

By: Senator(s) Rayborn

To: Finance; Highways and
Transportation

SENATE BILL NO. 2350

1
2 AN ACT TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972,
3 TO PROVIDE THAT THE AMOUNT OF FUEL TAXES DIVERTED INTO THE STATE
4 AID ROAD FUND SHALL BE THE GREATER OF \$4,000,000.00 OR A CERTAIN
5 PERCENTAGE OF THE MONTHLY AMOUNT OF SUCH TAXES COLLECTED; TO
6 PROVIDE THAT THE AMOUNT OF SALES TAX REVENUE DIVERTED INTO THE
7 STATE AID ROAD FUND SHALL BE THE GREATER OF \$250,000.00 OR A
8 CERTAIN PERCENTAGE OF THE MONTHLY AMOUNT OF SUCH TAXES COLLECTED;
9 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 **[Until July 1, 2002, this section reads as follows:]**

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

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

30 corporation shall be allocated for distribution to such
31 municipality and paid to such municipal corporation.

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

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

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

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

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

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

84 (4) On or before August 15, 1994, and on or before the
85 fifteenth day of each succeeding month through July 15, 1999, from
86 the proceeds of gasoline, diesel fuel or kerosene taxes as
87 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
88 (\$4,000,000.00) shall be deposited in the State Treasury to the
89 credit of a special fund designated as the "State Aid Road Fund,"
90 created by Section 65-9-17. On or before August 15, 1999, and on
91 or before the fifteenth day of each succeeding month, from the
92 total amount of the proceeds of gasoline, diesel fuel or kerosene
93 taxes apportioned by Section 27-5-101(a)(ii), Four Million Dollars
94 (\$4,000,000.00) or an amount equal to twenty-three and nineteen
95 one-hundredths percent (23.19%) of such funds, whichever is the
96 greater amount, shall be deposited in the State Treasury to the
97 credit of the "State Aid Road Fund," created by Section 65-9-17.
98 Such funds shall be pledged to pay the principal of and interest
99 on state aid road bonds heretofore issued under Sections 19-9-51

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

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

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

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

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

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

133 amount of funds allocated to that county from the State Aid Road
134 Fund for Fiscal Year 1994, first must be expended by the county
135 for replacement or rehabilitation of bridges on the state aid road
136 system that have a sufficiency rating of less than twenty-five
137 (25), according to National Bridge Inspection standards before
138 such monies may be approved for expenditure by the State Aid Road
139 Engineer on other projects that qualify for the use of state aid
140 road funds.

141 Any reference in the general laws of this state or the
142 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
143 construed to refer and apply to subsection (4) of Section
144 27-65-75.

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

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

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

163 (8) On or before August 15, 1992, and each succeeding month
164 thereafter, nine and seventy-three one-thousandths percent
165 (9.073%) of the total sales tax revenue collected during the

166 preceding month under the provisions of this chapter, except that
167 collected under the provisions of Section 27-65-17(2) shall be
168 deposited into the Education Enhancement Fund created pursuant to
169 Section 37-61-33.

170 (9) On or before August 15, 1994, and each succeeding month
171 thereafter through July 15, 1999, from the revenue collected under
172 this chapter during the preceding month, Two Hundred Fifty
173 Thousand Dollars (\$250,000.00) shall be paid into the State Aid
174 Road Fund. On or before August 15, 1999, and each succeeding
175 month thereafter, from the total revenue collected under this
176 chapter during the preceding month, except that collected under
177 the provisions of Section 27-65-17(2), Two Hundred Fifty Thousand
178 Dollars (\$250,000.00) or one hundred eighty-one thousandths
179 percent (0.180%) of such sales tax revenue, whichever is the
180 greater amount, shall be paid into the State Aid Road Fund.

181 (10) On or before August 15, 1994, and each succeeding month
182 thereafter through August 15, 1995, from the revenue collected
183 under this chapter during the preceding month, Two Million Dollars
184 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
185 Valorem Tax Reduction Fund established in Section 27-51-105.

186 (11) Notwithstanding any other provision of this section to
187 the contrary, on or before February 15, 1995, and each succeeding
188 month thereafter, the sales tax revenue collected during the
189 preceding month under the provisions of Section 27-65-17(2) and
190 the corresponding levy in Section 27-65-23 on the rental or lease
191 of private carriers of passengers and light carriers of property
192 as defined in Section 27-51-101 shall be deposited, without
193 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
194 established in Section 27-51-105.

195 (12) Notwithstanding any other provision of this section to
196 the contrary, on or before August 15, 1995, and each succeeding
197 month thereafter, the sales tax revenue collected during the
198 preceding month under the provisions of Section 27-65-17(1) on

199 retail sales of private carriers of passengers and light carriers
200 of property, as defined in Section 27-51-101 and the corresponding
201 levy in Section 27-65-23 on the rental or lease of these vehicles,
202 shall be deposited, after diversion, into the Motor Vehicle Ad
203 Valorem Tax Reduction Fund established in Section 27-51-105.

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

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

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

222 (16) It shall be the duty of the municipal officials of any
223 municipality which expands its limits, or of any community which
224 incorporates as a municipality, to notify the commissioner of such
225 action thirty (30) days before the effective date. Failure to so
226 notify the commissioner shall cause such municipality to forfeit
227 the revenue which it would have been entitled to receive during
228 this period of time when the commissioner had no knowledge of the
229 action. If any funds have been erroneously disbursed to any
230 municipality or any overpayment of tax is recovered by the
231 taxpayer, the commissioner may make correction and adjust the

232 error or overpayment with such municipality by withholding the
233 necessary funds from any subsequent payment to be made to the
234 municipality.

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

236 27-65-75. On or before the fifteenth day of each month, the
237 revenue collected under the provisions of this chapter during the
238 preceding month shall be paid and distributed as follows:

239 (1) On or before August 15, 1992, and each succeeding month
240 thereafter through July 15, 1993, eighteen percent (18%) of the
241 total sales tax revenue collected during the preceding month under
242 the provisions of this chapter, except that collected under the
243 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
244 business activities within a municipal corporation shall be
245 allocated for distribution to such municipality and paid to such
246 municipal corporation. On or before August 15, 1993, and each
247 succeeding month thereafter, eighteen and one-half percent
248 (18-1/2%) of the total sales tax revenue collected during the
249 preceding month under the provisions of this chapter, except that
250 collected under the provisions of Sections 27-65-15, 27-65-19(3)
251 and 27-65-21, on business activities within a municipal
252 corporation shall be allocated for distribution to such
253 municipality and paid to such municipal corporation.

254 A municipal corporation, for the purpose of distributing the
255 tax under this subsection, shall mean and include all incorporated
256 cities, towns and villages.

257 Monies allocated for distribution and credited to a municipal
258 corporation under this subsection may be pledged as security for
259 any loan received by the municipal corporation for the purpose of
260 capital improvements as authorized under Section 57-1-303, or
261 loans as authorized under Section 57-44-7, or water systems
262 improvements as authorized under Section 41-3-16.

263 In any county having a county seat which is not an
264 incorporated municipality, the distribution provided hereunder

265 shall be made as though the county seat was an incorporated
266 municipality; however, the distribution to such municipality shall
267 be paid to the county treasury wherein the municipality is located
268 and such funds shall be used for road, bridge and street
269 construction or maintenance therein.

270 (2) On or before September 15, 1987, and each succeeding
271 month thereafter, from the revenue collected under this chapter
272 during the preceding month One Million One Hundred Twenty-five
273 Thousand Dollars (\$1,125,000.00) shall be allocated for
274 distribution to municipal corporations as defined under subsection
275 (1) of this section in the proportion that the number of gallons
276 of gasoline and diesel fuel sold by distributors to consumers and
277 retailers in each such municipality during the preceding fiscal
278 year bears to the total gallons of gasoline and diesel fuel sold
279 by distributors to consumers and retailers in municipalities
280 statewide during the preceding fiscal year. The State Tax
281 Commission shall require all distributors of gasoline and diesel
282 fuel to report to the commission monthly the total number of
283 gallons of gasoline and diesel fuel sold by them to consumers and
284 retailers in each municipality during the preceding month. The
285 State Tax Commission shall have the authority to promulgate such
286 rules and regulations as is necessary to determine the number of
287 gallons of gasoline and diesel fuel sold by distributors to
288 consumers and retailers in each municipality. In determining the
289 percentage allocation of funds under this subsection for the
290 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
291 State Tax Commission may consider gallons of gasoline and diesel
292 fuel sold for a period of less than one (1) fiscal year. For the
293 purposes of this subsection, the term "fiscal year" means the
294 fiscal year beginning July 1 of a year.

295 (3) On or before September 15, 1987, and on or before the
296 fifteenth day of each succeeding month, until the date specified
297 in Section 65-39-35, the proceeds derived from contractors' taxes

298 levied under Section 27-65-21 on contracts for the construction or
299 reconstruction of highways designated under the Four-Lane Highway
300 Program created under Section 65-3-97 shall be deposited into the
301 State Treasury to the credit of the State Highway Fund to be used
302 to fund such Four-Lane Highway Program. The Mississippi
303 Department of Transportation shall provide to the State Tax
304 Commission such information as is necessary to determine the
305 amount of proceeds to be distributed under this subsection.

306 (4) On or before August 15, 1994, and on or before the
307 fifteenth day of each succeeding month through July 15, 1999, from
308 the proceeds of gasoline, diesel fuel or kerosene taxes as
309 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
310 (\$4,000,000.00) shall be deposited in the State Treasury to the
311 credit of a special fund designated as the "State Aid Road Fund,"
312 created by Section 65-9-17. On or before August 15, 1999, and on
313 or before the fifteenth day of each succeeding month, from the
314 total amount of the proceeds of gasoline, diesel fuel or kerosene
315 taxes apportioned by Section 27-5-101(a)(ii), Four Million Dollars
316 (\$4,000,000.00) or an amount equal to twenty-three and nineteen
317 one-hundredths percent (23.19%) of such funds, whichever is the
318 greater amount, shall be deposited in the State Treasury to the
319 credit of the "State Aid Road Fund," created by Section 65-9-17.
320 Such funds shall be pledged to pay the principal of and interest
321 on state aid road bonds heretofore issued under Sections 19-9-51
322 through 19-9-77, in lieu of and in substitution for the funds
323 heretofore allocated to counties under this section. Such funds
324 may not be pledged for the payment of any state aid road bonds
325 issued after April 1, 1981; however, this prohibition against the
326 pledging of any such funds for the payment of bonds shall not
327 apply to any bonds for which intent to issue such bonds has been
328 published, for the first time, as provided by law prior to March
329 29, 1981. From the amount of taxes paid into the special fund
330 pursuant to this subsection and subsection (9) of this section,

331 there shall be first deducted and paid the amount necessary to pay
332 the expenses of the Office of State Aid Road Construction, as
333 authorized by the Legislature for all other general and special
334 fund agencies. The remainder of the fund shall be allocated
335 monthly to the several counties in accordance with the following
336 formula:

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

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

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

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

350 The amount of funds allocated to any county under this
351 subsection for any fiscal year after Fiscal Year 1994 shall not be
352 less than the amount allocated to such county for Fiscal Year
353 1994. Monies allocated to a county from the State Aid Road Fund
354 for Fiscal Year 1995 or any fiscal year thereafter that exceed the
355 amount of funds allocated to that county from the State Aid Road
356 Fund for Fiscal Year 1994, first must be expended by the county
357 for replacement or rehabilitation of bridges on the state aid road
358 system that have a sufficiency rating of less than twenty-five
359 (25), according to National Bridge Inspection standards before
360 such monies may be approved for expenditure by the State Aid Road
361 Engineer on other projects that qualify for the use of state aid
362 road funds.

363 Any reference in the general laws of this state or the

364 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
365 construed to refer and apply to subsection (4) of Section
366 27-65-75.

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

373 (6) An amount each month beginning August 15, 1983, through
374 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
375 of 1983, shall be paid into the special fund known as the
376 Correctional Facilities Construction Fund created in Section 6 of
377 Chapter 542, Laws of 1983.

378 (7) On or before August 15, 1992, and each succeeding month
379 thereafter, two and two hundred sixty-six one-thousandths percent
380 (2.266%) of the total sales tax revenue collected during the
381 preceding month under the provisions of this chapter, except that
382 collected under the provisions of Section 27-65-17(2), not to
383 exceed the Fiscal Year 1997 appropriated level shall be deposited
384 by the commission into the School Ad Valorem Tax Reduction Fund
385 created pursuant to Section 37-61-35, with the balance to be
386 transferred to the Education Enhancement Fund created under
387 Section 37-61-33 for appropriation by the Legislature as other
388 education needs and not subject to the percentage set asides set
389 forth in Section 37-61-33.

390 (8) On or before August 15, 1992, and each succeeding month
391 thereafter, nine and seventy-three one-thousandths percent
392 (9.073%) of the total sales tax revenue collected during the
393 preceding month under the provisions of this chapter, except that
394 collected under the provisions of Section 27-65-17(2) shall be
395 deposited into the Education Enhancement Fund created pursuant to
396 Section 37-61-33.

397 (9) On or before August 15, 1994, and each succeeding month
398 thereafter through July 15, 1999, from the revenue collected under
399 this chapter during the preceding month, Two Hundred Fifty
400 Thousand Dollars (\$250,000.00) shall be paid into the State Aid
401 Road Fund. On or before August 15, 1999, and each succeeding
402 month thereafter, from the total revenue collected under this
403 chapter during the preceding month, except that collected under
404 the provisions of Section 27-65-17(2), Two Hundred Fifty Thousand
405 Dollars (\$250,000.00) or one hundred eighty-one thousandths
406 percent (0.180%) of such sales tax revenue, whichever is the
407 greater amount, shall be paid into the State Aid Road Fund.

408 (10) On or before August 15, 1994, and each succeeding month
409 thereafter through August 15, 1995, from the revenue collected
410 under this chapter during the preceding month, Two Million Dollars
411 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
412 Valorem Tax Reduction Fund established in Section 27-51-105.

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

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

427 (13) On or before July 15, 1994, and on or before the
428 fifteenth day of each succeeding month thereafter, that portion of
429 the avails of the tax imposed in Section 27-65-22, which is

430 derived from activities held on the Mississippi state fairgrounds
431 complex, shall be paid into a special fund hereby created in the
432 State Treasury and shall be expended pursuant to legislative
433 appropriations solely to defray the costs of repairs and
434 renovation at such Trade Mart and Coliseum.

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

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

445 (16) It shall be the duty of the municipal officials of any
446 municipality which expands its limits, or of any community which
447 incorporates as a municipality, to notify the commissioner of such
448 action thirty (30) days before the effective date. Failure to so
449 notify the commissioner shall cause such municipality to forfeit
450 the revenue which it would have been entitled to receive during
451 this period of time when the commissioner had no knowledge of the
452 action. If any funds have been erroneously disbursed to any
453 municipality or any overpayment of tax is recovered by the
454 taxpayer, the commissioner may make correction and adjust the
455 error or overpayment with such municipality by withholding the
456 necessary funds from any subsequent payment to be made to the
457 municipality.

458 SECTION 2. This act shall take effect and be in force from
459 and after its passage.