

By: Representative Young

To: Ways and Means

HOUSE BILL NO. 769

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 MUNICIPALITIES; TO AMEND
 4 SECTIONS 21-33-45, 27-39-307, 27-39-320 and 27-39-321, MISSISSIPPI
 5 CODE OF 1972, TO CAP THE AD VALOREM MILLAGE RATE THAT MAY BE
 6 LEVIED FOR GENERAL PURPOSES BY MUNICIPALITIES AT THE RATE IN
 7 EFFECT FOR THE MUNICIPAL 2001 FISCAL YEAR; TO AMEND SECTIONS
 8 27-39-203 AND 27-39-205, MISSISSIPPI CODE OF 1972, IN CONFORMITY
 9 THERETO; AND FOR RELATED PURPOSES.

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

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

13 27-65-75. On or before the fifteenth day of each month, the
 14 revenue collected under the provisions of this chapter during the
 15 preceding month shall be paid and distributed as follows:

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



31 before August 15, 2001, and each succeeding month thereafter,
32 twenty and one-half percent (20½%) of the total sales tax revenue
33 collected during the preceding month under the provisions of this
34 chapter, except that collected under the provisions of Sections
35 27-65-15, 27-65-19(3), 27-65-21, and that collected under the
36 provisions of Section 27-65-17(2) and the corresponding levy in
37 Section 27-65-23 on the rental or lease of private carriers of
38 passengers and light carriers of property as defined in Section
39 27-51-101, on business activities within a municipal corporation
40 shall be allocated for distribution to such municipality and paid
41 to such municipal corporation.

42 A municipal corporation, for the purpose of distributing the
43 tax under this subsection, shall mean and include all incorporated
44 cities, towns and villages.

45 Monies allocated for distribution and credited to a municipal
46 corporation under this subsection may be pledged as security for
47 any loan received by the municipal corporation for the purpose of
48 capital improvements as authorized under Section 57-1-303, or
49 loans as authorized under Section 57-44-7, or water systems
50 improvements as authorized under Section 41-3-16.

51 In any county having a county seat which is not an
52 incorporated municipality, the distribution provided hereunder
53 shall be made as though the county seat was an incorporated
54 municipality; however, the distribution to such municipality shall
55 be paid to the county treasury wherein the municipality is located
56 and such funds shall be used for road, bridge and street
57 construction or maintenance therein.

58 (2) On or before September 15, 1987, and each succeeding
59 month thereafter, from the revenue collected under this chapter
60 during the preceding month One Million One Hundred Twenty-five
61 Thousand Dollars (\$1,125,000.00) shall be allocated for
62 distribution to municipal corporations as defined under subsection
63 (1) of this section in the proportion that the number of gallons



64 of gasoline and diesel fuel sold by distributors to consumers and
65 retailers in each such municipality during the preceding fiscal
66 year bears to the total gallons of gasoline and diesel fuel sold
67 by distributors to consumers and retailers in municipalities
68 statewide during the preceding fiscal year. The State Tax
69 Commission shall require all distributors of gasoline and diesel
70 fuel to report to the commission monthly the total number of
71 gallons of gasoline and diesel fuel sold by them to consumers and
72 retailers in each municipality during the preceding month. The
73 State Tax Commission shall have the authority to promulgate such
74 rules and regulations as is necessary to determine the number of
75 gallons of gasoline and diesel fuel sold by distributors to
76 consumers and retailers in each municipality. In determining the
77 percentage allocation of funds under this subsection for the
78 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
79 State Tax Commission may consider gallons of gasoline and diesel
80 fuel sold for a period of less than one (1) fiscal year. For the
81 purposes of this subsection, the term "fiscal year" means the
82 fiscal year beginning July 1 of a year.

83 (3) On or before September 15, 1987, and on or before the
84 fifteenth day of each succeeding month, until the date specified
85 in Section 65-39-35, the proceeds derived from contractors' taxes
86 levied under Section 27-65-21 on contracts for the construction or
87 reconstruction of highways designated under the Four-Lane Highway
88 Program created under Section 65-3-97 shall, except as otherwise
89 provided in Section 31-17-127, be deposited into the State
90 Treasury to the credit of the State Highway Fund to be used to
91 fund such Four-Lane Highway Program. The Mississippi Department
92 of Transportation shall provide to the State Tax Commission such
93 information as is necessary to determine the amount of proceeds to
94 be distributed under this subsection.

95 (4) On or before August 15, 1994, and on or before the
96 fifteenth day of each succeeding month through July 15, 1999, from



97 the proceeds of gasoline, diesel fuel or kerosene taxes as
98 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
99 (\$4,000,000.00) shall be deposited in the State Treasury to the
100 credit of a special fund designated as the "State Aid Road Fund,"
101 created by Section 65-9-17. On or before August 15, 1999, and on
102 or before the fifteenth day of each succeeding month, from the
103 total amount of the proceeds of gasoline, diesel fuel or kerosene
104 taxes apportioned by Section 27-5-101(a)(ii), Four Million Dollars
105 (\$4,000,000.00) or an amount equal to twenty-three and one-fourth
106 percent (23.25%) of such funds, whichever is the greater amount,
107 shall be deposited in the State Treasury to the credit of the
108 "State Aid Road Fund," created by Section 65-9-17. Such funds
109 shall be pledged to pay the principal of and interest on state aid
110 road bonds heretofore issued under Sections 19-9-51 through
111 19-9-77, in lieu of and in substitution for the funds heretofore
112 allocated to counties under this section. Such funds may not be
113 pledged for the payment of any state aid road bonds issued after
114 April 1, 1981; however, this prohibition against the pledging of
115 any such funds for the payment of bonds shall not apply to any
116 bonds for which intent to issue such bonds has been published, for
117 the first time, as provided by law prior to March 29, 1981. From
118 the amount of taxes paid into the special fund pursuant to this
119 subsection and subsection (9) of this section, there shall be
120 first deducted and paid the amount necessary to pay the expenses
121 of the Office of State Aid Road Construction, as authorized by the
122 Legislature for all other general and special fund agencies. The
123 remainder of the fund shall be allocated monthly to the several
124 counties in accordance with the following formula:

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

127 (b) One-third (1/3) shall be allocated to counties
128 based on the proportion that the total number of rural road miles



129 in a county bears to the total number of rural road miles in all
130 counties of the state; and

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

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

138 The amount of funds allocated to any county under this
139 subsection for any fiscal year after fiscal year 1994 shall not be
140 less than the amount allocated to such county for fiscal year
141 1994. Monies allocated to a county from the State Aid Road Fund
142 for fiscal year 1995 or any fiscal year thereafter that exceed the
143 amount of funds allocated to that county from the State Aid Road
144 Fund for fiscal year 1994, first must be expended by the county
145 for replacement or rehabilitation of bridges on the state aid road
146 system that have a sufficiency rating of less than twenty-five
147 (25), according to National Bridge Inspection standards before
148 such monies may be approved for expenditure by the State Aid Road
149 Engineer on other projects that qualify for the use of state aid
150 road funds.

151 Any reference in the general laws of this state or the
152 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
153 construed to refer and apply to subsection (4) of Section
154 27-65-75.

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



161 (6) An amount each month beginning August 15, 1983, through
162 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
163 of 1983, shall be paid into the special fund known as the
164 Correctional Facilities Construction Fund created in Section 6 of
165 Chapter 542, Laws of 1983.

166 (7) On or before August 15, 1992, and each succeeding month
167 thereafter through July 15, 2000, two and two hundred sixty-six
168 one-thousandths percent (2.266%) of the total sales tax revenue
169 collected during the preceding month under the provisions of this
170 chapter, except that collected under the provisions of Section
171 27-65-17(2) shall be deposited by the commission into the School
172 Ad Valorem Tax Reduction Fund created pursuant to Section
173 37-61-35. On or before August 15, 2000, and each succeeding month
174 thereafter, two and two hundred sixty-six one-thousandths percent
175 (2.266%) of the total sales tax revenue collected during the
176 preceding month under the provisions of this chapter, except that
177 collected under the provisions of Section 27-65-17(2), shall be
178 deposited into the School Ad Valorem Tax Reduction Fund created
179 under Section 37-61-35 until such time that the total amount
180 deposited into the fund during a fiscal year equals Forty-two
181 Million Dollars (\$42,000,000.00). Thereafter, the amounts
182 diverted under this subsection (7) during the fiscal year in
183 excess of Forty-two Million Dollars (\$42,000,000.00) shall be
184 deposited into the Education Enhancement Fund created under
185 Section 37-61-33 for appropriation by the Legislature as other
186 education needs and shall not be subject to the percentage
187 appropriation requirements set forth in Section 37-61-33.

188 (8) On or before August 15, 1992, and each succeeding month
189 thereafter, nine and seventy-three one-thousandths percent
190 (9.073%) of the total sales tax revenue collected during the
191 preceding month under the provisions of this chapter, except that
192 collected under the provisions of Section 27-65-17(2) shall be



193 deposited into the Education Enhancement Fund created pursuant to
194 Section 37-61-33.

195 (9) On or before August 15, 1994, and each succeeding month
196 thereafter, from the revenue collected under this chapter during
197 the preceding month, Two Hundred Fifty Thousand Dollars
198 (\$250,000.00) shall be paid into the State Aid Road Fund.

199 (10) On or before August 15, 1994, and each succeeding month
200 thereafter through August 15, 1995, from the revenue collected
201 under this chapter during the preceding month, Two Million Dollars
202 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
203 Valorem Tax Reduction Fund established in Section 27-51-105.

204 (11) Notwithstanding any other provision of this section to
205 the contrary, on or before February 15, 1995, and each succeeding
206 month thereafter, the sales tax revenue collected during the
207 preceding month under the provisions of Section 27-65-17(2) and
208 the corresponding levy in Section 27-65-23 on the rental or lease
209 of private carriers of passengers and light carriers of property
210 as defined in Section 27-51-101 shall be deposited, without
211 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
212 established in Section 27-51-105.

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

222 (13) On or before July 15, 1994, and on or before the
223 fifteenth day of each succeeding month thereafter, that portion of
224 the avails of the tax imposed in Section 27-65-22, which is
225 derived from activities held on the Mississippi state fairgrounds



226 complex, shall be paid into a special fund hereby created in the
227 State Treasury and shall be expended pursuant to legislative
228 appropriations solely to defray the costs of repairs and
229 renovation at such Trade Mart and Coliseum.

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

237 (15) Notwithstanding any other provision of this section to
238 the contrary, on or before September 15, 2000, and each succeeding
239 month thereafter, the sales tax revenue collected during the
240 preceding month under the provisions of Section 27-65-19(f), shall
241 be deposited, without diversion, into the Telecommunications Ad
242 Valorem Tax Reduction Fund established in Section 27-38-7.

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

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

253 (18) It shall be the duty of the municipal officials of any
254 municipality which expands its limits, or of any community which
255 incorporates as a municipality, to notify the commissioner of such
256 action thirty (30) days before the effective date. Failure to so
257 notify the commissioner shall cause such municipality to forfeit
258 the revenue which it would have been entitled to receive during



259 this period of time when the commissioner had no knowledge of the
260 action. If any funds have been erroneously disbursed to any
261 municipality or any overpayment of tax is recovered by the
262 taxpayer, the commissioner may make correction and adjust the
263 error or overpayment with such municipality by withholding the
264 necessary funds from any subsequent payment to be made to the
265 municipality.

266 SECTION 2. Section 21-33-45, Mississippi Code of 1972, is
267 amended as follows:

268 21-33-45. Subject to the provisions of this section, the
269 governing authorities of each municipality of this state shall,
270 either at their regular meeting in September of each year or not
271 later than ten (10) days after the final approval of the
272 assessment rolls, levy the municipal ad valorem taxes for the
273 fiscal year next succeeding, and shall, by resolution, fix the tax
274 rate or levy for the municipality and for any other taxing
275 districts of which the municipality may be a part. The rates or
276 levies for the municipality or for any such taxing district shall
277 be expressed in mills or a decimal fraction of a mill, which tax
278 rates, or levies, shall determine the ad valorem taxes to be
279 collected upon each dollar of valuation upon the assessment rolls
280 of the municipality for municipal taxes, and to be collected upon
281 each dollar of valuation as shown upon the assessment rolls of the
282 municipality for each such taxing district, except as to such
283 values as may be exempt, in whole or in part, from certain tax
284 rates or levies. If the rates or levies for the municipality or
285 taxing district are an increase from the previous fiscal year,
286 then the proposed rate or levy increase shall be advertised in
287 accordance with Sections 27-39-203 and 27-39-205. From and after
288 July 1, 2001, the governing authorities of a municipality may not
289 levy ad valorem taxes on taxable property for general revenue
290 purposes in excess of the millage rate for general revenue
291 purposes in effect for the municipality's 2001 fiscal year.



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

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

296 (b) For school purposes, including all maintenance
297 levies, whether made against the property within such
298 municipality, or within any taxing district embraced in such
299 municipality, as authorized by Section 27-39-307 and Section
300 37-57-3 et seq.

301 (c) For municipal bonds and interest thereon, for
302 school bonds and interest thereon, separately for municipal-wide
303 bonds and for the bonds of each school district.

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

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

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

310 (g) For any other purpose for which a levy is lawfully
311 made. If any municipal-wide levy is made for any general or
312 special purpose under the provisions of any law other than Section
313 27-39-307 each such levy shall be separately stated in the
314 resolution, and the law authorizing same shall be expressly stated
315 therein.

316 If the governing authorities of any municipality shall not
317 levy the municipal taxes and the district taxes at its regular
318 September meeting, such governing authorities shall levy the same
319 at an adjourned or special meeting not later than ten (10) days
320 after the final approval of the assessment rolls. * * * If such
321 levy be not made on or before September 15 then road and bridge
322 privilege tax license plates may be issued by the tax collector or
323 State Tax Commission, as the case may be, for motor vehicles as
324 defined in the Motor Vehicle Ad Valorem Tax Law of 1958 (Section



325 27-51-1 et seq.), without collecting or requiring proof of payment
326 of municipal ad valorem taxes until such levy is duly certified to
327 him, and for twenty-four (24) hours thereafter.

328 In the case of a municipality operating under a special or
329 private charter providing for or authorizing the assessment,
330 levying and collection of ad valorem taxes prior to October in
331 each year, ad valorem taxes for such municipality shall be levied
332 at the time prescribed or authorized by such special or private
333 charter, unless the governing authority of such municipality by
334 resolution adopted and spread of record in its minutes elects to
335 levy ad valorem taxes at the time prescribed hereinbefore in this
336 section. In any event, however, all ad valorem taxes levied by
337 any municipality in this state, shall be levied in the manner
338 required herein regardless of the time when such taxes are levied.

339 SECTION 3. Section 27-39-203, Mississippi Code of 1972, is
340 amended as follows:

341 27-39-203. (1) All taxing entities operating under the
342 January 1 through December 31 fiscal year or a July 1 through June
343 30 fiscal year shall hold a public hearing at which the budget for
344 the following fiscal year will be considered, regardless of
345 whether that budget will be increased or decreased from the
346 current budget or will remain the same as the current budget, and
347 shall notify the county of the date, time and place of the public
348 hearing. The county shall include that information with the tax
349 notice.

350 (2) Unless the increased revenue in a budget is derived
351 solely from the expansion of a taxing entity's ad valorem tax
352 base, a taxing entity shall not budget an increased amount of
353 revenue derived from the classes of ad valorem property described
354 in Section 112, Mississippi Constitution of 1890, unless it first
355 advertises its intention to do so at the same time that it
356 advertises its intention to fix its budget for the next fiscal
357 year. From and after July 1, 2001, the governing authorities of a



358 municipality may not levy ad valorem taxes on taxable property for
359 general revenue purposes in excess of the millage rate for general
360 revenue purposes in effect for the municipality's 2001 fiscal
361 year.

362 (3) (a) For taxing entities operating under an October 1
363 through September 30 fiscal year, this advertisement may be
364 combined with the advertisement required by Section 27-39-205.
365 For all taxing entities, the advertisement shall meet the size,
366 type, placement and frequency requirements established under
367 Section 27-39-205.

368 (b) When the advertisement is required, it shall be in
369 the following form:

370 **"NOTICE OF TAX INCREASE - (Name of the taxing entity)**

371 The (name of the taxing entity) will hold a public hearing on
372 its proposed budget for fiscal year (insert the year) on (date and
373 time) at (meeting place). At this meeting, a proposed ad valorem
374 tax revenue increase in the proposed budget will be considered.

375 The (name of the taxing entity) is now operating with
376 projected total budget revenue of \$_____. (____ percent) or
377 \$_____ of such revenue is obtained through ad valorem taxes.
378 For next fiscal year, the proposed budget has total projected
379 revenue of \$_____. Of that amount, (____ percent) or \$_____,
380 is proposed to be financed through a total ad valorem tax levy.

381 This increase in ad valorem tax revenue means that you will
382 pay more in ad valorem taxes on your home, automobile tag,
383 utilities, business fixtures and equipment and rental real
384 property.

385 Any citizen of (name of the taxing entity) is invited to
386 attend this public hearing on the proposed ad valorem tax revenue
387 increase in the budget and will be allowed to speak for a
388 reasonable amount of time and offer tangible evidence before any
389 vote is taken."



390 SECTION 4. Section 27-39-205, Mississippi Code of 1972, is
391 amended as follows:

392 27-39-205. (1) Except as otherwise provided in subsection
393 (5) of this section, a tax rate in excess of the certified tax
394 rate shall not be levied under Sections 21-33-45, 27-39-307,
395 27-39-317 and 27-39-320 until a resolution has been approved by
396 the governing body of the taxing entity in accordance with the
397 following procedure:

398 (a) The taxing entity shall advertise its intent to
399 exceed the certified tax rate in a newspaper of general
400 circulation in the county. A taxing entity collecting taxes in
401 more than one (1) county shall make the advertisement required
402 under this section by publication in each county where the taxing
403 entity collects taxes. The advertisement shall be no less than
404 one-fourth (1/4) page in size and the type used shall be no
405 smaller than eighteen (18) point and surrounded by a
406 one-fourth-inch solid black border. The advertisement shall not
407 be placed in any portion of the newspaper where legal notices and
408 classified advertisements appear. The advertisement shall appear
409 in a newspaper that is published at least five (5) days a week,
410 unless the only newspaper in the county is published less than
411 five (5) days a week. The newspaper selected shall be one of
412 general interest, readership and circulation in all areas of the
413 community. The advertisement shall be published once each week
414 for the two-week period preceding the adoption of the final
415 budget. The advertisement shall provide that the taxing entity
416 will meet on a certain day, date, time and place fixed in the
417 advertisement, which shall be no less than seven (7) days after
418 the day the first advertisement is published. The meeting on the
419 proposed increase may coincide with the hearing on the proposed
420 budget of the taxing entity.

421 (b) When the advertisement is required it shall be in
422 the following form:



423 **"NOTICE OF TAX INCREASE - (Name of the taxing entity)**

424 The (name of the taxing entity) will hold a public hearing on
425 a proposed ad valorem tax revenue increase for fiscal year (insert
426 the year) on (date and time) at (meeting place).

427 The (name of the taxing entity) is now operating with
428 projected total budget revenue of \$_____. (____ percent) or
429 \$_____, of such revenue is obtained through ad valorem taxes.
430 For next fiscal year, the proposed budget has total projected
431 revenue of \$_____. Of that amount, (____ percent) or
432 \$_____, is proposed to be financed through a total ad valorem
433 tax levy.

434 For next fiscal year, the (name of the taxing entity) plans
435 to increase your ad valorem tax millage rate by _____ mills from
436 _____ mills to _____ mills. This increase means that you will pay
437 more in ad valorem taxes on your home, automobile tag, utilities,
438 business fixtures and equipment and rental real property.

439 Any citizen of (name of the taxing entity) is invited to
440 attend this public hearing on the proposed ad valorem tax
441 increase, and will be allowed to speak for a reasonable amount of
442 time and offer tangible evidence before any vote is taken."

443 (2) After the hearing has been held in accordance with the
444 above procedures, the governing body of the taxing entity may
445 adopt a resolution levying a tax rate on classes of property
446 designated by Section 112, Mississippi Constitution of 1890, in
447 excess of the certified tax rate. If the resolution adopting the
448 tax rate is not adopted on the day of the public hearing, the
449 scheduled date, time and place for consideration and adoption of
450 the resolution shall be announced at the public hearing and the
451 governing body shall advertise the date, time and place of the
452 proposed adoption of the resolution in the same manner as provided
453 under subsection (1).

454 (3) All hearings shall be open to the public. The governing
455 body of the taxing entity shall permit all interested parties



456 desiring to be heard an opportunity to present oral testimony
457 within reasonable time limits and offer tangible evidence.

458 (4) Each taxing entity shall notify the county or municipal
459 governing body of the date, time and place of its public hearing.
460 No taxing entity may schedule its hearing at the same time as
461 another overlapping taxing entity in the same county, but all
462 taxing entities in which the power to set tax levies is vested in
463 the same governing authority may consolidate the required hearings
464 into one (1) hearing. The county or municipal governing body
465 shall resolve any conflicts in hearing dates and times after
466 consultation with each affected taxing entity.

467 (5) From and after July 1, 2001, the governing authorities
468 of a municipality may not levy ad valorem taxes on taxable
469 property for general revenue purposes in excess of the millage
470 rate for general revenue purposes in effect for the municipality's
471 2001 fiscal year.

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

474 27-39-307. Subject to the provisions of this section,
475 municipalities may levy ad valorem taxes upon all taxable property
476 within such municipality for general revenue purposes and for
477 general improvements. Further, the governing authorities of any
478 municipality may make additional levies for special purposes as
479 authorized by law. Any such levy which is an increase from the
480 previous fiscal year must be advertised in accordance with
481 Sections 27-39-203 and 27-39-205. In addition to funding
482 municipal general purposes, the municipal general ad valorem tax
483 levy may be used to supplement any municipal ad valorem tax levy
484 for a special purpose authorized by law, excluding levies for
485 schools, without regard to any statutory millage limitation on
486 such special purpose tax levy; however, nothing herein contained
487 shall be construed to exempt such tax levies from the limitation
488 on total receipts under Section 27-39-321.



489 From and after July 1, 2001, the governing authorities of a
490 municipality may not levy ad valorem taxes on taxable property for
491 general revenue purposes in excess of the millage rate for general
492 revenue purposes in effect for the municipality's 2001 fiscal
493 year.

494 SECTION 6. Section 27-39-320, Mississippi Code of 1972, is
495 amended as follows:

496 27-39-320. (1) The Legislature finds and determines that
497 legislation requiring a specific levy or requiring consent of some
498 other governing body to reduce the levy was intended to raise a
499 certain amount of revenue for specific purposes. Upon this
500 determination and notwithstanding the provisions of any statute
501 which requires a definite levy to be made or which requires that a
502 levy may not be reduced except by the consent of some other
503 governing authority, except as otherwise provided in subsection
504 (5) of this section, the amount of such levy shall be deemed to be
505 an amount necessary to produce the revenues received in the next
506 preceding year plus, at the option of the taxing authority, an
507 increase not to exceed ten percent (10%) of such revenues.

508 (2) In any county where there is located a nuclear
509 generating power plant on which a tax is assessed under Section
510 27-35-309(3), such required levy and revenue produced thereby may
511 be reduced by the levying authority in an amount in proportion to
512 a reduction in the base revenue of any such county from the
513 previous year. Such reduction shall be allowed only if the
514 reduction in base revenue equals or exceeds five percent (5%).
515 "Base revenue" shall mean the revenue received by the county from
516 the ad valorem tax levy plus the revenue received by the county
517 from the tax assessed under Section 27-35-309(3) and authorized to
518 be used for any purposes for which a county is authorized by law
519 to levy an ad valorem tax. For purposes of determining if the
520 reduction equals or exceeds five percent (5%), a levy of millage
521 equal to the prior year's millage shall be hypothetically applied



522 to the current year's ad valorem tax base to determine the amount
523 of revenue to be generated from the ad valorem tax levy. For the
524 purposes of this section, the portion of base revenue used to fund
525 the purpose for which a specific levy is required shall be deemed
526 to be the total receipts from ad valorem taxes for such purpose.
527 This paragraph shall apply to taxes levied for the 1987 fiscal
528 year and for each fiscal year thereafter. If the Mississippi
529 Supreme Court or another court finally adjudicates that the tax
530 levied under Section 27-35-309(3) is unconstitutional, then this
531 paragraph shall stand repealed.

532 (3) Except as otherwise provided in subsection (5) of this
533 section, with respect to ad valorem taxes levied on or after
534 October 1, 1980, no county or municipality shall levy those mills
535 heretofore required by law to be levied to an extent that such
536 levy shall produce more than the total receipts produced from such
537 levy in the next preceding year, plus, at the option of the taxing
538 authority, an increase not to exceed ten percent (10%) of such
539 receipts. Such total receipts shall be deemed to include the
540 total avails of such levy either collected from the property owner
541 or by reimbursement by the state. The revenues produced from any
542 newly constructed properties or any existing properties added to
543 the tax rolls or any properties previously exempt which were not
544 assessed in the next preceding year may be excluded from the
545 limitation set forth herein.

546 (4) Except as otherwise provided in subsection (5) of this
547 section, the ten percent (10%) increase limitation prescribed in
548 this section may be increased by an additional amount by the board
549 of supervisors of any county if the aggregate receipts from all
550 county levies to which this section and Sections 27-39-305 and
551 27-39-321 apply do not exceed one hundred ten percent (110%) of
552 the aggregate receipts from all such levies during any one (1) of
553 the immediately preceding three (3) fiscal years, as determined by
554 the board of supervisors.



555 (5) From and after July 1, 2001, the governing authorities
556 of a municipality may not levy ad valorem taxes on taxable
557 property for general revenue purposes in excess of the millage
558 rate for general revenue purposes in effect for the municipality's
559 2001 fiscal year.

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

562 SECTION 7. Section 27-39-321, Mississippi Code of 1972, is
563 amended as follows:

564 27-39-321. (1) Except as otherwise provided in subsection
565 (8) of this section, with respect to ad valorem taxes levied for
566 each fiscal year, no political subdivision may levy ad valorem
567 taxes in any fiscal year which would render in total receipts from
568 all levies an amount more than the receipts from that source
569 during any one (1) of the immediately preceding three (3) fiscal
570 years, as determined by the levying governing authority, plus, at
571 the option of the taxing authority, an increase not to exceed ten
572 percent (10%) of such receipts. The additional revenue from the
573 ad valorem tax on any newly constructed properties or any existing
574 properties added to the tax rolls or any properties previously
575 exempt, which were not assessed in the next preceding year and
576 cost incurred and paid in the next preceding year in connection
577 with reappraisal may be excluded from the ten percent (10%)
578 increase limitation set forth herein. Taxes levied for school
579 district purposes under any statute and taxes levied for the
580 maintenance and/or construction of roads and bridges under Section
581 27-39-305 shall be excluded from the ten percent (10%) increase
582 limitation set forth herein. Taxes levied for payment of
583 principal of and interest on general obligation bonds issued
584 heretofore or hereafter shall be excluded from the ten percent
585 (10%) increase limitation set forth herein. Any additional
586 millage levied to fund any new program mandated by the Legislature
587 shall be excluded from the limitation for the first year of the



588 levy and included within such limitation in any year thereafter.
589 The limitation imposed under this paragraph shall not apply to
590 those mandatory levies enumerated in Sections 27-39-320 and
591 27-39-329.

592 (2) Except as otherwise provided in subsection (8) of this
593 section, the limitation of this section may be increased only as
594 provided in subsection (3) or (4) of this section or when the
595 governing body of a political subdivision has determined the need
596 for additional revenues, adopts a resolution declaring its
597 intention so to do and has held an election on the question of
598 raising the limitation prescribed in this section. The notice
599 calling for an election shall state the purposes for which the
600 additional revenues shall be used, the amount of the tax levy to
601 be imposed for such purposes and period of time for which such tax
602 levy shall be made; however, such tax levy shall not be made for
603 more than five (5) successive years. The limitation may be
604 increased under this subsection only if the proposed increase is
605 approved by a majority of those voting. Subject to specific
606 provisions of this paragraph to the contrary, the publication of
607 notice and manner of holding the election shall be as prescribed
608 by law for the holding of elections for the issuance of bonds by
609 the political subdivision. Revenues derived from any taxes levied
610 pursuant to such election shall be excluded from the tax base for
611 the purpose of determining aggregate receipts for which the ten
612 percent (10%) increase limitation applies.

613 (3) Except as otherwise provided in subsection (8) of this
614 section, as an alternative to the procedure provided in subsection
615 (2) of this section, the ten percent (10%) increase limitation
616 prescribed in this section may be increased by an additional
617 amount by the board of supervisors of any county without an
618 election thereon if the aggregate receipts from all county levies
619 to which this section and Sections 27-39-305 and 27-39-320 apply
620 do not exceed one hundred ten percent (110%) of the aggregate



621 receipts from all such levies during any one (1) of the
622 immediately preceding three (3) fiscal years, as determined by the
623 board of supervisors.

624 (4) Except as otherwise provided in subsection (8) of this
625 section, as an alternative to the procedure provided in
626 subsections (2) and (3) of this section, the board of supervisors
627 of any county or the governing authorities of any municipality
628 may, without an election thereon, increase the ad valorem tax levy
629 to which this section applies by the greater of:

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

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

636 (5) In any county where there is located a nuclear
637 generating power plant on which a tax is assessed under Section
638 27-35-309(3), the term "total receipts" as used in this section
639 shall be the portion of the "base revenue" as defined in Section
640 27-39-320 which is used for General Fund purposes.

641 (6) If a shortfall occurs in revenues from sources other
642 than ad valorem taxes and oil and gas severance taxes budgeted for
643 the county or municipal general fund during the 1987 fiscal year,
644 then the county or municipality, as the case may be, may levy a
645 special ad valorem tax for the 1988 fiscal year in an amount the
646 avails of which shall not exceed such shortfall; provided,
647 however, that the aggregate receipts from all ad valorem levies
648 for the county or municipal general fund for the 1988 fiscal year
649 shall not exceed the aggregate receipts from this source for the
650 immediately preceding fiscal year plus an increase not to exceed
651 twenty percent (20%).

652 (7) If a shortfall occurs in revenues from oil and gas
653 severance taxes budgeted for the county or municipal general fund



654 during the 1987 fiscal year, then the county or municipality, as
655 the case may be, may levy a special ad valorem tax for the 1988
656 fiscal year in an amount the avails of which shall not exceed such
657 shortfall. The avails of such special ad valorem tax shall not be
658 included within the ten percent (10%) increase limitation. The ad
659 valorem taxes levied to offset the shortfall shall be deemed to be
660 ad valorem tax receipts produced in the 1988 fiscal year for the
661 purposes of determining the limitation on receipts for the
662 succeeding fiscal years.

663 (8) From and after July 1, 2001, the governing authorities
664 of a municipality may not levy ad valorem taxes on taxable
665 property for general revenue purposes in excess of the millage
666 rate for general revenue purposes in effect for the municipality's
667 2001 fiscal year.

668 SECTION 8. This act shall take effect and be in force from
669 and after July 1, 2001.

