

By: Representative Chism

To: Ways and Means

HOUSE BILL NO. 37
(As Sent to Governor)

1 AN ACT TO AMEND SECTION 27-39-203, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT DURING THE FISCAL YEAR IN WHICH A COUNTY HAS
3 COMPLETED A COUNTYWIDE REAPPRAISAL OF THE VALUATION OF THE
4 PROPERTY IN THE COUNTY THAT RESULTS IN AN INCREASE IN THE ASSESSED
5 VALUATION OF THE PROPERTY, EACH TAXING UNIT IN THE COUNTY SHALL
6 PUBLISH IN THE NOTICE REQUIRED TO BE PUBLISHED BY THIS SECTION THE
7 LOWER MILLAGE RATE THAT WOULD PRODUCE THE SAME AMOUNT OF REVENUE
8 FROM AD VALOREM TAXATION ON PROPERTY OF THE TAXING UNIT THAT WAS
9 PRODUCED IN THE FISCAL YEAR BEFORE THE PROPERTY OF THE TAXING UNIT
10 WAS REAPPRAISED; TO AMEND SECTION 27-33-41, MISSISSIPPI CODE OF
11 1972, TO PROHIBIT THE DEPARTMENT OF REVENUE FROM PAYING ANY
12 REIMBURSEMENT TO A TAXING UNIT FOR ANNUAL TAX LOSSES FROM
13 HOMESTEAD EXEMPTION UNTIL AFTER THE TAXING UNIT HAS COMPLIED WITH
14 THE NOTICE REQUIREMENT OF THIS ACT; AND FOR RELATED PURPOSES.

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

16 **SECTION 1.** Section 27-39-203, Mississippi Code of 1972, is
17 amended as follows:

18 27-39-203. (1) The governing body of all taxing entities
19 shall hold a public hearing at which time the budget and tax
20 levies for the upcoming fiscal year will be considered.

21 (2) The public hearing shall be advertised in accordance
22 with the following procedures. The advertisement shall be no less
23 than one-fourth (1/4) page in size and the type used shall be no
24 smaller than eighteen (18) point and surrounded by a



25 one-fourth-inch solid black border. The advertisement may not be
26 placed in that portion of the newspaper where legal notices and
27 classified advertisements appear. It is the intent of the
28 Legislature that the advertisement appears in a newspaper that is
29 published at least five (5) days a week, unless the only newspaper
30 in the county is published less than five (5) days a week. It is
31 further the intent of the Legislature that the newspaper selected
32 be one of general interest and readership in the community, and
33 not one of limited subject matter. The advertisement shall be run
34 once each week for the two (2) weeks preceding the adoption of the
35 final budget. The advertisement shall state that the taxing
36 entity will meet on a certain day, time and place fixed in the
37 advertisement, which shall be not less than seven (7) days after
38 the day the first advertisement is published, for the purpose of
39 hearing comments regarding the proposed budget and proposed tax
40 levies. Any increase in the projected budget revenues or any
41 increase in the millage rate over the current fiscal year shall be
42 explained by the governing body giving the reasons for the
43 proposed increase. A taxing entity collecting taxes in more than
44 one (1) county shall make the required advertisement by
45 publication in each county where the taxing entity collects taxes.

46 (3) All hearings shall be open to the public. The governing
47 body of the taxing entity shall permit all interested parties
48 desiring to be heard an opportunity to present oral testimony
49 within reasonable time limits.



50 (4) Each taxing entity shall notify the county or municipal
51 governing body of the date, time and place of its public hearing.
52 No taxing entity may schedule its hearing at the same time as
53 another overlapping taxing entity in the same county, but all
54 taxing entities in which the power to set tax levies is vested in
55 the same governing authority may consolidate the required hearings
56 into one (1) hearing. The county or municipal governing body
57 shall resolve any conflicts in hearing dates and times after
58 consultation with each affected taxing entity.

59 (5) If the proposed tax levies are not in excess of the
60 current fiscal year's certified tax rate, the advertisement shall
61 be in the following form:

62 **"NOTICE OF A PUBLIC HEARING ON THE PROPOSED BUDGET AND**
63 **PROPOSED TAX LEVIES FOR THE UPCOMING FISCAL YEAR FOR -- (Name of**
64 **the taxing entity)**

65 The (name of the taxing entity) will hold a public hearing on
66 its proposed budget and proposed tax levies for fiscal year
67 (insert the year) on (date and time) at (meeting place).

68 The (name of the taxing entity) is now operating with
69 projected total budget revenue of \$_____. (____ percent) or
70 \$_____ of such revenue is obtained through ad valorem taxes.
71 For the next fiscal year, the proposed budget has total projected
72 revenue of \$_____. Of that amount, (____ percent) or \$_____,
73 is proposed to be financed through a total ad valorem tax levy.



74 The decision to not increase the ad valorem tax millage rate
75 for fiscal year (insert the year) above the current fiscal year's
76 ad valorem tax millage rate means you will not pay more in ad
77 valorem taxes on your home, automobile tag, utilities, business
78 fixtures and equipment and rental real property, unless the
79 assessed value of your property has increased for fiscal year
80 (insert the year).

81 Any citizen of (name of the taxing entity) is invited to
82 attend this public hearing on the proposed budget and tax levies
83 for fiscal year (insert the year) and will be allowed to speak for
84 a reasonable amount of time and offer tangible evidence before any
85 vote is taken."

86 (6) (a) If the proposed tax levies for the upcoming fiscal
87 year shall exceed the current fiscal year's certified tax rate,
88 the advertisement shall be in the following form:

89 **"NOTICE OF A TAX INCREASE AND A PUBLIC HEARING ON THE**
90 **PROPOSED BUDGET AND PROPOSED TAX LEVIES FOR -- (Name of the taxing**
91 **entity)**

92 The (name of the taxing entity) will hold a public hearing on
93 a proposed ad valorem tax revenue increase for fiscal year (insert
94 the year) and on its proposed budget and proposed tax levies for
95 fiscal year (insert the year) on (date and time) at (meeting
96 place).

97 The (name of the taxing entity) is now operating with
98 projected total budget revenue of \$_____. (____ percent) or



99 \$_____ of such revenue is obtained through ad valorem taxes.
100 For next fiscal year, the proposed budget has total projected
101 revenue of \$_____. Of that amount, (____ percent) or \$_____
102 is proposed to be financed through a total ad valorem tax levy.

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

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

112 (b) If an increase in the tax levy is necessary only
113 because of an increased funding request made by a county district
114 or any other cost which by law the county must fund and may not
115 decrease in amount, then the notice required by this subsection
116 shall be used and the county shall explain, in clear language in
117 the notice, that the increase in the tax levy is necessary only
118 because of the increased funding request of the county district or
119 other cost incurred.

120 (7) During the fiscal year in which a county has completed a
121 countywide reappraisal of the valuation of the property in the
122 county that has been approved by the Department of Revenue and
123 results in an increase in the assessed valuation of the property,



124 the governing board of each taxing unit in the county, as defined
125 in Section 27-33-11, shall include in the notice required to be
126 published under this section the lower millage rate that would
127 produce the same amount of revenue from ad valorem taxation on
128 property of the taxing unit that was produced in the fiscal year
129 before the property of the taxing unit was reappraised.

130 (* * *8) After the hearing has been held in accordance with
131 the above procedures, the governing body of the taxing entity may
132 adopt a resolution levying a tax rate on classes of property
133 designated by Section 112, Mississippi Constitution of 1890, as
134 specified in its advertisement. If the resolution adopting the
135 tax rate is not adopted on the day of the public hearing, the
136 scheduled date, time and place for consideration and adoption of
137 the resolution shall be announced at the public hearing and the
138 governing body shall advertise the date, time and place of the
139 proposed adoption of the resolution in the same manner as provided
140 under subsection (2).

141 (* * *9) Any governing body of a tax entity shall be
142 prohibited from expending any funds for the applicable fiscal year
143 until it has strictly complied with the advertisement and public
144 hearing requirements set forth in this section.

145 **SECTION 2.** Section 27-33-41, Mississippi Code of 1972, is
146 amended as follows:

147 27-33-41. The administration of this article is hereby
148 vested in the Department of Revenue, and it shall have the power



149 and the authority necessary to secure compliance with its
150 provisions uniformly throughout the state. The department shall,
151 in addition to its general duties of administration of the
152 article, do the specific things set out in this section:

153 (a) It shall adopt and issue to tax assessors, clerks,
154 boards of supervisors, and all other officers or offices to which
155 this article applies, rules and regulations, not inconsistent with
156 the provisions of the article, affecting the applications and all
157 proceedings, records, hearings and other pertinent subjects,
158 relating to property for which a homestead exemption is claimed;
159 and such rules and regulations shall be observed by such officers,
160 boards and offices, in all respects, and in the performance of any
161 and all duties imposed and powers granted by this article.

162 (b) It shall prescribe the form of and furnish suitable
163 application forms, or blanks, for the purpose of carrying out the
164 provisions of this article, and shall deliver to each assessor a
165 sufficient number of such blanks for the use of homeowners.

166 (c) It shall have authority and it shall be its duty to
167 examine all applications for homestead exemption allowed under
168 this article, to determine if the provisions of the article have
169 been complied with by the applicant, the tax assessor, the board
170 of supervisors, the clerk, and all others, and if the exemptions
171 have been lawfully allowed; and it shall reject for reimbursement
172 of tax loss any exemption allowed by the board which does not
173 conform to the requirements of law in every substantial particular



174 or for which no application has been sent to the department as
175 required in Section 27-33-35(a), and shall correct or have
176 corrected any errors; and the tax loss to be reimbursed shall be
177 adjusted to accord with the findings of the department.

178 When an application is rejected, notice thereof shall be
179 given as provided by this section, and the acceptance or objection
180 by the board shall be determined as provided by Section
181 27-33-37(k).

182 (d) It shall have authority to examine the assessment
183 rolls, any account register, file, document, record or paper
184 relating to receipts and disbursements of the taxing unit or any
185 and all matters relating to homestead exemptions allowed and tax
186 losses to be reimbursed. It shall also have the authority to
187 examine any report or return received by the department to verify
188 any claims made on homestead exemption applications.

189 (e) It shall have the authority to summon and examine
190 under oath any officer or other person with respect to any matter
191 bearing upon the exemption of a home or homes, and to do any and
192 all other things necessary and proper to ascertain the facts with
193 respect to any application or claim for homestead exemption; and
194 it may require the board to furnish any information or document
195 necessary to the performance of its duties or the correct
196 determination of any question before it to which the board is a
197 party.



198 (f) The reimbursement for the annual tax loss to the
199 taxing units shall be due and payable in two (2) installments; the
200 first on March 1 and the second on September 1 of each year. The
201 clerk's certificate of tax loss when in accord with the
202 supplemental roll and the applications as filed with the
203 department shall constitute a request by the board for
204 reimbursement of the tax loss. The department shall not pay any
205 reimbursement for annual tax loss to any taxing unit to which
206 Section 27-39-203(7) of this act applies until after the taxing
207 unit has complied with the notice requirement of Section
208 27-39-203(7) of this act.

209 (g) It shall, on or before the first day of March each
210 year, certify to the Department of Finance and Administration the
211 amount of the first installment to be paid to each taxing unit in
212 the state, which shall be one-half (1/2) of the amount due, with
213 adjustments, which is the amount of the first installment less any
214 charges against the account and plus any credits by reason of
215 previous charges which have been cancelled. However, if the copy
216 of the county land roll, the supplemental roll and the clerk's
217 certificate of tax loss have not been filed with and approved by
218 the department by February 1, the department shall be allowed
219 thirty (30) days after the filing of the rolls and the said
220 certificate in which to perform the duties hereby imposed.

221 (h) It shall, on or before the first day of September
222 each year, certify to the Department of Finance and Administration



223 the amount of the second installment to be paid to each taxing
224 unit in the state, which shall be the remainder of the amount due
225 with adjustments, which is an amount equal to the first
226 installment less any charges against the account and plus any
227 credits by reason of previous charges which have been cancelled.
228 Adjustments, either charges or credits, against the amount of tax
229 loss to any taxing unit may be made at any time as provided
230 in * * * paragraph (j) of this section.

231 (i) In the event an adjustment in the amount of the tax
232 loss has been determined by the department, it shall give notice,
233 in writing, to the board of supervisors, which notice shall be
234 considered by the board at its next meeting, regular, adjourned or
235 special. If the board accepts the adjustment, it shall promptly
236 so advise the department, using such form as may be prescribed and
237 furnished by the department. If the board objects to the
238 adjustment, it shall promptly so advise the department, using such
239 forms as may be prescribed and furnished by the department,
240 stating in detail the grounds for its objection and providing any
241 supporting documentation for its objection. Upon receipt of the
242 board's objection, the department will consider same and determine
243 whether or not the objection is valid. All such matters between
244 the board and the department on this objection may be concluded by
245 correspondence, or by personal appearance of the board, or one or
246 more of its members, the clerk, or the assessor, or by a
247 representative of the department present at any meeting of the



248 board. If upon consideration of the objection, the department
249 determines that the application for homestead exemption should be
250 allowed; it will reverse the adjustment resulting from the
251 department's rejection of the application and advise the board of
252 this reversal. If upon consideration of the objection, the
253 department determines that it had properly rejected the
254 application for homestead exemption; it shall advise the board
255 that its objection has been denied by the department. Within
256 thirty (30) days from the date of the notice from the department
257 advising the board that its objection had been denied, the board
258 can appeal this denial of the objection by the department to the
259 Board of Tax Appeals. At any hearing on the appeal by the board
260 to the Board of Tax Appeals on the department's denial of the
261 board's objection to the department's rejection of an application
262 for homestead exemption, the decision of the department to reject
263 the homestead exemption application shall be prima facie correct.

264 (j) It shall be the duty of the department and it shall
265 have authority to charge the account of any taxing unit with
266 amounts of homestead exemption tax loss claimed by the taxing unit
267 in the certificate of tax loss and the supplemental roll and to
268 deduct the amount from subsequent installments, either first or
269 second. Such charges shall be made when homestead exemption
270 applications are rejected, in whole or in part, for reimbursement
271 of tax loss or when errors are discovered in the supplemental roll
272 or clerk's certificate of tax loss.



273 (k) The authority of the department to reject an
274 application for reimbursement of tax loss shall not be exercised
275 later than one (1) year after the first day of January of the year
276 next following that in which the application was filed by the
277 applicant; but this limitation shall not apply in cases of fraud,
278 nor where the same person was granted exemption on two (2)
279 separate homes.

280 Notice of adjustments in tax loss payments and notice of
281 applications rejected shall be given by mail, addressed to the
282 clerk of the board, and the notice directed to the president of
283 the board of supervisors of the county. The date of mailing shall
284 be the date of the notice.

285 (1) The department shall file and preserve full,
286 complete and accurate records of all tax loss payments and
287 adjustments in tax loss payments made under the provisions of this
288 article, including the certificates of tax loss for a period of
289 three (3) years from the date thereof. The department shall file
290 and preserve for a period of three (3) years all applications for
291 homestead exemption filed with it and copies of all supplemental
292 rolls, counting from the first day of January of the year in which
293 they are required to be executed or made. All records enumerated
294 may be destroyed by the department, when kept for the time
295 required. All other documents, records, papers and correspondence
296 may be destroyed in accordance with approved record retention
297 schedules.



298 (m) The department shall, on or before June 1 of any
299 year, pay the second installment, or a part thereof, to any school
300 taxing unit upon submission to the department of proof, in the
301 form of a certificate of necessity, executed by the county
302 superintendent of education for the county general school fund, or
303 for a county school district fund, and by the city superintendent
304 of schools for a municipal separate school district, that there is
305 not sufficient money in the maintenance fund of the taxing unit to
306 pay the salaries of teachers and school bus drivers for the
307 current school term. Such payment shall be made as provided in
308 paragraph (h) of this section.

309 (n) The county tax collectors shall enter, or cause to
310 be entered, all transactions regarding the titling or registration
311 of vehicles into the statewide telecommunications system in
312 compliance with the provisions of Section 63-21-18. Failure of
313 any tax collector to comply with the provisions of this paragraph
314 shall subject the county to the withholding of reimbursements of
315 homestead exemption tax loss as provided under Section 63-21-18.

316 **SECTION 3.** This act shall take effect and be in force from
317 and after July 1, 2014.

