

By: Representative Mayo

To: Education; Ways and Means

HOUSE BILL NO. 349

1 AN ACT TO AMEND SECTION 37-7-301, MISSISSIPPI CODE OF 1972,  
2 TO AUTHORIZE THE LOCAL SCHOOL BOARDS TO LEVY TAXES FOR SCHOOL  
3 PURPOSES; TO AMEND SECTIONS 37-57-1, 37-57-104, 37-61-9,  
4 37-57-105, 27-35-5, 27-39-207, 27-39-315, 27-41-2 AND 21-33-45,  
5 MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; TO BRING FORWARD  
6 SECTION 37-57-107, MISSISSIPPI CODE OF 1972, FOR PURPOSES OF  
7 AMENDMENT; AND FOR RELATED PURPOSES.

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

9 **SECTION 1.** Section 37-7-301, Mississippi Code of 1972, is  
10 amended as follows:

11 37-7-301. The school boards of all school districts shall  
12 have the following powers, authority and duties in addition to all  
13 others imposed or granted by law, to wit:

14 (a) To organize and operate the schools of the district  
15 and to make such division between the high school grades and  
16 elementary grades as, in their judgment, will serve the best  
17 interests of the school;

18 (b) To introduce public school music, art, manual  
19 training and other special subjects into either the elementary or  
20 high school grades, as the board shall deem proper;

21 (c) To be the custodians of real and personal school  
22 property and to manage, control and care for same, both during the  
23 school term and during vacation;

24 (d) To have responsibility for the erection, repairing  
25 and equipping of school facilities and the making of necessary  
26 school improvements;

27 (e) To suspend or to expel a pupil or to change the  
28 placement of a pupil to the school district's alternative school  
29 or home-bound program for misconduct in the school or on school

30 property, as defined in Section 37-11-29, on the road to and from  
31 school, or at any school-related activity or event, or for conduct  
32 occurring on property other than school property or other than at  
33 a school-related activity or event when such conduct by a pupil,  
34 in the determination of the school superintendent or principal,  
35 renders that pupil's presence in the classroom a disruption to the  
36 educational environment of the school or a detriment to the best  
37 interest and welfare of the pupils and teacher of such class as a  
38 whole, and to delegate such authority to the appropriate officials  
39 of the school district;

40 (f) To visit schools in the district, in their  
41 discretion, in a body for the purpose of determining what can be  
42 done for the improvement of the school in a general way;

43 (g) To support, within reasonable limits, the  
44 superintendent, principal and teachers where necessary for the  
45 proper discipline of the school;

46 (h) To exclude from the schools students with what  
47 appears to be infectious or contagious diseases; provided,  
48 however, such student may be allowed to return to school upon  
49 presenting a certificate from a public health officer, duly  
50 licensed physician or nurse practitioner that the student is free  
51 from such disease;

52 (i) To require those vaccinations specified by the  
53 State Health Officer as provided in Section 41-23-37, Mississippi  
54 Code of 1972;

55 (j) To see that all necessary utilities and services  
56 are provided in the schools at all times when same are needed;

57 (k) To authorize the use of the school buildings and  
58 grounds for the holding of public meetings and gatherings of the  
59 people under such regulations as may be prescribed by said board;

60 (l) To prescribe and enforce rules and regulations not  
61 inconsistent with law or with the regulations of the State Board  
62 of Education for their own government and for the government of

63 the schools, and to transact their business at regular and special  
64 meetings called and held in the manner provided by law;

65 (m) To maintain and operate all of the schools under  
66 their control for such length of time during the year as may be  
67 required;

68 (n) To enforce in the schools the courses of study and  
69 the use of the textbooks prescribed by the proper authorities;

70 (o) To make orders directed to the superintendent of  
71 schools for the issuance of pay certificates for lawful purposes  
72 on any available funds of the district and to have full control of  
73 the receipt, distribution, allotment and disbursement of all funds  
74 provided for the support and operation of the schools of such  
75 school district whether such funds be derived from state  
76 appropriations, local ad valorem tax collections, or otherwise.  
77 The local school board shall be authorized and empowered to  
78 promulgate rules and regulations that specify the types of claims  
79 and set limits of the dollar amount for payment of claims by the  
80 superintendent of schools to be ratified by the board at the next  
81 regularly scheduled meeting after payment has been made;

82 (p) To select all school district personnel in the  
83 manner provided by law, and to provide for such employee fringe  
84 benefit programs, including accident reimbursement plans, as may  
85 be deemed necessary and appropriate by the board;

86 (q) To provide athletic programs and other school  
87 activities and to regulate the establishment and operation of such  
88 programs and activities;

89 (r) To join, in their discretion, any association of  
90 school boards and other public school-related organizations, and  
91 to pay from local funds other than minimum foundation funds, any  
92 membership dues;

93 (s) To expend local school activity funds, or other  
94 available school district funds, other than minimum education  
95 program funds, for the purposes prescribed under this paragraph.

96 "Activity funds" shall mean all funds received by school officials  
97 in all school districts paid or collected to participate in any  
98 school activity, such activity being part of the school program  
99 and partially financed with public funds or supplemented by public  
100 funds. The term "activity funds" shall not include any funds  
101 raised and/or expended by any organization unless commingled in a  
102 bank account with existing activity funds, regardless of whether  
103 the funds were raised by school employees or received by school  
104 employees during school hours or using school facilities, and  
105 regardless of whether a school employee exercises influence over  
106 the expenditure or disposition of such funds. Organizations shall  
107 not be required to make any payment to any school for the use of  
108 any school facility if, in the discretion of the local school  
109 governing board, the organization's function shall be deemed to be  
110 beneficial to the official or extracurricular programs of the  
111 school. For the purposes of this provision, the term  
112 "organization" shall not include any organization subject to the  
113 control of the local school governing board. Activity funds may  
114 only be expended for any necessary expenses or travel costs,  
115 including advances, incurred by students and their chaperons in  
116 attending any in-state or out-of-state school-related programs,  
117 conventions or seminars and/or any commodities, equipment, travel  
118 expenses, purchased services or school supplies which the local  
119 school governing board, in its discretion, shall deem beneficial  
120 to the official or extracurricular programs of the district,  
121 including items which may subsequently become the personal  
122 property of individuals, including yearbooks, athletic apparel,  
123 book covers and trophies. Activity funds may be used to pay  
124 travel expenses of school district personnel. The local school  
125 governing board shall be authorized and empowered to promulgate  
126 rules and regulations specifically designating for what purposes  
127 school activity funds may be expended. The local school governing  
128 board shall provide (i) that such school activity funds shall be

129 maintained and expended by the principal of the school generating  
130 the funds in individual bank accounts, or (ii) that such school  
131 activity funds shall be maintained and expended by the  
132 superintendent of schools in a central depository approved by the  
133 board. The local school governing board shall provide that such  
134 school activity funds be audited as part of the annual audit  
135 required in Section 37-9-18. The State Auditor shall prescribe a  
136 uniform system of accounting and financial reporting for all  
137 school activity fund transactions;

138 (t) To contract, on a shared savings, lease or  
139 lease-purchase basis, for energy efficiency services and/or  
140 equipment as provided for in Section 31-7-14, not to exceed ten  
141 (10) years;

142 (u) To maintain accounts and issue pay certificates on  
143 school food service bank accounts;

144 (v) (i) To lease a school building from an individual,  
145 partnership, nonprofit corporation or a private for-profit  
146 corporation for the use of such school district, and to expend  
147 funds therefor as may be available from any nonminimum program  
148 sources. The school board of the school district desiring to  
149 lease a school building shall declare by resolution that a need  
150 exists for a school building and that the school district cannot  
151 provide the necessary funds to pay the cost or its proportionate  
152 share of the cost of a school building required to meet the  
153 present needs. The resolution so adopted by the school board  
154 shall be published once each week for three (3) consecutive weeks  
155 in a newspaper having a general circulation in the school district  
156 involved, with the first publication thereof to be made not less  
157 than thirty (30) days prior to the date upon which the school  
158 board is to act on the question of leasing a school building. If  
159 no petition requesting an election is filed prior to such meeting  
160 as hereinafter provided, then the school board may, by resolution  
161 spread upon its minutes, proceed to lease a school building. If

162 at any time prior to said meeting a petition signed by not less  
163 than twenty percent (20%) or fifteen hundred (1500), whichever is  
164 less, of the qualified electors of the school district involved  
165 shall be filed with the school board requesting that an election  
166 be called on the question, then the school board shall, not later  
167 than the next regular meeting, adopt a resolution calling an  
168 election to be held within such school district upon the question  
169 of authorizing the school board to lease a school building. Such  
170 election shall be called and held, and notice thereof shall be  
171 given, in the same manner for elections upon the questions of the  
172 issuance of the bonds of school districts, and the results thereof  
173 shall be certified to the school board. If at least three-fifths  
174 (3/5) of the qualified electors of the school district who voted  
175 in such election shall vote in favor of the leasing of a school  
176 building, then the school board shall proceed to lease a school  
177 building. The term of the lease contract shall not exceed twenty  
178 (20) years, and the total cost of such lease shall be either the  
179 amount of the lowest and best bid accepted by the school board  
180 after advertisement for bids or an amount not to exceed the  
181 current fair market value of the lease as determined by the  
182 averaging of at least two (2) appraisals by certified general  
183 appraisers licensed by the State of Mississippi. The term "school  
184 building" as used in this paragraph (v)(i) shall be construed to  
185 mean any building or buildings used for classroom purposes in  
186 connection with the operation of schools and shall include the  
187 site therefor, necessary support facilities, and the equipment  
188 thereof and appurtenances thereto such as heating facilities,  
189 water supply, sewage disposal, landscaping, walks, drives and  
190 playgrounds. The term "lease" as used in this paragraph (v)(i)  
191 may include a lease/purchase contract;

192 (ii) If two (2) or more school districts propose  
193 to enter into a lease contract jointly, then joint meetings of the  
194 school boards having control may be held but no action taken shall

195 be binding on any such school district unless the question of  
196 leasing a school building is approved in each participating school  
197 district under the procedure hereinabove set forth in paragraph  
198 (v)(i). All of the provisions of paragraph (v)(i) regarding the  
199 term and amount of the lease contract shall apply to the school  
200 boards of school districts acting jointly. Any lease contract  
201 executed by two (2) or more school districts as joint lessees  
202 shall set out the amount of the aggregate lease rental to be paid  
203 by each, which may be agreed upon, but there shall be no right of  
204 occupancy by any lessee unless the aggregate rental is paid as  
205 stipulated in the lease contract. All rights of joint lessees  
206 under the lease contract shall be in proportion to the amount of  
207 lease rental paid by each;

208 (w) To employ all noninstructional and noncertificated  
209 employees and fix the duties and compensation of such personnel  
210 deemed necessary pursuant to the recommendation of the  
211 superintendent of schools;

212 (x) To employ and fix the duties and compensation of  
213 such legal counsel as deemed necessary;

214 (y) Subject to rules and regulations of the State Board  
215 of Education, to purchase, own and operate trucks, vans and other  
216 motor vehicles, which shall bear the proper identification  
217 required by law;

218 (z) To expend funds for the payment of substitute  
219 teachers and to adopt reasonable regulations for the employment  
220 and compensation of such substitute teachers;

221 (aa) To acquire in its own name by purchase all real  
222 property which shall be necessary and desirable in connection with  
223 the construction, renovation or improvement of any public school  
224 building or structure. Whenever the purchase price for such real  
225 property is greater than Fifty Thousand Dollars (\$50,000.00), the  
226 school board shall not purchase the property for an amount  
227 exceeding the fair market value of such property as determined by

228 the average of at least two (2) independent appraisals by  
229 certified general appraisers licensed by the State of Mississippi.  
230 If the board shall be unable to agree with the owner of any such  
231 real property in connection with any such project, the board shall  
232 have the power and authority to acquire any such real property by  
233 condemnation proceedings pursuant to Section 11-27-1 et seq.,  
234 Mississippi Code of 1972, and for such purpose, the right of  
235 eminent domain is hereby conferred upon and vested in said board.  
236 Provided further, that the local school board is authorized to  
237 grant an easement for ingress and egress over sixteenth section  
238 land or lieu land in exchange for a similar easement upon  
239 adjoining land where the exchange of easements affords substantial  
240 benefit to the sixteenth section land; provided, however, the  
241 exchange must be based upon values as determined by a competent  
242 appraiser, with any differential in value to be adjusted by cash  
243 payment. Any easement rights granted over sixteenth section land  
244 under such authority shall terminate when the easement ceases to  
245 be used for its stated purpose. No sixteenth section or lieu land  
246 which is subject to an existing lease shall be burdened by any  
247 such easement except by consent of the lessee or unless the school  
248 district shall acquire the unexpired leasehold interest affected  
249 by the easement;

250 (bb) To charge reasonable fees related to the  
251 educational programs of the district, in the manner prescribed in  
252 Section 37-7-335;

253 (cc) Subject to rules and regulations of the State  
254 Board of Education, to purchase relocatable classrooms for the use  
255 of such school district, in the manner prescribed in Section  
256 37-1-13;

257 (dd) Enter into contracts or agreements with other  
258 school districts, political subdivisions or governmental entities  
259 to carry out one or more of the powers or duties of the school



260 board, or to allow more efficient utilization of limited resources  
261 for providing services to the public;

262 (ee) To provide for in-service training for employees  
263 of the district. Until June 30, 1994, the school boards may  
264 designate two (2) days of the minimum school term, as defined in  
265 Section 37-19-1, for employee in-service training for  
266 implementation of the new statewide testing system as developed by  
267 the State Board of Education. Such designation shall be subject  
268 to approval by the State Board of Education pursuant to uniform  
269 rules and regulations;

270 (ff) As part of their duties to prescribe the use of  
271 textbooks, to provide that parents and legal guardians shall be  
272 responsible for the textbooks and for the compensation to the  
273 school district for any books which are not returned to the proper  
274 schools upon the withdrawal of their dependent child. If a  
275 textbook is lost or not returned by any student who drops out of  
276 the public school district, the parent or legal guardian shall  
277 also compensate the school district for the fair market value of  
278 the textbooks;

279 (gg) To conduct fund-raising activities on behalf of  
280 the school district that the local school board, in its  
281 discretion, deems appropriate or beneficial to the official or  
282 extracurricular programs of the district; provided that:

283 (i) Any proceeds of the fund-raising activities  
284 shall be treated as "activity funds" and shall be accounted for as  
285 are other activity funds under this section; and

286 (ii) Fund-raising activities conducted or  
287 authorized by the board for the sale of school pictures, the  
288 rental of caps and gowns or the sale of graduation invitations for  
289 which the school board receives a commission, rebate or fee shall  
290 contain a disclosure statement advising that a portion of the  
291 proceeds of the sales or rentals shall be contributed to the  
292 student activity fund;

293           (hh) To allow individual lessons for music, art and  
294 other curriculum-related activities for academic credit or  
295 nonacademic credit during school hours and using school equipment  
296 and facilities, subject to uniform rules and regulations adopted  
297 by the school board;

298           (ii) To charge reasonable fees for participating in an  
299 extracurricular activity for academic or nonacademic credit for  
300 necessary and required equipment such as safety equipment, band  
301 instruments and uniforms;

302           (jj) To conduct or participate in any fund-raising  
303 activities on behalf of or in connection with a tax-exempt  
304 charitable organization;

305           (kk) To exercise such powers as may be reasonably  
306 necessary to carry out the provisions of this section;

307           (ll) To expend funds for the services of nonprofit arts  
308 organizations or other such nonprofit organizations who provide  
309 performances or other services for the students of the school  
310 district;

311           (mm) To expend federal No Child Left Behind Act funds,  
312 or any other available funds that are expressly designated and  
313 authorized for that use, to pay training, educational expenses,  
314 salary incentives and salary supplements to employees of local  
315 school districts; except that incentives shall not be considered  
316 part of the local supplement as defined in Section 37-151-5(o),  
317 nor shall incentives be considered part of the local supplement  
318 paid to an individual teacher for the purposes of Section  
319 37-19-7(1). Mississippi Adequate Education Program funds or any  
320 other state funds may not be used for salary incentives or salary  
321 supplements as provided in this paragraph (mm);

322           (nn) To use any available funds, not appropriated or  
323 designated for any other purpose, for reimbursement to the  
324 state-licensed employees from both in-state and out-of-state, who  
325 enter into a contract for employment in a school district, for the

326 expense of moving when the employment necessitates the relocation  
327 of the licensed employee to a different geographical area than  
328 that in which the licensed employee resides before entering into  
329 the contract. The reimbursement shall not exceed One Thousand  
330 Dollars (\$1,000.00) for the documented actual expenses incurred in  
331 the course of relocating, including the expense of any  
332 professional moving company or persons employed to assist with the  
333 move, rented moving vehicles or equipment, mileage in the amount  
334 authorized for county and municipal employees under Section  
335 25-3-41 if the licensed employee used his personal vehicle or  
336 vehicles for the move, meals and such other expenses associated  
337 with the relocation. No licensed employee may be reimbursed for  
338 moving expenses under this section on more than one (1) occasion  
339 by the same school district. Nothing in this section shall be  
340 construed to require the actual residence to which the licensed  
341 employee relocates to be within the boundaries of the school  
342 district that has executed a contract for employment in order for  
343 the licensed employee to be eligible for reimbursement for the  
344 moving expenses. However, the licensed employee must relocate  
345 within the boundaries of the State of Mississippi. Any individual  
346 receiving relocation assistance through the Critical Teacher  
347 Shortage Act as provided in Section 37-159-5 shall not be eligible  
348 to receive additional relocation funds as authorized in this  
349 paragraph;

350 (oo) To use any available funds, not appropriated or  
351 designated for any other purpose, to reimburse persons who  
352 interview for employment as a licensed employee with the district  
353 for the mileage and other actual expenses incurred in the course  
354 of travel to and from the interview at the rate authorized for  
355 county and municipal employees under Section 25-3-41;

356 (pp) Consistent with the report of the Task Force to  
357 Conduct a Best Financial Management Practices Review, to improve  
358 school district management and use of resources and identify cost

359 savings as established in Section 8 of Chapter 610, Laws of 2002,  
360 local school boards are encouraged to conduct independent reviews  
361 of the management and efficiency of schools and school districts.  
362 Such management and efficiency reviews shall provide state and  
363 local officials and the public with the following:

- 364 (i) An assessment of a school district's  
365 governance and organizational structure;
- 366 (ii) An assessment of the school district's  
367 financial and personnel management;
- 368 (iii) An assessment of revenue levels and sources;
- 369 (iv) An assessment of facilities utilization,  
370 planning and maintenance;
- 371 (v) An assessment of food services, transportation  
372 and safety/security systems;
- 373 (vi) An assessment of instructional and  
374 administrative technology;
- 375 (vii) A review of the instructional management and  
376 the efficiency and effectiveness of existing instructional  
377 programs; and
- 378 (viii) Recommended methods for increasing  
379 efficiency and effectiveness in providing educational services to  
380 the public;

381 (qq) To enter into agreements with other local school  
382 boards for the establishment of an educational service agency  
383 (ESA) to provide for the cooperative needs of the region in which  
384 the school district is located, as provided in Section 37-7-345.  
385 This paragraph shall repeal on July 1, 2007;

386 (rr) To implement a financial literacy program for  
387 students in Grades 10 and 11. The board may review the national  
388 programs and obtain free literature from various nationally  
389 recognized programs. After review of the different programs, the  
390 board may certify a program that is most appropriate for the  
391 school districts' needs. If a district implements a financial

392 literacy program, then any student in Grade 10 or 11 may  
393 participate in the program. The financial literacy program shall  
394 include, but is not limited to, instruction in the same areas of  
395 personal business and finance as required under Section  
396 37-1-3(2)(b). The school board may coordinate with volunteer  
397 teachers from local community organizations, including, but not  
398 limited to, the following: United States Department of  
399 Agriculture Rural Development, United States Department of Housing  
400 and Urban Development, Junior Achievement, bankers and other  
401 nonprofit organizations. Nothing in this paragraph shall be  
402 construed as to require school boards to implement a financial  
403 literacy program;

404           (ss) To collaborate with the State Board of Education,  
405 Community Action Agencies or the Department of Human Services to  
406 develop and implement a voluntary program to provide services for  
407 a full-day prekindergarten program that addresses the cognitive,  
408 social, and emotional needs of four-year-old and three-year-old  
409 children. The school board may utilize nonstate source special  
410 funds, grants, donations or gifts to fund the voluntary program;

411           (tt) With respect to any lawful, written obligation of  
412 a school district, including, but not limited to, leases  
413 (excluding leases of sixteenth section public school trust land),  
414 bonds, notes, or other agreement, to agree in writing with the  
415 obligee that the State Tax Commission or any state agency,  
416 department or commission created under state law may:

417           (i) Withhold all or any part (as agreed by the  
418 school board) of any monies which such local school board is  
419 entitled to receive from time to time under any law and which is  
420 in the possession of the State Tax Commission, or any state  
421 agency, department or commission created under state law; and

422           (ii) Pay the same over to any financial  
423 institution, trustee or other obligee, as directed in writing by

424 the school board, to satisfy all or part of such obligation of the  
425 school district.

426 The school board may make such written agreement to withhold  
427 and transfer funds irrevocable for the term of the written  
428 obligation and may include in the written agreement any other  
429 terms and provisions acceptable to the school board. If the  
430 school board files a copy of such written agreement with the State  
431 Tax Commission, or any state agency, department or commission  
432 created under state law then the State Tax Commission or any state  
433 agency, department or commission created under state law shall  
434 immediately make the withholdings provided in such agreement from  
435 the amounts due the local school board and shall continue to pay  
436 the same over to such financial institution, trustee or obligee  
437 for the term of the agreement.

438 This paragraph (tt) shall not grant any extra authority to a  
439 school board to issue debt in any amount exceeding statutory  
440 limitations on assessed value of taxable property within such  
441 school district or the statutory limitations on debt maturities,  
442 and shall not grant any extra authority to impose, levy or collect  
443 a tax which is not otherwise expressly provided for, and shall not  
444 be construed to apply to sixteenth section public school trust  
445 land;

446 (uu) With respect to any matter or transaction that is  
447 competitively bid by a school district, to accept from any bidder  
448 as a good faith deposit or bid bond or bid surety, the same type  
449 of good faith deposit or bid bond or bid surety that may be  
450 accepted by the state or any other political subdivision on  
451 similar competitively bid matters or transactions. This paragraph  
452 (uu) shall not be construed to apply to sixteenth section public  
453 school trust land. The school board may authorize the investment  
454 of any school district funds in the same kind and manner of  
455 investments, including pooled investments, as any other political  
456 subdivision, including community hospitals; \* \* \*

457 (vv) To utilize the alternate method for the conveyance  
458 or exchange of unused school buildings and/or land, reserving a  
459 partial or other undivided interest in the property, as  
460 specifically authorized and provided in Section 37-7-485,  
461 Mississippi Code of 1972; and

462 (ww) To levy all taxes for and on behalf of the  
463 district.

464 **SECTION 2.** Section 37-57-1, Mississippi Code of 1972, is  
465 amended as follows:

466 37-57-1. (1) (a) The boards of supervisors of the counties  
467 shall \* \* \* collect all taxes for and on behalf of all school  
468 districts which were within the county school system or designated  
469 as special municipal separate school districts prior to July 1,  
470 1986. Such taxes shall be collected by the county tax collector  
471 at the same time and in the same manner as county taxes are  
472 collected by him, and the same penalties for delinquency shall be  
473 applicable.

474 The governing authorities of the municipalities shall \* \* \*  
475 collect all taxes for and on behalf of all school districts which  
476 were designated as municipal separate school districts prior to  
477 July 1, 1986. Such taxes shall be collected by the municipal tax  
478 collector at the same time and in the same manner as municipal  
479 taxes are collected by him, and the same penalties for delinquency  
480 shall be applicable.

481 The county or municipal tax collector, as the case may be,  
482 shall pay such tax collections, except for taxes collected for the  
483 payment of the principal of and interest on school bonds or notes  
484 and except for taxes collected to defray collection costs, into  
485 the school depository and report to the school board of the  
486 appropriate school district at the same time and in the same  
487 manner as the tax collector makes his payments and reports of  
488 other taxes collected by him.

489 \* \* \*

490 (b) For the purposes of this chapter and any other laws  
491 pertaining to taxes levied or bonds or notes issued for and on  
492 behalf of school districts, the term "levying authority" means the  
493 board of trustees of the school district.

494 (2) The levying authority for the school district shall, at  
495 the same time and in the same manner as other taxes are levied by  
496 the county or municipality, levy a tax of not less than  
497 twenty-eight (28) mills for the then current fiscal year, less the  
498 estimated amount of the yield of the School Ad Valorem Tax  
499 Reduction Fund grant to the school district as determined by the  
500 State Department of Education or twenty-seven percent (27%) of the  
501 basic adequate education program cost for such school district,  
502 whichever is a lesser amount, upon all of the taxable property of  
503 the school district, as required under Section 37-151-7(2)(a).  
504 However, in no case shall the minimum local ad valorem tax effort  
505 for any school district be equal to an amount that would require a  
506 millage rate exceeding fifty-five (55) mills in that school  
507 district. Provided, however, that if a levying authority is  
508 levying in excess of fifty-five (55) mills on July 1, 1997, the  
509 levying authority may levy an additional amount not exceeding  
510 three (3) mills in the aggregate for the period beginning July 1,  
511 1997, and ending June 30, 2003, subject to the limitation on  
512 increased receipts from ad valorem taxes prescribed in Sections  
513 37-57-105 and 37-57-107. Nothing in this subsection shall be  
514 construed to require any school district that is levying more than  
515 fifty-five (55) mills pursuant to Sections 37-57-1 and 37-57-105  
516 to decrease its millage rate to fifty-five (55) mills or less. In  
517 making such levy, the levying authority shall levy an additional  
518 amount sufficient to cover anticipated delinquencies and costs of  
519 collection so that the net amount of money to be produced by such  
520 levy shall be equal to the amount which the school district is  
521 required to contribute as its said minimum local ad valorem tax  
522 effort. The tax so levied shall be collected by the tax collector



523 at the same time and in the same manner as other ad valorem taxes  
524 are collected by him. The amount of taxes so collected as a  
525 result of such levy shall be paid into the district maintenance  
526 fund of the school district by the tax collector at the same time  
527 and in the same manner as reports and payments of other ad valorem  
528 taxes are made by said tax collector, except that the amount  
529 collected to defray costs of collection may be paid into the  
530 county general fund. The levying authority shall have the power  
531 and authority to direct and cause warrants to be issued against  
532 such fund for the purpose of refunding any amount of taxes  
533 erroneously or illegally paid into such fund where such refund has  
534 been approved in the manner provided by law.

535 **SECTION 3.** Section 37-57-104, Mississippi Code of 1972, is  
536 amended as follows:

537 37-57-104. (1) Each school board shall adopt an order  
538 establishing an ad valorem tax effort in dollars for the support  
539 of the school district. \* \* \* The levying authority shall  
540 determine the millage rate necessary to generate funds equal to  
541 the dollar amount for the support of the school district. For the  
542 purpose of calculating this millage rate, any additional amount  
543 that is levied pursuant to Section 37-57-105(1) to cover  
544 anticipated delinquencies and costs of collection or any amount  
545 that may be levied for the payment of the principal and interest  
546 on school bonds or notes shall be excluded from the limitation of  
547 fifty-five (55) mills provided for in subsection (2) of this  
548 section.

549 (2) (a) Except as otherwise provided under paragraph (b) or  
550 (c) of this subsection, if the millage rate necessary to generate  
551 funds equal to the dollar amount requested by the school board is  
552 greater than fifty-five (55) mills, and if this millage rate is  
553 higher than the millage then being levied pursuant to the school  
554 board's order requesting the ad valorem tax effort for the  
555 currently existing fiscal year, then the levying authority shall

556 call a referendum on the question of exceeding, during the next  
557 fiscal year, the then existing millage rate being levied for  
558 school district purposes. The referendum shall be scheduled for  
559 not more than six (6) weeks after the date on which the levying  
560 authority receives the school board's order requesting the ad  
561 valorem tax effort.

562 When a referendum has been called, notice of the referendum  
563 shall be published at least five (5) days per week, unless the  
564 only newspaper published in the school district is published less  
565 than five (5) days per week, for at least three (3) consecutive  
566 weeks, in at least one (1) newspaper published in the school  
567 district. The notice shall be no less than one-fourth (1/4) page  
568 in size, and the type used shall be no smaller than eighteen (18)  
569 point and surrounded by a one-fourth-inch solid black border. The  
570 notice may not be placed in that portion of the newspaper where  
571 legal notices and classified advertisements appear. The first  
572 publication of the notice shall be made not less than twenty-one  
573 (21) days before the date fixed for the referendum, and the last  
574 publication shall be made not more than seven (7) days before that  
575 date. If no newspaper is published in the school district, then  
576 the notice shall be published in a newspaper having a general  
577 circulation in the school district. The referendum shall be held,  
578 as far as is practicable, in the same manner as other referendums  
579 and elections are held in the county or municipality. At the  
580 referendum, all registered, qualified electors of the school  
581 district may vote. The ballots used at the referendum shall have  
582 printed thereon a brief statement of the amount and purpose of the  
583 increased tax levy and the words "FOR INCREASING THE MILLAGE  
584 LEVIED FOR SCHOOL DISTRICT PURPOSES FROM (MILLAGE RATE CURRENTLY  
585 LEVIED) MILLS TO (MILLAGE RATE REQUIRED UNDER SCHOOL BOARD'S  
586 ORDER) MILLS," and "AGAINST INCREASING THE MILLAGE LEVIED FOR  
587 SCHOOL DISTRICT PURPOSES FROM (MILLAGE RATE CURRENTLY LEVIED)  
588 MILLS TO (MILLAGE RATE REQUIRED UNDER SCHOOL BOARD'S ORDER)

589 MILLS." The voter shall vote by placing a cross (X) or checkmark  
590 (√) opposite his choice on the proposition.

591 If a majority of the registered, qualified electors of the  
592 school district who vote in the referendum vote in favor of the  
593 question, then the ad valorem tax effort in dollars requested by  
594 the school board shall be approved. However, if a majority of the  
595 registered, qualified electors who vote in the referendum vote  
596 against the question, the millage rate levied by the levying  
597 authority shall not exceed the millage then being levied pursuant  
598 to the school board's order requesting the ad valorem tax effort  
599 for the then currently existing fiscal year.

600 Nothing in this subsection shall be construed to require any  
601 school district that is levying more than fifty-five (55) mills  
602 pursuant to Sections 37-57-1 and 37-57-105 to decrease its millage  
603 rate to fifty-five (55) mills or less. Further, nothing in this  
604 subsection shall be construed to require a referendum in a school  
605 district where the requested ad valorem tax effort in dollars  
606 requires a millage rate of greater than fifty-five (55) mills but  
607 the requested dollar amount does not require any increase in the  
608 then existing millage rate. Further, nothing in this subsection  
609 shall be construed to require a referendum in a school district  
610 where, because of a decrease in the assessed valuation of the  
611 district, a millage rate of greater than fifty-five (55) mills is  
612 necessary to generate funds equal to the dollar amount generated  
613 by the ad valorem tax effort for the currently existing fiscal  
614 year.

615 (b) Provided, however, that if a levying authority is  
616 levying in excess of fifty-five (55) mills on July 1, 1997, the  
617 levying authority may levy an additional amount not exceeding  
618 three (3) mills in the aggregate for the period beginning July 1,  
619 1997, and ending June 30, 2003, subject to the limitation on  
620 increased receipts from ad valorem taxes prescribed in Sections  
621 37-57-105 and 37-57-107.

622           (c) If the levying authority for any school district  
623 lawfully has decreased the millage levied for school district  
624 purposes, but subsequently determines that there is a need to  
625 increase the millage rate due to a disaster in which the Governor  
626 has declared a disaster emergency or the President of the United  
627 States has declared an emergency or major disaster, then the  
628 levying authority may increase the millage levied for school  
629 district purposes up to an amount that does not exceed the millage  
630 rate in any one (1) of the immediately preceding ten (10) fiscal  
631 years without any referendum that otherwise would be required  
632 under this subsection.

633           (3) If the millage rate necessary to generate funds equal to  
634 the dollar amount requested by the school board is equal to  
635 fifty-five (55) mills or less, but the dollar amount requested by  
636 the school board exceeds the next preceding fiscal year's ad  
637 valorem tax effort in dollars by more than four percent (4%), but  
638 not more than seven percent (7%) (as provided for under subsection  
639 (4) of this section), then the school board shall publish notice  
640 thereof at least five (5) days per week, unless the only newspaper  
641 published in the school district is published less than five (5)  
642 days per week, for at least three (3) consecutive weeks in a  
643 newspaper published in the school district. The notice shall be  
644 no less than one-fourth (1/4) page in size, and the type used  
645 shall be no smaller than eighteen (18) point and surrounded by a  
646 one-fourth-inch solid black border. The notice may not be placed  
647 in that portion of the newspaper where legal notices and  
648 classified advertisements appear. The first publication shall be  
649 made not less than fifteen (15) days before the final adoption of  
650 the budget by the school board. If no newspaper is published in  
651 the school district, then the notice shall be published in a  
652 newspaper having a general circulation in the school district. If  
653 at any time before the adoption of the budget a petition signed by  
654 not less than twenty percent (20%) or fifteen hundred (1500),

655 whichever is less, of the registered, qualified electors of the  
656 school district is filed with the school board requesting that a  
657 referendum be called on the question of exceeding the next  
658 preceding fiscal year's ad valorem tax effort in dollars by more  
659 than four percent (4%), then the school board shall adopt, not  
660 later than the next regular meeting, a resolution calling a  
661 referendum to be held within the school district upon the  
662 question. The referendum shall be called and held, and notice  
663 thereof shall be given, in the same manner provided for in  
664 subsection (2) of this section. The ballot shall contain the  
665 language "FOR THE SCHOOL TAX INCREASE OVER FOUR PERCENT (4%)" and  
666 "AGAINST THE SCHOOL TAX INCREASE OVER FOUR PERCENT (4%)." If a  
667 majority of the registered, qualified electors of the school  
668 district who vote in the referendum vote in favor of the question,  
669 then the increase requested by the school board shall be approved.  
670 For the purposes of this subsection, the revenue sources excluded  
671 from the increase limitation under Section 37-57-107 also shall be  
672 excluded from the limitation described in this subsection in the  
673 same manner as they are excluded under Section 37-57-107.  
674 Provided, however, that any increases requested by the school  
675 board as a result of the required local contribution to the  
676 Mississippi Adequate Education Program, as certified to the local  
677 school district by the State Board of Education under Section  
678 37-151-7(2), Mississippi Code of 1972, shall not be subject to the  
679 four percent (4%) and/or seven percent (7%) tax increase  
680 limitations provided in this section.

681 (4) If the millage rate necessary to generate funds equal to  
682 the dollar amount requested by the school board is equal to  
683 fifty-five (55) mills or less, but the dollar amount requested by  
684 the school board exceeds the seven percent (7%) increase  
685 limitation provided for in Section 37-57-107, the school board may  
686 exceed the seven percent (7%) increase limitation only after the  
687 school board has determined the need for additional revenues and

688 three-fifths (3/5) of the registered, qualified electors voting in  
689 a referendum called by the levying authority have voted in favor  
690 of the increase. The notice and manner of holding the referendum  
691 shall be as prescribed in subsection (2) of this section for a  
692 referendum on the question of increasing the millage rate in  
693 school districts levying more than fifty-five (55) mills for  
694 school district purposes.

695 (5) The aggregate receipts from ad valorem taxes levied for  
696 school district purposes pursuant to Sections 37-57-1 and  
697 37-57-105, excluding collection fees, additional revenue from the  
698 ad valorem tax on any newly constructed properties or any existing  
699 properties added to the tax rolls or any properties previously  
700 exempt which were not assessed in the next preceding year, and  
701 amounts received by school districts from the School Ad Valorem  
702 Tax Reduction Fund pursuant to Section 37-61-35, shall be subject  
703 to the increase limitation under this section and Section  
704 37-57-107.

705 (6) The school board shall pay to the levying authority all  
706 costs that are incurred by the levying authority in the calling  
707 and holding of any election under this section.

708 (7) The provisions of this section shall not be construed to  
709 affect in any manner the authority of school boards to levy  
710 millage for the following purposes:

711 (a) The issuance of bonds, notes and certificates of  
712 indebtedness, as authorized in Sections 37-59-1 through 37-59-45  
713 and Sections 37-59-101 through 37-59-115;

714 (b) The lease of property for school purposes, as  
715 authorized under the Emergency School Leasing Authority Act of  
716 1986 (Sections 37-7-351 through 37-7-359);

717 (c) The lease or lease-purchase of school buildings, as  
718 authorized under Section 37-7-301;

719 (d) The issuance of promissory notes in the event of a  
720 shortfall of ad valorem taxes and/or revenue from local sources,  
721 as authorized under Section 27-39-333; and

722 (e) The construction of school buildings outside the  
723 school district, as authorized under Section 37-7-401.

724 Any millage levied for the purposes specified in this  
725 subsection shall be excluded from the millage limitations  
726 established under this section.

727 **SECTION 4.** Section 37-61-9, Mississippi Code of 1972, is  
728 amended as follows:

729 37-61-9. (1) On or before the fifteenth day of August of  
730 each year, the local school board of each school district, with  
731 the assistance of the superintendent of schools, shall  
732 prepare \* \* \* a budget of estimated expenditures for the support,  
733 maintenance and operation of the public schools of the school  
734 district for the fiscal year commencing on July 1 of such year.  
735 Such budget shall be prepared on forms prescribed and provided by  
736 the State Auditor and shall contain such information as the State  
737 Auditor may require.

738 (2) In addition, on or before the fifteenth day of August of  
739 each year, the local school board of each school district, with  
740 the assistance of the superintendent of schools, shall prepare and  
741 file with the State Department of Education such budgetary  
742 information as the State Board of Education may require. The  
743 State Board of Education shall prescribe and provide forms to each  
744 school district for this purpose.

745 (3) Prior to the adoption of a budget pursuant to this  
746 section, the school board of each school district shall hold at  
747 least one (1) public hearing to provide the general public with an  
748 opportunity to comment on the taxing and spending plan  
749 incorporated in the proposed budget. The public hearing shall be  
750 held at least one (1) week prior to the adoption of the budget  
751 with advance notice. After final adoption of the budget, a

752 synopsis of such budget in a form prescribed by the State  
753 Department of Audit shall be published in a newspaper having  
754 general circulation in the school district on a date different  
755 from the date on which the county or any municipality therein may  
756 publish its budget.

757 (4) Beginning with the fiscal year 1995-1996, there shall be  
758 imposed limitations on budgeted expenditures for certain  
759 administration costs, as defined hereinafter, in an amount not  
760 greater than One Hundred Fifty Thousand Dollars (\$150,000.00) plus  
761 four percent (4%) of the expenditures of all school districts each  
762 year. For purposes of this subsection, "administration costs"  
763 shall be defined as expenditures for salaries and fringe benefits  
764 paid for central administration costs from all sources of revenue  
765 in the following expenditure functions as defined in the  
766 MISSISSIPPI PUBLIC SCHOOL DISTRICT FINANCIAL ACCOUNTING MANUAL:

- 767 2300 = Support Services - General Administration
- 768 2310 = Board of Education Services
- 769 2320 = Executive Administration Services
- 770 2330 = Special Area Administration Services
- 771 2500 = Business Services
- 772 2510 = Fiscal Services
- 773 2520 = Purchasing Services
- 774 2530 = Warehousing and Distributing Services
- 775 2540 = Printing, Publishing and Duplicating Services
- 776 2590 = Other Support Services - Business
- 777 2800 = Support Services - Central
- 778 2810 = Planning, Research, Development and Evaluation
- 779 2820 = Information Services
- 780 2830 = Staff Services
- 781 2840 = Data Processing Services

782 Any costs classified as "administration costs" for purposes  
783 of this subsection which can be demonstrated by the local school  
784 district to be an expenditure that results in a net cost savings



785 to the district that may otherwise require budget expenditures for  
786 functions not covered under the definition of administration costs  
787 herein may be excluded from the limitations imposed herein. The  
788 local school board shall make a specific finding of such costs and  
789 spread such finding upon its minutes, which shall be subject to  
790 the approval of the Office of Educational Accountability of the  
791 State Department of Education. Any school district required to  
792 make expenditure cuts, as a result of application of this  
793 subsection, shall not be required to reduce such expenditures more  
794 than twenty-five percent (25%) in any year in order to comply with  
795 this mandate.

796 The State Auditor shall ensure that functions in all  
797 expenditure categories to which this administrative limitation  
798 applies shall be properly classified.

799 This section shall not apply to central administration with  
800 five (5) or less full-time employees, or to those school districts  
801 which can substantiate that comparable reductions have occurred in  
802 administrative costs for the five-year period immediately prior to  
803 school year 1993-1994. In the event the application of this  
804 section may jeopardize the fiscal integrity or operations of the  
805 school district, have an adverse impact on the ability of the  
806 district to deliver educational services, or otherwise restrict  
807 the district from achieving or maintaining a quality education  
808 program, the State Board of Education shall be authorized to  
809 exempt the application of this section to such school district  
810 pursuant to rules and regulations of the State Board of Education  
811 consistent with the intent of this section.

812 **SECTION 5.** Section 37-57-105, Mississippi Code of 1972, is  
813 amended as follows:

814 37-57-105. (1) In addition to the taxes levied under  
815 Section 37-57-1, the levying authority for the school district, as  
816 defined in Section 37-57-1, \* \* \* shall, at the same time and in  
817 the same manner as other ad valorem taxes are levied, levy an

818 annual ad valorem tax in the amount fixed in such order upon all  
819 of the taxable property of such school district, which shall not  
820 be less than the millage rate certified by the State Board of  
821 Education as the uniform minimum school district ad valorem tax  
822 levy for the support of the adequate education program in such  
823 school district under Section 37-57-1. Provided, however, that  
824 any school district levying less than the uniform minimum school  
825 district ad valorem tax levy on July 1, 1997, shall only be  
826 required to increase its local district maintenance levy in four  
827 (4) mill annual increments in order to attain such millage  
828 requirements. In making such levy, the levying authority shall  
829 levy an additional amount sufficient to cover anticipated  
830 delinquencies and costs of collection so that the net amount of  
831 money to be produced by such levy shall be equal to the amount  
832 which is established by the school board. The proceeds of such  
833 tax levy, excluding levies for the payment of the principal of and  
834 interest on school bonds or notes and excluding levies for costs  
835 of collection, shall be placed in the school depository to the  
836 credit of the school district and shall be expended in the manner  
837 provided by law for the purpose of supplementing teachers'  
838 salaries, extending school terms, purchasing furniture, supplies  
839 and materials, and for all other lawful operating and incidental  
840 expenses of such school district, funds for which are not provided  
841 by adequate education program fund allotments.

842 The monies authorized to be received by school districts from  
843 the School Ad Valorem Tax Reduction Fund pursuant to Section  
844 37-61-35 shall be included as ad valorem tax receipts. The  
845 levying authority for the school district, as defined in Section  
846 37-57-1, shall reduce the ad valorem tax levy for such school  
847 district in an amount equal to the amount distributed to such  
848 school district from the School Ad Valorem Tax Reduction Fund each  
849 calendar year pursuant to said Section 37-61-35. Such reduction  
850 shall not be less than the millage rate necessary to generate a

851 reduction in ad valorem tax receipts equal to the funds  
852 distributed to such school district from the School Ad Valorem Tax  
853 Reduction Fund pursuant to Section 37-61-35. Such reduction shall  
854 not be deemed to be a reduction in the aggregate amount of support  
855 from ad valorem taxation for purposes of Section 37-19-11. The  
856 millage levy certified by the State Board of Education as the  
857 uniform minimum ad valorem tax levy or the millage levy that would  
858 generate funds in an amount equal to a school district's district  
859 entitlement, as defined in Section 37-22-1(2)(e), shall be subject  
860 to the provisions of this paragraph.

861 In any county where there is located a nuclear generating  
862 power plant on which a tax is assessed under Section 27-35-309(3),  
863 such required levy and revenue produced thereby may be reduced by  
864 the levying authority in an amount in proportion to a reduction in  
865 the base revenue of any such county from the previous year. Such  
866 reduction shall be allowed only if the reduction in base revenue  
867 equals or exceeds five percent (5%). "Base revenue" shall mean  
868 the revenue received by the county from the ad valorem tax levy  
869 plus the revenue received by the county from the tax assessed  
870 under Section 27-35-309(3) and authorized to be used for any  
871 purposes for which a county is authorized by law to levy an ad  
872 valorem tax. For purposes of determining if the reduction equals  
873 or exceeds five percent (5%), a levy of millage equal to the prior  
874 year's millage shall be hypothetically applied to the current  
875 year's ad valorem tax base to determine the amount of revenue to  
876 be generated from the ad valorem tax levy. For the purposes of  
877 this section and Section 37-57-107, the portion of the base  
878 revenue used for the support of any school district shall be  
879 deemed to be the aggregate receipts from ad valorem taxes for the  
880 support of any school district. This paragraph shall apply to  
881 taxes levied for the 1987 fiscal year and for each fiscal year  
882 thereafter. If the Mississippi Supreme Court or another court

883 finally adjudicates that the tax levied under Section 27-35-309(3)  
884 is unconstitutional, then this paragraph shall stand repealed.

885 (2) When the tax is levied upon the territory of any school  
886 district located in two (2) or more counties, the order of the  
887 school board \* \* \* shall be certified to the levying authority of  
888 each of the counties involved, and each of the levying authorities  
889 shall levy the tax in the manner specified herein. The taxes so  
890 levied shall be collected by the tax collector of the levying  
891 authority involved and remitted by the tax collector to the school  
892 depository of the home county to the credit of the school district  
893 involved as provided above, except that taxes for collection fees  
894 may be retained by the levying authority for deposit into its  
895 general fund.

896 (3) The aggregate receipts from ad valorem taxes levied for  
897 school district purposes, excluding collection fees, pursuant to  
898 this section and Section 37-57-1 shall be subject to the increased  
899 limitation under Section 37-57-107; however, if the ad valorem tax  
900 effort in dollars requested by the school district for the fiscal  
901 year exceeds the next preceding fiscal year's ad valorem tax  
902 effort in dollars by more than four percent (4%) but not more than  
903 seven percent (7%), then the school board shall publish notice  
904 thereof once each week for at least three (3) consecutive weeks in  
905 a newspaper having general circulation in the school district  
906 involved, with the first publication thereof to be made not less  
907 than fifteen (15) days prior to the final adoption of the budget  
908 by the school board. If at any time prior to said adoption a  
909 petition signed by not less than twenty percent (20%) or fifteen  
910 hundred (1500), whichever is less, of the qualified electors of  
911 the school district involved shall be filed with the school board  
912 requesting that an election be called on the question of exceeding  
913 the next preceding fiscal year's ad valorem tax effort in dollars  
914 by more than four percent (4%) but not more than seven percent  
915 (7%), then the school board shall, not later than the next regular

916 meeting, adopt a resolution calling an election to be held within  
917 such school district upon such question. The election shall be  
918 called and held, and notice thereof shall be given, in the same  
919 manner for elections upon the questions of the issuance of the  
920 bonds of school districts, and the results thereof shall be  
921 certified to the school board. The ballot shall contain the  
922 language "For the School Tax Increase Over Four Percent (4%)" and  
923 "Against the School Tax Increase Over Four Percent (4%)." If a  
924 majority of the qualified electors of the school district who  
925 voted in such election shall vote in favor of the question, then  
926 the stated increase requested by the school board shall be  
927 approved. For the purposes of this paragraph, the revenue sources  
928 excluded from the increased limitation under Section 37-57-107  
929 shall also be excluded from the limitation described herein in the  
930 same manner as they are excluded under Section 37-57-107.

931 **SECTION 6.** Section 27-35-5, Mississippi Code of 1972, is  
932 amended as follows:

933 27-35-5. Every lawful tax including all increases, penalties  
934 and interest which may be or become owing or assessed, levied or  
935 imposed by the state or by a county, municipality, school board or  
936 levee board, whether ad valorem (including all school district  
937 taxes), privilege, excise, income or inheritance, is a debt due by  
938 the person or corporation owning the property or carrying on the  
939 business or profession upon which the tax is levied or imposed,  
940 whether properly assessed or not, or by the person liable for the  
941 income, inheritance or excise tax, and may be recovered by action  
942 by any officer authorized to sue for or collect same. Said  
943 increases, interest and penalties shall be recoverable as a part  
944 of the tax with respect to which they are imposed. The recovery  
945 of a personal judgment for taxes on land or personal property  
946 against the owner shall not extinguish the tax lien. In all  
947 actions for the recovery of ad valorem taxes the assessment roll  
948 shall be only prima facie correct.

949           **SECTION 7.** Section 27-39-207, Mississippi Code of 1972, is  
950 amended as follows:

951           27-39-207. (1) Unless the increased revenue in a budget is  
952 derived solely from the expansion of a school district's ad  
953 valorem tax base, a school district shall not budget an increase  
954 in an ad valorem tax effort in dollars for support of the school  
955 district unless it first advertises its intention to do so at the  
956 same time that it advertises its intention to fix its budget for  
957 the next fiscal year.

958           (2) A request for an ad valorem tax effort in dollars for  
959 the support of the school district in excess of the certified tax  
960 rate pursuant to Sections 37-57-105 and 37-57-107 shall not be  
961 levied until an order has been approved by the school board of the  
962 school district in accordance with the following procedure:

963           (a) The school board of the school district shall  
964 advertise its intent to exceed the certified tax rate in a  
965 newspaper of general circulation in the county. The advertisement  
966 shall be no less than one-fourth (1/4) page in size and the type  
967 used shall be no smaller than eighteen (18) point and surrounded  
968 by a one-fourth-inch (1/4") solid black border. The advertisement  
969 shall not be placed in any portion of the newspaper where legal  
970 notices and classified advertisements appear. The advertisement  
971 shall appear in a newspaper that is published at least five (5)  
972 days a week, unless the only newspaper in the county is published  
973 less than five (5) days a week. The newspaper selected shall be  
974 one of general interest, readership and circulation in all areas  
975 of the community. The advertisement shall be published once each  
976 week for the two-week period preceding the adoption of the final  
977 budget. The advertisement shall provide that the school board of  
978 the school district will meet on a certain day, date, time and  
979 place fixed in the advertisement, which shall be no less than  
980 seven (7) days after the day the first advertisement is published.

981 The meeting on the proposed increase may coincide with the hearing  
982 on the proposed budget of the school board of the school district.

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

985 **"NOTICE OF TAX INCREASE - (Name of the school district)**

986 The (name of the school district) will hold a public hearing  
987 on its proposed school district budget for fiscal year (insert the  
988 year) on (date and time) at (meeting place). At this meeting, a  
989 proposed ad valorem tax effort increase will be considered.

990 The (name of the school district) is now operating with  
991 projected total budget revenue of \$\_\_\_\_\_. (\_\_\_\_ percent) or  
992 \$\_\_\_\_\_, of such revenue is obtained through ad valorem taxes.  
993 For next fiscal year, the proposed budget has total projected  
994 revenue of \$\_\_\_\_\_. Of that amount, (\_\_\_\_ percent) or  
995 \$\_\_\_\_\_, is proposed to be financed through a total ad valorem  
996 tax levy.

997 For the next fiscal year, the (name of the school district)  
998 plans to increase your ad valorem tax millage rate by \_\_\_\_\_ mills  
999 from \_\_\_\_\_ mills to \_\_\_\_\_ mills. (This portion of the notice  
1000 shall not be required if the school district does not propose an  
1001 increase in the ad valorem tax millage rate.)

1002 This increase in ad valorem tax revenue means that you will  
1003 pay more in ad valorem taxes on your home, automobile tag,  
1004 utilities, business fixtures and equipment and rental real  
1005 property.

1006 Any citizen of (name of the school district) is invited to  
1007 attend this public hearing on the proposed ad valorem tax  
1008 increase, and will be allowed to speak for a reasonable amount of  
1009 time and offer tangible evidence before any vote is taken."

1010 (3) The school board of the school district, after the  
1011 hearing has been held in accordance with the above procedures, may  
1012 adopt an order requesting the levying of an ad valorem tax effort  
1013 in dollars in excess of the certified tax rate. If such order is

1014 not adopted on the day of the public hearing, the scheduled date,  
1015 time and place for consideration and adoption of the order shall  
1016 be announced at the public hearing.

1017 (4) All hearings shall be open to the public. The school  
1018 board of the school district shall permit all interested parties  
1019 desiring to be heard an opportunity to present oral testimony  
1020 within reasonable time limits and offer tangible evidence.

1021 (5) \* \* \* No school board of a school district may schedule  
1022 its hearing at the same time as another overlapping school  
1023 district in the same county.

1024 **SECTION 8.** Section 27-39-315, Mississippi Code of 1972, is  
1025 amended as follows:

1026 27-39-315. Boards of trustees of school districts may divide  
1027 into two (2) funds the levies which this body may levy for school  
1028 purposes for other than interest on bonds and bond maturities.  
1029 One (1) of these funds shall include funds necessary for the  
1030 current expenses and maintenance of schools, the other fund shall  
1031 include those items excluded from the term "maintenance tax" as  
1032 set forth in the homestead exemption law. The levy producing the  
1033 second fund will not be entitled to reimbursement from homestead  
1034 exemption appropriations.

1035 **SECTION 9.** Section 27-41-2, Mississippi Code of 1972, is  
1036 amended as follows:

1037 27-41-2. If the governing authorities of a municipality or  
1038 school board and a county have entered into an interlocal  
1039 agreement pursuant to Section 17-13-1 et seq., and the agreement  
1040 is for the county to collect for the municipality those ad valorem  
1041 taxes on real and personal property, motor vehicles and mobile  
1042 homes that are due and payable to the municipality, the following  
1043 shall apply:

1044 (a) The collection of such ad valorem taxes due by a  
1045 taxpayer to the municipality shall be evidenced by a receipt  
1046 showing that the taxes due have been paid. This receipt also may



1047 show that any ad valorem taxes due by the taxpayer to the county  
1048 have been paid.

1049 (b) Property as described in this section that is sold  
1050 for unpaid ad valorem taxes due by a taxpayer to the municipality  
1051 may be sold in a tax sale which may be conducted for unpaid ad  
1052 valorem taxes due by the taxpayer to the county. This unified tax  
1053 sale for unpaid taxes due the municipality and the county shall be  
1054 advertised in substantially the same manner as provided by law for  
1055 sales of like property for unpaid county ad valorem taxes. The  
1056 amount of taxes for which the property is offered at the unified  
1057 sale shall be the sum of the taxes due by the taxpayer to the  
1058 municipality and those due to the county. All costs incident to  
1059 the unified sale shall be included in the total amount for which  
1060 the property is offered.

1061 (c) Upon offering the property of any delinquent  
1062 taxpayer at a unified sale as described in paragraph (b) and upon  
1063 the failure of any person to bid the whole amount of taxes and all  
1064 costs incident to the sale for such property, the county tax  
1065 collector shall strike the property off to the state.

1066 (d) Except as otherwise specified in this section, the  
1067 collection of unpaid ad valorem taxes due to a municipality, the  
1068 sale of property for unpaid ad valorem taxes due a municipality,  
1069 and the striking off to a municipality of property for unpaid ad  
1070 valorem taxes, shall be conducted in accordance with the laws  
1071 governing the imposition of ad valorem taxes by a municipality.

1072 **SECTION 10.** Section 21-33-45, Mississippi Code of 1972, is  
1073 amended as follows:

1074 21-33-45. The governing authorities of each municipality of  
1075 this state shall, either at their regular meeting in September of  
1076 each year or not later than ten (10) days after the final approval  
1077 of the assessment rolls, levy the municipal ad valorem taxes for  
1078 the fiscal year next succeeding, and shall, by resolution, fix the  
1079 tax rate or levy for the municipality and for any other taxing

1080 districts of which the municipality may be a part. The rates or  
1081 levies for the municipality or for any such taxing district shall  
1082 be expressed in mills or a decimal fraction of a mill, which tax  
1083 rates, or levies, shall determine the ad valorem taxes to be  
1084 collected upon each dollar of valuation upon the assessment rolls  
1085 of the municipality for municipal taxes, and to be collected upon  
1086 each dollar of valuation as shown upon the assessment rolls of the  
1087 municipality for each such taxing district, except as to such  
1088 values as may be exempt, in whole or in part, from certain tax  
1089 rates or levies. If the rates or levies for the municipality or  
1090 taxing district are an increase from the previous fiscal year,  
1091 then the proposed rate or levy increase shall be advertised in  
1092 accordance with Sections 27-39-203 and 27-39-205.

1093 In making the levy of taxes, the governing authorities shall  
1094 specify in such resolution the levy for each purpose as follows:

1095 (a) For general revenue purposes and for general  
1096 improvements, as authorized by Section 27-39-307.

1097 \* \* \*

1098 (b) For municipal bonds and interest thereon, for  
1099 school bonds and interest thereon, separately for municipal-wide  
1100 bonds and for the bonds of each school district.

1101 (c) For municipal-wide bonds and interest thereon,  
1102 other than for school bonds.

1103 (d) For loans, notes or any other obligation, and the  
1104 interest thereon, if permitted by law.

1105 (e) For special improvement or special benefit levies,  
1106 as now authorized by law.

1107 (f) For any other purpose for which a levy is lawfully  
1108 made. If any municipal-wide levy is made for any general or  
1109 special purpose under the provisions of any law other than Section  
1110 27-39-307 each such levy shall be separately stated in the  
1111 resolution, and the law authorizing same shall be expressly stated  
1112 therein.

1113           If the governing authorities of any municipality shall not  
1114 levy the municipal taxes and the district taxes at its regular  
1115 September meeting, such governing authorities shall levy the same  
1116 at an adjourned or special meeting not later than ten (10) days  
1117 after the final approval of the assessment rolls. However, that  
1118 if such levy be not made on or before September 15 then road and  
1119 bridge privilege tax license plates may be issued by the tax  
1120 collector or State Tax Commission, as the case may be, for motor  
1121 vehicles as defined in the Motor Vehicle Ad Valorem Tax Law of  
1122 1958 (Section 27-51-1 et seq.), without collecting or requiring  
1123 proof of payment of municipal ad valorem taxes until such levy is  
1124 duly certified to him, and for twenty-four (24) hours thereafter.

1125           In the case of a municipality operating under a special or  
1126 private charter providing for or authorizing the assessment,  
1127 levying and collection of ad valorem taxes prior to October in  
1128 each year, ad valorem taxes for such municipality shall be levied  
1129 at the time prescribed or authorized by such special or private  
1130 charter, unless the governing authority of such municipality by  
1131 resolution adopted and spread of record in its minutes elect to  
1132 levy ad valorem taxes at the time prescribed hereinbefore in this  
1133 section. In any event, however, all ad valorem taxes levied by  
1134 any municipality in this state, shall be levied in the manner  
1135 required herein regardless of the time when such taxes are levied.

1136           **SECTION 11.** Section 37-57-107, Mississippi Code of 1972, is  
1137 brought forward as follows:

1138           37-57-107. Beginning with the tax levy for the 1997 fiscal  
1139 year and for each fiscal year thereafter, the aggregate receipts  
1140 from taxes levied for school district purposes pursuant to  
1141 Sections 37-57-105 and 37-57-1 shall not exceed the aggregate  
1142 receipts from those sources during any one (1) of the immediately  
1143 preceding three (3) fiscal years, as determined by the school  
1144 board, plus an increase not to exceed seven percent (7%). For the  
1145 purpose of this limitation, the term "aggregate receipts" when

1146 used in connection with the amount of funds generated in a  
1147 preceding fiscal year shall not include excess receipts required  
1148 by law to be deposited into a special account. The additional  
1149 revenue from the ad valorem tax on any newly constructed  
1150 properties or any existing properties added to the tax rolls or  
1151 any properties previously exempt which were not assessed in the  
1152 next preceding year may be excluded from the seven percent (7%)  
1153 increase limitation set forth herein. Taxes levied for payment of  
1154 principal of and interest on general obligation school bonds  
1155 issued heretofore or hereafter shall be excluded from the seven  
1156 percent (7%) increase limitation set forth herein. Any additional  
1157 millage levied to fund any new program mandated by the Legislature  
1158 shall be excluded from the limitation for the first year of the  
1159 levy and included within such limitation in any year thereafter.  
1160 For the purposes of this section, the term "new program" shall  
1161 include, but shall not be limited to, (a) the Early Childhood  
1162 Education Program required to commence with the 1986-1987 school  
1163 year as provided by Section 37-21-7 and any additional millage  
1164 levied and the revenue generated therefrom, which is excluded from  
1165 the limitation for the first year of the levy, to support the  
1166 mandated Early Childhood Education Program shall be specified on  
1167 the minutes of the school board and of the governing body making  
1168 such tax levy; (b) any additional millage levied and the revenue  
1169 generated therefrom which shall be excluded from the limitation  
1170 for the first year of the levy, for the purpose of generating  
1171 additional local contribution funds required for the adequate  
1172 education program for the 2003 fiscal year and for each fiscal  
1173 year thereafter under Section 37-151-7(2); and (c) any additional  
1174 millage levied and the revenue generated therefrom which shall be  
1175 excluded from the limitation for the first year of the levy, for  
1176 the purpose of support and maintenance of any agricultural high  
1177 school which has been transferred to the control, operation and

1178 maintenance of the school board by the board of trustees of the  
1179 community college district under provisions of Section 37-29-272.

1180         The seven percent (7%) increase limitation prescribed in this  
1181 section may be increased an additional amount only when the school  
1182 board has determined the need for additional revenues and has held  
1183 an election on the question of raising the limitation prescribed  
1184 in this section. The limitation may be increased only if  
1185 three-fifths (3/5) of those voting in the election shall vote for  
1186 the proposed increase. The resolution, notice and manner of  
1187 holding the election shall be as prescribed by law for the holding  
1188 of elections for the issuance of bonds by the respective school  
1189 boards. Revenues collected for the fiscal year in excess of the  
1190 seven percent (7%) increase limitation pursuant to an election  
1191 shall be included in the tax base for the purpose of determining  
1192 aggregate receipts for which the seven percent (7%) increase  
1193 limitation applies for subsequent fiscal years.

1194         Except as otherwise provided for excess revenues generated  
1195 pursuant to an election, if revenues collected as the result of  
1196 the taxes levied for the fiscal year pursuant to this section and  
1197 Section 37-57-1 exceed the increase limitation, then it shall be  
1198 the mandatory duty of the school board of the school district to  
1199 deposit such excess receipts over and above the increase  
1200 limitation into a special account and credit it to the fund for  
1201 which the levy was made. It will be the further duty of such  
1202 board to hold said funds and invest the same as authorized by law.  
1203 Such excess funds shall be calculated in the budgets for the  
1204 school districts for the purpose for which such levies were made,  
1205 for the succeeding fiscal year. Taxes imposed for the succeeding  
1206 year shall be reduced by the amount of excess funds available.  
1207 Under no circumstances shall such excess funds be expended during  
1208 the fiscal year in which such excess funds are collected.

1209           For the purposes of determining ad valorem tax receipts for a  
1210 preceding fiscal year under this section, the term "fiscal year"  
1211 means the fiscal year beginning October 1 and ending September 30.  
1212           **SECTION 12.** This act shall take effect and be in force from  
1213 and after July 1, 2006.