

By: Representative Mayo

To: County Affairs; Ways and Means

HOUSE BILL NO. 631

1 AN ACT TO AMEND SECTION 37-57-1, MISSISSIPPI CODE OF 1972, TO
2 TRANSFER THE DUTY OF COUNTIES AND MUNICIPALITIES TO LEVY AD
3 VALOREM TAXES FOR THE SUPPORT OF THE PUBLIC SCHOOLS TO THE LOCAL
4 SCHOOL BOARDS; TO AMEND SECTIONS 37-57-104 THROUGH 37-57-108,
5 37-61-9, 27-35-5, 27-39-207, 27-39-315, 27-41-2 AND 21-33-45,
6 MISSISSIPPI CODE OF 1972, IN CONFORMITY TO THE PROVISIONS OF THIS
7 ACT; AND FOR RELATED PURPOSES.

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

9 SECTION 1. Section 37-57-1, Mississippi Code of 1972, is
10 amended as follows:

11 37-57-1. (1) (a) The boards of supervisors of the counties
12 shall * * * collect all taxes for and on behalf of all school
13 districts which were within the county school system or designated
14 as special municipal separate school districts prior to July 1,
15 1986. Such taxes shall be collected by the county tax collector
16 at the same time and in the same manner as county taxes are
17 collected by him, and the same penalties for delinquency shall be
18 applicable.

19 The governing authorities of the municipalities shall * * *
20 collect all taxes for and on behalf of all school districts which
21 were designated as municipal separate school districts prior to
22 July 1, 1986. Such taxes shall be collected by the municipal tax
23 collector at the same time and in the same manner as municipal
24 taxes are collected by him, and the same penalties for delinquency
25 shall be applicable.

26 The county or municipal tax collector, as the case may be,
27 shall pay such tax collections, except for taxes collected for the
28 payment of the principal of and interest on school bonds or notes
29 and except for taxes collected to defray collection costs, into

30 the school depository and report to the school board of the
31 appropriate school district at the same time and in the same
32 manner as the tax collector makes his payments and reports of
33 other taxes collected by him.

34 * * *

35 (b) For the purposes of this chapter and any other laws
36 pertaining to taxes levied or bonds or notes issued for and on
37 behalf of school districts, the term "levying authority" means the
38 school board of the school district.

39 (2) The school board of each school district shall, at the
40 same time and in the same manner as other taxes are levied by the
41 county or municipality, levy a tax of not less than twenty-eight
42 (28) mills for the then current fiscal year, less the estimated
43 amount of the yield of the School Ad Valorem Tax Reduction Fund
44 grant to the school district as determined by the State Department
45 of Education or twenty-seven percent (27%) of the basic adequate
46 education program cost for such school district, whichever is a
47 lesser amount, upon all of the taxable property of the school
48 district, as required under Section 37-151-7(2)(a). However, in
49 no case shall the minimum local ad valorem tax effort for any
50 school district be equal to an amount that would require a millage
51 rate exceeding fifty-five (55) mills in that school
52 district. * * * Nothing in this subsection shall be construed to
53 require any school district that is levying more than fifty-five
54 (55) mills pursuant to Sections 37-57-1 and 37-57-105 to decrease
55 its millage rate to fifty-five (55) mills or less. In making such
56 levy, the school board shall levy an additional amount sufficient
57 to cover anticipated delinquencies and costs of collection so that
58 the net amount of money to be produced by such levy shall be equal
59 to the amount which the school district is required to contribute
60 as the district's minimum local ad valorem tax effort. The tax so
61 levied shall be collected by the tax collector at the same time
62 and in the same manner as other ad valorem taxes are collected by

63 him. The amount of taxes so collected as a result of such levy
64 shall be paid into the district maintenance fund of the school
65 district by the tax collector at the same time and in the same
66 manner as reports and payments of other ad valorem taxes are made
67 by the tax collector, except that the amount collected to defray
68 costs of collection may be paid into the county general fund. The
69 school board shall have the power and authority to direct and
70 cause warrants to be issued against the district maintenance fund
71 for the purpose of refunding any amount of taxes erroneously or
72 illegally paid into such fund where such refund has been approved
73 in the manner provided by law.

74 **SECTION 2.** Section 37-57-104, Mississippi Code of 1972, is
75 amended as follows:

76 37-57-104. (1) On or before the fifteenth day of August of
77 each year, each school board shall adopt an order establishing an
78 ad valorem tax effort in dollars for the support of the school
79 district. * * * The school board shall determine the millage rate
80 necessary to generate funds equal to the dollar amount estimated
81 as necessary for the support, maintenance and operation of the
82 school district. For the purpose of calculating this millage
83 rate, any additional amount that is levied pursuant to Section
84 37-57-105(1) to cover anticipated delinquencies and costs of
85 collection or any amount that may be levied for the payment of the
86 principal and interest on school bonds or notes shall be excluded
87 from the limitation of fifty-five (55) mills provided for in
88 subsection (2) of this section.

89 (2) (a) Except as otherwise provided under paragraph
90 (b) * * * of this subsection, if the millage rate necessary to
91 generate funds equal to the dollar amount estimated as necessary
92 by the school board for the support, maintenance and operation of
93 the school district is greater than fifty-five (55) mills, and if
94 this millage rate is higher than the millage then being
95 levied * * * for the currently existing fiscal year, then the

96 school board shall call a referendum on the question of exceeding,
97 during the next fiscal year, the then existing millage rate being
98 levied for school district purposes. The referendum shall be
99 scheduled for not more than six (6) weeks after the date on which
100 the school board adopts an order establishing the ad valorem tax
101 effort.

102 When a referendum has been called, notice of the referendum
103 shall be published at least five (5) days per week, unless the
104 only newspaper published in the school district is published less
105 than five (5) days per week, for at least three (3) consecutive
106 weeks, in at least one (1) newspaper published in the school
107 district. The notice shall be no less than one-fourth (1/4) page
108 in size, and the type used shall be no smaller than eighteen (18)
109 point and surrounded by a one-fourth-inch solid black border. The
110 notice may not be placed in that portion of the newspaper where
111 legal notices and classified advertisements appear. The first
112 publication of the notice shall be made not less than twenty-one
113 (21) days before the date fixed for the referendum, and the last
114 publication shall be made not more than seven (7) days before that
115 date. If no newspaper is published in the school district, then
116 the notice shall be published in a newspaper having a general
117 circulation in the school district. The referendum shall be held,
118 as far as is practicable, in the same manner as other referendums
119 and elections are held in the county or municipality. At the
120 referendum, all registered, qualified electors of the school
121 district may vote. The ballots used at the referendum shall have
122 printed thereon a brief statement of the amount and purpose of the
123 increased tax levy and the words "FOR INCREASING THE MILLAGE
124 LEVIED FOR SCHOOL DISTRICT PURPOSES FROM (MILLAGE RATE CURRENTLY
125 LEVIED) MILLS TO (MILLAGE RATE REQUIRED UNDER SCHOOL BOARD'S
126 ORDER) MILLS," and "AGAINST INCREASING THE MILLAGE LEVIED FOR
127 SCHOOL DISTRICT PURPOSES FROM (MILLAGE RATE CURRENTLY LEVIED)
128 MILLS TO (MILLAGE RATE REQUIRED UNDER SCHOOL BOARD'S ORDER)

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

131 If a majority of the registered, qualified electors of the
132 school district who vote in the referendum vote in favor of the
133 question, then the ad valorem tax effort in dollars established by
134 the school board shall be approved. However, if a majority of the
135 registered, qualified electors who vote in the referendum vote
136 against the question, the millage rate * * * shall not exceed the
137 millage then being levied * * * for the then currently existing
138 fiscal year.

139 Nothing in this subsection shall be construed to require any
140 school district that is levying more than fifty-five (55) mills
141 pursuant to Sections 37-57-1 and 37-57-105 to decrease its millage
142 rate to fifty-five (55) mills or less. Further, nothing in this
143 subsection shall be construed to require a referendum in a school
144 district where the * * * ad valorem tax effort in dollars requires
145 a millage rate of greater than fifty-five (55) mills but the * * *
146 dollar amount does not require any increase in the then existing
147 millage rate. Further, nothing in this subsection shall be
148 construed to require a referendum in a school district where,
149 because of a decrease in the assessed valuation of the district, a
150 millage rate of greater than fifty-five (55) mills is necessary to
151 generate funds equal to the dollar amount generated by the ad
152 valorem tax effort for the currently existing fiscal year.

153 * * *

154 (b) If the school board of any school district lawfully
155 has decreased the millage levied for school district purposes, but
156 subsequently determines that there is a need to increase the
157 millage rate due to a disaster in which the Governor has declared
158 a disaster emergency or the President of the United States has
159 declared an emergency or major disaster, then the school board may
160 increase the millage levied for school district purposes up to an
161 amount that does not exceed the millage rate in any one (1) of the

162 immediately preceding ten (10) fiscal years without any referendum
163 that otherwise would be required under this subsection.

164 (3) If the millage rate necessary to generate funds equal to
165 the dollar amount estimated necessary by the school board for the
166 support, maintenance and operation of the school district is equal
167 to fifty-five (55) mills or less, but the dollar amount * * *
168 exceeds the next preceding fiscal year's ad valorem tax effort in
169 dollars by more than four percent (4%), but not more than seven
170 percent (7%) (as provided for under subsection (4) of this
171 section), then the school board shall publish notice thereof at
172 least five (5) days per week, unless the only newspaper published
173 in the school district is published less than five (5) days per
174 week, for at least three (3) consecutive weeks in a newspaper
175 published in the school district. The notice shall be no less
176 than one-fourth (1/4) page in size, and the type used shall be no
177 smaller than eighteen (18) point and surrounded by a
178 one-fourth-inch solid black border. The notice may not be placed
179 in that portion of the newspaper where legal notices and
180 classified advertisements appear. The first publication shall be
181 made not less than fifteen (15) days before the final adoption of
182 the budget by the school board. If no newspaper is published in
183 the school district, then the notice shall be published in a
184 newspaper having a general circulation in the school district. If
185 at any time before the adoption of the budget a petition signed by
186 not less than twenty percent (20%) or fifteen hundred (1500),
187 whichever is less, of the registered, qualified electors of the
188 school district is filed with the school board requesting that a
189 referendum be called on the question of exceeding the next
190 preceding fiscal year's ad valorem tax effort in dollars by more
191 than four percent (4%), then the school board shall adopt, not
192 later than the next regular meeting, a resolution calling a
193 referendum to be held within the school district upon the
194 question. The referendum shall be called and held, and notice

195 thereof shall be given, in the same manner provided for in
196 subsection (2) of this section. The ballot shall contain the
197 language "FOR THE SCHOOL TAX INCREASE OVER FOUR PERCENT (4%)" and
198 "AGAINST THE SCHOOL TAX INCREASE OVER FOUR PERCENT (4%)." If a
199 majority of the registered, qualified electors of the school
200 district who vote in the referendum vote in favor of the question,
201 then the increase * * * shall be approved. For the purposes of
202 this subsection, the revenue sources excluded from the increase
203 limitation under Section 37-57-107 also shall be excluded from the
204 limitation described in this subsection in the same manner as they
205 are excluded under Section 37-57-107. * * * However, * * * any
206 increases adopted by the school board as a result of the required
207 local contribution to the Mississippi Adequate Education Program,
208 as certified to the local school district by the State Board of
209 Education under Section 37-151-7(2), shall not be subject to the
210 four percent (4%) and/or seven percent (7%) tax increase
211 limitations provided in this section.

212 (4) If the millage rate necessary to generate funds equal to
213 the dollar amount estimated as necessary by the school board for
214 the support, maintenance and operation of the school district is
215 equal to fifty-five (55) mills or less, but the dollar
216 amount * * * exceeds the seven percent (7%) increase limitation
217 provided for in Section 37-57-107, the school board may exceed the
218 seven percent (7%) increase limitation only after the school board
219 has determined the need for additional revenues and three-fifths
220 (3/5) of the registered, qualified electors voting in a referendum
221 called by the school board have voted in favor of the increase.
222 The notice and manner of holding the referendum shall be as
223 prescribed in subsection (2) of this section for a referendum on
224 the question of increasing the millage rate in school districts
225 levying more than fifty-five (55) mills for school district
226 purposes.

227 (5) The aggregate receipts from ad valorem taxes levied for
228 school district purposes pursuant to Sections 37-57-1 and
229 37-57-105, excluding collection fees, additional revenue from the
230 ad valorem tax on any newly constructed properties or any existing
231 properties added to the tax rolls or any properties previously
232 exempt which were not assessed in the next preceding year, and
233 amounts received by school districts from the School Ad Valorem
234 Tax Reduction Fund pursuant to Section 37-61-35, shall be subject
235 to the increase limitation under this section and Section
236 37-57-107.

237 (6) The school board shall pay for all costs that are
238 incurred * * * in the calling and holding of any election under
239 this section.

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

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

246 (b) The lease of property for school purposes, as
247 authorized under the Emergency School Leasing Authority Act of
248 1986 (Sections 37-7-351 through 37-7-359);

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

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

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

256 Any millage levied for the purposes specified in this
257 subsection shall be excluded from the millage limitations
258 established under this section.

259 **SECTION 3.** Section 37-57-105, Mississippi Code of 1972, is
260 amended as follows:

261 37-57-105. (1) In addition to the taxes levied under
262 Section 37-57-1, the school board of the school district * * *
263 shall, at the same time and in the same manner as other ad valorem
264 taxes are levied by the county or municipality, levy an annual ad
265 valorem tax in the amount fixed in such order upon all of the
266 taxable property of such school district, which shall not be less
267 than the millage rate certified by the State Board of Education as
268 the uniform minimum school district ad valorem tax levy for the
269 support of the adequate education program in such school district
270 under Section 37-57-1. * * * However, * * * any school district
271 levying less than the uniform minimum school district ad valorem
272 tax levy on July 1, 1997, shall only be required to increase its
273 local district maintenance levy in four (4) mill annual increments
274 in order to attain such millage requirements. In making such
275 levy, the school board shall levy an additional amount sufficient
276 to cover anticipated delinquencies and costs of collection so that
277 the net amount of money to be produced by such levy shall be equal
278 to the amount which is established by the school board. The
279 proceeds of such tax levy, excluding levies for the payment of the
280 principal of and interest on school bonds or notes and excluding
281 levies for costs of collection, shall be placed in the school
282 depository to the credit of the school district and shall be
283 expended in the manner provided by law for the purpose of
284 supplementing teachers' salaries, extending school terms,
285 purchasing furniture, supplies and materials, and for all other
286 lawful operating and incidental expenses of such school district,
287 funds for which are not provided by adequate education program
288 fund allotments.

289 The monies authorized to be received by school districts from
290 the School Ad Valorem Tax Reduction Fund pursuant to Section
291 37-61-35 shall be included as ad valorem tax receipts. The school

292 board of the school district * * * shall reduce the ad valorem tax
293 levy for such school district in an amount equal to the amount
294 distributed to such school district from the School Ad Valorem Tax
295 Reduction Fund each calendar year pursuant to * * * Section
296 37-61-35. Such reduction shall not be less than the millage rate
297 necessary to generate a reduction in ad valorem tax receipts equal
298 to the funds distributed to such school district from the School
299 Ad Valorem Tax Reduction Fund pursuant to Section 37-61-35. Such
300 reduction shall not be deemed to be a reduction in the aggregate
301 amount of support from ad valorem taxation for purposes of Section
302 37-19-11. * * *

303 In any county where there is located a nuclear generating
304 power plant on which a tax is assessed under Section 27-35-309(3),
305 such required levy and revenue produced thereby may be reduced by
306 the school board in an amount in proportion to a reduction in the
307 base revenue of any such county from the previous year. Such
308 reduction shall be allowed only if the reduction in base revenue
309 equals or exceeds five percent (5%). "Base revenue" shall mean
310 the revenue received by the county from the ad valorem tax levy
311 plus the revenue received by the county from the tax assessed
312 under Section 27-35-309(3) and authorized to be used for any
313 purposes for which a county is authorized by law to levy an ad
314 valorem tax. For purposes of determining if the reduction equals
315 or exceeds five percent (5%), a levy of millage equal to the prior
316 year's millage shall be hypothetically applied to the current
317 year's ad valorem tax base to determine the amount of revenue to
318 be generated from the ad valorem tax levy. For the purposes of
319 this section and Section 37-57-107, the portion of the base
320 revenue used for the support of any school district shall be
321 deemed to be the aggregate receipts from ad valorem taxes for the
322 support of any school district. This paragraph shall apply to
323 taxes levied for the 1987 fiscal year and for each fiscal year
324 thereafter. If the Mississippi Supreme Court or another court

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

327 (2) When the tax is levied upon the territory of any school
328 district located in two (2) or more counties, the order of the
329 school board * * * shall be certified to * * * each of the
330 counties involved, and * * * the taxes so levied shall be
331 collected * * * and remitted by the tax collector to the school
332 depository of the home county to the credit of the school district
333 involved as provided above, except that taxes for collection fees
334 may be retained by the respective county for deposit into its
335 general fund.

336 (3) The aggregate receipts from ad valorem taxes levied for
337 school district purposes, excluding collection fees, pursuant to
338 this section and Section 37-57-1 shall be subject to the increased
339 limitation under Section 37-57-107; however, if the ad valorem tax
340 effort in dollars adopted by the school district for the fiscal
341 year exceeds the next preceding fiscal year's ad valorem tax
342 effort in dollars by more than four percent (4%) but not more than
343 seven percent (7%), then the school board shall publish notice
344 thereof once each week for at least three (3) consecutive weeks in
345 a newspaper having general circulation in the school district
346 involved, with the first publication thereof to be made not less
347 than fifteen (15) days prior to the final adoption of the budget
348 by the school board. If at any time prior to said adoption a
349 petition signed by not less than twenty percent (20%) or fifteen
350 hundred (1500), whichever is less, of the qualified electors of
351 the school district involved shall be filed with the school board
352 requesting that an election be called on the question of exceeding
353 the next preceding fiscal year's ad valorem tax effort in dollars
354 by more than four percent (4%) but not more than seven percent
355 (7%), then the school board shall, not later than the next regular
356 meeting, adopt a resolution calling an election to be held within
357 such school district upon such question. The election shall be

358 called and held, and notice thereof shall be given, in the same
359 manner for elections upon the questions of the issuance of the
360 bonds of school districts, and the results thereof shall be
361 certified to the school board. The ballot shall contain the
362 language "For the School Tax Increase Over Four Percent (4%)" and
363 "Against the School Tax Increase Over Four Percent (4%)." If a
364 majority of the qualified electors of the school district who
365 voted in such election shall vote in favor of the question, then
366 the stated increase * * * shall be approved. For the purposes of
367 this paragraph, the revenue sources excluded from the increased
368 limitation under Section 37-57-107 shall also be excluded from the
369 limitation described herein in the same manner as they are
370 excluded under Section 37-57-107.

371 **SECTION 4.** Section 37-57-107, Mississippi Code of 1972, is
372 amended as follows:

373 37-57-107. Beginning with the tax levy for the 1997 fiscal
374 year and for each fiscal year thereafter, the aggregate receipts
375 from taxes levied for school district purposes pursuant to
376 Sections 37-57-105 and 37-57-1 shall not exceed the aggregate
377 receipts from those sources during any one (1) of the immediately
378 preceding three (3) fiscal years, as determined by the school
379 board, plus an increase not to exceed seven percent (7%). For the
380 purpose of this limitation, the term "aggregate receipts" when
381 used in connection with the amount of funds generated in a
382 preceding fiscal year shall not include excess receipts required
383 by law to be deposited into a special account. The additional
384 revenue from the ad valorem tax on any newly constructed
385 properties or any existing properties added to the tax rolls or
386 any properties previously exempt which were not assessed in the
387 next preceding year may be excluded from the seven percent (7%)
388 increase limitation set forth herein. Taxes levied for payment of
389 principal of and interest on general obligation school bonds
390 issued heretofore or hereafter shall be excluded from the seven

391 percent (7%) increase limitation set forth herein. Any additional
392 millage levied to fund any new program mandated by the Legislature
393 shall be excluded from the limitation for the first year of the
394 levy and included within such limitation in any year thereafter.
395 For the purposes of this section, the term "new program" shall
396 include, but shall not be limited to, (a) the Early Childhood
397 Education Program required to commence with the 1986-1987 school
398 year as provided by Section 37-21-7 and any additional millage
399 levied and the revenue generated therefrom, which is excluded from
400 the limitation for the first year of the levy, to support the
401 mandated Early Childhood Education Program shall be specified on
402 the minutes of the school board * * *; (b) any additional millage
403 levied and the revenue generated therefrom which shall be excluded
404 from the limitation for the first year of the levy, for the
405 purpose of generating additional local contribution funds required
406 for the adequate education program for the 2003 fiscal year and
407 for each fiscal year thereafter under Section 37-151-7(2); and (c)
408 any additional millage levied and the revenue generated therefrom
409 which shall be excluded from the limitation for the first year of
410 the levy, for the purpose of support and maintenance of any
411 agricultural high school which has been transferred to the
412 control, operation and maintenance of the school board by the
413 board of trustees of the community college district under
414 provisions of Section 37-29-272.

415 The seven percent (7%) increase limitation prescribed in this
416 section may be increased an additional amount only when the school
417 board has determined the need for additional revenues and has held
418 an election on the question of raising the limitation prescribed
419 in this section. The limitation may be increased only if
420 three-fifths (3/5) of those voting in the election shall vote for
421 the proposed increase. The resolution, notice and manner of
422 holding the election shall be as prescribed by law for the holding
423 of elections for the issuance of bonds by the respective school

424 boards. Revenues collected for the fiscal year in excess of the
425 seven percent (7%) increase limitation pursuant to an election
426 shall be included in the tax base for the purpose of determining
427 aggregate receipts for which the seven percent (7%) increase
428 limitation applies for subsequent fiscal years.

429 Except as otherwise provided for excess revenues generated
430 pursuant to an election, if revenues collected as the result of
431 the taxes levied for the fiscal year pursuant to this section and
432 Section 37-57-1 exceed the increase limitation, then it shall be
433 the mandatory duty of the school board of the school district to
434 deposit such excess receipts over and above the increase
435 limitation into a special account and credit it to the fund for
436 which the levy was made. It will be the further duty of such
437 board to hold those funds and invest the same as authorized by
438 law. Such excess funds shall be calculated in the budgets for the
439 school districts for the purpose for which such levies were made,
440 for the succeeding fiscal year. Taxes imposed for the succeeding
441 year shall be reduced by the amount of excess funds available.
442 Under no circumstances shall such excess funds be expended during
443 the fiscal year in which such excess funds are collected.

444 For the purposes of determining ad valorem tax receipts for a
445 preceding fiscal year under this section, the term "fiscal year"
446 means the fiscal year beginning October 1 and ending September 30.

447 **SECTION 5.** Section 37-57-108, Mississippi Code of 1972, is
448 amended as follows:

449 37-57-108. In the event that the amount of revenue collected
450 or estimated to be collected from local sources, on behalf of a
451 school district during a fiscal year, is less than the amount
452 provided for in the duly adopted budget of the school district for
453 the fiscal year, then the school district may issue promissory
454 notes in an amount and in the manner set forth in Section
455 27-39-333, not to exceed the estimated shortfall of revenue from
456 local sources, but in no event to exceed twenty-five percent (25%)

457 of its budget anticipated to be funded from the sources of the
458 shortfall for the fiscal year. A school district issuing notes
459 under the provisions of this section shall not be required to
460 publish notice of its intention to do so or to secure the consent
461 of the qualified electors * * * of such school district.

462 **SECTION 6.** Section 37-61-9, Mississippi Code of 1972, is
463 amended as follows:

464 37-61-9. (1) On or before the fifteenth day of August of
465 each year, the local school board of each school district, with
466 the assistance of the superintendent of schools, shall
467 prepare * * * a budget of estimated expenditures for the support,
468 maintenance and operation of the public schools of the school
469 district for the fiscal year commencing on July 1 of such year.
470 Such budget shall be prepared on forms prescribed and provided by
471 the State Auditor and shall contain such information as the State
472 Auditor may require.

473 (2) In addition, on or before the fifteenth day of August of
474 each year, the local school board of each school district, with
475 the assistance of the superintendent of schools, shall prepare and
476 file with the State Department of Education such budgetary
477 information as the State Board of Education may require. The
478 State Board of Education shall prescribe and provide forms to each
479 school district for this purpose.

480 (3) Prior to the adoption of a budget pursuant to this
481 section, the school board of each school district shall hold at
482 least one (1) public hearing to provide the general public with an
483 opportunity to comment on the taxing and spending plan
484 incorporated in the proposed budget. The public hearing shall be
485 held at least one (1) week prior to the adoption of the budget
486 with advance notice. After final adoption of the budget, a
487 synopsis of such budget in a form prescribed by the State
488 Department of Audit shall be published in a newspaper having
489 general circulation in the school district on a date different

490 from the date on which the county or any municipality therein may
491 publish its budget.

492 (4) There shall be imposed limitations on budgeted
493 expenditures for certain administration costs, as defined
494 hereinafter, in an amount not greater than One Hundred Fifty
495 Thousand Dollars (\$150,000.00) plus four percent (4%) of the
496 expenditures of all school districts each year. For purposes of
497 this subsection, "administration costs" shall be defined as
498 expenditures for salaries and fringe benefits paid for central
499 administration costs from all sources of revenue in the following
500 expenditure functions as defined in the MISSISSIPPI PUBLIC SCHOOL
501 DISTRICT FINANCIAL ACCOUNTING MANUAL:

- 502 2300 = Support Services - General Administration
- 503 2310 = Board of Education Services
- 504 2320 = Executive Administration Services
- 505 2330 = Special Area Administration Services
- 506 2500 = Business Services
- 507 2510 = Fiscal Services
- 508 2520 = Purchasing Services
- 509 2530 = Warehousing and Distributing Services
- 510 2540 = Printing, Publishing and Duplicating Services
- 511 2590 = Other Support Services - Business

512 Any costs classified as "administration costs" for purposes
513 of this subsection which can be demonstrated by the local school
514 district to be an expenditure that results in a net cost savings
515 to the district that may otherwise require budget expenditures for
516 functions not covered under the definition of administration costs
517 herein may be excluded from the limitations imposed herein. The
518 local school board shall make a specific finding of such costs and
519 spread such finding upon its minutes, which shall be subject to
520 the approval of the Office of Educational Accountability of the
521 State Department of Education. Any school district required to
522 make expenditure cuts, as a result of application of this

523 subsection, shall not be required to reduce such expenditures more
524 than twenty-five percent (25%) in any year in order to comply with
525 this mandate.

526 The State Auditor shall ensure that functions in all
527 expenditure categories to which this administrative limitation
528 applies shall be properly classified.

529 This section shall not apply to central administration with
530 five (5) or less full-time employees, or to those school districts
531 which can substantiate that comparable reductions have occurred in
532 administrative costs for the five-year period immediately prior to
533 school year 1993-1994. In the event the application of this
534 section may jeopardize the fiscal integrity or operations of the
535 school district, have an adverse impact on the ability of the
536 district to deliver educational services, or otherwise restrict
537 the district from achieving or maintaining a quality education
538 program, the State Board of Education shall be authorized to
539 exempt the application of this section to such school district
540 pursuant to rules and regulations of the State Board of Education
541 consistent with the intent of this section.

542 **SECTION 7.** Section 27-35-5, Mississippi Code of 1972, is
543 amended as follows:

544 27-35-5. Every lawful tax including all increases, penalties
545 and interest which may be or become owing or assessed, levied or
546 imposed by the state or by a county, municipality, school board or
547 levee board, whether ad valorem (including all school district
548 taxes), privilege, excise, income or inheritance, is a debt due by
549 the person or corporation owning the property or carrying on the
550 business or profession upon which the tax is levied or imposed,
551 whether properly assessed or not, or by the person liable for the
552 income, inheritance or excise tax, and may be recovered by action
553 by any officer authorized to sue for or collect same. The
554 increases, interest and penalties shall be recoverable as a part
555 of the tax with respect to which they are imposed. The recovery

556 of a personal judgment for taxes on land or personal property
557 against the owner shall not extinguish the tax lien. In all
558 actions for the recovery of ad valorem taxes the assessment roll
559 shall be only prima facie correct.

560 **SECTION 8.** Section 27-39-207, Mississippi Code of 1972, is
561 amended as follows:

562 27-39-207. (1) Unless the increased revenue in a budget is
563 derived solely from the expansion of a school district's ad
564 valorem tax base, a school district shall not budget an increase
565 in an ad valorem tax effort in dollars for support of the school
566 district unless it first advertises its intention to do so at the
567 same time that it advertises its intention to fix its budget for
568 the next fiscal year.

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

574 (a) The school board of the school district shall
575 advertise its intent to exceed the certified tax rate in a
576 newspaper of general circulation in the county. The advertisement
577 shall be no less than one-fourth (1/4) page in size and the type
578 used shall be no smaller than eighteen (18) point and surrounded
579 by a one-fourth-inch (1/4") solid black border. The advertisement
580 shall not be placed in any portion of the newspaper where legal
581 notices and classified advertisements appear. The advertisement
582 shall appear in a newspaper that is published at least five (5)
583 days a week, unless the only newspaper in the county is published
584 less than five (5) days a week. The newspaper selected shall be
585 one of general interest, readership and circulation in all areas
586 of the community. The advertisement shall be published once each
587 week for the two-week period preceding the adoption of the final
588 budget. The advertisement shall provide that the school board of

589 the school district will meet on a certain day, date, time and
590 place fixed in the advertisement, which shall be no less than
591 seven (7) days after the day the first advertisement is published.
592 The meeting on the proposed increase may coincide with the hearing
593 on the proposed budget of the school board of the school district.

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

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

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

601 The (name of the school district) is now operating with
602 projected total budget revenue of \$_____. (____ percent) or
603 \$_____, of such revenue is obtained through ad valorem taxes.
604 For next fiscal year, the proposed budget has total projected
605 revenue of \$_____. Of that amount, (____ percent) or
606 \$_____, is proposed to be financed through a total ad valorem
607 tax levy.

608 For the next fiscal year, the (name of the school district)
609 plans to increase your ad valorem tax millage rate by _____ mills
610 from _____ mills to _____ mills. (This portion of the notice
611 shall not be required if the school district does not propose an
612 increase in the ad valorem tax millage rate.)

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

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

621 (3) The school board of the school district, after the
622 hearing has been held in accordance with the above procedures, may
623 adopt an order establishing an ad valorem tax effort in dollars in
624 excess of the certified tax rate. If such order is not adopted on
625 the day of the public hearing, the scheduled date, time and place
626 for consideration and adoption of the order shall be announced at
627 the public hearing.

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

632 (5) * * * No school board of a school district may schedule
633 its hearing at the same time as another overlapping school
634 district in the same county.

635 **SECTION 9.** Section 27-39-315, Mississippi Code of 1972, is
636 amended as follows:

637 27-39-315. The board of trustees of a school district may
638 divide into two (2) funds the levies which the school board may
639 levy for school purposes for other than interest on bonds and bond
640 maturities. One (1) of these funds shall include funds necessary
641 for the current expenses and maintenance of schools, the other
642 fund shall include those items excluded from the term "maintenance
643 tax" as set forth in the homestead exemption law. The levy
644 producing the second fund will not be entitled to reimbursement
645 from homestead exemption appropriations.

646 **SECTION 10.** Section 27-41-2, Mississippi Code of 1972, is
647 amended as follows:

648 27-41-2. If the governing authorities of a municipality or a
649 school board and a county have entered into an interlocal
650 agreement pursuant to Section 17-13-1 et seq., and the agreement
651 is for the county to collect for the municipality or school
652 district those ad valorem taxes on real and personal property,

653 motor vehicles and mobile homes that are due and payable to the
654 municipality or school district, the following shall apply:

655 (a) The collection of such ad valorem taxes due by a
656 taxpayer to the municipality or school district, or both, shall be
657 evidenced by a receipt showing that the taxes due have been paid.
658 This receipt also may show that any ad valorem taxes due by the
659 taxpayer to the county have been paid.

660 (b) Property as described in this section that is sold
661 for unpaid ad valorem taxes due by a taxpayer to the municipality
662 or school district, or both, may be sold in a tax sale which may
663 be conducted for unpaid ad valorem taxes due by the taxpayer to
664 the county. This unified tax sale for unpaid taxes due the
665 municipality or school district, or both, and the county shall be
666 advertised in substantially the same manner as provided by law for
667 sales of like property for unpaid county ad valorem taxes. The
668 amount of taxes for which the property is offered at the unified
669 sale shall be the sum of the taxes due by the taxpayer to the
670 municipality or school district, or both, and those due to the
671 county. All costs incident to the unified sale shall be included
672 in the total amount for which the property is offered.

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

678 (d) Except as otherwise specified in this section, the
679 collection of unpaid ad valorem taxes due to a municipality, the
680 sale of property for unpaid ad valorem taxes due a municipality,
681 and the striking off to a municipality of property for unpaid ad
682 valorem taxes, shall be conducted in accordance with the laws
683 governing the imposition of ad valorem taxes by a municipality.

684 **SECTION 11.** Section 21-33-45, Mississippi Code of 1972, is
685 amended as follows:

686 21-33-45. The governing authorities of each municipality of
687 this state shall, either at their regular meeting in September of
688 each year or not later than ten (10) days after the final approval
689 of the assessment rolls, levy the municipal ad valorem taxes for
690 the fiscal year next succeeding, and shall, by resolution, fix the
691 tax rate or levy for the municipality and for any other taxing
692 districts of which the municipality may be a part. The rates or
693 levies for the municipality or for any such taxing district shall
694 be expressed in mills or a decimal fraction of a mill, which tax
695 rates, or levies, shall determine the ad valorem taxes to be
696 collected upon each dollar of valuation upon the assessment rolls
697 of the municipality for municipal taxes, and to be collected upon
698 each dollar of valuation as shown upon the assessment rolls of the
699 municipality for each such taxing district, except as to such
700 values as may be exempt, in whole or in part, from certain tax
701 rates or levies. If the rates or levies for the municipality or
702 taxing district are an increase from the previous fiscal year,
703 then the proposed rate or levy increase shall be advertised in
704 accordance with Sections 27-39-203 and 27-39-205.

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

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

709 * * *

710 (b) For municipal bonds and interest thereon, for
711 school bonds and interest thereon, separately for municipal-wide
712 bonds and for the bonds of each school district.

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

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

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

719 (f) For any other purpose for which a levy is lawfully
720 made. If any municipal-wide levy is made for any general or
721 special purpose under the provisions of any law other than Section
722 27-39-307 each such levy shall be separately stated in the
723 resolution, and the law authorizing same shall be expressly stated
724 therein.

725 If the governing authorities of any municipality shall not
726 levy the municipal taxes and the district taxes at its regular
727 September meeting, such governing authorities shall levy the same
728 at an adjourned or special meeting not later than ten (10) days
729 after the final approval of the assessment rolls. However, that
730 if such levy is not made on or before September 15 then road and
731 bridge privilege tax license plates may be issued by the tax
732 collector or State Tax Commission, as the case may be, for motor
733 vehicles as defined in the Motor Vehicle Ad Valorem Tax Law of
734 1958 (Section 27-51-1 et seq.), without collecting or requiring
735 proof of payment of municipal ad valorem taxes until such levy is
736 duly certified to him, and for twenty-four (24) hours thereafter.

737 In the case of a municipality operating under a special or
738 private charter providing for or authorizing the assessment,
739 levying and collection of ad valorem taxes prior to October in
740 each year, ad valorem taxes for such municipality shall be levied
741 at the time prescribed or authorized by such special or private
742 charter, unless the governing authority of such municipality by
743 resolution adopted and spread of record in its minutes elect to
744 levy ad valorem taxes at the time prescribed hereinbefore in this
745 section. In any event, however, all ad valorem taxes levied by
746 any municipality in this state, shall be levied in the manner
747 required herein regardless of the time when such taxes are levied.

748 **SECTION 12.** This act shall take effect and be in force from
749 and after July 1, 2007.