HOUSE BILL NO. 503


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

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

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

(1) On or before August 15, 1992, and each succeeding month thereafter through July 15, 1993, eighteen percent (18%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on business activities within a municipal corporation shall be allocated for distribution to such municipality and paid to such municipal corporation. On or before August 15, 1993, and each succeeding month thereafter through July 15, 2001, eighteen and one-half percent (18-1/2%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on business activities within
a municipal corporation shall be allocated for distribution to such municipality and paid to such municipal corporation. On or before August 15, 2001, and each succeeding month thereafter, twenty and one-half percent (20-½%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21, and that collected under the provisions of Section 27-65-17(2) and the corresponding levy in Section 27-65-23 on the rental or lease of private carriers of passengers and light carriers of property as defined in Section 27-51-101, on business activities within a municipal corporation shall be allocated for distribution to such municipality and paid to such municipal corporation. At least one-half (1/2) of the revenue derived from the additional two percent (2%) of sales tax revenue distributed to a municipality under this subsection, as amended by House Bill No. ____, 2001 Regular Session, shall be used to reduce the amount of ad valorem taxes levied by such municipality. On or before August 15, 2001, and each succeeding month thereafter, an additional two percent (2%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21, and that collected under the provisions of Section 27-65-17(2) and the corresponding levy in Section 27-65-23 on the rental or lease of private carriers of passengers and light carriers of property as defined in Section 27-51-101, on business activities within all of the municipal corporations located within a county shall be allocated for distribution to such county and paid to such county. At least one-half (1/2) of the revenue derived from the sales tax revenue distributed to a county shall be used to reduce the amount of ad valorem taxes levied by such county.
A municipal corporation, for the purpose of distributing the
tax under this subsection, shall mean and include all incorporated
cities, towns and villages.

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

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

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

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

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

(a) One-third (1/3) shall be allocated to all counties in equal shares;
(b) One-third (1/3) shall be allocated to counties based on the proportion that the total number of rural road miles in a county bears to the total number of rural road miles in all counties of the state; and
(c) One-third (1/3) shall be allocated to counties based on the proportion that the rural population of the county bears to the total rural population in all counties of the state, according to the latest federal decennial census.

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

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

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

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

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

(7) On or before August 15, 1992, and each succeeding month thereafter through July 15, 2000, two and two hundred sixty-six one-thousandths percent (2.266%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Section 27-65-17(2) shall be deposited by the commission into the School Ad Valorem Tax Reduction Fund created pursuant to Section
37-61-35. On or before August 15, 2000, and each succeeding month thereafter, two and two hundred sixty-six one-thousandths percent (2.266%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Section 27-65-17(2), shall be deposited into the School Ad Valorem Tax Reduction Fund created under Section 37-61-35 until such time that the total amount deposited into the fund during a fiscal year equals Forty-two Million Dollars ($42,000,000.00). Thereafter, the amounts diverted under this subsection (7) during the fiscal year in excess of Forty-two Million Dollars ($42,000,000.00) shall be deposited into the Education Enhancement Fund created under Section 37-61-33 for appropriation by the Legislature as other education needs and shall not be subject to the percentage appropriation requirements set forth in Section 37-61-33.

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

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

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

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

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

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

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

(15) Notwithstanding any other provision of this section to
the contrary, on or before September 15, 2000, and each succeeding
month thereafter, the sales tax revenue collected during the preceding month under the provisions of Section 27-65-19(f), shall be deposited, without diversion, into the Telecommunications Ad Valorem Tax Reduction Fund established in Section 27-38-7.

(16) On or before August 15, 2000, and each succeeding month thereafter, the sales tax revenue collected during the preceding month under the provisions of this chapter on the gross proceeds of sales of a project as defined in Section 57-30-1, shall be deposited, after all diversions except the diversion provided for in subsection (1) of this section, into the Sales Tax Incentive Fund created in Section 57-30-3.

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

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

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

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

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

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

SECTION 3. Section 21-33-45, Mississippi Code of 1972, is amended as follows:
Subject to the provisions of this section, the governing authorities of each municipality of this state shall, either at their regular meeting in September of each year or not later than ten (10) days after the final approval of the assessment rolls, levy the municipal ad valorem taxes for the fiscal year next succeeding, and shall, by resolution, fix the tax rate or levy for the municipality and for any other taxing districts of which the municipality may be a part. The rates or levies for the municipality or for any such taxing district shall be expressed in mills or a decimal fraction of a mill, which tax rates, or levies, shall determine the ad valorem taxes to be collected upon each dollar of valuation upon the assessment rolls of the municipality for municipal taxes, and to be collected upon each dollar of valuation as shown upon the assessment rolls of the municipality for each such taxing district, except as to such values as may be exempt, in whole or in part, from certain tax rates or levies. If the rates or levies for the municipality or taxing district are an increase from the previous fiscal year, then the proposed rate or levy increase shall be advertised in accordance with Sections 27-39-203 and 27-39-205. From and after July 1, 2001, the governing authorities of a municipality shall use one-half (1/2) of the revenue derived from the additional two percent (2%) of sales tax revenue distributed to it under Section 27-65-75(1), as amended by House Bill No. ____, 2001 Regular Session, to reduce the ad valorem taxes levied by the municipality.

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

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

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

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

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

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

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

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

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

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

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

27-39-303. Subject to the provisions of this section, the
board of supervisors of any county is hereby empowered to levy ad
valorem taxes on taxable property in the respective counties in
any one (1) year, as shown by the assessment roll containing
assessments of property made as of January 1 of the year, and the
assessment of motor vehicles as made according to the provisions
of the Motor Vehicle Ad Valorem Tax Law of 1958 (Section 27-51-1
et seq.) for all general county purposes, exclusive only of levies
for roads and bridges and schools at the rate necessary to fund
such purposes. From and after July 1, 2001, the board of
supervisors of a county shall use one-half (1/2) of the sales tax
revenue distributed to it under Section 27-65-75(1) to reduce the
ad valorem taxes levied by the county. The board of supervisors
of any county is further empowered to expend the proceeds of this
levy for any purpose authorized for any other levy which the board
of supervisors is authorized to make, excluding the levy for roads
and bridges, and the board may authorize general fund expenditures
for school purposes when necessary to meet the minimum local ad
valorem tax effort required by Section 37-57-1.

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

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

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

From and after July 1, 2001, the governing authorities of a municipality shall use one-half (1/2) of the revenue derived from the additional two percent (2%) of sales tax revenue distributed to it under Section 27-65-75(1), as amended by House Bill No.____, 2001 Regular Session, to reduce the ad valorem taxes levied by the municipality.

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

27-39-317. The board of supervisors of each county shall, at its regular meeting in September of each year, levy the county ad
valorem taxes for the fiscal year, and shall, by order, fix the
tax rate, or levy, for the county, for the road districts, if any,
and for the school districts, if any, and for any other taxing
districts; and the rates, or levies, for the county and for any
district shall be expressed in mills or a decimal fraction of a
mill. Said tax rates, or levies, shall determine the ad valorem
taxes to be collected upon each dollar of valuation, upon the
assessment rolls of the county, including the assessment of motor
vehicles as provided by the Motor Vehicle Ad Valorem Tax Law of
1958, Section 27-51-1 et seq., for county taxes; and upon each
dollar of valuation for the respective districts, as shown upon
the assessment rolls of the county, including the assessment of
motor vehicles as provided by the Motor Vehicle Ad Valorem Tax Law
of 1958, Section 27-51-1 et seq.; except as to such values as
shall be exempt, in whole or in part, from certain tax rates or
levies. If the rate or levy for the county is an increase from
the previous fiscal year, then the proposed rate or levy shall be
advertised in accordance with Sections 27-39-203 and 27-39-205.
From and after July 1, 2001, the board of supervisors of a county
shall use one-half (1/2) of the sales tax revenue distributed to
it under Section 27-65-75(1) to reduce the ad valorem taxes levied
by the county. If the board of supervisors of any county shall
not levy the county taxes and the district taxes at its regular
September meeting, the board shall levy the same on or before
September 15 at an adjourned or special meeting, or thereafter,
provided, however, that if such levy be not made on or before the
fifteenth day of September then the tax collector or State Tax
Commission may issue road and bridge privilege tax license plates
for motor vehicles as defined in the Motor Vehicle Ad Valorem Tax
Law of 1958, Section 27-51-1 et seq., without collecting or
requiring proof of payment of county ad valorem taxes, and may
continue to so issue such plates until such levy is duly certified
to him, and for twenty-four (24) hours thereafter.
Notwithstanding the requirements of this section, in the event the State Tax Commission orders the county to make an adjustment to the tax roll pursuant to Section 27-35-113, the county shall have a period of thirty (30) days from the date of the commission's final determination to adjust the millage in order to collect the same dollar amount of taxes as originally levied by the board.

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

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

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

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

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

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

(f) For countywide bonds, and the interest thereon, other than for road bonds and school bonds.
(g) For loans, notes or any other obligation, and the
interest thereon, if permitted by the law.

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

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

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

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

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

(2) In any county where there is located a nuclear generating power plant on which a tax is assessed under Section 27-35-309(3), such required levy and revenue produced thereby may be reduced by the levying authority in an amount in proportion to a reduction in the base revenue of any such county from the previous year. Such reduction shall be allowed only if the reduction in base revenue equals or exceeds five percent (5%). "Base revenue" shall mean the revenue received by the county from the ad valorem tax levy plus the revenue received by the county from the tax assessed under Section 27-35-309(3) and authorized to be used for any purposes for which a county is authorized by law to levy an ad valorem tax. For purposes of determining if the reduction equals or exceeds five percent (5%), a levy of millage equal to the prior year’s millage shall be hypothetically applied to the current year’s ad valorem tax base to determine the amount of revenue to be generated from the ad valorem tax levy. For the purposes of this section, the portion of base revenue used to fund the purpose for which a specific levy is required shall be deemed to be the total receipts from ad valorem taxes for such purpose. This paragraph shall apply to taxes levied for the 1987 fiscal year and for each fiscal year thereafter. If the Mississippi Supreme Court or another court finally adjudicates that the tax levied under Section 27-35-309(3) is unconstitutional, then this paragraph shall stand repealed.
(3) Subject to the provisions of subsection (5) of this section, with respect to ad valorem taxes levied on or after October 1, 1980, no county or municipality shall levy those mills heretofore required by law to be levied to an extent that such levy shall produce more than the total receipts produced from such levy in the next preceding year, plus, at the option of the taxing authority, an increase not to exceed ten percent (10%) of such receipts. Such total receipts shall be deemed to include the total avails of such levy either collected from the property owner or by reimbursement by the state. The revenues produced from any newly constructed properties or any existing properties added to the tax rolls or any properties previously exempt which were not assessed in the next preceding year may be excluded from the limitation set forth herein.

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

(5) From and after July 1, 2001, the board of supervisors of a county shall use one-half (1/2) of the sales tax revenue distributed to it under Section 27-65-75(1) to reduce the ad valorem taxes levied by the county, and the governing authorities of a municipality shall use one-half (1/2) of the revenue derived from the additional two percent (2%) of sales tax revenue distributed to it under Section 27-65-75(1), as amended by House Bill No. ____, 2001 Regular Session, to reduce the ad valorem taxes levied by the municipality.
The limitations set forth in this section shall apply to the mandatory tax levied by Section 27-39-329.

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

27-39-321. (1) Subject to the provisions of subsection (8) of this section, with respect to ad valorem taxes levied for each fiscal year, no political subdivision may levy ad valorem taxes in any fiscal year which would render in total receipts from all levies an amount more than the receipts from that source during any one (1) of the immediately preceding three (3) fiscal years, as determined by the levying governing authority, plus, at the option of the taxing authority, an increase not to exceed ten percent (10%) of such receipts. The additional revenue from the ad valorem tax on any newly constructed properties or any existing properties added to the tax rolls or any properties previously exempt, which were not assessed in the next preceding year and cost incurred and paid in the next preceding year in connection with reappraisal may be excluded from the ten percent (10%) increase limitation set forth herein. Taxes levied for school district purposes under any statute and taxes levied for the maintenance and/or construction of roads and bridges under Section 27-39-305 shall be excluded from the ten percent (10%) increase limitation set forth herein. Taxes levied for payment of principal of and interest on general obligation bonds issued heretofore or hereafter shall be excluded from the ten percent (10%) increase limitation set forth herein. Any additional millage levied to fund any new program mandated by the Legislature shall be excluded from the limitation for the first year of the levy and included within such limitation in any year thereafter. The limitation imposed under this paragraph shall not apply to those mandatory levies enumerated in Sections 27-39-320 and 27-39-329.
(2) Subject to the provisions of subsection (8) of this section, the limitation of this section may be increased only as provided in subsection (3) or (4) of this section or when the governing body of a political subdivision has determined the need for additional revenues, adopts a resolution declaring its intention so to do and has held an election on the question of raising the limitation prescribed in this section. The notice calling for an election shall state the purposes for which the additional revenues shall be used, the amount of the tax levy to be imposed for such purposes and period of time for which such tax levy shall be made; however, such tax levy shall not be made for more than five (5) successive years. The limitation may be increased under this subsection only if the proposed increase is approved by a majority of those voting. Subject to specific provisions of this paragraph to the contrary, the publication of notice and manner of holding the election shall be as prescribed by law for the holding of elections for the issuance of bonds by the political subdivision. Revenues derived from any taxes levied pursuant to such election shall be excluded from the tax base for the purpose of determining aggregate receipts for which the ten percent (10%) increase limitation applies.

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

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

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

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

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

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

(8) From and after July 1, 2001, the board of supervisors of a county shall use one-half (1/2) of the sales tax revenue distributed to it under Section 27-65-75(1) to reduce the ad valorem taxes levied by the county, and the governing authorities of a municipality shall use one-half (1/2) of the revenue derived from the additional two percent (2%) of sales tax revenue distributed to it under Section 27-65-75(1), as amended by House Bill No. ____, 2001 Regular Session, to reduce the ad valorem taxes levied by the municipality.

SECTION 9. This act shall take effect and be in force from and after July 1, 2001.