

By: Representative Lamar

To: Ways and Means

HOUSE BILL NO. 388

1 AN ACT TO AMEND SECTION 27-7-805, MISSISSIPPI CODE OF 1972,
2 TO REVISE THE DEFINITION OF THE TERMS "CLAIMANT LOCAL GOVERNMENT"
3 AND "LOCAL GOVERNMENT" FOR PURPOSES OF THE SECTIONS OF LAW THAT
4 AUTHORIZE COUNTIES AND MUNICIPALITIES TO SUBMIT CERTAIN DEBTS OWED
5 TO THEM TO THE DEPARTMENT OF REVENUE FOR COLLECTION THROUGH A
6 SETOFF AGAINST THE DEBTORS' MISSISSIPPI INCOME TAX REFUND; AND FOR
7 RELATED PURPOSES.

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

9 **SECTION 1.** Section 27-7-805, Mississippi Code of 1972, is
10 amended as follows:

11 27-7-805. As used in this article:

12 (a) "Claimant local government" means counties and
13 municipalities acting through their nonprofit member organizations
14 with respect to the collection of any debt owed and finalized by
15 law, ordinance, order or resolution. For purposes of this
16 paragraph (a), counties and municipalities shall also include all
17 corporations and other instrumentalities whose governing boards
18 are comprised of a majority of members who are appointed or
19 elected by counties and/or municipalities.



20 (b) "Debtor" means any person owing a debt to any
21 claimant local government.

22 (c) "Debt" means any liquidated sum due and owing to
23 any claimant local government which has accrued through contract,
24 subrogation, tort, justice or municipal court conviction or any
25 other debt regardless of whether there is an outstanding judgment
26 for the sum.

27 (d) "Department" means the Mississippi Department of
28 Revenue.

29 (e) "Local government" means a county or municipality.
30 For purposes of this paragraph (e), counties and municipalities
31 shall also include all corporations and other instrumentalities
32 whose governing boards are comprised of a majority of members who
33 are appointed or elected by counties and/or municipalities.

34 (f) "Member organization" means the Mississippi
35 Association of Supervisors for counties, the Mississippi Municipal
36 League for municipalities, or entities established through or
37 contracted by these member organizations for the purpose of
38 facilitating debt collection under this article.

39 (g) "Net proceeds collected" means gross proceeds
40 collected through setoff against a debtor's refund less the
41 collection assistance fees authorized in this article.

42 (h) "Person" means any individual, firm, partnership,
43 association, trustee, receiver, assignee, corporation, entity,
44 limited liability company, utility or joint venture.



45 (i) "Refund" means the Mississippi income tax refund
46 which the department determines to be due a debtor.

47 (j) "Setoff" means the department's legal right to
48 reduce the debtor's claim to a Mississippi income tax refund from
49 the department by a debt the claimant local government properly
50 establishes under this article which is owed by the debtor.

51 **SECTION 2.** This act shall take effect and be in force from
52 and after July 1, 2023.

