

By: Representative Young

To: Ways and Means

HOUSE BILL NO. 679

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 AMEND SECTION 27-65-53, MISSISSIPPI
 8 CODE OF 1972, IN CONFORMITY THERETO; TO AMEND SECTIONS 21-33-45,
 9 27-39-303, 27-39-307, 27-39-317, 27-39-320 AND 27-39-321,
 10 MISSISSIPPI CODE OF 1972, TO CAP THE AD VALOREM TAX MILLAGE RATE
 11 THAT MAY BE LEVIED FOR GENERAL PURPOSES BY MUNICIPALITIES AND
 12 COUNTIES AT THE RATE IN EFFECT FOR THE COUNTY OR MUNICIPALITY 2002
 13 FISCAL YEAR, AS APPROPRIATE; TO AMEND SECTIONS 27-39-203 AND
 14 27-39-205, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND
 15 FOR RELATED PURPOSES.

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

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

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

22 (1) On or before August 15, 1992, and each succeeding month
 23 thereafter through July 15, 1993, eighteen percent (18%) of the
 24 total sales tax revenue collected during the preceding month under
 25 the provisions of this chapter, except that collected under the
 26 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
 27 business activities within a municipal corporation shall be
 28 allocated for distribution to such municipality and paid to such
 29 municipal corporation. On or before August 15, 1993, and each
 30 succeeding month thereafter through July 1, 2002, eighteen and
 31 one-half percent (18-1/2%) of the total sales tax revenue
 32 collected during the preceding month under the provisions of this
 33 chapter, except that collected under the provisions of Sections



34 27-65-15, 27-65-19(3) and 27-65-21, on business activities within
35 a municipal corporation shall be allocated for distribution to
36 such municipality and paid to such municipal corporation. On or
37 before August 15, 2002, and each succeeding month thereafter,
38 twenty and one-half percent (20-½%) of the total sales tax revenue
39 collected during the preceding month under the provisions of this
40 chapter, except that collected under the provisions of Sections
41 27-65-15, 27-65-19(3), 27-65-21, and that collected under the
42 provisions of Section 27-65-17(2) and the corresponding levy in
43 Section 27-65-23 on the rental or lease of private carriers of
44 passengers and light carriers of property as defined in Section
45 27-51-101, on business activities within a municipal corporation
46 shall be allocated for distribution to such municipality and paid
47 to such municipal corporation. On or before August 15, 2002, and
48 each succeeding month thereafter, an additional two percent (2%)
49 of the total sales tax revenue collected during the preceding
50 month under the provisions of this chapter, except that collected
51 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21,
52 and that collected under the provisions of Section 27-65-17(2) and
53 the corresponding levy in Section 27-65-23 on the rental or lease
54 of private carriers of passengers and light carriers of property
55 as defined in Section 27-51-101, on business activities within all
56 of the municipal corporations located within a county shall be
57 allocated for distribution to such county and paid to such county.

58 A municipal corporation, for the purpose of distributing the
59 tax under this subsection, shall mean and include all incorporated
60 cities, towns and villages.

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



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

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



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

111 (4) On or before August 15, 1994, and on or before the
112 fifteenth day of each succeeding month through July 15, 1999, from
113 the proceeds of gasoline, diesel fuel or kerosene taxes as
114 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
115 (\$4,000,000.00) shall be deposited in the State Treasury to the
116 credit of a special fund designated as the "State Aid Road Fund,"
117 created by Section 65-9-17. On or before August 15, 1999, and on
118 or before the fifteenth day of each succeeding month, from the
119 total amount of the proceeds of gasoline, diesel fuel or kerosene
120 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
121 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
122 one-fourth percent (23.25%) of such funds, whichever is the
123 greater amount, shall be deposited in the State Treasury to the
124 credit of the "State Aid Road Fund," created by Section 65-9-17.
125 Such funds shall be pledged to pay the principal of and interest
126 on state aid road bonds heretofore issued under Sections 19-9-51
127 through 19-9-77, in lieu of and in substitution for the funds
128 heretofore allocated to counties under this section. Such funds
129 may not be pledged for the payment of any state aid road bonds
130 issued after April 1, 1981; however, this prohibition against the
131 pledging of any such funds for the payment of bonds shall not



132 apply to any bonds for which intent to issue such bonds has been
133 published, for the first time, as provided by law prior to March
134 29, 1981. From the amount of taxes paid into the special fund
135 pursuant to this subsection and subsection (9) of this section,
136 there shall be first deducted and paid the amount necessary to pay
137 the expenses of the Office of State Aid Road Construction, as
138 authorized by the Legislature for all other general and special
139 fund agencies. The remainder of the fund shall be allocated
140 monthly to the several counties in accordance with the following
141 formula:

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

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

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

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

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



165 such monies may be approved for expenditure by the State Aid Road
166 Engineer on other projects that qualify for the use of state aid
167 road funds.

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

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

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

183 (7) On or before August 15, 1992, and each succeeding month
184 thereafter through July 15, 2000, two and two hundred sixty-six
185 one-thousandths percent (2.266%) of the total sales tax revenue
186 collected during the preceding month under the provisions of this
187 chapter, except that collected under the provisions of Section
188 27-65-17(2) shall be deposited by the commission into the School
189 Ad Valorem Tax Reduction Fund created pursuant to Section
190 37-61-35. On or before August 15, 2000, and each succeeding month
191 thereafter, two and two hundred sixty-six one-thousandths percent
192 (2.266%) of the total sales tax revenue collected during the
193 preceding month under the provisions of this chapter, except that
194 collected under the provisions of Section 27-65-17(2), shall be
195 deposited into the School Ad Valorem Tax Reduction Fund created
196 under Section 37-61-35 until such time that the total amount
197 deposited into the fund during a fiscal year equals Forty-two



198 Million Dollars (\$42,000,000.00). Thereafter, the amounts
199 diverted under this subsection (7) during the fiscal year in
200 excess of Forty-two Million Dollars (\$42,000,000.00) shall be
201 deposited into the Education Enhancement Fund created under
202 Section 37-61-33 for appropriation by the Legislature as other
203 education needs and shall not be subject to the percentage
204 appropriation requirements set forth in Section 37-61-33.

205 (8) On or before August 15, 1992, and each succeeding month
206 thereafter, nine and seventy-three one-thousandths percent
207 (9.073%) of the total sales tax revenue collected during the
208 preceding month under the provisions of this chapter, except that
209 collected under the provisions of Section 27-65-17(2) shall be
210 deposited into the Education Enhancement Fund created pursuant to
211 Section 37-61-33.

212 (9) On or before August 15, 1994, and each succeeding month
213 thereafter, from the revenue collected under this chapter during
214 the preceding month, Two Hundred Fifty Thousand Dollars
215 (\$250,000.00) shall be paid into the State Aid Road Fund.

216 (10) On or before August 15, 1994, and each succeeding month
217 thereafter through August 15, 1995, from the revenue collected
218 under this chapter during the preceding month, Two Million Dollars
219 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
220 Valorem Tax Reduction Fund established in Section 27-51-105.

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



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

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

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

254 (15) Notwithstanding any other provision of this section to
255 the contrary, on or before September 15, 2000, and each succeeding
256 month thereafter, the sales tax revenue collected during the
257 preceding month under the provisions of Section 27-65-19(1)(f),
258 shall be deposited, without diversion, into the Telecommunications
259 Ad Valorem Tax Reduction Fund established in Section 27-38-7.

260 (16) On or before August 15, 2000, and each succeeding month
261 thereafter, the sales tax revenue collected during the preceding
262 month under the provisions of this chapter on the gross proceeds



263 of sales of a project as defined in Section 57-30-1 shall be
264 deposited, after all diversions except the diversion provided for
265 in subsection (1) of this section, into the Sales Tax Incentive
266 Fund created in Section 57-30-3.

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

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

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

285 27-65-53. If the commissioner finds that the taxpayer has
286 overpaid his tax for any reason and the taxpayer has discontinued
287 business and there is no subsequent liability upon which the
288 excess may be credited, or if the amount of the excess so paid
289 shall exceed the estimated liability for the next twelve (12)
290 months, the excess shall be refunded to the taxpayer. Such amount
291 shall be certified to the State Auditor of Public Accounts by the
292 commission. The * * * auditor may make such investigation and
293 audit of the claim as he finds necessary. If he finds that the
294 commissioner is correct in his determination, the auditor may
295 issue his warrant to the State Treasurer in favor of the taxpayer



296 for the amount of tax erroneously paid into the State Treasury,
297 such refunds to be made from current sales tax collections. If
298 part of the overpayment has been disbursed to any municipality or
299 county, under authority of Section 27-65-75, the municipality or
300 county having erroneously received the money, shall adjust the
301 amount with the commissioner, or the overpayment may be withheld
302 by the state from any funds due by the state to the municipality
303 or county.

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

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

320 **SECTION 3.** Section 21-33-45, Mississippi Code of 1972, is
321 amended as follows:

322 21-33-45. Subject to the provisions of this section, the
323 governing authorities of each municipality of this state shall,
324 either at their regular meeting in September of each year or not
325 later than ten (10) days after the final approval of the
326 assessment rolls, levy the municipal ad valorem taxes for the
327 fiscal year next succeeding, and shall, by resolution, fix the tax
328 rate or levy for the municipality and for any other taxing



329 districts of which the municipality may be a part. The rates or
330 levies for the municipality or for any such taxing district shall
331 be expressed in mills or a decimal fraction of a mill, which tax
332 rates, or levies, shall determine the ad valorem taxes to be
333 collected upon each dollar of valuation upon the assessment rolls
334 of the municipality for municipal taxes, and to be collected upon
335 each dollar of valuation as shown upon the assessment rolls of the
336 municipality for each such taxing district, except as to such
337 values as may be exempt, in whole or in part, from certain tax
338 rates or levies. If the rates or levies for the municipality or
339 taxing district are an increase from the previous fiscal year,
340 then the proposed rate or levy increase shall be advertised in
341 accordance with Sections 27-39-203 and 27-39-205. From and after
342 July 1, 2002, the governing authorities of a municipality may not
343 levy ad valorem taxes for general revenue purposes and general
344 improvements in excess of the millage rate for general revenue
345 purposes and general improvements in effect for the municipality's
346 2002 fiscal year.

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

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

351 (b) For school purposes, including all maintenance
352 levies, whether made against the property within such
353 municipality, or within any taxing district embraced in such
354 municipality, as authorized by Section 27-39-307 and Section
355 37-57-3 et seq.

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

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



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

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

365 (g) For any other purpose for which a levy is lawfully
366 made. If any municipal-wide levy is made for any general or
367 special purpose under the provisions of any law other than Section
368 27-39-307 each such levy shall be separately stated in the
369 resolution, and the law authorizing same shall be expressly stated
370 therein.

371 If the governing authorities of any municipality shall not
372 levy the municipal taxes and the district taxes at its regular
373 September meeting, such governing authorities shall levy the same
374 at an adjourned or special meeting not later than ten (10) days
375 after the final approval of the assessment rolls. However, * * *
376 if such levy be not made on or before September 15 then road and
377 bridge privilege tax license plates may be issued by the tax
378 collector or State Tax Commission, as the case may be, for motor
379 vehicles as defined in the Motor Vehicle Ad Valorem Tax Law of
380 1958 (Section 27-51-1 et seq.), without collecting or requiring
381 proof of payment of municipal ad valorem taxes until such levy is
382 duly certified to him, and for twenty-four (24) hours thereafter.

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



394 **SECTION 4.** Section 27-39-203, Mississippi Code of 1972, is
395 amended as follows:

396 27-39-203. (1) All taxing entities operating under the
397 January 1 through December 31 fiscal year or a July 1 through June
398 30 fiscal year shall hold a public hearing at which the budget for
399 the following fiscal year will be considered, regardless of
400 whether that budget will be increased or decreased from the
401 current budget or will remain the same as the current budget, and
402 shall notify the county of the date, time and place of the public
403 hearing. The county shall include that information with the tax
404 notice.

405 (2) Unless the increased revenue in a budget is derived
406 solely from the expansion of a taxing entity's ad valorem tax
407 base, a taxing entity shall not budget an increased amount
408 of revenue derived from the classes of ad valorem property
409 described in Section 112, Mississippi Constitution of 1890, unless
410 it first advertises its intention to do so at the same time that
411 it advertises its intention to fix its budget for the next fiscal
412 year. From and after July 1, 2002, the board of supervisors of a
413 county may not levy ad valorem taxes for general county purposes
414 in excess of the millage rate for general county purposes in
415 effect for the county's 2002 fiscal year, and the governing
416 authorities of a municipality may not levy ad valorem taxes for
417 general revenue purposes and general improvements in excess of the
418 millage rate for general revenue purposes and general improvements
419 in effect for the municipality's 2002 fiscal year.

420 (3) (a) For taxing entities operating under an October 1
421 through September 30 fiscal year, this advertisement may be
422 combined with the advertisement required by Section 27-39-205.
423 For all taxing entities, the advertisement shall meet the size,
424 type, placement and frequency requirements established under
425 Section 27-39-205.



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

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

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

433 The (name of the taxing entity) is now operating with
434 projected total budget revenue of \$_____. (____ percent) or
435 \$_____ of such revenue is obtained through ad valorem taxes.
436 For next fiscal year, the proposed budget has total projected
437 revenue of \$_____. Of that amount, (____ percent) or \$_____,
438 is proposed to be financed through a total ad valorem tax levy.

439 This increase in ad valorem tax revenue means that you will
440 pay more in ad valorem taxes on your home, automobile tag,
441 utilities, business fixtures and equipment and rental real
442 property.

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

448 **SECTION 5.** Section 27-39-205, Mississippi Code of 1972, is
449 amended as follows:

450 27-39-205. (1) Except as otherwise provided in subsection
451 (5) of this section, a tax rate in excess of the certified tax
452 rate shall not be levied under Sections 21-33-45, 27-39-307,
453 27-39-317 and 27-39-320 until a resolution has been approved by
454 the governing body of the taxing entity in accordance with the
455 following procedure:

456 (a) The taxing entity shall advertise its intent to
457 exceed the certified tax rate in a newspaper of general
458 circulation in the county. A taxing entity collecting taxes in



459 more than one (1) county shall make the advertisement required
460 under this section by publication in each county where the taxing
461 entity collects taxes. The advertisement shall be no less than
462 one-fourth (1/4) page in size and the type used shall be no
463 smaller than eighteen (18) point and surrounded by a
464 one-fourth-inch solid black border. The advertisement shall not
465 be placed in any portion of the newspaper where legal notices and
466 classified advertisements appear. The advertisement shall appear
467 in a newspaper that is published at least five (5) days a week,
468 unless the only newspaper in the county is published less than
469 five (5) days a week. The newspaper selected shall be one of
470 general interest, readership and circulation in all areas of the
471 community. The advertisement shall be published once each week
472 for the two-week period preceding the adoption of the final
473 budget. The advertisement shall provide that the taxing entity
474 will meet on a certain day, date, time and place fixed in the
475 advertisement, which shall be no less than seven (7) days after
476 the day the first advertisement is published. The meeting on the
477 proposed increase may coincide with the hearing on the proposed
478 budget of the taxing entity.

479 (b) When the advertisement is required it shall be in
480 the following form:

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

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

485 The (name of the taxing entity) is now operating with
486 projected total budget revenue of \$_____. (____ percent) or
487 \$_____, of such revenue is obtained through ad valorem taxes.
488 For next fiscal year, the proposed budget has total projected
489 revenue of \$_____. Of that amount, (____ percent) or
490 \$_____, is proposed to be financed through a total ad valorem
491 tax levy.



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

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

501 (2) After the hearing has been held in accordance with the
502 above procedures, the governing body of the taxing entity may
503 adopt a resolution levying a tax rate on classes of property
504 designated by Section 112, Mississippi Constitution of 1890, in
505 excess of the certified tax rate. If the resolution adopting the
506 tax rate is not adopted on the day of the public hearing, the
507 scheduled date, time and place for consideration and adoption of
508 the resolution shall be announced at the public hearing and the
509 governing body shall advertise the date, time and place of the
510 proposed adoption of the resolution in the same manner as provided
511 under subsection (1).

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

516 (4) Each taxing entity shall notify the county or municipal
517 governing body of the date, time and place of its public hearing.
518 No taxing entity may schedule its hearing at the same time as
519 another overlapping taxing entity in the same county, but all
520 taxing entities in which the power to set tax levies is vested in
521 the same governing authority may consolidate the required hearings
522 into one (1) hearing. The county or municipal governing body
523 shall resolve any conflicts in hearing dates and times after
524 consultation with each affected taxing entity.



525 (5) From and after July 1, 2002, the board of supervisors of
526 a county may not levy ad valorem taxes for general county purposes
527 in excess of the millage rate for general county purposes in
528 effect for the county's 2002 fiscal year, and the governing
529 authorities of a municipality may not levy ad valorem taxes for
530 general revenue purposes and general improvements in excess of the
531 millage rate for general revenue purposes and general improvements
532 in effect for the municipality's 2002 fiscal year.

533 **SECTION 6.** Section 27-39-303, Mississippi Code of 1972, is
534 amended as follows:

535 27-39-303. Subject to the provisions of this section, the
536 board of supervisors of any county is hereby empowered to levy ad
537 valorem taxes on taxable property in the respective counties in
538 any one (1) year, as shown by the assessment roll containing
539 assessments of property made as of January 1 of the year, and the
540 assessment of motor vehicles as made according to the provisions
541 of the Motor Vehicle Ad Valorem Tax Law of 1958 (Section 27-51-1
542 et seq.) for all general county purposes, exclusive only of levies
543 for roads and bridges and schools at the rate necessary to fund
544 such purposes. From and after July 1, 2002, the board of
545 supervisors of a county may not levy ad valorem taxes for general
546 county purposes in excess of the millage rate for general county
547 purposes in effect for the county's 2002 fiscal year.

548 The board of supervisors of any county is further empowered
549 to expend the proceeds of this levy for any purpose authorized for
550 any other levy which the board of supervisors is authorized to
551 make, excluding the levy for roads and bridges, and the board may
552 authorize general fund expenditures for school purposes when
553 necessary to meet the minimum local ad valorem tax effort required
554 by Section 37-57-1.

555 The board of supervisors of any county is further empowered
556 to distribute from the county general fund a portion of the
557 county's share of payments made by the Tennessee Valley Authority



558 to the state in lieu of taxes (a) to the school districts of said
559 county and (b) for construction on the roads and bridges of said
560 county in an amount which bears the same proportion to the total
561 amount of the county's share as the millage for the school fund
562 and road and bridge fund bears to the total millage levied by the
563 county. In the event said in lieu payments are expended for
564 capital improvements, said payments shall not be subject to the
565 increase limitations specified in Section 27-39-321 or 37-57-107.

566 **SECTION 7.** Section 27-39-307, Mississippi Code of 1972, is
567 amended as follows:

568 27-39-307. Subject to the provisions of this section,
569 municipalities may levy ad valorem taxes upon all taxable property
570 within such municipality for general revenue purposes and for
571 general improvements. Further, the governing authorities of any
572 municipality may make additional levies for special purposes as
573 authorized by law. Any such levy which is an increase from the
574 previous fiscal year must be advertised in accordance with
575 Sections 27-39-203 and 27-39-205. In addition to funding
576 municipal general purposes, the municipal general ad valorem tax
577 levy may be used to supplement any municipal ad valorem tax levy
578 for a special purpose authorized by law, excluding levies for
579 schools, without regard to any statutory millage limitation on
580 such special purpose tax levy; however, nothing herein contained
581 shall be construed to exempt such tax levies from the limitation
582 on total receipts under Section 27-39-321.

583 From and after July 1, 2002, the governing authorities of a
584 municipality may not levy ad valorem taxes for general revenue
585 purposes and general improvements in excess of the millage rate
586 for general revenue purposes and general improvements in effect
587 for the municipality's 2002 fiscal year.

588 **SECTION 8.** Section 27-39-317, Mississippi Code of 1972, is
589 amended as follows:



590 27-39-317. The board of supervisors of each county shall, at
591 its regular meeting in September of each year, levy the county ad
592 valorem taxes for the fiscal year, and shall, by order, fix the
593 tax rate, or levy, for the county, for the road districts, if any,
594 and for the school districts, if any, and for any other taxing
595 districts; and the rates, or levies, for the county and for any
596 district shall be expressed in mills or a decimal fraction of a
597 mill. Said tax rates, or levies, shall determine the ad valorem
598 taxes to be collected upon each dollar of valuation, upon the
599 assessment rolls of the county, including the assessment of motor
600 vehicles as provided by the Motor Vehicle Ad Valorem Tax Law of
601 1958, Section 27-51-1 et seq., for county taxes; and upon each
602 dollar of valuation for the respective districts, as shown upon
603 the assessment rolls of the county, including the assessment of
604 motor vehicles as provided by the Motor Vehicle Ad Valorem Tax Law
605 of 1958, Section 27-51-1 et seq.; except as to such values as
606 shall be exempt, in whole or in part, from certain tax rates or
607 levies. If the rate or levy for the county is an increase from
608 the previous fiscal year, then the proposed rate or levy shall be
609 advertised in accordance with Sections 27-39-203 and 27-39-205.
610 From and after July 1, 2002, the board of supervisors of a county
611 may not levy ad valorem taxes for general county purposes in
612 excess of the millage rate for general county purposes in effect
613 for the county's 2002 fiscal year. If the board of supervisors of
614 any county shall not levy the county taxes and the district taxes
615 at its regular September meeting, the board shall levy the same on
616 or before September 15 at an adjourned or special meeting, or
617 thereafter, provided, however, that if such levy be not made on or
618 before the fifteenth day of September then the tax collector or
619 State Tax Commission may issue road and bridge privilege tax
620 license plates for motor vehicles as defined in the Motor Vehicle
621 Ad Valorem Tax Law of 1958, Section 27-51-1 et seq., without
622 collecting or requiring proof of payment of county ad valorem



623 taxes, and may continue to so issue such plates until such levy is
624 duly certified to him, and for twenty-four (24) hours thereafter.

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

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

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

636 (b) For roads and bridges, as authorized by Section
637 27-39-305.

638 (c) For schools, including the countywide minimum
639 education program levy and the levy for each school district
640 including special municipal separate school districts, but not
641 including other municipal separate school districts, and for an
642 agricultural high school, county high school or junior college
643 (current expense and maintenance taxes), as authorized by Chapter
644 57, Title 37, Mississippi Code of 1972, and any other applicable
645 statute. The levy for schools shall apply to the assessed value
646 of property in the respective school districts, including special
647 municipal separate school districts, but not including other
648 municipal separate school districts, and a distinct and separate
649 levy shall be made for each school district, and the purpose for
650 each levy shall be stated.

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

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



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

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

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

662 The order shall state all of the purposes for which the
663 general county levy is made, using the administrative items
664 suggested by the State Department of Audit of Mississippi under
665 the county budget law in its uniform system of accounts for
666 counties, but the rate or levy for any item or purpose need not be
667 shown; and if a countywide levy is made for any general or special
668 purpose under the provisions of any law other than Section
669 27-39-303, each such levy shall be separately stated.

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

685 **SECTION 9.** Section 27-39-320, Mississippi Code of 1972, is
686 amended as follows:

687 27-39-320. (1) The Legislature finds and determines that
688 legislation requiring a specific levy or requiring consent of some



689 other governing body to reduce the levy was intended to raise a
690 certain amount of revenue for specific purposes. Upon this
691 determination and notwithstanding the provisions of any statute
692 which requires a definite levy to be made or which requires that a
693 levy may not be reduced except by the consent of some other
694 governing authority, except as otherwise provided in subsection
695 (5) of this section, the amount of such levy shall be deemed to be
696 an amount necessary to produce the revenues received in the next
697 preceding year plus, at the option of the taxing authority, an
698 increase not to exceed ten percent (10%) of such revenues.

699 (2) In any county where there is located a nuclear
700 generating power plant on which a tax is assessed under Section
701 27-35-309(3), such required levy and revenue produced thereby may
702 be reduced by the levying authority in an amount in proportion to
703 a reduction in the base revenue of any such county from the
704 previous year. Such reduction shall be allowed only if the
705 reduction in base revenue equals or exceeds five percent (5%).
706 "Base revenue" shall mean the revenue received by the county from
707 the ad valorem tax levy plus the revenue received by the county
708 from the tax assessed under Section 27-35-309(3) and authorized to
709 be used for any purposes for which a county is authorized by law
710 to levy an ad valorem tax. For purposes of determining if the
711 reduction equals or exceeds five percent (5%), a levy of millage
712 equal to the prior year's millage shall be hypothetically applied
713 to the current year's ad valorem tax base to determine the amount
714 of revenue to be generated from the ad valorem tax levy. For the
715 purposes of this section, the portion of base revenue used to fund
716 the purpose for which a specific levy is required shall be deemed
717 to be the total receipts from ad valorem taxes for such purpose.
718 This paragraph shall apply to taxes levied for the 1987 fiscal
719 year and for each fiscal year thereafter. If the Mississippi
720 Supreme Court or another court finally adjudicates that the tax



721 levied under Section 27-35-309(3) is unconstitutional, then this
722 paragraph shall stand repealed.

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

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

746 (5) From and after July 1, 2002, the board of supervisors of
747 a county may not levy ad valorem taxes for general county purposes
748 in excess of the millage rate for general county purposes in
749 effect for the county's 2002 fiscal year, and the governing
750 authorities of a municipality may not levy ad valorem taxes for
751 general revenue purposes and general improvements in excess of the
752 millage rate for general revenue purposes and general improvements
753 in effect for the municipality's 2002 fiscal year.



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

756 **SECTION 10.** Section 27-39-321, Mississippi Code of 1972, is
757 amended as follows:

758 27-39-321. (1) Except as otherwise provided in subsection
759 (8) of this section, with respect to ad valorem taxes levied for
760 each fiscal year, no political subdivision may levy ad valorem
761 taxes in any fiscal year which would render in total receipts from
762 all levies an amount more than the receipts from that source
763 during any one (1) of the immediately preceding three (3) fiscal
764 years, as determined by the levying governing authority, plus, at
765 the option of the taxing authority, an increase not to exceed ten
766 percent (10%) of such receipts. The additional revenue from the
767 ad valorem tax on any newly constructed properties or any existing
768 properties added to the tax rolls or any properties previously
769 exempt, which were not assessed in the next preceding year and
770 cost incurred and paid in the next preceding year in connection
771 with reappraisal may be excluded from the ten percent (10%)
772 increase limitation set forth herein. Taxes levied for school
773 district purposes under any statute and taxes levied for the
774 maintenance and/or construction of roads and bridges under Section
775 27-39-305 shall be excluded from the ten percent (10%) increase
776 limitation set forth herein. Taxes levied for payment of
777 principal of and interest on general obligation bonds issued
778 heretofore or hereafter shall be excluded from the ten percent
779 (10%) increase limitation set forth herein. Any additional
780 millage levied to fund any new program mandated by the Legislature
781 shall be excluded from the limitation for the first year of the
782 levy and included within such limitation in any year thereafter.
783 The limitation imposed under this paragraph shall not apply to
784 those mandatory levies enumerated in Sections 27-39-320 and
785 27-39-329.



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

807 (3) Except as otherwise provided in subsection (8) of this
808 section, as an alternative to the procedure provided in subsection
809 (2) of this section, the ten percent (10%) increase limitation
810 prescribed in this section may be increased by an additional
811 amount by the board of supervisors of any county without an
812 election thereon if the aggregate receipts from all county levies
813 to which this section and Sections 27-39-305 and 27-39-320 apply
814 do not exceed one hundred ten percent (110%) of the aggregate
815 receipts from all such levies during any one (1) of the
816 immediately preceding three (3) fiscal years, as determined by the
817 board of supervisors.



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

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

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

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

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

846 (7) If a shortfall occurs in revenues from oil and gas
847 severance taxes budgeted for the county or municipal general fund
848 during the 1987 fiscal year, then the county or municipality, as
849 the case may be, may levy a special ad valorem tax for the 1988
850 fiscal year in an amount the avails of which shall not exceed such



851 shortfall. The avails of such special ad valorem tax shall not be
852 included within the ten percent (10%) increase limitation. The ad
853 valorem taxes levied to offset the shortfall shall be deemed to be
854 ad valorem tax receipts produced in the 1988 fiscal year for the
855 purposes of determining the limitation on receipts for the
856 succeeding fiscal years.

857 (8) From and after July 1, 2002, the board of supervisors of
858 a county may not levy ad valorem taxes for general county purposes
859 in excess of the millage rate for general county purposes in
860 effect for the county's 2002 fiscal year, and the governing
861 authorities of a municipality may not levy ad valorem taxes for
862 general revenue purposes and general improvements in excess of the
863 millage rate for general revenue purposes and general improvements
864 in effect for the municipality's 2002 fiscal year.

865 **SECTION 11.** This act shall take effect and be in force from
866 and after July 1, 2002.

