

By: Representative Lamar

To: Ways and Means

HOUSE BILL NO. 388  
(As Sent to Governor)

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 "LOCAL GOVERNMENT" AND "MEMBER ORGANIZATION" FOR PURPOSES OF THE  
4 SECTIONS OF LAW THAT AUTHORIZE COUNTIES AND MUNICIPALITIES TO  
5 SUBMIT CERTAIN DEBTS OWED TO THEM TO THE DEPARTMENT OF REVENUE FOR  
6 COLLECTION THROUGH A SETOFF AGAINST THE DEBTORS' MISSISSIPPI  
7 INCOME TAX REFUND; AND FOR 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 \* \* \* local  
13 governments 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.

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

18 (c) "Debt" means any liquidated sum due and owing to  
19 any claimant local government which has accrued through contract,  
20 subrogation, tort, justice or municipal court conviction or any



21 other debt regardless of whether there is an outstanding judgment  
22 for the sum.

23 (d) "Department" means the Mississippi Department of  
24 Revenue.

25 (e) "Local government" means a county or municipality.  
26 For purposes of this paragraph (e), county or municipality shall  
27 also include a community hospital owned by one or more counties,  
28 cities, towns, supervisors districts or combinations thereof.

29 (f) "Member organization" means the Mississippi  
30 Association of Supervisors for counties and community hospitals  
31 owned in whole or in part by one or more counties or supervisor  
32 districts, the Mississippi Municipal League for municipalities and  
33 community hospitals owned in whole or in part by one or more  
34 municipalities, or entities established through or contracted by  
35 these member organizations for the purpose of facilitating debt  
36 collection under this article.

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

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

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



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

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

