

By: Representative Young

To: Ways and Means

HOUSE BILL NO. 680

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 MUNICIPALITIES; TO AMEND
 4 SECTIONS 21-33-45, 27-39-307, 27-39-320 and 27-39-321, MISSISSIPPI
 5 CODE OF 1972, TO CAP THE AD VALOREM MILLAGE RATE THAT MAY BE
 6 LEVIED FOR GENERAL PURPOSES BY MUNICIPALITIES AT THE RATE IN
 7 EFFECT FOR THE MUNICIPAL 2002 FISCAL YEAR; TO AMEND SECTIONS
 8 27-39-203 AND 27-39-205, MISSISSIPPI CODE OF 1972, IN CONFORMITY
 9 THERETO; AND FOR RELATED PURPOSES.

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

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

13 27-65-75. On or before the fifteenth day of each month, the
 14 revenue collected under the provisions of this chapter during the
 15 preceding month shall be paid and distributed as follows:

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



31 before August 15, 2002, and each succeeding month thereafter,
32 twenty and one-half percent (20-1/2%) of the total sales tax
33 revenue collected during the preceding month under the provisions
34 of this chapter, except that collected under the provisions of
35 Sections 27-65-15, 27-65-19(3), 27-65-21, and that collected under
36 the provisions of Section 27-65-17(2) and the corresponding levy
37 in Section 27-65-23 on the rental or lease of private carriers of
38 passengers and light carriers of property as defined in Section
39 27-51-101, on business activities within a municipal corporation
40 shall be allocated for distribution to such municipality and paid
41 to such municipal corporation.

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

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

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

58 (2) On or before September 15, 1987, and each succeeding
59 month thereafter, from the revenue collected under this chapter
60 during the preceding month One Million One Hundred Twenty-five
61 Thousand Dollars (\$1,125,000.00) shall be allocated for
62 distribution to municipal corporations as defined under subsection
63 (1) of this section in the proportion that the number of gallons



64 of gasoline and diesel fuel sold by distributors to consumers and
65 retailers in each such municipality during the preceding fiscal
66 year bears to the total gallons of gasoline and diesel fuel sold
67 by distributors to consumers and retailers in municipalities
68 statewide during the preceding fiscal year. The State Tax
69 Commission shall require all distributors of gasoline and diesel
70 fuel to report to the commission monthly the total number of
71 gallons of gasoline and diesel fuel sold by them to consumers and
72 retailers in each municipality during the preceding month. The
73 State Tax Commission shall have the authority to promulgate such
74 rules and regulations as is necessary to determine the number of
75 gallons of gasoline and diesel fuel sold by distributors to
76 consumers and retailers in each municipality. In determining the
77 percentage allocation of funds under this subsection for the
78 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
79 State Tax Commission may consider gallons of gasoline and diesel
80 fuel sold for a period of less than one (1) fiscal year. For the
81 purposes of this subsection, the term "fiscal year" means the
82 fiscal year beginning July 1 of a year.

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

95 (4) On or before August 15, 1994, and on or before the
96 fifteenth day of each succeeding month through July 15, 1999, from



97 the proceeds of gasoline, diesel fuel or kerosene taxes as
98 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
99 (\$4,000,000.00) shall be deposited in the State Treasury to the
100 credit of a special fund designated as the "State Aid Road Fund,"
101 created by Section 65-9-17. On or before August 15, 1999, and on
102 or before the fifteenth day of each succeeding month, from the
103 total amount of the proceeds of gasoline, diesel fuel or kerosene
104 taxes apportioned by Section 27-5-101(a)(ii), Four Million Dollars
105 (\$4,000,000.00) or an amount equal to twenty-three and one-fourth
106 percent (23.25%) of such funds, whichever is the greater amount,
107 shall be deposited in the State Treasury to the credit of the
108 "State Aid Road Fund," created by Section 65-9-17. Such funds
109 shall be pledged to pay the principal of and interest on state aid
110 road bonds heretofore issued under Sections 19-9-51 through
111 19-9-77, in lieu of and in substitution for the funds heretofore
112 allocated to counties under this section. Such funds may not be
113 pledged for the payment of any state aid road bonds issued after
114 April 1, 1981; however, this prohibition against the pledging of
115 any such funds for the payment of bonds shall not apply to any
116 bonds for which intent to issue such bonds has been published, for
117 the first time, as provided by law prior to March 29, 1981. From
118 the amount of taxes paid into the special fund pursuant to this
119 subsection and subsection (9) of this section, there shall be
120 first deducted and paid the amount necessary to pay the expenses
121 of the Office of State Aid Road Construction, as authorized by the
122 Legislature for all other general and special fund agencies. The
123 remainder of the fund shall be allocated monthly to the several
124 counties in accordance with the following formula:

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

127 (b) One-third (1/3) shall be allocated to counties
128 based on the proportion that the total number of rural road miles



129 in a county bears to the total number of rural road miles in all
130 counties of the state; and

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

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

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

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

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



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

166 (7) On or before August 15, 1992, and each succeeding month
167 thereafter through July 15, 2000, two and two hundred sixty-six
168 one-thousandths percent (2.266%) of the total sales tax revenue
169 collected during the preceding month under the provisions of this
170 chapter, except that collected under the provisions of Section
171 27-65-17(2) shall be deposited by the commission into the School
172 Ad Valorem Tax Reduction Fund created pursuant to Section
173 37-61-35. On or before August 15, 2000, and each succeeding month
174 thereafter, two and two hundred sixty-six one-thousandths percent
175 (2.266%) of the total sales tax revenue collected during the
176 preceding month under the provisions of this chapter, except that
177 collected under the provisions of Section 27-65-17(2), shall be
178 deposited into the School Ad Valorem Tax Reduction Fund created
179 under Section 37-61-35 until such time that the total amount
180 deposited into the fund during a fiscal year equals Forty-two
181 Million Dollars (\$42,000,000.00). Thereafter, the amounts
182 diverted under this subsection (7) during the fiscal year in
183 excess of Forty-two Million Dollars (\$42,000,000.00) shall be
184 deposited into the Education Enhancement Fund created under
185 Section 37-61-33 for appropriation by the Legislature as other
186 education needs and shall not be subject to the percentage
187 appropriation requirements set forth in Section 37-61-33.

188 (8) On or before August 15, 1992, and each succeeding month
189 thereafter, nine and seventy-three one-thousandths percent
190 (9.073%) of the total sales tax revenue collected during the
191 preceding month under the provisions of this chapter, except that
192 collected under the provisions of Section 27-65-17(2) shall be



193 deposited into the Education Enhancement Fund created pursuant to
194 Section 37-61-33.

195 (9) On or before August 15, 1994, and each succeeding month
196 thereafter, from the revenue collected under this chapter during
197 the preceding month, Two Hundred Fifty Thousand Dollars
198 (\$250,000.00) shall be paid into the State Aid Road Fund.

199 (10) On or before August 15, 1994, and each succeeding month
200 thereafter through August 15, 1995, from the revenue collected
201 under this chapter during the preceding month, Two Million Dollars
202 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
203 Valorem Tax Reduction Fund established in Section 27-51-105.

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

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

222 (13) On or before July 15, 1994, and on or before the
223 fifteenth day of each succeeding month thereafter, that portion of
224 the avails of the tax imposed in Section 27-65-22, which is
225 derived from activities held on the Mississippi state fairgrounds



226 complex, shall be paid into a special fund hereby created in the
227 State Treasury and shall be expended pursuant to legislative
228 appropriations solely to defray the costs of repairs and
229 renovation at such Trade Mart and Coliseum.

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

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

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

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

253 (18) It shall be the duty of the municipal officials of any
254 municipality which expands its limits, or of any community which
255 incorporates as a municipality, to notify the commissioner of such
256 action thirty (30) days before the effective date. Failure to so
257 notify the commissioner shall cause such municipality to forfeit
258 the revenue which it would have been entitled to receive during



259 this period of time when the commissioner had no knowledge of the
260 action. If any funds have been erroneously disbursed to any
261 municipality or any overpayment of tax is recovered by the
262 taxpayer, the commissioner may make correction and adjust the
263 error or overpayment with such municipality by withholding the
264 necessary funds from any subsequent payment to be made to the
265 municipality.

266 **SECTION 2.** Section 21-33-45, Mississippi Code of 1972, is
267 amended as follows:

268 21-33-45. Subject to the provisions of this section, the
269 governing authorities of each municipality of this state shall,
270 either at their regular meeting in September of each year or not
271 later than ten (10) days after the final approval of the
272 assessment rolls, levy the municipal ad valorem taxes for the
273 fiscal year next succeeding, and shall, by resolution, fix the tax
274 rate or levy for the municipality and for any other taxing
275 districts of which the municipality may be a part. The rates or
276 levies for the municipality or for any such taxing district shall
277 be expressed in mills or a decimal fraction of a mill, which tax
278 rates, or levies, shall determine the ad valorem taxes to be
279 collected upon each dollar of valuation upon the assessment rolls
280 of the municipality for municipal taxes, and to be collected upon
281 each dollar of valuation as shown upon the assessment rolls of the
282 municipality for each such taxing district, except as to such
283 values as may be exempt, in whole or in part, from certain tax
284 rates or levies. If the rates or levies for the municipality or
285 taxing district are an increase from the previous fiscal year,
286 then the proposed rate or levy increase shall be advertised in
287 accordance with Sections 27-39-203 and 27-39-205. From and after
288 July 1, 2002, the governing authorities of a municipality may not
289 levy ad valorem taxes for general revenue purposes and general
290 improvements in excess of the millage rate for general revenue



291 purposes and general improvements in effect for the municipality's
292 2002 fiscal year.

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

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

297 (b) For school purposes, including all maintenance
298 levies, whether made against the property within such
299 municipality, or within any taxing district embraced in such
300 municipality, as authorized by Section 27-39-307 and Section
301 37-57-3 et seq.

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

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

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

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

311 (g) For any other purpose for which a levy is lawfully
312 made. If any municipal-wide levy is made for any general or
313 special purpose under the provisions of any law other than Section
314 27-39-307 each such levy shall be separately stated in the
315 resolution, and the law authorizing same shall be expressly stated
316 therein.

317 If the governing authorities of any municipality shall not
318 levy the municipal taxes and the district taxes at its regular
319 September meeting, such governing authorities shall levy the same
320 at an adjourned or special meeting not later than ten (10) days
321 after the final approval of the assessment rolls. * * * If such
322 levy be not made on or before September 15 then road and bridge
323 privilege tax license plates may be issued by the tax collector or



324 State Tax Commission, as the case may be, for motor vehicles as
325 defined in the Motor Vehicle Ad Valorem Tax Law of 1958 (Section
326 27-51-1 et seq.), without collecting or requiring proof of payment
327 of municipal ad valorem taxes until such levy is duly certified to
328 him, and for twenty-four (24) hours thereafter.

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

340 **SECTION 3.** Section 27-39-203, Mississippi Code of 1972, is
341 amended as follows:

342 27-39-203. (1) All taxing entities operating under the
343 January 1 through December 31 fiscal year or a July 1 through June
344 30 fiscal year shall hold a public hearing at which the budget for
345 the following fiscal year will be considered, regardless of
346 whether that budget will be increased or decreased from the
347 current budget or will remain the same as the current budget, and
348 shall notify the county of the date, time and place of the public
349 hearing. The county shall include that information with the tax
350 notice.

351 (2) Unless the increased revenue in a budget is derived
352 solely from the expansion of a taxing entity's ad valorem tax
353 base, a taxing entity shall not budget an increased amount of
354 revenue derived from the classes of ad valorem property described
355 in Section 112, Mississippi Constitution of 1890, unless it first
356 advertises its intention to do so at the same time that it



357 advertises its intention to fix its budget for the next fiscal
358 year. From and after July 1, 2002, the governing authorities of a
359 municipality may not levy ad valorem taxes for general revenue
360 purposes and general improvements in excess of the millage rate
361 for general revenue purposes and general improvements in effect
362 for the municipality's 2002 fiscal year.

363 (3) (a) For taxing entities operating under an October 1
364 through September 30 fiscal year, this advertisement may be
365 combined with the advertisement required by Section 27-39-205.
366 For all taxing entities, the advertisement shall meet the size,
367 type, placement and frequency requirements established under
368 Section 27-39-205.

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

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

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

376 The (name of the taxing entity) is now operating with
377 projected total budget revenue of \$_____. (____ percent) or
378 \$_____ of such revenue is obtained through ad valorem taxes.
379 For next fiscal year, the proposed budget has total projected
380 revenue of \$_____. Of that amount, (____ percent) or \$_____,
381 is proposed to be financed through a total ad valorem tax levy.

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

386 Any citizen of (name of the taxing entity) is invited to
387 attend this public hearing on the proposed ad valorem tax revenue
388 increase in the budget and will be allowed to speak for a



389 reasonable amount of time and offer tangible evidence before any
390 vote is taken."

391 **SECTION 4.** Section 27-39-205, Mississippi Code of 1972, is
392 amended as follows:

393 27-39-205. (1) Except as otherwise provided in subsection
394 (5) of this section, a tax rate in excess of the certified tax
395 rate shall not be levied under Sections 21-33-45, 27-39-307,
396 27-39-317 and 27-39-320 until a resolution has been approved by
397 the governing body of the taxing entity in accordance with the
398 following procedure:

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



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

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

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

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

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

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

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



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

459 (4) Each taxing entity shall notify the county or municipal
460 governing body of the date, time and place of its public hearing.
461 No taxing entity may schedule its hearing at the same time as
462 another overlapping taxing entity in the same county, but all
463 taxing entities in which the power to set tax levies is vested in
464 the same governing authority may consolidate the required hearings
465 into one (1) hearing. The county or municipal governing body
466 shall resolve any conflicts in hearing dates and times after
467 consultation with each affected taxing entity.

468 (5) From and after July 1, 2002, the governing authorities
469 of a municipality may not levy ad valorem taxes for general
470 revenue purposes and general improvements in excess of the millage
471 rate for general revenue purposes and general improvements in
472 effect for the municipality's 2002 fiscal year.

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

475 27-39-307. Subject to the provisions of this section,
476 municipalities may levy ad valorem taxes upon all taxable property
477 within such municipality for general revenue purposes and for
478 general improvements. Further, the governing authorities of any
479 municipality may make additional levies for special purposes as
480 authorized by law. Any such levy which is an increase from the
481 previous fiscal year must be advertised in accordance with
482 Sections 27-39-203 and 27-39-205. In addition to funding
483 municipal general purposes, the municipal general ad valorem tax
484 levy may be used to supplement any municipal ad valorem tax levy
485 for a special purpose authorized by law, excluding levies for
486 schools, without regard to any statutory millage limitation on
487 such special purpose tax levy; however, nothing herein contained



488 shall be construed to exempt such tax levies from the limitation
489 on total receipts under Section 27-39-321.

490 From and after July 1, 2002, the governing authorities of a
491 municipality may not levy ad valorem taxes for general revenue
492 purposes and general improvements in excess of the millage rate
493 for general revenue purposes and general improvements in effect
494 for the municipality's 2002 fiscal year.

495 **SECTION 6.** Section 27-39-320, Mississippi Code of 1972, is
496 amended as follows:

497 27-39-320. (1) The Legislature finds and determines that
498 legislation requiring a specific levy or requiring consent of some
499 other governing body to reduce the levy was intended to raise a
500 certain amount of revenue for specific purposes. Upon this
501 determination and notwithstanding the provisions of any statute
502 which requires a definite levy to be made or which requires that a
503 levy may not be reduced except by the consent of some other
504 governing authority, except as otherwise provided in subsection
505 (5) of this section, the amount of such levy shall be deemed to be
506 an amount necessary to produce the revenues received in the next
507 preceding year plus, at the option of the taxing authority, an
508 increase not to exceed ten percent (10%) of such revenues.

509 (2) In any county where there is located a nuclear
510 generating power plant on which a tax is assessed under Section
511 27-35-309(3), such required levy and revenue produced thereby may
512 be reduced by the levying authority in an amount in proportion to
513 a reduction in the base revenue of any such county from the
514 previous year. Such reduction shall be allowed only if the
515 reduction in base revenue equals or exceeds five percent (5%).
516 "Base revenue" shall mean the revenue received by the county from
517 the ad valorem tax levy plus the revenue received by the county
518 from the tax assessed under Section 27-35-309(3) and authorized to
519 be used for any purposes for which a county is authorized by law
520 to levy an ad valorem tax. For purposes of determining if the



521 reduction equals or exceeds five percent (5%), a levy of millage
522 equal to the prior year's millage shall be hypothetically applied
523 to the current year's ad valorem tax base to determine the amount
524 of revenue to be generated from the ad valorem tax levy. For the
525 purposes of this section, the portion of base revenue used to fund
526 the purpose for which a specific levy is required shall be deemed
527 to be the total receipts from ad valorem taxes for such purpose.
528 This paragraph shall apply to taxes levied for the 1987 fiscal
529 year and for each fiscal year thereafter. If the Mississippi
530 Supreme Court or another court finally adjudicates that the tax
531 levied under Section 27-35-309(3) is unconstitutional, then this
532 paragraph shall stand repealed.

533 (3) Except as otherwise provided in subsection (5) of this
534 section, with respect to ad valorem taxes levied on or after
535 October 1, 1980, no county or municipality shall levy those mills
536 heretofore required by law to be levied to an extent that such
537 levy shall produce more than the total receipts produced from such
538 levy in the next preceding year, plus, at the option of the taxing
539 authority, an increase not to exceed ten percent (10%) of such
540 receipts. Such total receipts shall be deemed to include the
541 total avails of such levy either collected from the property owner
542 or by reimbursement by the state. The revenues produced from any
543 newly constructed properties or any existing properties added to
544 the tax rolls or any properties previously exempt which were not
545 assessed in the next preceding year may be excluded from the
546 limitation set forth herein.

547 (4) Except as otherwise provided in subsection (5) of this
548 section, the ten percent (10%) increase limitation prescribed in
549 this section may be increased by an additional amount by the board
550 of supervisors of any county if the aggregate receipts from all
551 county levies to which this section and Sections 27-39-305 and
552 27-39-321 apply do not exceed one hundred ten percent (110%) of
553 the aggregate receipts from all such levies during any one (1) of



554 the immediately preceding three (3) fiscal years, as determined by
555 the board of supervisors.

556 (5) From and after July 1, 2002, the governing authorities
557 of a municipality may not levy ad valorem taxes for general
558 revenue purposes and general improvements in excess of the millage
559 rate for general revenue purposes and general improvements in
560 effect for the municipality's 2002 fiscal year.

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

563 **SECTION 7.** Section 27-39-321, Mississippi Code of 1972, is
564 amended as follows:

565 27-39-321. (1) Except as otherwise provided in subsection
566 (8) of this section, with respect to ad valorem taxes levied for
567 each fiscal year, no political subdivision may levy ad valorem
568 taxes in any fiscal year which would render in total receipts from
569 all levies an amount more than the receipts from that source
570 during any one (1) of the immediately preceding three (3) fiscal
571 years, as determined by the levying governing authority, plus, at
572 the option of the taxing authority, an increase not to exceed ten
573 percent (10%) of such receipts. The additional revenue from the
574 ad valorem tax on any newly constructed properties or any existing
575 properties added to the tax rolls or any properties previously
576 exempt, which were not assessed in the next preceding year and
577 cost incurred and paid in the next preceding year in connection
578 with reappraisal may be excluded from the ten percent (10%)
579 increase limitation set forth herein. Taxes levied for school
580 district purposes under any statute and taxes levied for the
581 maintenance and/or construction of roads and bridges under Section
582 27-39-305 shall be excluded from the ten percent (10%) increase
583 limitation set forth herein. Taxes levied for payment of
584 principal of and interest on general obligation bonds issued
585 heretofore or hereafter shall be excluded from the ten percent
586 (10%) increase limitation set forth herein. Any additional



587 millage levied to fund any new program mandated by the Legislature
588 shall be excluded from the limitation for the first year of the
589 levy and included within such limitation in any year thereafter.
590 The limitation imposed under this paragraph shall not apply to
591 those mandatory levies enumerated in Sections 27-39-320 and
592 27-39-329.

593 (2) Except as otherwise provided in subsection (8) of this
594 section, the limitation of this section may be increased only as
595 provided in subsection (3) or (4) of this section or when the
596 governing body of a political subdivision has determined the need
597 for additional revenues, adopts a resolution declaring its
598 intention so to do and has held an election on the question of
599 raising the limitation prescribed in this section. The notice
600 calling for an election shall state the purposes for which the
601 additional revenues shall be used, the amount of the tax levy to
602 be imposed for such purposes and period of time for which such tax
603 levy shall be made; however, such tax levy shall not be made for
604 more than five (5) successive years. The limitation may be
605 increased under this subsection only if the proposed increase is
606 approved by a majority of those voting. Subject to specific
607 provisions of this paragraph to the contrary, the publication of
608 notice and manner of holding the election shall be as prescribed
609 by law for the holding of elections for the issuance of bonds by
610 the political subdivision. Revenues derived from any taxes levied
611 pursuant to such election shall be excluded from the tax base for
612 the purpose of determining aggregate receipts for which the ten
613 percent (10%) increase limitation applies.

614 (3) Except as otherwise provided in subsection (8) of this
615 section, as an alternative to the procedure provided in subsection
616 (2) of this section, the ten percent (10%) increase limitation
617 prescribed in this section may be increased by an additional
618 amount by the board of supervisors of any county without an
619 election thereon if the aggregate receipts from all county levies



620 to which this section and Sections 27-39-305 and 27-39-320 apply
621 do not exceed one hundred ten percent (110%) of the aggregate
622 receipts from all such levies during any one (1) of the
623 immediately preceding three (3) fiscal years, as determined by the
624 board of supervisors.

625 (4) Except as otherwise provided in subsection (8) of this
626 section, as an alternative to the procedure provided in
627 subsections (2) and (3) of this section, the board of supervisors
628 of any county or the governing authorities of any municipality
629 may, without an election thereon, increase the ad valorem tax levy
630 to which this section applies by the greater of:

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

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

637 (5) In any county where there is located a nuclear
638 generating power plant on which a tax is assessed under Section
639 27-35-309(3), the term "total receipts" as used in this section
640 shall be the portion of the "base revenue" as defined in Section
641 27-39-320 which is used for General Fund purposes.

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



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

664 (8) From and after July 1, 2002, the governing authorities
665 of a municipality may not levy ad valorem taxes for general
666 revenue purposes and general improvements in excess of the millage
667 rate for general revenue purposes and general improvements in
668 effect for the municipality's 2002 fiscal year.

669 **SECTION 8.** This act shall take effect and be in force from
670 and after July 1, 2002.

