

By: Representatives Green (34th), Miles

To: Ways and Means

HOUSE BILL NO. 458  
(As Sent to Governor)

1 AN ACT TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972,  
2 TO PROVIDE THAT THE AMOUNT OF FUEL TAXES DIVERTED INTO THE STATE  
3 AID ROAD FUND SHALL BE THE GREATER OF \$4,000,000.00 OR A CERTAIN  
4 PERCENTAGE OF THE MONTHLY AMOUNT OF SUCH TAXES COLLECTED; AND FOR  
5 RELATED PURPOSES. BE IT ENACTED BY THE LEGISLATURE OF THE STATE  
6 OF MISSISSIPPI:

7  
8 SECTION 1. Section 27-65-75, Mississippi Code of 1972, as  
9 amended by Senate Bill No. 3023, 1999 Regular Session, is amended  
10 as follows:

11 **[Until July 1, 2002, this section reads as follows:]**

12 27-65-75. On or before the fifteenth day of each month, the  
13 revenue collected under the provisions of this chapter during the  
14 preceding month shall be paid and distributed as follows:

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

29 municipality and paid to such municipal corporation.

30 A municipal corporation, for the purpose of distributing the  
31 tax under this subsection, shall mean and include all incorporated  
32 cities, towns and villages.

33 Monies allocated for distribution and credited to a municipal  
34 corporation under this subsection may be pledged as security for  
35 any loan received by the municipal corporation for the purpose of  
36 capital improvements as authorized under Section 57-1-303, or  
37 loans as authorized under Section 57-44-7, or water systems  
38 improvements as authorized under Section 41-3-16.

39 In any county having a county seat which is not an  
40 incorporated municipality, the distribution provided hereunder  
41 shall be made as though the county seat was an incorporated  
42 municipality; however, the distribution to such municipality shall  
43 be paid to the county treasury wherein the municipality is located  
44 and such funds shall be used for road, bridge and street  
45 construction or maintenance therein.

46 (2) On or before September 15, 1987, and each succeeding  
47 month thereafter, from the revenue collected under this chapter  
48 during the preceding month One Million One Hundred Twenty-five  
49 Thousand Dollars (\$1,125,000.00) shall be allocated for  
50 distribution to municipal corporations as defined under subsection  
51 (1) of this section in the proportion that the number of gallons  
52 of gasoline and diesel fuel sold by distributors to consumers and  
53 retailers in each such municipality during the preceding fiscal  
54 year bears to the total gallons of gasoline and diesel fuel sold  
55 by distributors to consumers and retailers in municipalities  
56 statewide during the preceding fiscal year. The State Tax  
57 Commission shall require all distributors of gasoline and diesel  
58 fuel to report to the commission monthly the total number of  
59 gallons of gasoline and diesel fuel sold by them to consumers and  
60 retailers in each municipality during the preceding month. The  
61 State Tax Commission shall have the authority to promulgate such  
62 rules and regulations as is necessary to determine the number of  
63 gallons of gasoline and diesel fuel sold by distributors to  
64 consumers and retailers in each municipality. In determining the  
65 percentage allocation of funds under this subsection for the

66 fiscal year beginning July 1, 1987, and ending June 30, 1988, the  
67 State Tax Commission may consider gallons of gasoline and diesel  
68 fuel sold for a period of less than one (1) fiscal year. For the  
69 purposes of this subsection, the term "fiscal year" means the  
70 fiscal year beginning July 1 of a year.

71 (3) On or before September 15, 1987, and on or before the  
72 fifteenth day of each succeeding month, until the date specified  
73 in Section 65-39-35, the proceeds derived from contractors' taxes  
74 levied under Section 27-65-21 on contracts for the construction or  
75 reconstruction of highways designated under the Four-Lane Highway  
76 Program created under Section 65-3-97 shall, except as otherwise  
77 provided in Section 31-17-127, be deposited into the State  
78 Treasury to the credit of the State Highway Fund to be used to  
79 fund such Four-Lane Highway Program. The Mississippi Department  
80 of Transportation shall provide to the State Tax Commission such  
81 information as is necessary to determine the amount of proceeds to  
82 be distributed under this subsection.

83 (4) On or before August 15, 1994, and on or before the  
84 fifteenth day of each succeeding month through July 15, 1999, from  
85 the proceeds of gasoline, diesel fuel or kerosene taxes as  
86 provided in Section 27-5-101(a)(ii)1, Four Million Dollars  
87 (\$4,000,000.00) shall be deposited in the State Treasury to the  
88 credit of a special fund designated as the "State Aid Road Fund,"  
89 created by Section 65-9-17. On or before August 15, 1999, and on  
90 or before the fifteenth day of each succeeding month, from the  
91 total amount of the proceeds of gasoline, diesel fuel or kerosene  
92 taxes apportioned by Section 27-5-101(a)(ii), Four Million Dollars  
93 (\$4,000,000.00) or an amount equal to twenty-three and one-fourth  
94 percent (23.25%) of such funds, whichever is the greater amount,  
95 shall be deposited in the State Treasury to the credit of the  
96 "State Aid Road Fund," created by Section 65-9-17. Such funds  
97 shall be pledged to pay the principal of and interest on state aid  
98 road bonds heretofore issued under Sections 19-9-51 through

99 19-9-77, in lieu of and in substitution for the funds heretofore  
100 allocated to counties under this section. Such funds may not be  
101 pledged for the payment of any state aid road bonds issued after  
102 April 1, 1981; however, this prohibition against the pledging of  
103 any such funds for the payment of bonds shall not apply to any  
104 bonds for which intent to issue such bonds has been published, for  
105 the first time, as provided by law prior to March 29, 1981. From  
106 the amount of taxes paid into the special fund pursuant to this  
107 subsection and subsection (9) of this section, there shall be  
108 first deducted and paid the amount necessary to pay the expenses  
109 of the Office of State Aid Road Construction, as authorized by the  
110 Legislature for all other general and special fund agencies. The  
111 remainder of the fund shall be allocated monthly to the several  
112 counties in accordance with the following formula:

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

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

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

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

126 The amount of funds allocated to any county under this  
127 subsection for any fiscal year after fiscal year 1994 shall not be  
128 less than the amount allocated to such county for fiscal year  
129 1994. Monies allocated to a county from the State Aid Road Fund  
130 for fiscal year 1995 or any fiscal year thereafter that exceed the  
131 amount of funds year 1994, first must be expended by the county

132 for replacement or rehabilitation of bridges on the state aid road  
133 system that have a sufficiency rating of less than twenty-five  
134 (25), according to National Bridge Inspection standards before  
135 such monies may be approved for expenditure by the State Aid Road  
136 Engineer on other projects that qualify for the use of state aid  
137 road funds.

138 Any reference in the general laws of this state or the  
139 Mississippi Code of 1972 to Section 27-5-105 shall mean and be  
140 construed to refer and apply to subsection (4) of Section  
141 27-65-75.

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

148 (6) An amount each month beginning August 15, 1983, through  
149 November 15, 1986, as specified in Section 6 of Chapter 542, Laws  
150 of 1983, shall be paid into the special fund known as the  
151 Correctional Facilities Construction Fund created in Section 6 of  
152 Chapter 542, Laws of 1983.

153 (7) On or before August 15, 1992, and each succeeding month  
154 thereafter, two and two hundred sixty-six one-thousandths percent  
155 (2.266%) of the total sales tax revenue collected during the  
156 preceding month under the provisions of this chapter, except that  
157 collected under the provisions of Section 27-65-17(2) shall be  
158 deposited by the commission into the School Ad Valorem Tax  
159 Reduction Fund created pursuant to Section 37-61-35.

160 (8) On or before August 15, 1992, and each succeeding month  
161 thereafter, nine and seventy-three one-thousandths percent  
162 (9.073%) of the total sales tax revenue collected during the  
163 preceding month under the provisions of this chapter, except that  
164 collected under the provisions of Section 27-65-17(2) shall be

165 deposited into the Education Enhancement Fund created pursuant to  
166 Section 37-61-33.

167 (9) On or before August 15, 1994, and each succeeding month  
168 thereafter, from the revenue collected under this chapter during  
169 the preceding month, Two Hundred Fifty Thousand Dollars  
170 (\$250,000.00) shall be paid into the State Aid Road Fund.

171 (10) On or before August 15, 1994, and each succeeding month  
172 thereafter through August 15, 1995, from the revenue collected  
173 under this chapter during the preceding month, Two Million Dollars  
174 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad  
175 Valorem Tax Reduction Fund established in Section 27-51-105.

176 (11) Notwithstanding any other provision of this section to  
177 the contrary, on or before February 15, 1995, and each succeeding  
178 month thereafter, the sales tax revenue collected during the  
179 preceding month under the provisions of Section 27-65-17(2) and  
180 the corresponding levy in Section 27-65-23 on the rental or lease  
181 of private carriers of passengers and light carriers of property  
182 as defined in Section 27-51-101 shall be deposited, without  
183 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund  
184 established in Section 27-51-105.

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

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

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

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

209 (15) The remainder of the amounts collected under the  
210 provisions of this chapter shall be paid into the State Treasury  
211 to the credit of the General Fund.

212 (16) It shall be the duty of the municipal officials of any  
213 municipality which expands its limits, or of any community which  
214 incorporates as a municipality, to notify the commissioner of such  
215 action thirty (30) days before the effective date. Failure to so  
216 notify the commissioner shall cause such municipality to forfeit  
217 the revenue which it would have been entitled to receive during  
218 this period of time when the commissioner had no knowledge of the  
219 action. If any funds have been erroneously disbursed to any  
220 municipality or any overpayment of tax is recovered by the  
221 taxpayer, the commissioner may make correction and adjust the  
222 error or overpayment with such municipality by withholding the  
223 necessary funds from any subsequent payment to be made to the  
224 municipality.

225 **[From and after July 1, 2002, this section reads as follows:]**

226 27-65-75. On or before the fifteenth day of each month, the  
227 revenue collected under the provisions of this chapter during the  
228 preceding month shall be paid and distributed as follows:

229 (1) On or before August 15, 1992, and each succeeding month  
230 thereafter through July 15, 1993, eighteen percent (18%) of the

231 total sales tax revenue collected during the preceding month under  
232 the provisions of this chapter, except that collected under the  
233 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
234 business activities within a municipal corporation shall be  
235 allocated for distribution to such municipality and paid to such  
236 municipal corporation. On or before August 15, 1993, and each  
237 succeeding month thereafter, eighteen and one-half percent  
238 (18-1/2%) of the total sales tax revenue collected during the  
239 preceding month under the provisions of this chapter, except that  
240 collected under the provisions of Sections 27-65-15, 27-65-19(3)  
241 and 27-65-21, on business activities within a municipal  
242 corporation shall be allocated for distribution to such  
243 municipality and paid to such municipal corporation.

244 A municipal corporation, for the purpose of distributing the  
245 tax under this subsection, shall mean and include all incorporated  
246 cities, towns and villages.

247 Monies allocated for distribution and credited to a municipal  
248 corporation under this subsection may be pledged as security for  
249 any loan received by the municipal corporation for the purpose of  
250 capital improvements as authorized under Section 57-1-303, or  
251 loans as authorized under Section 57-44-7, or water systems  
252 improvements as authorized under Section 41-3-16.

253 In any county having a county seat which is not an  
254 incorporated municipality, the distribution provided hereunder  
255 shall be made as though the county seat was an incorporated  
256 municipality; however, the distribution to such municipality shall  
257 be paid to the county treasury wherein the municipality is located  
258 and such funds shall be used for road, bridge and street  
259 construction or maintenance therein.

260 (2) On or before September 15, 1987, and each succeeding  
261 month thereafter, from the revenue collected under this chapter  
262 during the preceding month One Million One Hundred Twenty-five  
263 Thousand Dollars (\$1,125,000.00) shall be allocated for



264 distribution to municipal corporations as defined under subsection  
265 (1) of this section in the proportion that the number of gallons  
266 of gasoline and diesel fuel sold by distributors to consumers and  
267 retailers in each such municipality during the preceding fiscal  
268 year bears to the total gallons of gasoline and diesel fuel sold  
269 by distributors to consumers and retailers in municipalities  
270 statewide during the preceding fiscal year. The State Tax  
271 Commission shall require all distributors of gasoline and diesel  
272 fuel to report to the commission monthly the total number of  
273 gallons of gasoline and diesel fuel sold by them to consumers and  
274 retailers in each municipality during the preceding month. The  
275 State Tax Commission shall have the authority to promulgate such  
276 rules and regulations as is necessary to determine the number of  
277 gallons of gasoline and diesel fuel sold by distributors to  
278 consumers and retailers in each municipality. In determining the  
279 percentage allocation of funds under this subsection for the  
280 fiscal year beginning July 1, 1987, and ending June 30, 1988, the  
281 State Tax Commission may consider gallons of gasoline and diesel  
282 fuel sold for a period of less than one (1) fiscal year. For the  
283 purposes of this subsection, the term "fiscal year" means the  
284 fiscal year beginning July 1 of a year.

285 (3) On or before September 15, 1987, and on or before the  
286 fifteenth day of each succeeding month, until the date specified  
287 in Section 65-39-35, the proceeds derived from contractors' taxes  
288 levied under Section 27-65-21 on contracts for the construction or  
289 reconstruction of highways designated under the Four-Lane Highway  
290 Program created under Section 65-3-97 shall, except as otherwise  
291 provided in Section 31-17-127, be deposited into the State  
292 Treasury to the credit of the State Highway Fund to be used to  
293 fund such Four-Lane Highway Program. The Mississippi Department  
294 of Transportation shall provide to the State Tax Commission such  
295 information as is necessary to determine the amount of proceeds to  
296 be distributed under this subsection.

297 (4) On or before August 15, 1994, and on or before the  
298 fifteenth day of each succeeding month through July 15, 1999, from  
299 the proceeds of gasoline, diesel fuel or kerosene taxes as  
300 provided in Section 27-5-101(a)(ii)1, Four Million Dollars  
301 (\$4,000,000.00) shall be deposited in the State Treasury to the  
302 credit of a special fund designated as the "State Aid Road Fund,"  
303 created by Section 65-9-17. On or before August 15, 1999, and on  
304 or before the fifteenth day of each succeeding month, from the  
305 total amount of the proceeds of gasoline, diesel fuel or kerosene  
306 taxes apportioned by Section 27-5-101(a)(ii), Four Million Dollars  
307 (\$4,000,000.00) or an amount equal to twenty-three and one-fourth  
308 percent (23.25%) of such funds, whichever is the greater amount,  
309 shall be deposited in the State Treasury to the credit of the  
310 "State Aid Road Fund," created by Section 65-9-17. Such funds  
311 shall be pledged to pay the principal of and interest on state aid  
312 road bonds heretofore issued under Sections 19-9-51 through  
313 19-9-77, in lieu of and in substitution for the funds heretofore  
314 allocated to counties under this section. Such funds may not be  
315 pledged for the payment of any state aid road bonds issued after  
316 April 1, 1981; however, this prohibition against the pledging of  
317 any such funds for the payment of bonds shall not apply to any  
318 bonds for which intent to issue such bonds has been published, for  
319 the first time, as provided by law prior to March 29, 1981. From  
320 the amount of taxes paid into the special fund pursuant to this  
321 subsection and subsection (9) of this section, there shall be  
322 first deducted and paid the amount necessary to pay the expenses  
323 of the Office of State Aid Road Construction, as authorized by the  
324 Legislature for all other general and special fund agencies. The  
325 remainder of the fund shall be allocated monthly to the several  
326 counties in accordance with the following formula:

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

329 (b) One-third (1/3) shall be allocated to counties

330 based on the proportion that the total number of rural road miles  
331 in a county bears to the total number of rural road miles in all  
332 counties of the state; and

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

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

340 The amount of funds allocated to any county under this  
341 subsection for any fiscal year after fiscal year 1994 shall not be  
342 less than the amount allocated to such county for fiscal year  
343 1994. Monies allocated to a county from the State Aid Road Fund  
344 for fiscal year 1995 or any fiscal year thereafter that exceed the  
345 amount of funds allocated to that county from the State Aid Road  
346 Fund for fiscal year 1994, first must be expended by the county  
347 for replacement or rehabilitation of bridges on the state aid road  
348 system that have a sufficiency rating of less than twenty-five  
349 (25), according to National Bridge Inspection standards before  
350 such monies may be approved for expenditure by the State Aid Road  
351 Engineer on other projects that qualify for the use of state aid  
352 road funds.

353 Any reference in the general laws of this state or the  
354 Mississippi Code of 1972 to Section 27-5-105 shall mean and be  
355 construed to refer and apply to subsection (4) of Section  
356 27-65-75.

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

363           (6) An amount each month beginning August 15, 1983, through  
364 November 15, 1986, as specified in Section 6 of Chapter 542, Laws  
365 of 1983, shall be paid into the special fund known as the  
366 Correctional Facilities Construction Fund created in Section 6 of  
367 Chapter 542, Laws of 1983.

368           (7) On or before August 15, 1992, and each succeeding month  
369 thereafter, two and two hundred sixty-six one-thousandths percent  
370 (2.266%) of the total sales tax revenue collected during the  
371 preceding month under the provisions of this chapter, except that  
372 collected under the provisions of Section 27-65-17(2), not to  
373 exceed the fiscal year 1997 appropriated level shall be deposited  
374 by the commission into the School Ad Valorem Tax Reduction Fund  
375 created pursuant to Section 37-61-35, with the balance to be  
376 transferred to the Education Enhancement Fund created under  
377 Section 37-61-33 for appropriation by the Legislature as other  
378 education needs and not subject to the percentage set asides set  
379 forth in Section 37-61-33.

380           (8) On or before August 15, 1992, and each succeeding month  
381 thereafter, nine and seventy-three one-thousandths percent  
382 (9.073%) of the total sales tax revenue collected during the  
383 preceding month under the provisions of this chapter, except that  
384 collected under the provisions of Section 27-65-17(2) shall be  
385 deposited into the Education Enhancement Fund created pursuant to  
386 Section 37-61-33.

387           (9) On or before August 15, 1994, and each succeeding month  
388 thereafter, from the revenue collected under this chapter during  
389 the preceding month, Two Hundred Fifty Thousand Dollars  
390 (\$250,000.00) shall be paid into the State Aid Road Fund.

391           (10) On or before August 15, 1994, and each succeeding month  
392 thereafter through August 15, 1995, from the revenue collected  
393 under this chapter during the preceding month, Two Million Dollars  
394 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad  
395 Valorem Tax Reduction Fund established in Section 27-51-105.

396 (11) Notwithstanding any other provision of this section to  
397 the contrary, on or before February 15, 1995, and each succeeding  
398 month thereafter, the sales tax revenue collected during the  
399 preceding month under the provisions of Section 27-65-17(2) shall  
400 be deposited, without diversion, into the Motor Vehicle Ad Valorem  
401 Tax Reduction Fund established in Section 27-51-105.

402 (12) Notwithstanding any other provision of this section to  
403 the contrary, on or before August 15, 1995, and each succeeding  
404 month thereafter, the sales tax revenue collected during the  
405 preceding month under the provisions of Section 27-65-17(1) on  
406 retail sales of private carriers of passengers and light carriers  
407 of property, as defined in Section 27-51-101, shall be deposited,  
408 after diversion, into the Motor Vehicle Ad Valorem Tax Reduction  
409 Fund established in Section 27-51-105.

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

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

425 (15) The remainder of the amounts collected under the  
426 provisions of this chapter shall be paid into the State Treasury  
427 to the credit of the General Fund.

428 (16) It shall be the duty of the municipal officials of any

429 municipality which expands its limits, or of any community which  
430 incorporates as a municipality, to notify the commissioner of such  
431 action thirty (30) days before the effective date. Failure to so  
432 notify the commissioner shall cause such municipality to forfeit  
433 the revenue which it would have been entitled to receive during  
434 this period of time when the commissioner had no knowledge of the  
435 action. If any funds have been erroneously disbursed to any  
436 municipality or any overpayment of tax is recovered by the  
437 taxpayer, the commissioner may make correction and adjust the  
438 error or overpayment with such municipality by withholding the  
439 necessary funds from any subsequent payment to be made to the  
440 municipality.

441 SECTION 2. This act shall take effect and be in force from  
442 and after July 1, 1999.