

By: Representative Young

To: Ways and Means

HOUSE BILL NO. 503

1 AN ACT TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972,
 2 TO INCREASE FROM 18.5% TO 20.5% THE DIVERSION OF STATE SALES TAX
 3 REVENUE ALLOCATED FOR DISTRIBUTION TO ALL MUNICIPALITIES; TO
 4 PROVIDE THAT AN ADDITIONAL 2% OF THE STATE'S TOTAL SALES TAX
 5 REVENUE COLLECTIONS ON BUSINESS ACTIVITIES WITHIN MUNICIPALITIES
 6 SHALL BE ALLOCATED FOR DISTRIBUTION TO THE COUNTY IN WHICH SUCH
 7 MUNICIPALITIES ARE LOCATED; TO PROVIDE THAT ONE-HALF OF THE
 8 ADDITIONAL 2% EACH ALLOCATED FOR DISTRIBUTION TO A MUNICIPALITY
 9 AND COUNTY SHALL BE USED TO REDUCE THE AD VALOREM TAXES LEVIED BY
 10 THE MUNICIPALITY AND COUNTY; TO AMEND SECTIONS 27-65-53, 21-33-45,
 11 27-39-303, 27-39-307, 27-39-317, 27-39-320 AND 27-39-321,
 12 MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND FOR RELATED
 13 PURPOSES.

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

15 SECTION 1. Section 27-65-75, Mississippi Code of 1972, is
 16 amended as follows:

17 27-65-75. On or before the fifteenth day of each month, the
 18 revenue collected under the provisions of this chapter during the
 19 preceding month shall be paid and distributed as follows:

20 (1) On or before August 15, 1992, and each succeeding month
 21 thereafter through July 15, 1993, eighteen percent (18%) of the
 22 total sales tax revenue collected during the preceding month under
 23 the provisions of this chapter, except that collected under the
 24 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
 25 business activities within a municipal corporation shall be
 26 allocated for distribution to such municipality and paid to such
 27 municipal corporation. On or before August 15, 1993, and each
 28 succeeding month thereafter through July 15, 2001, eighteen and
 29 one-half percent (18-1/2%) of the total sales tax revenue
 30 collected during the preceding month under the provisions of this
 31 chapter, except that collected under the provisions of Sections
 32 27-65-15, 27-65-19(3) and 27-65-21, on business activities within



33 a municipal corporation shall be allocated for distribution to
34 such municipality and paid to such municipal corporation. On or
35 before August 15, 2001, and each succeeding month thereafter,
36 twenty and one-half percent (20-½%) of the total sales tax revenue
37 collected during the preceding month under the provisions of this
38 chapter, except that collected under the provisions of Sections
39 27-65-15, 27-65-19(3), 27-65-21, and that collected under the
40 provisions of Section 27-65-17(2) and the corresponding levy in
41 Section 27-65-23 on the rental or lease of private carriers of
42 passengers and light carriers of property as defined in Section
43 27-51-101, on business activities within a municipal corporation
44 shall be allocated for distribution to such municipality and paid
45 to such municipal corporation. At least one-half (1/2) of the
46 revenue derived from the additional two percent (2%) of sales tax
47 revenue distributed to a municipality under this subsection, as
48 amended by House Bill No. _____, 2001 Regular Session, shall be
49 used to reduce the amount of ad valorem taxes levied by such
50 municipality. On or before August 15, 2001, and each succeeding
51 month thereafter, an additional two percent (2%) of the total
52 sales tax revenue collected during the preceding month under the
53 provisions of this chapter, except that collected under the
54 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21, and that
55 collected under the provisions of Section 27-65-17(2) and the
56 corresponding levy in Section 27-65-23 on the rental or lease of
57 private carriers of passengers and light carriers of property as
58 defined in Section 27-51-101, on business activities within all of
59 the municipal corporations located within a county shall be
60 allocated for distribution to such county and paid to such county.
61 At least one-half (1/2) of the revenue derived from the sales tax
62 revenue distributed to a county shall be used to reduce the amount
63 of ad valorem taxes levied by such county.



64 A municipal corporation, for the purpose of distributing the
65 tax under this subsection, shall mean and include all incorporated
66 cities, towns and villages.

67 Monies allocated for distribution and credited to a municipal
68 corporation under this subsection may be pledged as security for
69 any loan received by the municipal corporation for the purpose of
70 capital improvements as authorized under Section 57-1-303, or
71 loans as authorized under Section 57-44-7, or water systems
72 improvements as authorized under Section 41-3-16.

73 In any county having a county seat which is not an
74 incorporated municipality, the distribution provided hereunder
75 shall be made as though the county seat was an incorporated
76 municipality; however, the distribution to such municipality shall
77 be paid to the county treasury wherein the municipality is located
78 and such funds shall be used for road, bridge and street
79 construction or maintenance therein.

80 (2) On or before September 15, 1987, and each succeeding
81 month thereafter, from the revenue collected under this chapter
82 during the preceding month One Million One Hundred Twenty-five
83 Thousand Dollars (\$1,125,000.00) shall be allocated for
84 distribution to municipal corporations as defined under subsection
85 (1) of this section in the proportion that the number of gallons
86 of gasoline and diesel fuel sold by distributors to consumers and
87 retailers in each such municipality during the preceding fiscal
88 year bears to the total gallons of gasoline and diesel fuel sold
89 by distributors to consumers and retailers in municipalities
90 statewide during the preceding fiscal year. The State Tax
91 Commission shall require all distributors of gasoline and diesel
92 fuel to report to the commission monthly the total number of
93 gallons of gasoline and diesel fuel sold by them to consumers and
94 retailers in each municipality during the preceding month. The
95 State Tax Commission shall have the authority to promulgate such
96 rules and regulations as is necessary to determine the number of



97 gallons of gasoline and diesel fuel sold by distributors to
98 consumers and retailers in each municipality. In determining the
99 percentage allocation of funds under this subsection for the
100 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
101 State Tax Commission may consider gallons of gasoline and diesel
102 fuel sold for a period of less than one (1) fiscal year. For the
103 purposes of this subsection, the term "fiscal year" means the
104 fiscal year beginning July 1 of a year.

105 (3) On or before September 15, 1987, and on or before the
106 fifteenth day of each succeeding month, until the date specified
107 in Section 65-39-35, the proceeds derived from contractors' taxes
108 levied under Section 27-65-21 on contracts for the construction or
109 reconstruction of highways designated under the Four-Lane Highway
110 Program created under Section 65-3-97 shall, except as otherwise
111 provided in Section 31-17-127, be deposited into the State
112 Treasury to the credit of the State Highway Fund to be used to
113 fund such Four-Lane Highway Program. The Mississippi Department
114 of Transportation shall provide to the State Tax Commission such
115 information as is necessary to determine the amount of proceeds to
116 be distributed under this subsection.

117 (4) On or before August 15, 1994, and on or before the
118 fifteenth day of each succeeding month through July 15, 1999, from
119 the proceeds of gasoline, diesel fuel or kerosene taxes as
120 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
121 (\$4,000,000.00) shall be deposited in the State Treasury to the
122 credit of a special fund designated as the "State Aid Road Fund,"
123 created by Section 65-9-17. On or before August 15, 1999, and on
124 or before the fifteenth day of each succeeding month, from the
125 total amount of the proceeds of gasoline, diesel fuel or kerosene
126 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
127 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
128 one-fourth percent (23.25%) of such funds, whichever is the
129 greater amount, shall be deposited in the State Treasury to the



130 credit of the "State Aid Road Fund," created by Section 65-9-17.
131 Such funds shall be pledged to pay the principal of and interest
132 on state aid road bonds heretofore issued under Sections 19-9-51
133 through 19-9-77, in lieu of and in substitution for the funds
134 heretofore allocated to counties under this section. Such funds
135 may not be pledged for the payment of any state aid road bonds
136 issued after April 1, 1981; however, this prohibition against the
137 pledging of any such funds for the payment of bonds shall not
138 apply to any bonds for which intent to issue such bonds has been
139 published, for the first time, as provided by law prior to March
140 29, 1981. From the amount of taxes paid into the special fund
141 pursuant to this subsection and subsection (9) of this section,
142 there shall be first deducted and paid the amount necessary to pay
143 the expenses of the Office of State Aid Road Construction, as
144 authorized by the Legislature for all other general and special
145 fund agencies. The remainder of the fund shall be allocated
146 monthly to the several counties in accordance with the following
147 formula:

148 (a) One-third (1/3) shall be allocated to all counties
149 in equal shares;

150 (b) One-third (1/3) shall be allocated to counties
151 based on the proportion that the total number of rural road miles
152 in a county bears to the total number of rural road miles in all
153 counties of the state; and

154 (c) One-third (1/3) shall be allocated to counties
155 based on the proportion that the rural population of the county
156 bears to the total rural population in all counties of the state,
157 according to the latest federal decennial census.

158 For the purposes of this subsection, the term "gasoline,
159 diesel fuel or kerosene taxes" means such taxes as defined in
160 paragraph (f) of Section 27-5-101.

161 The amount of funds allocated to any county under this
162 subsection for any fiscal year after fiscal year 1994 shall not be



163 less than the amount allocated to such county for fiscal year
164 1994. Monies allocated to a county from the State Aid Road Fund
165 for fiscal year 1995 or any fiscal year thereafter that exceed the
166 amount of funds allocated to that county from the State Aid Road
167 Fund for fiscal year 1994, first must be expended by the county
168 for replacement or rehabilitation of bridges on the state aid road
169 system that have a sufficiency rating of less than twenty-five
170 (25), according to National Bridge Inspection standards before
171 such monies may be approved for expenditure by the State Aid Road
172 Engineer on other projects that qualify for the use of state aid
173 road funds.

174 Any reference in the general laws of this state or the
175 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
176 construed to refer and apply to subsection (4) of Section
177 27-65-75.

178 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
179 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
180 the special fund known as the "State Public School Building Fund"
181 created and existing under the provisions of Sections 37-47-1
182 through 37-47-67. Such payments into said fund are to be made on
183 the last day of each succeeding month hereafter.

184 (6) An amount each month beginning August 15, 1983, through
185 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
186 of 1983, shall be paid into the special fund known as the
187 Correctional Facilities Construction Fund created in Section 6 of
188 Chapter 542, Laws of 1983.

189 (7) On or before August 15, 1992, and each succeeding month
190 thereafter through July 15, 2000, two and two hundred sixty-six
191 one-thousandths percent (2.266%) of the total sales tax revenue
192 collected during the preceding month under the provisions of this
193 chapter, except that collected under the provisions of Section
194 27-65-17(2) shall be deposited by the commission into the School
195 Ad Valorem Tax Reduction Fund created pursuant to Section



196 37-61-35. On or before August 15, 2000, and each succeeding month
197 thereafter, two and two hundred sixty-six one-thousandths percent
198 (2.266%) of the total sales tax revenue collected during the
199 preceding month under the provisions of this chapter, except that
200 collected under the provisions of Section 27-65-17(2), shall be
201 deposited into the School Ad Valorem Tax Reduction Fund created
202 under Section 37-61-35 until such time that the total amount
203 deposited into the fund during a fiscal year equals Forty-two
204 Million Dollars (\$42,000,000.00). Thereafter, the amounts
205 diverted under this subsection (7) during the fiscal year in
206 excess of Forty-two Million Dollars (\$42,000,000.00) shall be
207 deposited into the Education Enhancement Fund created under
208 Section 37-61-33 for appropriation by the Legislature as other
209 education needs and shall not be subject to the percentage
210 appropriation requirements set forth in Section 37-61-33.

211 (8) On or before August 15, 1992, and each succeeding month
212 thereafter, nine and seventy-three one-thousandths percent
213 (9.073%) of the total sales tax revenue collected during the
214 preceding month under the provisions of this chapter, except that
215 collected under the provisions of Section 27-65-17(2) shall be
216 deposited into the Education Enhancement Fund created pursuant to
217 Section 37-61-33.

218 (9) On or before August 15, 1994, and each succeeding month
219 thereafter, from the revenue collected under this chapter during
220 the preceding month, Two Hundred Fifty Thousand Dollars
221 (\$250,000.00) shall be paid into the State Aid Road Fund.

222 (10) On or before August 15, 1994, and each succeeding month
223 thereafter through August 15, 1995, from the revenue collected
224 under this chapter during the preceding month, Two Million Dollars
225 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
226 Valorem Tax Reduction Fund established in Section 27-51-105.

227 (11) Notwithstanding any other provision of this section to
228 the contrary, on or before February 15, 1995, and each succeeding



229 month thereafter, the sales tax revenue collected during the
230 preceding month under the provisions of Section 27-65-17(2) and
231 the corresponding levy in Section 27-65-23 on the rental or lease
232 of private carriers of passengers and light carriers of property
233 as defined in Section 27-51-101 shall be deposited, without
234 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
235 established in Section 27-51-105.

236 (12) Notwithstanding any other provision of this section to
237 the contrary, on or before August 15, 1995, and each succeeding
238 month thereafter, the sales tax revenue collected during the
239 preceding month under the provisions of Section 27-65-17(1) on
240 retail sales of private carriers of passengers and light carriers
241 of property, as defined in Section 27-51-101 and the corresponding
242 levy in Section 27-65-23 on the rental or lease of these vehicles,
243 shall be deposited, after diversion, into the Motor Vehicle Ad
244 Valorem Tax Reduction Fund established in Section 27-51-105.

245 (13) On or before July 15, 1994, and on or before the
246 fifteenth day of each succeeding month thereafter, that portion of
247 the avails of the tax imposed in Section 27-65-22, which is
248 derived from activities held on the Mississippi state fairgrounds
249 complex, shall be paid into a special fund hereby created in the
250 State Treasury and shall be expended pursuant to legislative
251 appropriations solely to defray the costs of repairs and
252 renovation at such Trade Mart and Coliseum.

253 (14) On or before August 15, 1998, and each succeeding month
254 thereafter through July 15, 2005, that portion of the avails of
255 the tax imposed in Section 27-65-23 which is derived from sales by
256 cotton compresses or cotton warehouses and which would otherwise
257 be paid into the General Fund, shall be deposited in an amount not
258 to exceed Two Million Dollars (\$2,000,000.00) into the special
259 fund created pursuant to Section 69-37-39.

260 (15) Notwithstanding any other provision of this section to
261 the contrary, on or before September 15, 2000, and each succeeding



262 month thereafter, the sales tax revenue collected during the
263 preceding month under the provisions of Section 27-65-19(f), shall
264 be deposited, without diversion, into the Telecommunications Ad
265 Valorem Tax Reduction Fund established in Section 27-38-7.

266 (16) On or before August 15, 2000, and each succeeding month
267 thereafter, the sales tax revenue collected during the preceding
268 month under the provisions of this chapter on the gross proceeds
269 of sales of a project as defined in Section 57-30-1, shall be
270 deposited, after all diversions except the diversion provided for
271 in subsection (1) of this section, into the Sales Tax Incentive
272 Fund created in Section 57-30-3.

273 (17) The remainder of the amounts collected under the
274 provisions of this chapter shall be paid into the State Treasury
275 to the credit of the General Fund.

276 (18) It shall be the duty of the municipal officials of any
277 municipality which expands its limits, or of any community which
278 incorporates as a municipality, to notify the commissioner of such
279 action thirty (30) days before the effective date. Failure to so
280 notify the commissioner shall cause such municipality to forfeit
281 the revenue which it would have been entitled to receive during
282 this period of time when the commissioner had no knowledge of the
283 action. If any funds have been erroneously disbursed to any
284 municipality or county or any overpayment of tax is recovered by
285 the taxpayer, the commissioner may make correction and adjust the
286 error or overpayment with such municipality or county by
287 withholding the necessary funds from any subsequent payment to be
288 made to the municipality or county.

289 SECTION 2. Section 27-65-53, Mississippi Code of 1972, is
290 amended as follows:

291 27-65-53. If the commissioner finds that the taxpayer has
292 overpaid his tax for any reason and the taxpayer has discontinued
293 business and there is no subsequent liability upon which the
294 excess may be credited, or if the amount of the excess so paid



295 shall exceed the estimated liability for the next twelve (12)
296 months, the excess shall be refunded to the taxpayer. Such amount
297 shall be certified to the State Auditor of Public Accounts by the
298 commission. The * * * auditor may make such investigation and
299 audit of the claim as he finds necessary. If he finds that the
300 commissioner is correct in his determination, the auditor may
301 issue his warrant to the State Treasurer in favor of the taxpayer
302 for the amount of tax erroneously paid into the State Treasury,
303 such refunds to be made from current sales tax collections. If
304 part of the overpayment has been disbursed to any municipality or
305 county, under authority of Section 27-65-75, the municipality or
306 county having erroneously received the money, shall adjust the
307 amount with the commissioner, or the overpayment may be withheld
308 by the state from any funds due by the state to the municipality
309 or county.

310 * * * Where the taxpayer has overpaid his tax, the
311 commissioner may give credit for same and allow the taxpayer to
312 take credit on a subsequent return or, if necessary, in his
313 discretion, have the taxpayer file for a refund as provided
314 herein.

315 If any overpayment of tax as reflected in an application or
316 amended return, or both, filed by the taxpayer, and verified by
317 the commissioner or otherwise determined to be due by the
318 commissioner or commission, is not refunded or credited to a
319 taxpayer's account within ninety (90) days after the application
320 or amended return is filed or the date the commission or
321 commissioner determines a refund is due, whichever is later,
322 interest at the rate of one percent (1%) per month shall be
323 allowed on such overpayment computed for the period after
324 expiration of the ninety-day period provided herein to the date of
325 payment.

326 SECTION 3. Section 21-33-45, Mississippi Code of 1972, is
327 amended as follows:



328 21-33-45. Subject to the provisions of this section, the
329 governing authorities of each municipality of this state shall,
330 either at their regular meeting in September of each year or not
331 later than ten (10) days after the final approval of the
332 assessment rolls, levy the municipal ad valorem taxes for the
333 fiscal year next succeeding, and shall, by resolution, fix the tax
334 rate or levy for the municipality and for any other taxing
335 districts of which the municipality may be a part. The rates or
336 levies for the municipality or for any such taxing district shall
337 be expressed in mills or a decimal fraction of a mill, which tax
338 rates, or levies, shall determine the ad valorem taxes to be
339 collected upon each dollar of valuation upon the assessment rolls
340 of the municipality for municipal taxes, and to be collected upon
341 each dollar of valuation as shown upon the assessment rolls of the
342 municipality for each such taxing district, except as to such
343 values as may be exempt, in whole or in part, from certain tax
344 rates or levies. If the rates or levies for the municipality or
345 taxing district are an increase from the previous fiscal year,
346 then the proposed rate or levy increase shall be advertised in
347 accordance with Sections 27-39-203 and 27-39-205. From and after
348 July 1, 2001, the governing authorities of a municipality shall
349 use one-half (1/2) of the revenue derived from the additional two
350 percent (2%) of sales tax revenue distributed to it under Section
351 27-65-75(1), as amended by House Bill No. _____, 2001 Regular
352 Session, to reduce the ad valorem taxes levied by the
353 municipality.

354 In making the levy of taxes, the governing authorities shall
355 specify in such resolution the levy for each purpose as follows:

356 (a) For general revenue purposes and for general
357 improvements, as authorized by Section 27-39-307.

358 (b) For school purposes, including all maintenance
359 levies, whether made against the property within such
360 municipality, or within any taxing district embraced in such



361 municipality, as authorized by Section 27-39-307 and Section
362 37-57-3 et seq.

363 (c) For municipal bonds and interest thereon, for
364 school bonds and interest thereon, separately for municipal-wide
365 bonds and for the bonds of each school district.

366 (d) For municipal-wide bonds and interest thereon,
367 other than for school bonds.

368 (e) For loans, notes or any other obligation, and the
369 interest thereon, if permitted by law.

370 (f) For special improvement or special benefit levies,
371 as now authorized by law.

372 (g) For any other purpose for which a levy is lawfully
373 made. If any municipal-wide levy is made for any general or
374 special purpose under the provisions of any law other than Section
375 27-39-307 each such levy shall be separately stated in the
376 resolution, and the law authorizing same shall be expressly stated
377 therein.

378 If the governing authorities of any municipality shall not
379 levy the municipal taxes and the district taxes at its regular
380 September meeting, such governing authorities shall levy the same
381 at an adjourned or special meeting not later than ten (10) days
382 after the final approval of the assessment rolls. However, * * *
383 if such levy be not made on or before September 15 then road and
384 bridge privilege tax license plates may be issued by the tax
385 collector or State Tax Commission, as the case may be, for motor
386 vehicles as defined in the Motor Vehicle Ad Valorem Tax Law of
387 1958 (Section 27-51-1 et seq.), without collecting or requiring
388 proof of payment of municipal ad valorem taxes until such levy is
389 duly certified to him, and for twenty-four (24) hours thereafter.

390 In the case of a municipality operating under a special or
391 private charter providing for or authorizing the assessment,
392 levying and collection of ad valorem taxes prior to October in
393 each year, ad valorem taxes for such municipality shall be levied



394 at the time prescribed or authorized by such special or private
395 charter, unless the governing authorities of such municipality by
396 resolution adopted and spread of record in its minutes elect to
397 levy ad valorem taxes at the time prescribed hereinbefore in this
398 section. In any event, however, all ad valorem taxes levied by
399 any municipality in this state, shall be levied in the manner
400 required herein regardless of the time when such taxes are levied.

401 SECTION 4. Section 27-39-303, Mississippi Code of 1972, is
402 amended as follows:

403 27-39-303. Subject to the provisions of this section, the
404 board of supervisors of any county is hereby empowered to levy ad
405 valorem taxes on taxable property in the respective counties in
406 any one (1) year, as shown by the assessment roll containing
407 assessments of property made as of January 1 of the year, and the
408 assessment of motor vehicles as made according to the provisions
409 of the Motor Vehicle Ad Valorem Tax Law of 1958 (Section 27-51-1
410 et seq.) for all general county purposes, exclusive only of levies
411 for roads and bridges and schools at the rate necessary to fund
412 such purposes. From and after July 1, 2001, the board of
413 supervisors of a county shall use one-half (1/2) of the sales tax
414 revenue distributed to it under Section 27-65-75(1) to reduce the
415 ad valorem taxes levied by the county. The board of supervisors
416 of any county is further empowered to expend the proceeds of this
417 levy for any purpose authorized for any other levy which the board
418 of supervisors is authorized to make, excluding the levy for roads
419 and bridges, and the board may authorize general fund expenditures
420 for school purposes when necessary to meet the minimum local ad
421 valorem tax effort required by Section 37-57-1.

422 The board of supervisors of any county is further empowered
423 to distribute from the county general fund a portion of the
424 county's share of payments made by the Tennessee Valley Authority
425 to the state in lieu of taxes (a) to the school districts of said
426 county and (b) for construction on the roads and bridges of said



427 county in an amount which bears the same proportion to the total
428 amount of the county's share as the millage for the school fund
429 and road and bridge fund bears to the total millage levied by the
430 county. In the event said in lieu payments are expended for
431 capital improvements, said payments shall not be subject to the
432 increase limitations specified in Section 27-39-321 or 37-57-107.

433 SECTION 5. Section 27-39-307, Mississippi Code of 1972, is
434 amended as follows:

435 27-39-307. Subject to the provisions of this section,
436 municipalities may levy ad valorem taxes upon all taxable property
437 within such municipality for general revenue purposes and for
438 general improvements. Further, the governing authorities of any
439 municipality may make additional levies for special purposes as
440 authorized by law. Any such levy which is an increase from the
441 previous fiscal year must be advertised in accordance with
442 Sections 27-39-203 and 27-39-205. In addition to funding
443 municipal general purposes, the municipal general ad valorem tax
444 levy may be used to supplement any municipal ad valorem tax levy
445 for a special purpose authorized by law, excluding levies for
446 schools, without regard to any statutory millage limitation on
447 such special purpose tax levy; however, nothing herein contained
448 shall be construed to exempt such tax levies from the limitation
449 on total receipts under Section 27-39-321.

450 From and after July 1, 2001, the governing authorities of a
451 municipality shall use one-half (1/2) of the revenue derived from
452 the additional two percent (2%) of sales tax revenue distributed
453 to it under Section 27-65-75(1), as amended by House Bill No.
454 _____ , 2001 Regular Session, to reduce the ad valorem taxes levied
455 by the municipality.

456 SECTION 6. Section 27-39-317, Mississippi Code of 1972, is
457 amended as follows:

458 27-39-317. The board of supervisors of each county shall, at
459 its regular meeting in September of each year, levy the county ad



460 valorem taxes for the fiscal year, and shall, by order, fix the
461 tax rate, or levy, for the county, for the road districts, if any,
462 and for the school districts, if any, and for any other taxing
463 districts; and the rates, or levies, for the county and for any
464 district shall be expressed in mills or a decimal fraction of a
465 mill. Said tax rates, or levies, shall determine the ad valorem
466 taxes to be collected upon each dollar of valuation, upon the
467 assessment rolls of the county, including the assessment of motor
468 vehicles as provided by the Motor Vehicle Ad Valorem Tax Law of
469 1958, Section 27-51-1 et seq., for county taxes; and upon each
470 dollar of valuation for the respective districts, as shown upon
471 the assessment rolls of the county, including the assessment of
472 motor vehicles as provided by the Motor Vehicle Ad Valorem Tax Law
473 of 1958, Section 27-51-1 et seq.; except as to such values as
474 shall be exempt, in whole or in part, from certain tax rates or
475 levies. If the rate or levy for the county is an increase from
476 the previous fiscal year, then the proposed rate or levy shall be
477 advertised in accordance with Sections 27-39-203 and 27-39-205.
478 From and after July 1, 2001, the board of supervisors of a county
479 shall use one-half (1/2) of the sales tax revenue distributed to
480 it under Section 27-65-75(1) to reduce the ad valorem taxes levied
481 by the county. If the board of supervisors of any county shall
482 not levy the county taxes and the district taxes at its regular
483 September meeting, the board shall levy the same on or before
484 September 15 at an adjourned or special meeting, or thereafter,
485 provided, however, that if such levy be not made on or before the
486 fifteenth day of September then the tax collector or State Tax
487 Commission may issue road and bridge privilege tax license plates
488 for motor vehicles as defined in the Motor Vehicle Ad Valorem Tax
489 Law of 1958, Section 27-51-1 et seq., without collecting or
490 requiring proof of payment of county ad valorem taxes, and may
491 continue to so issue such plates until such levy is duly certified
492 to him, and for twenty-four (24) hours thereafter.



493 Notwithstanding the requirements of this section, in the
494 event the State Tax Commission orders the county to make an
495 adjustment to the tax roll pursuant to Section 27-35-113, the
496 county shall have a period of thirty (30) days from the date of
497 the commission's final determination to adjust the millage in
498 order to collect the same dollar amount of taxes as originally
499 levied by the board.

500 In making the levy of taxes, the board of supervisors shall
501 specify, in its order, the levy for each purpose, as follows:

502 (a) For general county purposes (current expense and
503 maintenance taxes), as authorized by Section 27-39-303.

504 (b) For roads and bridges, as authorized by Section
505 27-39-305.

506 (c) For schools, including the countywide minimum
507 education program levy and the levy for each school district
508 including special municipal separate school districts, but not
509 including other municipal separate school districts, and for an
510 agricultural high school, county high school or junior college
511 (current expense and maintenance taxes), as authorized by Chapter
512 57, Title 37, Mississippi Code of 1972, and any other applicable
513 statute. The levy for schools shall apply to the assessed value
514 of property in the respective school districts, including special
515 municipal separate school districts, but not including other
516 municipal separate school districts, and a distinct and separate
517 levy shall be made for each school district, and the purpose for
518 each levy shall be stated.

519 (d) For road bonds and the interest thereon, separately
520 for countywide bonds and for the bonds of each road district.

521 (e) For school bonds and the interest thereon,
522 separately for countywide bonds and for the bonds of each school
523 district.

524 (f) For countywide bonds, and the interest thereon,
525 other than for road bonds and school bonds.



526 (g) For loans, notes or any other obligation, and the
527 interest thereon, if permitted by the law.

528 (h) For any other purpose for which a levy is lawfully
529 made.

530 The order shall state all of the purposes for which the
531 general county levy is made, using the administrative items
532 suggested by the State Department of Audit of Mississippi under
533 the county budget law in its uniform system of accounts for
534 counties, but the rate or levy for any item or purpose need not be
535 shown; and if a countywide levy is made for any general or special
536 purpose under the provisions of any law other than Section
537 27-39-303, each such levy shall be separately stated.

538 During the month of February of each year, if the order or
539 resolution of the board of trustees of any school district of said
540 county or partly in said county, is filed with it requesting the
541 levying of ad valorem taxes for the support and maintenance of
542 such school district for the following fiscal year, then the board
543 of supervisors of every such county in the state shall notify, in
544 writing, within thirty (30) days, the county superintendent of
545 education of such county, the levy or levies it intends to make
546 for the support and maintenance of such school districts of such
547 county at its regular meeting in September following, and the
548 county superintendent of education and the trustees of all such
549 school districts shall be authorized to use such expressed
550 intention of the board of supervisors in computing the support and
551 maintenance budget or budgets of such school district or districts
552 for the ensuing fiscal school year.

553 SECTION 7. Section 27-39-320, Mississippi Code of 1972, is
554 amended as follows:

555 27-39-320. (1) The Legislature finds and determines that
556 legislation requiring a specific levy or requiring consent of some
557 other governing body to reduce the levy was intended to raise a
558 certain amount of revenue for specific purposes. Upon this



559 determination and notwithstanding the provisions of any statute
560 which requires a definite levy to be made or which requires that a
561 levy may not be reduced except by the consent of some other
562 governing authority, subject to the provisions of subsection (5)
563 of this section, the amount of such levy shall be deemed to be an
564 amount necessary to produce the revenues received in the next
565 preceding year plus, at the option of the taxing authority, an
566 increase not to exceed ten percent (10%) of such revenues.

567 (2) In any county where there is located a nuclear
568 generating power plant on which a tax is assessed under Section
569 27-35-309(3), such required levy and revenue produced thereby may
570 be reduced by the levying authority in an amount in proportion to
571 a reduction in the base revenue of any such county from the
572 previous year. Such reduction shall be allowed only if the
573 reduction in base revenue equals or exceeds five percent (5%).
574 "Base revenue" shall mean the revenue received by the county from
575 the ad valorem tax levy plus the revenue received by the county
576 from the tax assessed under Section 27-35-309(3) and authorized to
577 be used for any purposes for which a county is authorized by law
578 to levy an ad valorem tax. For purposes of determining if the
579 reduction equals or exceeds five percent (5%), a levy of millage
580 equal to the prior year's millage shall be hypothetically applied
581 to the current year's ad valorem tax base to determine the amount
582 of revenue to be generated from the ad valorem tax levy. For the
583 purposes of this section, the portion of base revenue used to fund
584 the purpose for which a specific levy is required shall be deemed
585 to be the total receipts from ad valorem taxes for such purpose.
586 This paragraph shall apply to taxes levied for the 1987 fiscal
587 year and for each fiscal year thereafter. If the Mississippi
588 Supreme Court or another court finally adjudicates that the tax
589 levied under Section 27-35-309(3) is unconstitutional, then this
590 paragraph shall stand repealed.



591 (3) Subject to the provisions of subsection (5) of this
592 section, with respect to ad valorem taxes levied on or after
593 October 1, 1980, no county or municipality shall levy those mills
594 heretofore required by law to be levied to an extent that such
595 levy shall produce more than the total receipts produced from such
596 levy in the next preceding year, plus, at the option of the taxing
597 authority, an increase not to exceed ten percent (10%) of such
598 receipts. Such total receipts shall be deemed to include the
599 total avails of such levy either collected from the property owner
600 or by reimbursement by the state. The revenues produced from any
601 newly constructed properties or any existing properties added to
602 the tax rolls or any properties previously exempt which were not
603 assessed in the next preceding year may be excluded from the
604 limitation set forth herein.

605 (4) Subject to the provisions of subsection (5) of this
606 section, the ten percent (10%) increase limitation prescribed in
607 this section may be increased by an additional amount by the board
608 of supervisors of any county if the aggregate receipts from all
609 county levies to which this section and Sections 27-39-305 and
610 27-39-321 apply do not exceed one hundred ten percent (110%) of
611 the aggregate receipts from all such levies during any one (1) of
612 the immediately preceding three (3) fiscal years, as determined by
613 the board of supervisors.

614 (5) From and after July 1, 2001, the board of supervisors of
615 a county shall use one-half (1/2) of the sales tax revenue
616 distributed to it under Section 27-65-75(1) to reduce the ad
617 valorem taxes levied by the county, and the governing authorities
618 of a municipality shall use one-half (1/2) of the revenue derived
619 from the additional two percent (2%) of sales tax revenue
620 distributed to it under Section 27-65-75(1), as amended by House
621 Bill No. _____, 2001 Regular Session, to reduce the ad valorem
622 taxes levied by the municipality.



623 (6) The limitations set forth in this section shall apply to
624 the mandatory tax levied by Section 27-39-329.

625 SECTION 8. Section 27-39-321, Mississippi Code of 1972, is
626 amended as follows:

627 27-39-321. (1) Subject to the provisions of subsection (8)
628 of this section, with respect to ad valorem taxes levied for each
629 fiscal year, no political subdivision may levy ad valorem taxes in
630 any fiscal year which would render in total receipts from all
631 levies an amount more than the receipts from that source during
632 any one (1) of the immediately preceding three (3) fiscal years,
633 as determined by the levying governing authority, plus, at the
634 option of the taxing authority, an increase not to exceed ten
635 percent (10%) of such receipts. The additional revenue from the
636 ad valorem tax on any newly constructed properties or any existing
637 properties added to the tax rolls or any properties previously
638 exempt, which were not assessed in the next preceding year and
639 cost incurred and paid in the next preceding year in connection
640 with reappraisal may be excluded from the ten percent (10%)
641 increase limitation set forth herein. Taxes levied for school
642 district purposes under any statute and taxes levied for the
643 maintenance and/or construction of roads and bridges under Section
644 27-39-305 shall be excluded from the ten percent (10%) increase
645 limitation set forth herein. Taxes levied for payment of
646 principal of and interest on general obligation bonds issued
647 heretofore or hereafter shall be excluded from the ten percent
648 (10%) increase limitation set forth herein. Any additional
649 millage levied to fund any new program mandated by the Legislature
650 shall be excluded from the limitation for the first year of the
651 levy and included within such limitation in any year thereafter.
652 The limitation imposed under this paragraph shall not apply to
653 those mandatory levies enumerated in Sections 27-39-320 and
654 27-39-329.



655 (2) Subject to the provisions of subsection (8) of this
656 section, the limitation of this section may be increased only as
657 provided in subsection (3) or (4) of this section or when the
658 governing body of a political subdivision has determined the need
659 for additional revenues, adopts a resolution declaring its
660 intention so to do and has held an election on the question of
661 raising the limitation prescribed in this section. The notice
662 calling for an election shall state the purposes for which the
663 additional revenues shall be used, the amount of the tax levy to
664 be imposed for such purposes and period of time for which such tax
665 levy shall be made; however, such tax levy shall not be made for
666 more than five (5) successive years. The limitation may be
667 increased under this subsection only if the proposed increase is
668 approved by a majority of those voting. Subject to specific
669 provisions of this paragraph to the contrary, the publication of
670 notice and manner of holding the election shall be as prescribed
671 by law for the holding of elections for the issuance of bonds by
672 the political subdivision. Revenues derived from any taxes levied
673 pursuant to such election shall be excluded from the tax base for
674 the purpose of determining aggregate receipts for which the ten
675 percent (10%) increase limitation applies.

676 (3) Subject to the provisions of subsection (8) of this
677 section, as an alternative to the procedure provided in subsection
678 (2) of this section, the ten percent (10%) increase limitation
679 prescribed in this section may be increased by an additional
680 amount by the board of supervisors of any county without an
681 election thereon if the aggregate receipts from all county levies
682 to which this section and Sections 27-39-305 and 27-39-320 apply
683 do not exceed one hundred ten percent (110%) of the aggregate
684 receipts from all such levies during any one (1) of the
685 immediately preceding three (3) fiscal years, as determined by the
686 board of supervisors.



687 (4) Subject to the provisions of subsection (8) of this
688 section, as an alternative to the procedure provided in
689 subsections (2) and (3) of this section, the board of supervisors
690 of any county or the governing authorities of any municipality
691 may, without an election thereon, increase the ad valorem tax levy
692 to which this section applies by the greater of:

693 (a) An ad valorem tax levy that does not result in an
694 aggregate levy to which this section applies in excess of twenty
695 (20) mills; or

696 (b) An ad valorem tax levy that is not in excess of any
697 aggregate levy to which this section applies in any one (1) of the
698 immediately preceding ten (10) fiscal years.

699 (5) In any county where there is located a nuclear
700 generating power plant on which a tax is assessed under Section
701 27-35-309(3), the term "total receipts" as used in this section
702 shall be the portion of the "base revenue" as defined in Section
703 27-39-320 which is used for General Fund purposes.

704 (6) If a shortfall occurs in revenues from sources other
705 than ad valorem taxes and oil and gas severance taxes budgeted for
706 the county or municipal general fund during the 1987 fiscal year,
707 then the county or municipality, as the case may be, may levy a
708 special ad valorem tax for the 1988 fiscal year in an amount the
709 avails of which shall not exceed such shortfall; provided,
710 however, that the aggregate receipts from all ad valorem levies
711 for the county or municipal general fund for the 1988 fiscal year
712 shall not exceed the aggregate receipts from this source for the
713 immediately preceding fiscal year plus an increase not to exceed
714 twenty percent (20%).

715 (7) If a shortfall occurs in revenues from oil and gas
716 severance taxes budgeted for the county or municipal general fund
717 during the 1987 fiscal year, then the county or municipality, as
718 the case may be, may levy a special ad valorem tax for the 1988
719 fiscal year in an amount the avails of which shall not exceed such



720 shortfall. The avails of such special ad valorem tax shall not be
721 included within the ten percent (10%) increase limitation. The ad
722 valorem taxes levied to offset the shortfall shall be deemed to be
723 ad valorem tax receipts produced in the 1988 fiscal year for the
724 purposes of determining the limitation on receipts for the
725 succeeding fiscal years.

726 (8) From and after July 1, 2001, the board of supervisors of
727 a county shall use one-half (1/2) of the sales tax revenue
728 distributed to it under Section 27-65-75(1) to reduce the ad
729 valorem taxes levied by the county, and the governing authorities
730 of a municipality shall use one-half (1/2) of the revenue derived
731 from the additional two percent (2%) of sales tax revenue
732 distributed to it under Section 27-65-75(1), as amended by House
733 Bill No. _____, 2001 Regular Session, to reduce the ad valorem
734 taxes levied by the municipality.

735 SECTION 9. This act shall take effect and be in force from
736 and after July 1, 2001.

