

By: Representatives Harness, Johnson, Bell
(65th)

To: Ways and Means

HOUSE BILL NO. 705

1 AN ACT TO AMEND SECTION 27-35-309, MISSISSIPPI CODE OF 1972,
2 TO REPEAL THE PROVISION OF LAW THAT EXEMPTS FROM AD VALOREM
3 TAXATION ANY NUCLEAR GENERATING PLANT LOCATED IN THE STATE WHICH
4 IS OWNED OR OPERATED BY A PUBLIC UTILITY RENDERING ELECTRIC
5 SERVICE WITHIN THE STATE AND WHICH IS NOT OWNED OR OPERATED BY AN
6 INSTRUMENTALITY OF THE FEDERAL GOVERNMENT, AND THAT PROVIDES FOR
7 SUCH A PUBLIC UTILITY TO MAKE PAYMENTS IN LIEU OF AD VALOREM
8 TAXES; TO BRING FORWARD SECTIONS 19-9-151, 19-9-153, 19-9-155 AND
9 19-9-157, MISSISSIPPI CODE OF 1972, WHICH RELATE TO IN-LIEU
10 PAYMENTS TO COUNTIES IN WHICH NUCLEAR GENERATING PLANTS ARE
11 LOCATED, FOR THE PURPOSES OF POSSIBLE AMENDMENT; TO BRING FORWARD
12 SECTION 27-39-305, MISSISSIPPI CODE OF 1972, WHICH AUTHORIZES
13 COUNTIES TO LEVY AD VALOREM TAXES FOR MAINTENANCE AND CONSTRUCTION
14 OF ROADS AND BRIDGES, FOR THE PURPOSES OF POSSIBLE AMENDMENT; TO
15 BRING FORWARD SECTION 27-39-320, MISSISSIPPI CODE OF 1972, WHICH
16 PROVIDES FOR LIMITATIONS ON INCREASES OF AD VALOREM TAX REVENUES,
17 FOR THE PURPOSES OF POSSIBLE AMENDMENT; TO BRING FORWARD SECTION
18 33-15-51, MISSISSIPPI CODE OF 1972, WHICH CREATES THE GRAND GULF
19 DISASTER ASSISTANCE TRUST FUND, FOR THE PURPOSES OF POSSIBLE
20 AMENDMENT; TO BRING FORWARD SECTION 37-57-105, MISSISSIPPI CODE OF
21 1972, WHICH AUTHORIZES AND PROVIDES THE PROCEDURE FOR THE LEVY OF
22 CERTAIN AD VALOREM TAXES FOR SCHOOL DISTRICT PURPOSES, FOR THE
23 PURPOSES OF POSSIBLE AMENDMENT; TO BRING FORWARD SECTION 37-151-7,
24 MISSISSIPPI CODE OF 1972, WHICH RELATES TO THE DETERMINATION OF
25 ANNUAL ALLOCATIONS TO SCHOOL DISTRICTS FOR OPERATION UNDER THE
26 MISSISSIPPI ACCOUNTABILITY AND ADEQUATE EDUCATION PROGRAM ACT OF
27 1997, FOR THE PURPOSES OF POSSIBLE AMENDMENT; TO BRING FORWARD
28 SECTION 37-151-87, MISSISSIPPI CODE OF 1972, WHICH RELATES TO THE
29 REDUCTION OF LOCAL SUPPLEMENT OR SUPPORT FROM AD VALOREM TAXATION
30 UNDER THE MISSISSIPPI ACCOUNTABILITY AND ADEQUATE EDUCATION
31 PROGRAM ACT OF 1997, FOR THE PURPOSES OF POSSIBLE AMENDMENT; AND
32 FOR RELATED PURPOSES.

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



34 **SECTION 1.** Section 27-35-309, Mississippi Code of 1972, is
35 amended as follows:

36 27-35-309. (1) The Department of Revenue shall, if
37 practicable, on or before the first Monday of June of each year,
38 make out for each person, firm, company or corporation listed in
39 Section 27-35-303, Mississippi Code of 1972, an assessment of the
40 company's property, both real and personal, tangible and
41 intangible. The Department of Revenue shall apportion the
42 assessment of value of each company's property according to the
43 provisions of this article, except as provided in subsection (3)
44 of this section, as follows:

45 (a) When the property of such public service company is
46 located in more than one (1) county in this state, the Department
47 of Revenue shall direct the company to apportion the assessed
48 value between the counties and municipalities and all other taxing
49 districts therein, in the proportion which the property located
50 therein bears to the entire value of the property of such company
51 as valued by the department, so that to each county, municipality
52 and taxing district therein, there shall be apportioned such part
53 of the entire valuation as will fairly equalize the relative value
54 of the property therein located to the whole value thereof.

55 (b) When the property of such public utility required
56 to be assessed by the provisions of this article is located in
57 more than one (1) state, the assessed value thereof shall be
58 apportioned by the Department of Revenue in such manner as will



59 fairly and equitably determine the principal sum for the value
60 thereof in this state, and after ascertaining such value it shall
61 be apportioned by them as herein provided.

62 The assessment roll shall contain all the property of any
63 such public service company, railroad, person, firm or corporation
64 and the value thereof, and so made that each county, municipality,
65 and taxing district shall receive its just share of taxes
66 proportionately to the amount of property therein situated.

67 (2) (a) The assessment when made shall remain open for
68 twenty (20) days in the Office of the Department of Revenue, and
69 be for such time subject to the objections thereto which may be
70 filed with the Executive Director of the Board of Tax Appeals; but
71 real estate belonging to railroads and which forms no part of the
72 road, and is wholly disconnected from its railroad business, shall
73 not be assessed by the Department of Revenue, but shall be
74 assessed as other real estate is assessed by the tax assessor of
75 the county where situated.

76 (b) The apportionment of the assessed value as required
77 by this section shall be filed with the Department of Revenue by
78 such public service company on or before the last day of the
79 objection period established in paragraph (a) of this subsection
80 (2). If such company shall fail, refuse or neglect to render the
81 apportionment of assessed value as required by this section, such
82 company shall be subject to the penalties provided for in Section
83 27-35-305. The filing of an objection by such public service



84 company shall not preclude such company from filing the property
85 apportionment as required by this section.

86 (3) Any nuclear generating plant which is located in the
87 state, which is owned or operated by a public utility rendering
88 electric service within the state and not exempt from ad valorem
89 taxation under any other statute and which is not owned or
90 operated by an instrumentality of the federal government shall be
91 exempt from county, municipal and district ad valorem taxes. In
92 lieu of the payment of county, municipal and district ad valorem
93 taxes, such public utility shall pay to the Department of Revenue
94 a sum based on the assessed value of such nuclear generating plant
95 in an amount to be determined and distributed as follows:

96 (a) The Department of Revenue shall annually assign an
97 assessed value to any nuclear generating plant described in this
98 subsection in the same manner as for ad valorem tax purposes by
99 using accepted industry methods for appraising and assessing
100 public utility property. The assessed value assigned shall be
101 used for the purpose of determining the in-lieu tax due under this
102 section and shall not be included on the ad valorem tax rolls of
103 the situs taxing authority nor be subject to ad valorem taxation
104 by the situs taxing authority nor shall the assessed value
105 assigned be used in determining the debt limit of the situs taxing
106 authority. However, the assessed value so assigned may be used by
107 the situs taxing authority for the purpose of determining salaries
108 of its public officials.



109 (b) On or before February 1, 1987, for the 1986 taxable
110 year and on or before February 1 of each year through the 1989
111 taxable year, such utility shall pay to the Department of Revenue
112 a sum equal to two percent (2%) of the assessed value as
113 ascertained by the Department of Revenue, but such payment shall
114 not be less than Sixteen Million Dollars (\$16,000,000.00) for any
115 of the four (4) taxable years; all such payments in excess of
116 Sixteen Million Dollars (\$16,000,000.00) for these four (4)
117 taxable years shall be paid into the General Fund of the state.
118 On or before February 1, 1991, for the 1990 taxable year and on or
119 before February 1 of each year thereafter, such utility shall pay
120 to the Department of Revenue a sum equal to two percent (2%) of
121 the assessed value as ascertained by the Department of Revenue,
122 but such payment shall not be less than Twenty Million Dollars
123 (\$20,000,000.00) for any taxable year for as long as such nuclear
124 power plant is licensed to operate and is not being permanently
125 decommissioned; all such payments in excess of Sixteen Million
126 Dollars (\$16,000,000.00) for taxable years 1990 and thereafter
127 shall be paid as follows:

128 (i) An amount of Three Million Forty Thousand
129 Dollars (\$3,040,000.00) annually, beginning with fiscal year 1991,
130 shall be transferred by the Department of Revenue to Claiborne
131 County. Such payments may be expended by the Board of Supervisors
132 of Claiborne County for any purpose for which a county is
133 authorized by law to levy an ad valorem tax and shall not be



134 included or considered as proceeds of ad valorem taxes for the
135 purposes of the growth limitation on ad valorem taxes under
136 Sections 27-39-305 and 27-39-321. However, should the Board of
137 Supervisors of Claiborne County withdraw its support of the Grand
138 Gulf Nuclear Station off-site emergency plan or otherwise fail to
139 satisfy its off-site emergency plan commitments as determined by
140 the Mississippi Emergency Management Agency and the Federal
141 Emergency Management Agency, Five Hundred Thousand Dollars
142 (\$500,000.00) annually of the funds designated for Claiborne
143 County as described by this * * * subparagraph (i) shall be
144 deposited in the Grand Gulf Disaster Assistance Fund as provided
145 in Section 33-15-51.

146 (ii) An amount of One Hundred Sixty Thousand
147 Dollars (\$160,000.00) annually, beginning with fiscal year 1991,
148 shall be transferred by the Department of Revenue to the City of
149 Port Gibson, Mississippi. Such payments may be expended by the
150 Board of Aldermen of the City of Port Gibson for any purpose for
151 which a municipality is authorized by law to levy an ad valorem
152 tax and shall not be included or considered as proceeds of ad
153 valorem taxes for the purposes of the growth limitation on ad
154 valorem taxes under Sections 27-39-305 and 27-39-321. However,
155 should the Board of Aldermen of the City of Port Gibson withdraw
156 its support of the Grand Gulf Nuclear Station off-site emergency
157 plan or otherwise fail to satisfy its off-site emergency plan
158 commitment, as determined by the Mississippi Emergency Management



159 Agency and the Federal Emergency Management Agency, Fifty Thousand
160 Dollars (\$50,000.00) annually of the funds designated for the City
161 of Port Gibson as described by this * * * subparagraph (ii) shall
162 be deposited in the Grand Gulf Disaster Assistance Fund as
163 provided in Section 33-15-51.

164 (iii) The remaining balance of the payments in
165 excess of Sixteen Million Dollars (\$16,000,000.00) annually, less
166 amounts transferred under (i) and (ii) of this subsection,
167 beginning with fiscal year 1991, shall be allocated in accordance
168 with subsection (3) (f) of this section.

169 (c) Pursuant to certification by the Attorney General
170 to the State Treasurer and the Department of Revenue that the suit
171 against the State of Mississippi pending on the effective date of
172 House Bill 8, First Extraordinary Session of 1990, [Laws, 1990 Ex
173 Session, Ch. 12, eff June 26, 1990], in the Chancery Court for the
174 First Judicial District of Hinds County, Mississippi, styled
175 Albert Butler et al v. the Mississippi State Tax Commission et al,
176 has been voluntarily dismissed with prejudice as to all plaintiffs
177 at the request of the complainants and that no attorney's fees or
178 court costs have been assessed against the state and each of the
179 parties, including Claiborne County and each municipality and
180 school district located in the county, have signed and delivered
181 to the Attorney General a full and complete release in favor of
182 the State of Mississippi and its elected officials of all claims
183 that have been asserted or may be asserted in the suit pending on



184 the effective date of House Bill 8, First Extraordinary Session of
185 1990, [Laws, 1990 Ex Session, Ch. 12, eff June 26, 1990], in the
186 Chancery Court for the First Judicial District of Hinds County,
187 Mississippi, styled Albert Butler et al v. the Mississippi State
188 Tax Commission et al, and the deposit into the State General Fund
189 of in-lieu payments and interest thereon due the state under
190 subsection (3) (b) of this section but placed in escrow because of
191 the lawsuit described above, the state shall promptly transfer to
192 the Board of Supervisors of Claiborne County out of the State
193 General Fund an amount of Two Million Dollars (\$2,000,000.00)
194 which shall be a one-time distribution to Claiborne County from
195 the state. Such payment may be expended by the Board of
196 Supervisors of Claiborne County for any purposes for which a
197 county is authorized by law to levy an ad valorem tax and shall
198 not be included or considered as proceeds of ad valorem taxes for
199 the purposes of the growth limitation on ad valorem taxes for the
200 1991 fiscal year under Sections 27-39-321 and 27-39-305.

201 (d) After distribution of the one-time payment to
202 Claiborne County as set forth in subsection (3) (c) of this
203 section, the Department of Revenue upon certification that the
204 pending lawsuit as described in subsection (3) (c) of this section
205 has been voluntarily dismissed shall promptly deposit an amount of
206 Five Hundred Thousand Dollars (\$500,000.00) into the Grand Gulf
207 Disaster Assistance Trust Fund as provided for in Section



208 33-15-51, which shall be a one-time payment, to be utilized in
209 accordance with the provisions of such section.

210 (e) After distribution of the one-time payment to
211 Claiborne County as set forth in subsection (3)(c) of this section
212 and the payment to the Grand Gulf Disaster Assistance Trust Fund
213 as set forth in subsection (3)(d) of this section, the Department
214 of Revenue upon certification that the pending lawsuit as
215 described in subsection (3)(c) of this section has been
216 voluntarily dismissed shall promptly distribute ten percent (10%)
217 of the remainder of the prior payments remaining in escrow to the
218 General Fund of the state and the balance of the prior payments
219 remaining in escrow shall be distributed to the counties and
220 municipalities in this state wherein such public utility has
221 rendered electric service in the proportion that the amount of
222 electric energy consumed by the retail customers of such public
223 utility in each county, excluding municipalities therein, and in
224 each municipality, for the next preceding fiscal year bears to the
225 total amount of electric energy consumed by all retail customers
226 of such public utility in the State of Mississippi for the next
227 preceding fiscal year. The payments distributed to the counties
228 and municipalities under this paragraph (e) may be expended by
229 such counties and municipalities for any lawful purpose and shall
230 not be included or considered as proceeds of ad valorem taxes for
231 the purposes of the growth limitation on ad valorem taxes under
232 Sections 27-39-321 and 27-39-305.



233 (f) After distribution of the payments for fiscal year
234 1991 as set forth in Section 19-9-151 and distribution of the
235 payments as provided for in subsection (3) (b) of this section, the
236 Department of Revenue shall distribute ten percent (10%) of the
237 remainder of the payments to the General Fund of the state and the
238 balance to the counties and municipalities in this state wherein
239 such public utility renders electric service in the proportion
240 that the amount of electric energy consumed by the retail
241 customers of such public utility in each county, excluding
242 municipalities therein, and in each municipality for the next
243 preceding fiscal year bears to the total amount of electric energy
244 consumed by all retail customers of such public utility in the
245 State of Mississippi for the next preceding fiscal year.

246 (g) No county, including municipalities therein, shall
247 receive in excess of twenty percent (20%) of the funds distributed
248 under paragraph (f) of this subsection.

249 (h) The revenues received by counties and
250 municipalities under paragraph (f) of this subsection shall not be
251 included or considered as proceeds of ad valorem taxes for the
252 purposes of the growth limitation on ad valorem taxes under
253 Sections 27-39-305 and 27-39-321.

254 (i) This subsection (3) shall stand repealed on July 1,
255 2024.

256 **SECTION 2.** Section 19-9-151, Mississippi Code of 1972, is
257 brought forward as follows:



258 19-9-151. The in-lieu payments made to the State Tax
259 Commission pursuant to Section 27-35-309(3)(b), excluding payments
260 made in excess of Sixteen Million Dollars (\$16,000,000.00) which
261 are required to be paid into the General Fund of the state, shall
262 be distributed by the State Tax Commission as follows:

263 (a) For fiscal year 1987, fifty percent (50%) of such
264 payment shall be paid to the situs county wherein such nuclear
265 generating plant is located;

266 (b) For fiscal year 1988, forty-five percent (45%) of
267 such payment shall be paid to the situs county wherein such
268 nuclear generating plant is located;

269 (c) For fiscal year 1989, forty percent (40%) of such
270 payment shall be paid to the situs county wherein such nuclear
271 generating plant is located;

272 (d) For fiscal year 1990, thirty-five (35%) of such
273 payment shall be paid to the situs county wherein such nuclear
274 generating plant is located;

275 (e) For fiscal year 1991 and thereafter, thirty percent
276 (30%) of such payment shall be paid to the situs county wherein
277 such nuclear generating plant is located.

278 **SECTION 3.** Section 19-9-153, Mississippi Code of 1972, is
279 brought forward as follows:

280 19-9-153. Of the funds received pursuant to Section 19-9-151
281 by a situs county wherein such nuclear generating plant is
282 located, the board of supervisors of such situs county shall



283 distribute ten percent (10%) of each payment, upon receipt, to the
284 most populous incorporated municipality within the county;
285 however, if such plant is located within a municipality, such
286 payments which would otherwise be made to the situs county
287 pursuant to Section 19-9-151 shall be divided equally between the
288 situs county and situs municipality.

289 **SECTION 4.** Section 19-9-155, Mississippi Code of 1972, is
290 brought forward as follows:

291 19-9-155. Of the funds retained by the situs county after
292 the payment made pursuant to Section 19-9-153, not more than Five
293 Million Five Hundred Thousand Dollars (\$5,500,000.00) per year may
294 be expended by the board of supervisors of the county for any
295 purposes for which a county is authorized by law to levy an ad
296 valorem tax, and any funds in excess of such amount shall be
297 expended in accordance with Section 19-9-157.

298 **SECTION 5.** Section 19-9-157, Mississippi Code of 1972, is
299 brought forward as follows:

300 19-9-157. The board of supervisors of the situs county, upon
301 receipt of the payments pursuant to Section 19-9-151 less the
302 payment made according to Section 19-9-153, shall pay all such
303 funds in excess of Five Million Five Hundred Thousand Dollars
304 (\$5,500,000.00) to the governing authorities of the public school
305 districts in such county in the proportion that the average daily
306 attendance for the preceding scholastic year of each school
307 district bears to the total average daily attendance of the county



308 for the preceding scholastic year. Such funds may be expended
309 only for the purposes of capital improvements to school facilities
310 and only after plans therefor have been submitted to and approved
311 by the Educational Finance Commission or its successor. The
312 governing authorities of such school districts may borrow money in
313 anticipation of receipt of payments pursuant to this section and
314 the levying authority for the school district may issue negotiable
315 notes therefor, for the purposes set forth herein. Such loan
316 shall be repaid from the payments received under this section by
317 the governing authorities of the public school district. However,
318 no public school districts within the situs county shall be
319 entitled to any payments after January 1, 1990.

320 **SECTION 6.** Section 27-39-305, Mississippi Code of 1972, is
321 brought forward as follows:

322 27-39-305. (1) In addition to the levy authorized by
323 Section 27-39-303, the board of supervisors may annually impose a
324 countywide ad valorem tax levy or levies for the maintenance
325 and/or construction of roads and bridges.

326 (2) For each fiscal year, the aggregate receipts from taxes
327 levied for the maintenance and/or construction of roads and
328 bridges pursuant to this section shall not exceed the aggregate
329 receipts from this source during any one (1) of the immediately
330 preceding three (3) fiscal years, as determined by the board of
331 supervisors, plus an increase not to exceed ten percent (10%). The
332 additional revenue from the ad valorem tax on any newly



333 constructed properties or any existing properties added to the tax
334 rolls or any properties previously exempt, which were not assessed
335 in the next preceding year may be excluded from the ten percent
336 (10%) increase limitation set forth herein.

337 (3) The ten percent (10%) increase limitation prescribed in
338 this section may be increased an additional amount only as
339 provided in subsection (4) of this section or when the county
340 board of supervisors has determined the need for additional
341 revenues and has held an election on the question of raising the
342 limitation prescribed in this section. The limitation may be
343 increased under this subsection only if the proposed increase is
344 approved by a majority of those voting in an election held for
345 such purpose. The resolution, notice and manner of holding the
346 election shall be as prescribed by law for the holding of
347 elections for the issuance of bonds by the county board of
348 supervisors. Revenues collected for the fiscal year in excess of
349 the ten percent (10%) increase limitation pursuant to an election
350 shall be included in the tax base for the purpose of determining
351 aggregate receipts for which the ten percent (10%) increase
352 limitation applies for subsequent fiscal years.

353 (4) As an alternative to the procedure provided in
354 subsection (3) of this section, the ten percent (10%) increase
355 limitation prescribed in this section may be increased by an
356 additional amount without an election thereon if the aggregate
357 receipts from the levy authorized in this section and from all



358 other county levies to which Sections 27-39-320 and 27-39-321
359 apply do not exceed one hundred ten percent (110%) of the
360 aggregate receipts from all such levies during any one (1) of the
361 immediately preceding three (3) fiscal years, as determined by the
362 board of supervisors.

363 (5) Except as otherwise provided for excess revenues
364 generated pursuant to an election under subsection (3) of this
365 section and for excess revenues generated in accordance with
366 subsection (4) of this section, if revenues collected as the
367 result of the taxes levied for the fiscal year pursuant to this
368 section exceed the increase limitation, then it shall be the
369 mandatory duty of the board of supervisors to deposit such excess
370 receipts over and above the increase limitation into a special
371 account and credit it to the county road and bridge fund. It will
372 be the further duty of such board to hold said funds and invest
373 the same as authorized by law. Such excess funds shall be
374 calculated in the road and bridge budget for the succeeding fiscal
375 year. Taxes imposed for the succeeding year shall be reduced by
376 the amount of excess funds available. Under no circumstances
377 shall such excess funds be expended during the fiscal year in
378 which such excess funds are collected.

379 (6) In any county where there is located a nuclear
380 generating power plant on which a tax is assessed under Section
381 27-35-309(3), the term "the aggregate receipts from taxes" as used
382 in this section shall be the portion of the "base revenue" as



383 defined in Section 27-39-320 which is used for the maintenance
384 and/or construction of roads and bridges.

385 (7) If a shortfall occurs in revenues from sources other
386 than ad valorem taxes and oil and gas severance taxes budgeted for
387 the county road and bridge fund during the 1987 fiscal year, then
388 the county may levy a special ad valorem tax for the 1988 fiscal
389 year in an amount the avails of which shall not exceed such
390 shortfall; provided, however, that the aggregate receipts from all
391 ad valorem levies for the maintenance and/or construction of roads
392 and bridges for the 1988 fiscal year shall not exceed the
393 aggregate receipts from this source for the immediately preceding
394 fiscal year plus an increase not to exceed twenty percent (20%).

395 (8) If a shortfall occurs in revenues from oil and gas
396 severance taxes budgeted for the county road and bridge fund
397 during the 1987 fiscal year, then the county may levy a special ad
398 valorem tax for the 1988 fiscal year in an amount the avails of
399 which shall not exceed such shortfall. The avails of such special
400 ad valorem tax shall not be included within the ten percent (10%)
401 increase limitation. The ad valorem taxes levied to offset the
402 shortfall shall be deemed to be ad valorem tax receipts produced
403 in the 1988 fiscal year for the purpose of determining the
404 limitation on receipts for the succeeding fiscal years.

405 **SECTION 7.** Section 27-39-320, Mississippi Code of 1972, is
406 brought forward as follows:



407 27-39-320. (1) The Legislature finds and determines that
408 legislation requiring a specific levy or requiring consent of some
409 other governing body to reduce the levy was intended to raise a
410 certain amount of revenue for specific purposes. Upon this
411 determination and notwithstanding the provisions of any statute
412 which requires a definite levy to be made or which requires that a
413 levy may not be reduced except by the consent of some other
414 governing authority, the amount of such levy shall be deemed to be
415 an amount necessary to produce the revenues received in the next
416 preceding year plus, at the option of the taxing authority, an
417 increase not to exceed ten percent (10%) of such revenues.

418 (2) In any county where there is located a nuclear
419 generating power plant on which a tax is assessed under Section
420 27-35-309(3), such required levy and revenue produced thereby may
421 be reduced by the levying authority in an amount in proportion to
422 a reduction in the base revenue of any such county from the
423 previous year. Such reduction shall be allowed only if the
424 reduction in base revenue equals or exceeds five percent (5%).
425 "Base revenue" shall mean the revenue received by the county from
426 the ad valorem tax levy plus the revenue received by the county
427 from the tax assessed under Section 27-35-309(3) and authorized to
428 be used for any purposes for which a county is authorized by law
429 to levy an ad valorem tax. For purposes of determining if the
430 reduction equals or exceeds five percent (5%), a levy of millage
431 equal to the prior year's millage shall be hypothetically applied



432 to the current year's ad valorem tax base to determine the amount
433 of revenue to be generated from the ad valorem tax levy. For the
434 purposes of this section, the portion of base revenue used to fund
435 the purpose for which a specific levy is required shall be deemed
436 to be the total receipts from ad valorem taxes for such purpose.
437 This paragraph shall apply to taxes levied for the 1987 fiscal
438 year and for each fiscal year thereafter. If the Mississippi
439 Supreme Court or another court finally adjudicates that the tax
440 levied under Section 27-35-309(3) is unconstitutional, then this
441 paragraph shall stand repealed.

442 (3) With respect to ad valorem taxes levied on or after
443 October 1, 1980, no county or municipality shall levy those mills
444 heretofore required by law to be levied to an extent that such
445 levy shall produce more than the total receipts produced from such
446 levy in the next preceding year, plus, at the option of the taxing
447 authority, an increase not to exceed ten percent (10%) of such
448 receipts. Such total receipts shall be deemed to include the
449 total avails of such levy either collected from the property owner
450 or by reimbursement by the state. The revenues produced from any
451 newly constructed properties or any existing properties added to
452 the tax rolls or any properties previously exempt which were not
453 assessed in the next preceding year may be excluded from the
454 limitation set forth herein.

455 (4) The ten percent (10%) increase limitation prescribed in
456 this section may be increased by an additional amount by the board



457 of supervisors of any county if the aggregate receipts from all
458 county levies to which this section and Sections 27-39-305 and
459 27-39-321 apply do not exceed one hundred ten percent (110%) of
460 the aggregate receipts from all such levies during any one (1) of
461 the immediately preceding three (3) fiscal years, as determined by
462 the board of supervisors.

463 (5) The limitations set forth in this section shall apply to
464 the mandatory tax levied by Section 27-39-329.

465 **SECTION 8.** Section 33-15-51, Mississippi Code of 1972, is
466 brought forward as follows:

467 33-15-51. The Grand Gulf Disaster Assistance Trust Fund is
468 hereby created as a special fund in the State Treasury to be
469 administered by the Mississippi Emergency Management Agency.
470 Monies paid into the fund shall be derived from Sections
471 27-35-309(3)(b)(i) and (ii) and 27-35-309(3)(d). All monies
472 deposited therein shall be available for expenditure, transfer and
473 allocation by the Mississippi Emergency Management Agency for
474 state and local preparedness activities directly related to the
475 Grand Gulf Nuclear Generating Plant, with at least fifty percent
476 (50%) of the monies in the fund earmarked for use in conducting
477 such activities in the geographic area falling within a
478 thirty-mile radius of the plant.

479 **SECTION 9.** Section 37-57-105, Mississippi Code of 1972, is
480 brought forward as follows:



481 37-57-105. (1) In addition to the taxes levied under
482 Section 37-57-1, the levying authority for the school district, as
483 defined in Section 37-57-1, upon receipt of a certified copy of an
484 order adopted by the school board of the school district
485 requesting an ad valorem tax effort in dollars for the support of
486 the school district, shall, at the same time and in the same
487 manner as other ad valorem taxes are levied, levy an annual ad
488 valorem tax in the amount fixed in such order upon all of the
489 taxable property of such school district, which shall not be less
490 than the millage rate certified by the State Board of Education as
491 the uniform minimum school district ad valorem tax levy for the
492 support of the adequate education program in such school district
493 under Section 37-57-1. Provided, however, that any school
494 district levying less than the uniform minimum school district ad
495 valorem tax levy on July 1, 1997, shall only be required to
496 increase its local district maintenance levy in four (4) mill
497 annual increments in order to attain such millage requirements.
498 In making such levy, the levying authority shall levy an
499 additional amount sufficient to cover anticipated delinquencies
500 and costs of collection so that the net amount of money to be
501 produced by such levy shall be equal to the amount which is
502 requested by said school board. The proceeds of such tax levy,
503 excluding levies for the payment of the principal of and interest
504 on school bonds or notes and excluding levies for costs of
505 collection, shall be placed in the school depository to the credit



506 of the school district and shall be expended in the manner
507 provided by law for the purpose of supplementing teachers'
508 salaries, extending school terms, purchasing furniture, supplies
509 and materials, and for all other lawful operating and incidental
510 expenses of such school district, funds for which are not provided
511 by adequate education program fund allotments.

512 The monies authorized to be received by school districts from
513 the School Ad Valorem Tax Reduction Fund pursuant to Section
514 37-61-35 shall be included as ad valorem tax receipts. The
515 levying authority for the school district, as defined in Section
516 37-57-1, shall reduce the ad valorem tax levy for such school
517 district in an amount equal to the amount distributed to such
518 school district from the School Ad Valorem Tax Reduction Fund each
519 calendar year pursuant to said Section 37-61-35. Such reduction
520 shall not be less than the millage rate necessary to generate a
521 reduction in ad valorem tax receipts equal to the funds
522 distributed to such school district from the School Ad Valorem Tax
523 Reduction Fund pursuant to Section 37-61-35. Such reduction shall
524 not be deemed to be a reduction in the aggregate amount of support
525 from ad valorem taxation for purposes of Section 37-19-11. The
526 millage levy certified by the State Board of Education as the
527 uniform minimum ad valorem tax levy or the millage levy that would
528 generate funds in an amount equal to a school district's district
529 entitlement, as defined in Section 37-22-1(2)(e), shall be subject
530 to the provisions of this paragraph.



531 In any county where there is located a nuclear generating
532 power plant on which a tax is assessed under Section 27-35-309(3),
533 such required levy and revenue produced thereby may be reduced by
534 the levying authority in an amount in proportion to a reduction in
535 the base revenue of any such county from the previous year. Such
536 reduction shall be allowed only if the reduction in base revenue
537 equals or exceeds five percent (5%). "Base revenue" shall mean
538 the revenue received by the county from the ad valorem tax levy
539 plus the revenue received by the county from the tax assessed
540 under Section 27-35-309(3) and authorized to be used for any
541 purposes for which a county is authorized by law to levy an ad
542 valorem tax. For purposes of determining if the reduction equals
543 or exceeds five percent (5%), a levy of millage equal to the prior
544 year's millage shall be hypothetically applied to the current
545 year's ad valorem tax base to determine the amount of revenue to
546 be generated from the ad valorem tax levy. For the purposes of
547 this section and Section 37-57-107, the portion of the base
548 revenue used for the support of any school district shall be
549 deemed to be the aggregate receipts from ad valorem taxes for the
550 support of any school district. This paragraph shall apply to
551 taxes levied for the 1987 fiscal year and for each fiscal year
552 thereafter. If the Mississippi Supreme Court or another court
553 finally adjudicates that the tax levied under Section 27-35-309(3)
554 is unconstitutional, then this paragraph shall stand repealed.



555 (2) When the tax is levied upon the territory of any school
556 district located in two (2) or more counties, the order of the
557 school board requesting the levying of such tax shall be certified
558 to the levying authority of each of the counties involved, and
559 each of the levying authorities shall levy the tax in the manner
560 specified herein. The taxes so levied shall be collected by the
561 tax collector of the levying authority involved and remitted by
562 the tax collector to the school depository of the home county to
563 the credit of the school district involved as provided above,
564 except that taxes for collection fees may be retained by the
565 levying authority for deposit into its general fund.

566 (3) The aggregate receipts from ad valorem taxes levied for
567 school district purposes, excluding collection fees, pursuant to
568 this section and Section 37-57-1 shall be subject to the increased
569 limitation under Section 37-57-107; however, if the ad valorem tax
570 effort in dollars requested by the school district for the fiscal
571 year exceeds the next preceding fiscal year's ad valorem tax
572 effort in dollars by more than four percent (4%) but not more than
573 seven percent (7%), then the school board shall publish notice
574 thereof once each week for at least three (3) consecutive weeks in
575 a newspaper having general circulation in the school district
576 involved, with the first publication thereof to be made not less
577 than fifteen (15) days prior to the final adoption of the budget
578 by the school board. If at any time prior to said adoption a
579 petition signed by not less than twenty percent (20%) or fifteen



580 hundred (1500), whichever is less, of the qualified electors of
581 the school district involved shall be filed with the school board
582 requesting that an election be called on the question of exceeding
583 the next preceding fiscal year's ad valorem tax effort in dollars
584 by more than four percent (4%) but not more than seven percent
585 (7%), then the school board shall, not later than the next regular
586 meeting, adopt a resolution calling an election to be held within
587 such school district upon such question. The election shall be
588 called and held, and notice thereof shall be given, in the same
589 manner for elections upon the questions of the issuance of the
590 bonds of school districts, and the results thereof shall be
591 certified to the school board. The ballot shall contain the
592 language "For the School Tax Increase Over Four Percent (4%)" and
593 "Against the School Tax Increase Over Four Percent (4%)." If a
594 majority of the qualified electors of the school district who
595 voted in such election shall vote in favor of the question, then
596 the stated increase requested by the school board shall be
597 approved. For the purposes of this paragraph, the revenue sources
598 excluded from the increased limitation under Section 37-57-107
599 shall also be excluded from the limitation described herein in the
600 same manner as they are excluded under Section 37-57-107.

601 **SECTION 10.** Section 37-151-7, Mississippi Code of 1972, is
602 brought forward as follows:



603 37-151-7. The annual allocation to each school district for
604 the operation of the adequate education program shall be
605 determined as follows:

606 (1) **Computation of the basic amount to be included for**
607 **current operation in the adequate education program.** The
608 following procedure shall be followed in determining the annual
609 allocation to each school district:

610 (a) **Determination of average daily attendance.**
611 Effective with fiscal year 2011, the State Department of Education
612 shall determine the percentage change from the prior year of each
613 year of each school district's average of months two (2) and three
614 (3) average daily attendance (ADA) for the three (3) immediately
615 preceding school years of the year for which funds are being
616 appropriated. For any school district that experiences a positive
617 growth in the average of months two (2) and three (3) ADA each
618 year of the three (3) years, the average percentage growth over
619 the three-year period shall be multiplied times the school
620 district's average of months two (2) and three (3) ADA for the
621 year immediately preceding the year for which MAEP funds are being
622 appropriated. The resulting amount shall be added to the school
623 district's average of months two (2) and three (3) ADA for the
624 year immediately preceding the year for which MAEP funds are being
625 appropriated to arrive at the ADA to be used in determining a
626 school district's MAEP allocation. Otherwise, months two (2) and
627 three (3) ADA for the year immediately preceding the year for



628 which MAEP funds are being appropriated will be used in
629 determining a school district's MAEP allocation. In any fiscal
630 year prior to 2010 in which the MAEP formula is not fully funded,
631 for those districts that do not demonstrate a three-year positive
632 growth in months two (2) and three (3) ADA, months one (1) through
633 nine (9) ADA of the second preceding year for which funds are
634 being appropriated or months two (2) and three (3) ADA of the
635 preceding year for which funds are being appropriated, whichever
636 is greater, shall be used to calculate the district's MAEP
637 allocation. The district's average daily attendance shall be
638 computed and currently maintained in accordance with regulations
639 promulgated by the State Board of Education. The district's
640 average daily attendance shall include any student enrolled in a
641 Dual Enrollment-Dual Credit Program as defined and provided in
642 Section 37-15-38(19). The State Department of Education shall
643 make payments for Dual Enrollment-Dual Credit Programs to the home
644 school in which the student is enrolled, in accordance with
645 regulations promulgated by the State Board of Education. The
646 community college providing services to students in a Dual
647 Enrollment-Dual Credit Program shall require payment from the home
648 school district for services provided to such students at a rate
649 of one hundred percent (100%) of ADA. All MAEP/state funding
650 shall cease upon completion of high school graduation
651 requirements.



652 (b) **Determination of base student cost.** Effective with
653 fiscal year 2011 and every fourth fiscal year thereafter, the
654 State Board of Education, on or before August 1, with adjusted
655 estimate no later than January 2, shall submit to the Legislative
656 Budget Office and the Governor a proposed base student cost
657 adequate to provide the following cost components of educating a
658 pupil in a successful school district: (i) instructional cost;
659 (ii) administrative cost; (iii) operation and maintenance of
660 plant; and (iv) ancillary support cost. For purposes of these
661 calculations, the Department of Education shall utilize financial
662 data from the second preceding year of the year for which funds
663 are being appropriated.

664 For the instructional cost component, the Department of
665 Education shall select districts that have been identified as
666 instructionally successful and have a ratio of a number of
667 teachers per one thousand (1,000) students that is between one (1)
668 standard deviation above the mean and two (2) standard deviations
669 below the mean of the statewide average of teachers per one
670 thousand (1,000) students. The instructional cost component shall
671 be calculated by dividing the latest available months one (1)
672 through nine (9) ADA into the instructional expenditures of these
673 selected districts. For the purpose of this calculation, the
674 Department of Education shall use the following funds, functions
675 and objects:

676 Fund 1120 Functions 1110-1199 Objects 100-999, Functions



677 1210, 1220, 2150-2159 Objects 210 and 215;
678 Fund 1130 All Functions, Object Code 210 and 215;
679 Fund 2001 Functions 1110-1199 Objects 100-999;
680 Fund 2070 Functions 1110-1199 Objects 100-999;
681 Fund 2420 Functions 1110-1199 Objects 100-999;
682 Fund 2711 All Functions, Object Code 210 and 215.

683 Prior to the calculation of the instructional cost component,
684 there shall be subtracted from the above expenditures any revenue
685 received for Chickasaw Cession payments, Master Teacher
686 Certification payments and the district's portion of state revenue
687 received from the MAEP at-risk allocation.

688 For the administrative cost component, the Department of
689 Education shall select districts that have been identified as
690 instructionally successful and have a ratio of an administrative
691 staff to nonadministrative staff between one (1) standard
692 deviation above the mean and two (2) standard deviations below the
693 mean of the statewide average administrative staff to
694 nonadministrative staff. The administrative cost component shall
695 be calculated by dividing the latest available months one (1)
696 through nine (9) ADA of the selected districts into the
697 administrative expenditures of these selected districts. For the
698 purpose of this calculation, the Department of Education shall use
699 the following funds, functions and objects:

700 Fund 1120 Functions 2300-2599, Functions 2800-2899,
701 Objects 100-999;



702 Fund 2711 Functions 2300-2599, Functions 2800-2899,
703 Objects 100-999.

704 For the plant and maintenance cost component, the Department
705 of Education shall select districts that have been identified as
706 instructionally successful and have a ratio of plant and
707 maintenance expenditures per one hundred thousand (100,000) square
708 feet of building space and a ratio of maintenance workers per one
709 hundred thousand (100,000) square feet of building space that are
710 both between one (1) standard deviation above the mean and two (2)
711 standard deviations below the mean of the statewide average. The
712 plant and maintenance cost component shall be calculated by
713 dividing the latest available months one (1) through nine (9) ADA
714 of the selected districts into the plant and maintenance
715 expenditures of these selected districts. For the purpose of this
716 calculation, the Department of Education shall use the following
717 funds, functions and objects:

718 Fund 1120 Functions 2600-2699, Objects 100-699
719 and Objects 800-999;

720 Fund 2711 Functions 2600-2699, Objects 100-699
721 and Objects 800-999;

722 Fund 2430 Functions 2600-2699, Objects 100-699
723 and Objects 800-999.

724 For the ancillary support cost component, the Department of
725 Education shall select districts that have been identified as
726 instructionally successful and have a ratio of a number of



727 librarians, media specialists, guidance counselors and
728 psychologists per one thousand (1,000) students that is between
729 one (1) standard deviation above the mean and two (2) standard
730 deviations below the mean of the statewide average of librarians,
731 media specialists, guidance counselors and psychologists per one
732 thousand (1,000) students. The ancillary cost component shall be
733 calculated by dividing the latest available months one (1) through
734 nine (9) ADA into the ancillary expenditures instructional
735 expenditures of these selected districts. For the purpose of this
736 calculation, the Department of Education shall use the following
737 funds, functions and objects:

738 Fund 1120 Functions 2110-2129, Objects 100-999;
739 Fund 1120 Functions 2140-2149, Objects 100-999;
740 Fund 1120 Functions 2220-2229, Objects 100-999;
741 Fund 2001 Functions 2100-2129, Objects 100-999;
742 Fund 2001 Functions 2140-2149, Objects 100-999;
743 Fund 2001 Functions 2220-2229, Objects 100-999.

744 The total base cost for each year shall be the sum of the
745 instructional cost component, administrative cost component, plant
746 and maintenance cost component and ancillary support cost
747 component, and any estimated adjustments for additional state
748 requirements as determined by the State Board of Education.
749 Provided, however, that the base student cost in fiscal year 1998
750 shall be Two Thousand Six Hundred Sixty-four Dollars (\$2,664.00).



751 For each of the fiscal years between the recalculation of the
752 base student cost under the provisions of this paragraph (b), the
753 base student cost shall be increased by an amount equal to forty
754 percent (40%) of the base student cost for the previous fiscal
755 year, multiplied by the latest annual rate of inflation for the
756 State of Mississippi as determined by the State Economist, plus
757 any adjustments for additional state requirements such as, but not
758 limited to, teacher pay raises and health insurance premium
759 increases.

760 (c) **Determination of the basic adequate education**
761 **program cost.** The basic amount for current operation to be
762 included in the Mississippi Adequate Education Program for each
763 school district shall be computed as follows:

764 Multiply the average daily attendance of the district by the
765 base student cost as established by the Legislature, which yields
766 the total base program cost for each school district.

767 (d) **Adjustment to the base student cost for at-risk**
768 **pupils.** The amount to be included for at-risk pupil programs for
769 each school district shall be computed as follows: Multiply the
770 base student cost for the appropriate fiscal year as determined
771 under paragraph (b) by five percent (5%), and multiply that
772 product by the number of pupils participating in the federal free
773 school lunch program in such school district, which yields the
774 total adjustment for at-risk pupil programs for such school
775 district.



776 (e) **Add-on program cost.** The amount to be allocated to
777 school districts in addition to the adequate education program
778 cost for add-on programs for each school district shall be
779 computed as follows:

780 (i) Transportation cost shall be the amount
781 allocated to such school district for the operational support of
782 the district transportation system from state funds.

783 (ii) Vocational or technical education program
784 cost shall be the amount allocated to such school district from
785 state funds for the operational support of such programs.

786 (iii) Special education program cost shall be the
787 amount allocated to such school district from state funds for the
788 operational support of such programs.

789 (iv) Gifted education program cost shall be the
790 amount allocated to such school district from state funds for the
791 operational support of such programs.

792 (v) Alternative school program cost shall be the
793 amount allocated to such school district from state funds for the
794 operational support of such programs.

795 (vi) Extended school year programs shall be the
796 amount allocated to school districts for those programs authorized
797 by law which extend beyond the normal school year.

798 (vii) University-based programs shall be the
799 amount allocated to school districts for those university-based



800 programs for handicapped children as defined and provided for in
801 Section 37-23-131 et seq., Mississippi Code of 1972.

802 (viii) Bus driver training programs shall be the
803 amount provided for those driver training programs as provided for
804 in Section 37-41-1, Mississippi Code of 1972.

805 The sum of the items listed above (i) transportation, (ii)
806 vocational or technical education, (iii) special education, (iv)
807 gifted education, (v) alternative school, (vi) extended school
808 year, (vii) university-based, and (viii) bus driver training shall
809 yield the add-on cost for each school district.

810 (f) **Total projected adequate education program cost.**

811 The total Mississippi Adequate Education Program cost shall be the
812 sum of the total basic adequate education program cost (paragraph
813 (c)), and the adjustment to the base student cost for at-risk
814 pupils (paragraph (d)) for each school district. In any year in
815 which the MAEP is not fully funded, the Legislature shall direct
816 the Department of Education in the K-12 appropriation bill as to
817 how to allocate MAEP funds to school districts for that year.

818 (g) The State Auditor shall annually verify the State
819 Board of Education's estimated calculations for the Mississippi
820 Adequate Education Program that are submitted each year to the
821 Legislative Budget Office on August 1 and the final calculation
822 that is submitted on January 2.

823 (2) **Computation of the required local revenue in support of**
824 **the adequate education program.** The amount that each district



825 shall provide toward the cost of the adequate education program
826 shall be calculated as follows:

827 (a) The State Department of Education shall certify to
828 each school district that twenty-eight (28) mills, less the
829 estimated amount of the yield of the School Ad Valorem Tax
830 Reduction Fund grants as determined by the State Department of
831 Education, is the millage rate required to provide the district
832 required local effort for that year, or twenty-seven percent (27%)
833 of the basic adequate education program cost for such school
834 district as determined under paragraph (c), whichever is a lesser
835 amount. In the case of an agricultural high school, the millage
836 requirement shall be set at a level which generates an equitable
837 amount per pupil to be determined by the State Board of Education.
838 The local contribution amount for school districts in which there
839 is located one or more charter schools will be calculated using
840 the following methodology: using the adequate education program
841 twenty-eight (28) mill value, or the twenty-seven percent (27%)
842 cap amount (whichever is less) for each school district in which a
843 charter school is located, an average per pupil amount will be
844 calculated. This average per pupil amount will be multiplied
845 times the number of students attending the charter school in that
846 school district. The sum becomes the charter school's local
847 contribution to the adequate education program.

848 (b) The State Department of Education shall determine
849 the following from the annual assessment information submitted to



850 the department by the tax assessors of the various counties: (i)
851 the total assessed valuation of nonexempt property for school
852 purposes in each school district; (ii) assessed value of exempt
853 property owned by homeowners aged sixty-five (65) or older or
854 disabled as defined in Section 27-33-67(2), Mississippi Code of
855 1972; (iii) the school district's tax loss from exemptions
856 provided to applicants under the age of sixty-five (65) and not
857 disabled as defined in Section 27-33-67(1), Mississippi Code of
858 1972; and (iv) the school district's homestead reimbursement
859 revenues.

860 (c) The amount of the total adequate education program
861 funding which shall be contributed by each school district shall
862 be the sum of the ad valorem receipts generated by the millage
863 required under this subsection plus the following local revenue
864 sources for the appropriate fiscal year which are or may be
865 available for current expenditure by the school district:

866 One hundred percent (100%) of Grand Gulf income as prescribed
867 in Section 27-35-309.

868 One hundred percent (100%) of any fees in lieu of taxes as
869 prescribed in Section 27-31-104.

870 (3) **Computation of the required state effort in support of**
871 **the adequate education program.**

872 (a) The required state effort in support of the
873 adequate education program shall be determined by subtracting the
874 sum of the required local tax effort as set forth in subsection



875 (2) (a) of this section and the other local revenue sources as set
876 forth in subsection (2) (c) of this section in an amount not to
877 exceed twenty-seven percent (27%) of the total projected adequate
878 education program cost as set forth in subsection (1) (f) of this
879 section from the total projected adequate education program cost
880 as set forth in subsection (1) (f) of this section.

881 (b) Provided, however, that in fiscal year 2015, any
882 increase in the said state contribution to any district calculated
883 under this section shall be not less than six percent (6%) in
884 excess of the amount received by said district from state funds
885 for fiscal year 2002; in fiscal year 2016, any increase in the
886 said state contribution to any district calculated under this
887 section shall be not less than four percent (4%) in excess of the
888 amount received by said district from state funds for fiscal year
889 2002; in fiscal year 2017, any increase in the said state
890 contribution to any district calculated under this section shall
891 be not less than two percent (2%) in excess of the amount received
892 by said district from state funds for fiscal year 2002; and in
893 fiscal year 2018 and thereafter, any increase in the said state
894 contribution to any district calculated under this section shall
895 be zero percent (0%). For purposes of this paragraph (b), state
896 funds shall include minimum program funds less the add-on
897 programs, State Uniform Millage Assistance Grant Funds, Education
898 Enhancement Funds appropriated for Uniform Millage Assistance



899 Grants and state textbook allocations, and State General Funds
900 allocated for textbooks.

901 (c) If the school board of any school district shall
902 determine that it is not economically feasible or practicable to
903 operate any school within the district for the full one hundred
904 eighty (180) days required for a school term of a scholastic year
905 as required in Section 37-13-63, Mississippi Code of 1972, due to
906 an enemy attack, a man-made, technological or natural disaster in
907 which the Governor has declared a disaster emergency under the
908 laws of this state or the President of the United States has
909 declared an emergency or major disaster to exist in this state,
910 said school board may notify the State Department of Education of
911 such disaster and submit a plan for altering the school term. If
912 the State Board of Education finds such disaster to be the cause
913 of the school not operating for the contemplated school term and
914 that such school was in a school district covered by the
915 Governor's or President's disaster declaration, it may permit said
916 school board to operate the schools in its district for less than
917 one hundred eighty (180) days and, in such case, the State
918 Department of Education shall not reduce the state contributions
919 to the adequate education program allotment for such district,
920 because of the failure to operate said schools for one hundred
921 eighty (180) days.

922 (4) The Interim School District Capital Expenditure Fund is
923 hereby established in the State Treasury which shall be used to



924 distribute any funds specifically appropriated by the Legislature
925 to such fund to school districts entitled to increased allocations
926 of state funds under the adequate education program funding
927 formula prescribed in Sections 37-151-3 through 37-151-7,
928 Mississippi Code of 1972, until such time as the said adequate
929 education program is fully funded by the Legislature. The
930 following percentages of the total state cost of increased
931 allocations of funds under the adequate education program funding
932 formula shall be appropriated by the Legislature into the Interim
933 School District Capital Expenditure Fund to be distributed to all
934 school districts under the formula: Nine and two-tenths percent
935 (9.2%) shall be appropriated in fiscal year 1998, twenty percent
936 (20%) shall be appropriated in fiscal year 1999, forty percent
937 (40%) shall be appropriated in fiscal year 2000, sixty percent
938 (60%) shall be appropriated in fiscal year 2001, eighty percent
939 (80%) shall be appropriated in fiscal year 2002, and one hundred
940 percent (100%) shall be appropriated in fiscal year 2003 into the
941 State Adequate Education Program Fund. Until July 1, 2002, such
942 money shall be used by school districts for the following
943 purposes:

944 (a) Purchasing, erecting, repairing, equipping,
945 remodeling and enlarging school buildings and related facilities,
946 including gymnasiums, auditoriums, lunchrooms, vocational training
947 buildings, libraries, school barns and garages for transportation
948 vehicles, school athletic fields and necessary facilities



949 connected therewith, and purchasing land therefor. Any such
950 capital improvement project by a school district shall be approved
951 by the State Board of Education, and based on an approved
952 long-range plan. The State Board of Education shall promulgate
953 minimum requirements for the approval of school district capital
954 expenditure plans.

955 (b) Providing necessary water, light, heating,
956 air-conditioning, and sewerage facilities for school buildings,
957 and purchasing land therefor.

958 (c) Paying debt service on existing capital improvement
959 debt of the district or refinancing outstanding debt of a district
960 if such refinancing will result in an interest cost savings to the
961 district.

962 (d) From and after October 1, 1997, through June 30,
963 1998, pursuant to a school district capital expenditure plan
964 approved by the State Department of Education, a school district
965 may pledge such funds until July 1, 2002, plus funds provided for
966 in paragraph (e) of this subsection (4) that are not otherwise
967 permanently pledged under such paragraph (e) to pay all or a
968 portion of the debt service on debt issued by the school district
969 under Sections 37-59-1 through 37-59-45, 37-59-101 through
970 37-59-115, 37-7-351 through 37-7-359, 37-41-89 through 37-41-99,
971 37-7-301, 37-7-302 and 37-41-81, Mississippi Code of 1972, or debt
972 issued by boards of supervisors for agricultural high schools
973 pursuant to Section 37-27-65, Mississippi Code of 1972, or



974 lease-purchase contracts entered into pursuant to Section 31-7-13,
975 Mississippi Code of 1972, or to retire or refinance outstanding
976 debt of a district, if such pledge is accomplished pursuant to a
977 written contract or resolution approved and spread upon the
978 minutes of an official meeting of the district's school board or
979 board of supervisors. It is the intent of this provision to allow
980 school districts to irrevocably pledge their Interim School
981 District Capital Expenditure Fund allotments as a constant stream
982 of revenue to secure a debt issued under the foregoing code
983 sections. To allow school districts to make such an irrevocable
984 pledge, the state shall take all action necessary to ensure that
985 the amount of a district's Interim School District Capital
986 Expenditure Fund allotments shall not be reduced below the amount
987 certified by the department or the district's total allotment
988 under the Interim Capital Expenditure Fund if fully funded, so
989 long as such debt remains outstanding.

990 (e) [Repealed]

991 (f) [Repealed]

992 (g) The State Board of Education may authorize the
993 school district to expend not more than twenty percent (20%) of
994 its annual allotment of such funds or Twenty Thousand Dollars
995 (\$20,000.00), whichever is greater, for technology needs of the
996 school district, including computers, software,
997 telecommunications, cable television, interactive video, film,
998 low-power television, satellite communications, microwave



999 communications, technology-based equipment installation and
1000 maintenance, and the training of staff in the use of such
1001 technology-based instruction. Any such technology expenditure
1002 shall be reflected in the local district technology plan approved
1003 by the State Board of Education under Section 37-151-17,
1004 Mississippi Code of 1972.

1005 (h) To the extent a school district has not utilized
1006 twenty percent (20%) of its annual allotment for technology
1007 purposes under paragraph (g), a school district may expend not
1008 more than twenty percent (20%) of its annual allotment or Twenty
1009 Thousand Dollars (\$20,000.00), whichever is greater, for
1010 instructional purposes. The State Board of Education may
1011 authorize a school district to expend more than said twenty
1012 percent (20%) of its annual allotment for instructional purposes
1013 if it determines that such expenditures are needed for
1014 accreditation purposes.

1015 (i) The State Department of Education or the State
1016 Board of Education may require that any project commenced under
1017 this section with an estimated project cost of not less than Five
1018 Million Dollars (\$5,000,000.00) shall be done only pursuant to
1019 program management of the process with respect to design and
1020 construction. Any individuals, partnerships, companies or other
1021 entities acting as a program manager on behalf of a local school
1022 district and performing program management services for projects



1023 covered under this subsection shall be approved by the State
1024 Department of Education.

1025 Any interest accruing on any unexpended balance in the
1026 Interim School District Capital Expenditure Fund shall be invested
1027 by the State Treasurer and placed to the credit of each school
1028 district participating in such fund in its proportionate share.

1029 The provisions of this subsection (4) shall be cumulative and
1030 supplemental to any existing funding programs or other authority
1031 conferred upon school districts or school boards.

1032 (5) The State Department of Education shall make payments to
1033 charter schools for each student in average daily attendance at
1034 the charter school equal to the state share of the adequate
1035 education program payments for each student in average daily
1036 attendance at the school district in which the public charter
1037 school is located. In calculating the local contribution for
1038 purposes of determining the state share of the adequate education
1039 program payments, the department shall deduct the pro rata local
1040 contribution of the school district in which the student resides
1041 as determined in subsection (2)(a) of this section.

1042 **SECTION 11.** Section 37-151-87, Mississippi Code of 1972, is
1043 brought forward as follows:

1044 37-151-87. No school district shall pay any teacher less
1045 than the state minimum salary. Provided, however, that school
1046 districts are authorized to reduce the state minimum salary by a
1047 pro rata daily amount in order to comply with the school district



1048 employee furlough provisions of Section 37-7-308. From and after
1049 July 1, 2012, no school district shall receive any funds under the
1050 provisions of this chapter for any school year during which the
1051 aggregate amount of local supplement as defined in Section
1052 37-151-5 shall have been reduced below such amount for the
1053 previous year. However, (a) where there has been a reduction in
1054 adequate education program allocations for such district in such
1055 year, (b) where there has been a reduction in the amount of
1056 federal funds to such district below the previous year, or (c)
1057 where there has been a reduction in ad valorem taxes to such
1058 school district for the 1986-1987 school year below the amount for
1059 the previous year due to the exemption of nuclear generating
1060 plants from ad valorem taxation pursuant to Section 27-35-309,
1061 Mississippi Code of 1972, the aggregate amount of local supplement
1062 in such district may be reduced in the discretion of the local
1063 school board without loss of funds under this chapter. No school
1064 district may receive any funds under the provisions of this
1065 chapter for any school year if the aggregate amount of support
1066 from ad valorem taxation shall be reduced during such school year
1067 below such amount for the previous year; however, where there is a
1068 loss in adequate education program allocations, or where there is
1069 or heretofore has been a decrease in the total assessed value of
1070 taxable property within a school district, the aggregate amount of
1071 such support may be reduced proportionately. Nothing herein
1072 contained shall prohibit any school district from adopting or



1073 continuing a program or plan whereby teachers are paid varying
1074 salaries according to the teaching ability, classroom performance
1075 and other similar standards.

1076 **SECTION 12.** This act shall take effect and be in force from
1077 and after July 1, 2024.

