 amount necessary to produce the revenues received in the next
769 preceding year plus, at the option of the taxing authority, an
770 increase not to exceed ten percent (10%) of such revenues.

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

789 to be the total receipts from ad valorem taxes for such purpose.
790 This paragraph shall apply to taxes levied for the 1987 fiscal
791 year and for each fiscal year thereafter. If the Mississippi
792 Supreme Court or another court finally adjudicates that the tax
793 levied under Section 27-35-309(3) is unconstitutional, then this
794 paragraph shall stand repealed.

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

809 (4) Subject to the provisions of subsection (5) of this
810 section, the ten percent (10%) increase limitation prescribed in
811 this section may be increased by an additional amount by the board
812 of supervisors of any county if the aggregate receipts from all
813 county levies to which this section and Sections 27-39-305 and
814 27-39-321 apply do not exceed one hundred ten percent (110%) of
815 the aggregate receipts from all such levies during any one (1) of
816 the immediately preceding three (3) fiscal years, as determined by

817 the board of supervisors.

818 (5) From and after August 15, 2000, the board of supervisors
819 of a county shall use one-half (1/2) of the sales tax revenue
820 distributed to it under Section 27-65-75(1) to reduce the ad
821 valorem taxes levied by the county, and the governing authorities
822 of a municipality shall use one-half (1/2) of the revenue derived
823 from two percent (2%) of the sales tax revenue distributed to it
824 under Section 27-65-75(1) to reduce the ad valorem taxes levied by
825 the municipality.

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

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

830 27-39-321. (1) Subject to the provisions of subsection (8)
831 of this section, with respect to ad valorem taxes levied for each
832 fiscal year, no political subdivision may levy ad valorem taxes in
833 any fiscal year which would render in total receipts from all
834 levies an amount more than the receipts from that source during
835 any one (1) of the immediately preceding three (3) fiscal years,
836 as determined by the levying governing authority, plus, at the
837 option of the taxing authority, an increase not to exceed ten
838 percent (10%) of such receipts. The additional revenue from the
839 ad valorem tax on any newly constructed properties or any existing
840 properties added to the tax rolls or any properties previously
841 exempt, which were not assessed in the next preceding year and
842 cost incurred and paid in the next preceding year in connection
843 with reappraisal may be excluded from the ten percent (10%)
844 increase limitation set forth herein. Taxes levied for school

845 district purposes under any statute and taxes levied for the
846 maintenance and/or construction of roads and bridges under Section
847 27-39-305 shall be excluded from the ten percent (10%) increase
848 limitation set forth herein. Taxes levied for payment of
849 principal of and interest on general obligation bonds issued
850 heretofore or hereafter shall be excluded from the ten percent
851 (10%) increase limitation set forth herein. Any additional
852 millage levied to fund any new program mandated by the Legislature
853 shall be excluded from the limitation for the first year of the
854 levy and included within such limitation in any year thereafter.
855 The limitation imposed under this paragraph shall not apply to
856 those mandatory levies enumerated in Sections 27-39-320 and
857 27-39-329.

858 (2) Subject to the provisions of subsection (8) of this
859 section, the limitation of this section may be increased only as
860 provided in subsection (3) or (4) of this section or when the
861 governing body of a political subdivision has determined the need
862 for additional revenues, adopts a resolution declaring its
863 intention so to do and has held an election on the question of
864 raising the limitation prescribed in this section. The notice
865 calling for an election shall state the purposes for which the
866 additional revenues shall be used, the amount of the tax levy to
867 be imposed for such purposes and period of time for which such tax
868 levy shall be made; however, such tax levy shall not be made for
869 more than five (5) successive years. The limitation may be
870 increased under this subsection only if the proposed increase is
871 approved by a majority of those voting. Subject to specific
872 provisions of this paragraph to the contrary, the publication of

873 notice and manner of holding the election shall be as prescribed
874 by law for the holding of elections for the issuance of bonds by
875 the political subdivision. Revenues derived from any taxes levied
876 pursuant to such election shall be excluded from the tax base for
877 the purpose of determining aggregate receipts for which the ten
878 percent (10%) increase limitation applies.

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

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

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

899 (b) An ad valorem tax levy that is not in excess of any
900 aggregate levy to which this section applies in any one (1) of the

901 immediately preceding ten (10) fiscal years.

902 (5) In any county where there is located a nuclear
903 generating power plant on which a tax is assessed under Section
904 27-35-309(3), the term "total receipts" as used in this section
905 shall be the portion of the "base revenue" as defined in Section
906 27-39-320 which is used for General Fund purposes.

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

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

929 (8) From and after August 15, 2000, the board of supervisors
930 of a county shall use one-half (1/2) of the sales tax revenue
931 distributed to it under Section 27-65-75(1) to reduce the ad
932 valorem taxes levied by the county, and the governing authorities
933 of a municipality shall use one-half (1/2) of the revenue derived
934 from two percent (2%) of the sales tax revenue distributed to it
935 under Section 27-65-75(1) to reduce the ad valorem taxes levied by
936 the municipality.

937 SECTION 9. This act shall take effect and be in force from
938 and after July 1, 2000.