

By: Representatives Moore, Formby

To: Education; Ways and Means

HOUSE BILL NO. 513

1 AN ACT TO AMEND SECTION 37-57-105, MISSISSIPPI CODE OF 1972,  
2 TO AUTHORIZE THE TAXING AUTHORITY TO VETO A SCHOOL BOARD'S REQUEST  
3 FOR AN INCREASE IN THE AD VALOREM TAX DOLLARS UP TO SEVEN PERCENT;  
4 TO REQUIRE A DIRECT REFERENDUM FOR AN INCREASE IN AD VALOREM TAX  
5 DOLLARS OVER SEVEN PERCENT; AND FOR RELATED PURPOSES.

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

7 **SECTION 1.** Section 37-57-105, Mississippi Code of 1972, is  
8 amended as follows:

9 37-57-105. (1) In addition to the taxes levied under  
10 Section 37-57-1, the levying authority for the school district, as  
11 defined in Section 37-57-1, upon receipt of a certified copy of an  
12 order adopted by the school board of the school district  
13 requesting an ad valorem tax effort in dollars for the support of  
14 the school district, shall, at the same time and in the same  
15 manner as other ad valorem taxes are levied, levy an annual ad  
16 valorem tax in the amount fixed in such order upon all of the  
17 taxable property of such school district, which shall not be less  
18 than the millage rate certified by the State Board of Education as  
19 the uniform minimum school district ad valorem tax levy for the  
20 support of the adequate education program in such school district  
21 under Section 37-57-1. Provided, however, that any school  
22 district levying less than the uniform minimum school district ad  
23 valorem tax levy on July 1, 1997, shall only be required to  
24 increase its local district maintenance levy in four (4) mill  
25 annual increments in order to attain such millage requirements.  
26 In making such levy, the levying authority shall levy an  
27 additional amount sufficient to cover anticipated delinquencies  
28 and costs of collection so that the net amount of money to be

29 produced by such levy shall be equal to the amount which is  
30 requested by said school board. The proceeds of such tax levy,  
31 excluding levies for the payment of the principal of and interest  
32 on school bonds or notes and excluding levies for costs of  
33 collection, shall be placed in the school depository to the credit  
34 of the school district and shall be expended in the manner  
35 provided by law for the purpose of supplementing teachers'  
36 salaries, extending school terms, purchasing furniture, supplies  
37 and materials, and for all other lawful operating and incidental  
38 expenses of such school district, funds for which are not provided  
39 by adequate education program fund allotments.

40 The monies authorized to be received by school districts from  
41 the School Ad Valorem Tax Reduction Fund pursuant to Section  
42 37-61-35 shall be included as ad valorem tax receipts. The  
43 levying authority for the school district, as defined in Section  
44 37-57-1, shall reduce the ad valorem tax levy for such school  
45 district in an amount equal to the amount distributed to such  
46 school district from the School Ad Valorem Tax Reduction Fund each  
47 calendar year pursuant to said Section 37-61-35. Such reduction  
48 shall not be less than the millage rate necessary to generate a  
49 reduction in ad valorem tax receipts equal to the funds  
50 distributed to such school district from the School Ad Valorem Tax  
51 Reduction Fund pursuant to Section 37-61-35. Such reduction shall  
52 not be deemed to be a reduction in the aggregate amount of support  
53 from ad valorem taxation for purposes of Section 37-19-11. The  
54 millage levy certified by the State Board of Education as the  
55 uniform minimum ad valorem tax levy or the millage levy that would  
56 generate funds in an amount equal to a school district's district  
57 entitlement, as defined in Section 37-22-1(2)(e), shall be subject  
58 to the provisions of this paragraph.

59 In any county where there is located a nuclear generating  
60 power plant on which a tax is assessed under Section 27-35-309(3),  
61 such required levy and revenue produced thereby may be reduced by

62 the levying authority in an amount in proportion to a reduction in  
63 the base revenue of any such county from the previous year. Such  
64 reduction shall be allowed only if the reduction in base revenue  
65 equals or exceeds five percent (5%). "Base revenue" shall mean  
66 the revenue received by the county from the ad valorem tax levy  
67 plus the revenue received by the county from the tax assessed  
68 under Section 27-35-309(3) and authorized to be used for any  
69 purposes for which a county is authorized by law to levy an ad  
70 valorem tax. For purposes of determining if the reduction equals  
71 or exceeds five percent (5%), a levy of millage equal to the prior  
72 year's millage shall be hypothetically applied to the current  
73 year's ad valorem tax base to determine the amount of revenue to  
74 be generated from the ad valorem tax levy. For the purposes of  
75 this section and Section 37-57-107, the portion of the base  
76 revenue used for the support of any school district shall be  
77 deemed to be the aggregate receipts from ad valorem taxes for the  
78 support of any school district. This paragraph shall apply to  
79 taxes levied for the 1987 fiscal year and for each fiscal year  
80 thereafter. If the Mississippi Supreme Court or another court  
81 finally adjudicates that the tax levied under Section 27-35-309(3)  
82 is unconstitutional, then this paragraph shall stand repealed.

83 (2) When the tax is levied upon the territory of any school  
84 district located in two (2) or more counties, the order of the  
85 school board requesting the levying of such tax shall be certified  
86 to the levying authority of each of the counties involved, and  
87 each of the levying authorities shall levy the tax in the manner  
88 specified herein. The taxes so levied shall be collected by the  
89 tax collector of the levying authority involved and remitted by  
90 the tax collector to the school depository of the home county to  
91 the credit of the school district involved as provided above,  
92 except that taxes for collection fees may be retained by the  
93 levying authority for deposit into its general fund.

94 (3) The aggregate receipts from ad valorem taxes levied for  
95 school district purposes, excluding collection fees, pursuant to  
96 this section and Section 37-57-1 shall be subject to the increased  
97 limitation under Section 37-57-107; however, if the ad valorem tax  
98 effort in dollars requested by the school district for the fiscal  
99 year exceeds the next preceding fiscal year's ad valorem tax  
100 effort in dollars between zero and up to and including seven  
101 percent (7%), then the levying authority may veto the school  
102 board's request for the additional levy. If the ad valorem tax  
103 effort in dollars requested by the school district for the fiscal  
104 year exceeds the next preceding fiscal year's ad valorem tax  
105 effort in dollars by more than seven percent (7%), then the school  
106 board shall, not later than the next regular meeting, adopt a  
107 resolution calling an election to be held within such school  
108 district upon such question. The election shall be called and  
109 held, and notice thereof shall be given, in the same manner for  
110 elections upon the questions of the issuance of the bonds of  
111 school districts, and the results thereof shall be certified to  
112 the school board. The ballot shall contain the language "For the  
113 School Tax Increase Over Seven Percent (7%)" and "Against the  
114 School Tax Increase Over Seven Percent (7%)." If a majority of  
115 the qualified electors of the school district who voted in such  
116 election shall vote in favor of the question, then the stated  
117 increase requested by the school board shall be approved. For the  
118 purposes of this paragraph, the revenue sources excluded from the  
119 increased limitation under Section 37-57-107 shall also be  
120 excluded from the limitation described herein in the same manner  
121 as they are excluded under Section 37-57-107.

122 **SECTION 2.** This act shall take effect and be in force from  
123 and after July 1, 2006.