

By: Representative Young

To: Ways and Means

HOUSE BILL NO. 681

1 AN ACT TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972,
 2 TO PROVIDE THAT AN ADDITIONAL 2% OF THE STATE'S TOTAL SALES TAX
 3 REVENUE COLLECTIONS ON BUSINESS ACTIVITIES WITHIN MUNICIPALITIES
 4 SHALL BE ALLOCATED FOR DISTRIBUTION TO THE COUNTY IN WHICH SUCH
 5 MUNICIPALITIES ARE LOCATED; TO AMEND SECTION 27-65-53, MISSISSIPPI
 6 CODE OF 1972, IN CONFORMITY THERETO; TO AMEND SECTIONS 27-39-303,
 7 27-39-317, 27-39-320 AND 27-39-321, MISSISSIPPI CODE OF 1972, TO
 8 CAP THE AD VALOREM MILLAGE RATE THAT MAY BE LEVIED FOR GENERAL
 9 COUNTY PURPOSES BY COUNTIES AT THE RATE IN EFFECT FOR FISCAL YEAR
 10 2002; TO AMEND SECTIONS 27-39-203 AND 27-39-205, MISSISSIPPI CODE
 11 OF 1972, IN CONFORMITY THERETO; AND FOR RELATED PURPOSES.

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

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

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

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



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

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

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

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

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



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

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



97 (4) On or before August 15, 1994, and on or before the
98 fifteenth day of each succeeding month through July 15, 1999, from
99 the proceeds of gasoline, diesel fuel or kerosene taxes as
100 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
101 (\$4,000,000.00) shall be deposited in the State Treasury to the
102 credit of a special fund designated as the "State Aid Road Fund,"
103 created by Section 65-9-17. On or before August 15, 1999, and on
104 or before the fifteenth day of each succeeding month, from the
105 total amount of the proceeds of gasoline, diesel fuel or kerosene
106 taxes apportioned by Section 27-5-101(a)(ii), Four Million Dollars
107 (\$4,000,000.00) or an amount equal to twenty-three and one-fourth
108 percent (23.25%) of such funds, whichever is the greater amount,
109 shall be deposited in the State Treasury to the credit of the
110 "State Aid Road Fund," created by Section 65-9-17. Such funds
111 shall be pledged to pay the principal of and interest on state aid
112 road bonds heretofore issued under Sections 19-9-51 through
113 19-9-77, in lieu of and in substitution for the funds heretofore
114 allocated to counties under this section. Such funds may not be
115 pledged for the payment of any state aid road bonds issued after
116 April 1, 1981; however, this prohibition against the pledging of
117 any such funds for the payment of bonds shall not apply to any
118 bonds for which intent to issue such bonds has been published, for
119 the first time, as provided by law prior to March 29, 1981. From
120 the amount of taxes paid into the special fund pursuant to this
121 subsection and subsection (9) of this section, there shall be
122 first deducted and paid the amount necessary to pay the expenses
123 of the Office of State Aid Road Construction, as authorized by the
124 Legislature for all other general and special fund agencies. The
125 remainder of the fund shall be allocated monthly to the several
126 counties in accordance with the following formula:

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



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

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

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

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

153 Any reference in the general laws of this state or the
154 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
155 construed to refer and apply to subsection (4) of Section
156 27-65-75.

157 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
158 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
159 the special fund known as the "State Public School Building Fund"
160 created and existing under the provisions of Sections 37-47-1



161 through 37-47-67. Such payments into said fund are to be made on
162 the last day of each succeeding month hereafter.

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

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

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



194 collected under the provisions of Section 27-65-17(2) shall be
195 deposited into the Education Enhancement Fund created pursuant to
196 Section 37-61-33.

197 (9) On or before August 15, 1994, and each succeeding month
198 thereafter, from the revenue collected under this chapter during
199 the preceding month, Two Hundred Fifty Thousand Dollars
200 (\$250,000.00) shall be paid into the State Aid Road Fund.

201 (10) On or before August 15, 1994, and each succeeding month
202 thereafter through August 15, 1995, from the revenue collected
203 under this chapter during the preceding month, Two Million Dollars
204 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
205 Valorem Tax Reduction Fund established in Section 27-51-105.

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

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

224 (13) On or before July 15, 1994, and on or before the
225 fifteenth day of each succeeding month thereafter, that portion of
226 the avails of the tax imposed in Section 27-65-22, which is



227 derived from activities held on the Mississippi state fairgrounds
228 complex, shall be paid into a special fund hereby created in the
229 State Treasury and shall be expended pursuant to legislative
230 appropriations solely to defray the costs of repairs and
231 renovation at such Trade Mart and Coliseum.

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

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

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

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

255 (18) It shall be the duty of the municipal officials of any
256 municipality which expands its limits, or of any community which
257 incorporates as a municipality, to notify the commissioner of such
258 action thirty (30) days before the effective date. Failure to so
259 notify the commissioner shall cause such municipality to forfeit



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

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

270 27-65-53. If the commissioner finds that the taxpayer has
271 overpaid his tax for any reason and the taxpayer has discontinued
272 business and there is no subsequent liability upon which the
273 excess may be credited, or if the amount of the excess so paid
274 shall exceed the estimated liability for the next twelve (12)
275 months, the excess shall be refunded to the taxpayer. Such amount
276 shall be certified to the State Auditor of Public Accounts by the
277 commission. The * * * auditor may make such investigation and
278 audit of the claim as he finds necessary. If he finds that the
279 commissioner is correct in his determination, the auditor may
280 issue his warrant to the State Treasurer in favor of the taxpayer
281 for the amount of tax erroneously paid into the State Treasury,
282 such refunds to be made from current sales tax collections. If
283 part of the overpayment has been disbursed to any municipality or
284 county, under authority of Section 27-65-75, the municipality or
285 county, having erroneously received the money, shall adjust the
286 amount with the commissioner, or the overpayment may be withheld
287 by the state from any funds due by the state to the municipality
288 or county.

289 * * * Where the taxpayer has overpaid his tax, the
290 commissioner may give credit for same and allow the taxpayer to
291 take credit on a subsequent return or, if necessary, in his



292 discretion, have the taxpayer file for a refund as provided
293 herein.

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

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

307 27-39-203. (1) All taxing entities operating under the
308 January 1 through December 31 fiscal year or a July 1 through June
309 30 fiscal year shall hold a public hearing at which the budget for
310 the following fiscal year will be considered, regardless of
311 whether that budget will be increased or decreased from the
312 current budget or will remain the same as the current budget, and
313 shall notify the county of the date, time and place of the public
314 hearing. The county shall include that information with the tax
315 notice.

316 (2) Unless the increased revenue in a budget is derived
317 solely from the expansion of a taxing entity's ad valorem tax
318 base, a taxing entity shall not budget an increased amount of
319 revenue derived from the classes of ad valorem property described
320 in Section 112, Mississippi Constitution of 1890, unless it first
321 advertises its intention to do so at the same time that it
322 advertises its intention to fix its budget for the next fiscal
323 year. From and after July 1, 2002, the board of supervisors of a
324 county may not levy ad valorem taxes on taxable property for



325 general county purposes in excess of the millage rate for general
326 county purposes in effect for the county's 2002 fiscal year.

327 (3) (a) For taxing entities operating under an October 1
328 through September 30 fiscal year, this advertisement may be
329 combined with the advertisement required by Section 27-39-205.
330 For all taxing entities, the advertisement shall meet the size,
331 type, placement and frequency requirements established under
332 Section 27-39-205.

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

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

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

340 The (name of the taxing entity) is now operating with
341 projected total budget revenue of \$_____. (____ percent) or
342 \$_____ of such revenue is obtained through ad valorem taxes.
343 For next fiscal year, the proposed budget has total projected
344 revenue of \$_____. Of that amount, (____ percent) or \$_____,
345 is proposed to be financed through a total ad valorem tax levy.

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

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

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



357 27-39-205. (1) Except as otherwise provided in subsection
358 (5) of this section, a tax rate in excess of the certified tax
359 rate shall not be levied under Sections 21-33-45, 27-39-307,
360 27-39-317 and 27-39-320 until a resolution has been approved by
361 the governing body of the taxing entity in accordance with the
362 following procedure:

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

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

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



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

392 The (name of the taxing entity) is now operating with
393 projected total budget revenue of \$_____. (____ percent) or
394 \$_____, of such revenue is obtained through ad valorem taxes.
395 For next fiscal year, the proposed budget has total projected
396 revenue of \$_____. Of that amount, (____ percent) or
397 \$_____, is proposed to be financed through a total ad valorem
398 tax levy.

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

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

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

419 (3) All hearings shall be open to the public. The governing
420 body of the taxing entity shall permit all interested parties



421 desiring to be heard an opportunity to present oral testimony
422 within reasonable time limits and offer tangible evidence.

423 (4) Each taxing entity shall notify the county or municipal
424 governing body of the date, time and place of its public hearing.
425 No taxing entity may schedule its hearing at the same time as
426 another overlapping taxing entity in the same county, but all
427 taxing entities in which the power to set tax levies is vested in
428 the same governing authority may consolidate the required hearings
429 into one (1) hearing. The county or municipal governing body
430 shall resolve any conflicts in hearing dates and times after
431 consultation with each affected taxing entity.

432 (5) From and after July 1, 2002, the board of supervisors of
433 a county may not levy ad valorem taxes on taxable property for
434 general county purposes in excess of the millage rate for general
435 county purposes in effect for the county's 2002 fiscal year.

436 **SECTION 5.** Section 27-39-303, Mississippi Code of 1972, is
437 amended as follows:

438 27-39-303. Subject to the provisions of this section, the
439 board of supervisors of any county is hereby empowered to levy ad
440 valorem taxes on taxable property in the respective counties in
441 any one (1) year, as shown by the assessment roll containing
442 assessments of property made as of January 1 of the year, and the
443 assessment of motor vehicles as made according to the provisions
444 of the Motor Vehicle Ad Valorem Tax Law of 1958 (Section 27-51-1
445 et seq.) for all general county purposes, exclusive only of levies
446 for roads and bridges and schools at the rate necessary to fund
447 such purposes. From and after July 1, 2002, the board of
448 supervisors of a county may not levy ad valorem taxes on taxable
449 property for general county purposes in excess of the millage rate
450 for general county purposes in effect for the county's 2002 fiscal
451 year.

452 The board of supervisors of any county is further empowered
453 to expend the proceeds of this levy for any purpose authorized for



454 any other levy which the board of supervisors is authorized to
455 make, excluding the levy for roads and bridges, and the board may
456 authorize general fund expenditures for school purposes when
457 necessary to meet the minimum local ad valorem tax effort required
458 by Section 37-57-1.

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

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

472 27-39-317. The board of supervisors of each county shall, at
473 its regular meeting in September of each year, levy the county ad
474 valorem taxes for the fiscal year, and shall, by order, fix the
475 tax rate, or levy, for the county, for the road districts, if any,
476 and for the school districts, if any, and for any other taxing
477 districts; and the rates, or levies, for the county and for any
478 district shall be expressed in mills or a decimal fraction of a
479 mill. Said tax rates, or levies, shall determine the ad valorem
480 taxes to be collected upon each dollar of valuation, upon the
481 assessment rolls of the county, including the assessment of motor
482 vehicles as provided by the Motor Vehicle Ad Valorem Tax Law of
483 1958, Section 27-51-1 et seq., for county taxes; and upon each
484 dollar of valuation for the respective districts, as shown upon
485 the assessment rolls of the county, including the assessment of
486 motor vehicles as provided by the Motor Vehicle Ad Valorem Tax Law



487 of 1958, Section 27-51-1 et seq.; except as to such values as
488 shall be exempt, in whole or in part, from certain tax rates or
489 levies. If the rate or levy for the county is an increase from
490 the previous fiscal year, then the proposed rate or levy shall be
491 advertised in accordance with Sections 27-39-203 and 27-39-205.
492 However, from and after July 1, 2002, the board of supervisors of
493 a county may not levy ad valorem taxes on taxable property for
494 general county purposes in excess of the millage rate for general
495 county purposes in effect for the county's 2002 fiscal year. If
496 the board of supervisors of any county shall not levy the county
497 taxes and the district taxes at its regular September meeting, the
498 board shall levy the same on or before September 15 at an
499 adjourned or special meeting, or thereafter, provided, however,
500 that if such levy be not made on or before the fifteenth day of
501 September then the tax collector or State Tax Commission may issue
502 road and bridge privilege tax license plates for motor vehicles as
503 defined in the Motor Vehicle Ad Valorem Tax Law of 1958, Section
504 27-51-1 et seq., without collecting or requiring proof of payment
505 of county ad valorem taxes, and may continue to so issue such
506 plates until such levy is duly certified to him, and for
507 twenty-four (24) hours thereafter.

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

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

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



519 (b) For roads and bridges, as authorized by Section
520 27-39-305.

521 (c) For schools, including the countywide minimum
522 education program levy and the levy for each school district
523 including special municipal separate school districts, but not
524 including other municipal separate school districts, and for an
525 agricultural high school, county high school or junior college
526 (current expense and maintenance taxes), as authorized by Chapter
527 57, Title 37, Mississippi Code of 1972, and any other applicable
528 statute. The levy for schools shall apply to the assessed value
529 of property in the respective school districts, including special
530 municipal separate school districts, but not including other
531 municipal separate school districts, and a distinct and separate
532 levy shall be made for each school district, and the purpose for
533 each levy shall be stated.

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

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

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

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

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

545 The order shall state all of the purposes for which the
546 general county levy is made, using the administrative items
547 suggested by the State Department of Audit of Mississippi under
548 the county budget law in its uniform system of accounts for
549 counties, but the rate or levy for any item or purpose need not be
550 shown; and if a countywide levy is made for any general or special



551 purpose under the provisions of any law other than Section
552 27-39-303, each such levy shall be separately stated.

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

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

570 27-39-320. (1) The Legislature finds and determines that
571 legislation requiring a specific levy or requiring consent of some
572 other governing body to reduce the levy was intended to raise a
573 certain amount of revenue for specific purposes. Upon this
574 determination and notwithstanding the provisions of any statute
575 which requires a definite levy to be made or which requires that a
576 levy may not be reduced except by the consent of some other
577 governing authority, except as otherwise provided in subsection
578 (5) of this section, the amount of such levy shall be deemed to be
579 an amount necessary to produce the revenues received in the next
580 preceding year plus, at the option of the taxing authority, an
581 increase not to exceed ten percent (10%) of such revenues.

582 (2) In any county where there is located a nuclear
583 generating power plant on which a tax is assessed under Section



584 27-35-309(3), such required levy and revenue produced thereby may
585 be reduced by the levying authority in an amount in proportion to
586 a reduction in the base revenue of any such county from the
587 previous year. Such reduction shall be allowed only if the
588 reduction in base revenue equals or exceeds five percent (5%).
589 "Base revenue" shall mean the revenue received by the county from
590 the ad valorem tax levy plus the revenue received by the county
591 from the tax assessed under Section 27-35-309(3) and authorized to
592 be used for any purposes for which a county is authorized by law
593 to levy an ad valorem tax. For purposes of determining if the
594 reduction equals or exceeds five percent (5%), a levy of millage
595 equal to the prior year's millage shall be hypothetically applied
596 to the current year's ad valorem tax base to determine the amount
597 of revenue to be generated from the ad valorem tax levy. For the
598 purposes of this section, the portion of base revenue used to fund
599 the purpose for which a specific levy is required shall be deemed
600 to be the total receipts from ad valorem taxes for such purpose.
601 This paragraph shall apply to taxes levied for the 1987 fiscal
602 year and for each fiscal year thereafter. If the Mississippi
603 Supreme Court or another court finally adjudicates that the tax
604 levied under Section 27-35-309(3) is unconstitutional, then this
605 paragraph shall stand repealed.

606 (3) Except as otherwise provided in subsection (5) of this
607 section, with respect to ad valorem taxes levied on or after
608 October 1, 1980, no county or municipality shall levy those mills
609 heretofore required by law to be levied to an extent that such
610 levy shall produce more than the total receipts produced from such
611 levy in the next preceding year, plus, at the option of the taxing
612 authority, an increase not to exceed ten percent (10%) of such
613 receipts. Such total receipts shall be deemed to include the
614 total avails of such levy either collected from the property owner
615 or by reimbursement by the state. The revenues produced from any
616 newly constructed properties or any existing properties added to



617 the tax rolls or any properties previously exempt which were not
618 assessed in the next preceding year may be excluded from the
619 limitation set forth herein.

620 (4) Except as otherwise provided in subsection (5) of this
621 section, the ten percent (10%) increase limitation prescribed in
622 this section may be increased by an additional amount by the board
623 of supervisors of any county if the aggregate receipts from all
624 county levies to which this section and Sections 27-39-305 and
625 27-39-321 apply do not exceed one hundred ten percent (110%) of
626 the aggregate receipts from all such levies during any one (1) of
627 the immediately preceding three (3) fiscal years, as determined by
628 the board of supervisors.

629 (5) From and after July 1, 2002, the board of supervisors of
630 a county may not levy ad valorem taxes on taxable property for
631 general county purposes in excess of the millage rate for general
632 county purposes in effect for the county's 2002 fiscal year.

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

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

637 27-39-321. (1) Except as otherwise provided in subsection
638 (8) of this section, with respect to ad valorem taxes levied for
639 each fiscal year, no political subdivision may levy ad valorem
640 taxes in any fiscal year which would render in total receipts from
641 all levies an amount more than the receipts from that source
642 during any one (1) of the immediately preceding three (3) fiscal
643 years, as determined by the levying governing authority, plus, at
644 the option of the taxing authority, an increase not to exceed ten
645 percent (10%) of such receipts. The additional revenue from the
646 ad valorem tax on any newly constructed properties or any existing
647 properties added to the tax rolls or any properties previously
648 exempt, which were not assessed in the next preceding year and
649 cost incurred and paid in the next preceding year in connection



650 with reappraisal may be excluded from the ten percent (10%)
651 increase limitation set forth herein. Taxes levied for school
652 district purposes under any statute and taxes levied for the
653 maintenance and/or construction of roads and bridges under Section
654 27-39-305 shall be excluded from the ten percent (10%) increase
655 limitation set forth herein. Taxes levied for payment of
656 principal of and interest on general obligation bonds issued
657 heretofore or hereafter shall be excluded from the ten percent
658 (10%) increase limitation set forth herein. Any additional
659 millage levied to fund any new program mandated by the Legislature
660 shall be excluded from the limitation for the first year of the
661 levy and included within such limitation in any year thereafter.
662 The limitation imposed under this paragraph shall not apply to
663 those mandatory levies enumerated in Sections 27-39-320 and
664 27-39-329.

665 (2) Except as otherwise provided in subsection (8) of this
666 section, the limitation of this section may be increased only as
667 provided in subsection (3) or (4) of this section or when the
668 governing body of a political subdivision has determined the need
669 for additional revenues, adopts a resolution declaring its
670 intention so to do and has held an election on the question of
671 raising the limitation prescribed in this section. The notice
672 calling for an election shall state the purposes for which the
673 additional revenues shall be used, the amount of the tax levy to
674 be imposed for such purposes and period of time for which such tax
675 levy shall be made; however, such tax levy shall not be made for
676 more than five (5) successive years. The limitation may be
677 increased under this subsection only if the proposed increase is
678 approved by a majority of those voting. Subject to specific
679 provisions of this paragraph to the contrary, the publication of
680 notice and manner of holding the election shall be as prescribed
681 by law for the holding of elections for the issuance of bonds by
682 the political subdivision. Revenues derived from any taxes levied



683 pursuant to such election shall be excluded from the tax base for
684 the purpose of determining aggregate receipts for which the ten
685 percent (10%) increase limitation applies.

686 (3) Except as otherwise provided in subsection (8) of this
687 section, as an alternative to the procedure provided in subsection
688 (2) of this section, the ten percent (10%) increase limitation
689 prescribed in this section may be increased by an additional
690 amount by the board of supervisors of any county without an
691 election thereon if the aggregate receipts from all county levies
692 to which this section and Sections 27-39-305 and 27-39-320 apply
693 do not exceed one hundred ten percent (110%) of the aggregate
694 receipts from all such levies during any one (1) of the
695 immediately preceding three (3) fiscal years, as determined by the
696 board of supervisors.

697 (4) Except as otherwise provided in subsection (8) of this
698 section, as an alternative to the procedure provided in
699 subsections (2) and (3) of this section, the board of supervisors
700 of any county or the governing authorities of any municipality
701 may, without an election thereon, increase the ad valorem tax levy
702 to which this section applies by the greater of:

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

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

709 (5) In any county where there is located a nuclear
710 generating power plant on which a tax is assessed under Section
711 27-35-309(3), the term "total receipts" as used in this section
712 shall be the portion of the "base revenue" as defined in Section
713 27-39-320 which is used for General Fund purposes.

714 (6) If a shortfall occurs in revenues from sources other
715 than ad valorem taxes and oil and gas severance taxes budgeted for



716 the county or municipal general fund during the 1987 fiscal year,
717 then the county or municipality, as the case may be, may levy a
718 special ad valorem tax for the 1988 fiscal year in an amount the
719 avails of which shall not exceed such shortfall; provided,
720 however, that the aggregate receipts from all ad valorem levies
721 for the county or municipal general fund for the 1988 fiscal year
722 shall not exceed the aggregate receipts from this source for the
723 immediately preceding fiscal year plus an increase not to exceed
724 twenty percent (20%).

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

736 (8) From and after July 1, 2002, the board of supervisors of
737 a county may not levy ad valorem taxes on taxable property for
738 general county purposes in excess of the millage rate for general
739 county purposes in effect for the county's 2002 fiscal year.

740 **SECTION 9.** This act shall take effect and be in force from
741 and after July 1, 2002.

