MISSISSIPPI LEGISLATURE  
REGULAR SESSION 2002  
By: Representative Young  
To: Ways and Means  

HOUSE BILL NO. 679  


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 1, 2002, 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, 2002, 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. On or before August 15, 2002, 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.

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), 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), 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
dverted 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
defined 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(1)(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 commissioner. 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:

21-33-45. 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, 2002, the governing authorities of a municipality may not
levy ad valorem taxes for general revenue purposes and general
improvements in excess of the millage rate for general revenue
purposes and general improvements in effect for the municipality's
2002 fiscal year.

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 authority 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 27-39-203, Mississippi Code of 1972, is amended as follows:

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

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

(3) (a) For taxing entities operating under an October through September 30 fiscal year, this advertisement may be combined with the advertisement required by Section 27-39-205. For all taxing entities, the advertisement shall meet the size, type, placement and frequency requirements established under Section 27-39-205.
(b) When the advertisement is required, it shall be in the following form:

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

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

The (name of the taxing entity) is now operating with projected total budget revenue of $_________. (___ percent) or $________ of such revenue is obtained through ad valorem taxes. For next fiscal year, the proposed budget has total projected revenue of $________. Of that amount, (___ percent) or $______, is proposed to be financed through a total ad valorem tax levy.

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

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

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

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

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

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

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

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

The (name of the taxing entity) is now operating with projected total budget revenue of $_________. (___ percent) or $_________, of such revenue is obtained through ad valorem taxes. For next fiscal year, the proposed budget has total projected revenue of $_________. Of that amount, (___ percent) or $_______, is proposed to be financed through a total ad valorem tax levy.

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

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

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

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

(4) Each taxing entity shall notify the county or municipal governing body of the date, time and place of its public hearing. No taxing entity may schedule its hearing at the same time as another overlapping taxing entity in the same county, but all taxing entities in which the power to set tax levies is vested in the same governing authority may consolidate the required hearings into one (1) hearing. The county or municipal governing body shall resolve any conflicts in hearing dates and times after consultation with each affected taxing entity.
(5) From and after July 1, 2002, the board of supervisors of a county may not levy ad valorem taxes for general county purposes in excess of the millage rate for general county purposes in effect for the county's 2002 fiscal year, and the governing authorities of a municipality may not levy ad valorem taxes for general revenue purposes and general improvements in excess of the millage rate for general revenue purposes and general improvements in effect for the municipality's 2002 fiscal year.

SECTION 6. 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, 2002, the board of supervisors of a county may not levy ad valorem taxes for general county purposes in excess of the millage rate for general county purposes in effect for the county's 2002 fiscal year.

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 7. 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, 2002, the governing authorities of a municipality may not levy ad valorem taxes for general revenue purposes and general improvements in excess of the millage rate for general revenue purposes and general improvements in effect for the municipality's 2002 fiscal year.

SECTION 8. Section 27-39-317, Mississippi Code of 1972, is amended as follows:
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, 2002, the board of supervisors of a county may not levy ad valorem taxes for general county purposes in excess of the millage rate for general county purposes in effect for the county's 2002 fiscal year. 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 9. 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, except as otherwise provided in 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) Except as otherwise provided in 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) Except as otherwise provided in 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, 2002, the board of supervisors of a county may not levy ad valorem taxes for general county purposes in excess of the millage rate for general county purposes in effect for the county's 2002 fiscal year, and the governing authorities of a municipality may not levy ad valorem taxes for general revenue purposes and general improvements in excess of the millage rate for general revenue purposes and general improvements in effect for the municipality's 2002 fiscal year.
The limitations set forth in this section shall apply to the mandatory tax levied by Section 27-39-329.

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

27-39-321. (1) Except as otherwise provided in 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) Except as otherwise provided in 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) Except as otherwise provided in 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) Except as otherwise provided in 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, 2002, the board of supervisors of a county may not levy ad valorem taxes for general county purposes in excess of the millage rate for general county purposes in effect for the county's 2002 fiscal year, and the governing authorities of a municipality may not levy ad valorem taxes for general revenue purposes and general improvements in excess of the millage rate for general revenue purposes and general improvements in effect for the municipality's 2002 fiscal year.

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