

By: Representative Byrd

To: County Affairs;
Municipalities

HOUSE BILL NO. 857

1 AN ACT TO AMEND SECTION 27-7-805, MISSISSIPPI CODE OF 1972,
2 TO CLARIFY THE TERM "CLAIMANT LOCAL GOVERNMENT" UNDER THE LOCAL
3 GOVERNMENT DEBT COLLECTION SETOFF ACT; TO PROVIDE THAT SUCH TERM
4 SHALL INCLUDE, FOR COUNTIES AND MUNICIPALITIES, ALL CORPORATIONS
5 AND OTHER INSTRUMENTALITIES WHOSE GOVERNING BOARDS ARE COMPRISED
6 OF A MAJORITY OF MEMBERS WHO ARE APPOINTED OR ELECTED BY COUNTIES
7 OR MUNICIPALITIES; 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,
10 is 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 section, counties and municipalities shall 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 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 (f) "Member organization" means the Mississippi
31 Association of Supervisors for counties, the Mississippi Municipal
32 League for municipalities, or entities established through or
33 contracted by these member organizations for the purpose of
34 facilitating debt collection under this article.

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

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

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

43 (j) "Setoff" means the department's legal right to
44 reduce the debtor's claim to a Mississippi income tax refund from



45 the department by a debt the claimant local government properly
46 establishes under this article which is owed by the debtor.

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

