

By: Young

To: Ways and Means

## HOUSE BILL NO. 12

1 AN ACT TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972,  
2 TO INCREASE FROM 18.5% TO 20.5% THE DIVERSION OF STATE SALES TAX  
3 REVENUE ALLOCATED FOR DISTRIBUTION TO ALL MUNICIPALITIES; AND FOR  
4 RELATED PURPOSES.

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

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

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

9 27-65-75. On or before the fifteenth day of each month, the  
10 revenue collected under the provisions of this chapter during the  
11 preceding month shall be paid and distributed as follows:

12 (1) On or before August 15, 1992, and each succeeding month  
13 thereafter through July 15, 1993, eighteen percent (18%) of the  
14 total sales tax revenue collected during the preceding month under  
15 the provisions of this chapter, except that collected under the  
16 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
17 business activities within a municipal corporation shall be  
18 allocated for distribution to such municipality and paid to such  
19 municipal corporation. On or before August 15, 1993, and each  
20 succeeding month thereafter through July 15, 2000, eighteen and  
21 one-half percent (18-1/2%) of the total sales tax revenue  
22 collected during the preceding month under the provisions of this  
23 chapter, except that collected under the provisions of Sections  
24 27-65-15, 27-65-19(3) and 27-65-21, on business activities within  
25 a municipal corporation shall be allocated for distribution to  
26 such municipality and paid to such municipal corporation. On or  
27 before August 15, 2000, and each succeeding month thereafter,

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

38 A municipal corporation, for the purpose of distributing the  
39 tax under this subsection, shall mean and include all incorporated  
40 cities, towns and villages.

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

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

54 (2) On or before September 15, 1987, and each succeeding  
55 month thereafter, from the revenue collected under this chapter  
56 during the preceding month One Million One Hundred Twenty-five  
57 Thousand Dollars (\$1,125,000.00) shall be allocated for  
58 distribution to municipal corporations as defined under subsection  
59 (1) of this section in the proportion that the number of gallons  
60 of gasoline and diesel fuel sold by distributors to consumers and  
61 retailers in each such municipality during the preceding fiscal  
62 year bears to the total gallons of gasoline and diesel fuel sold  
63 by distributors to consumers and retailers in municipalities  
64 statewide during the preceding fiscal year. The State Tax

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

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

91 (4) On or before August 15, 1994, and on or before the  
92 fifteenth day of each succeeding month through July 15, 1999, from  
93 the proceeds of gasoline, diesel fuel or kerosene taxes as  
94 provided in Section 27-5-101(a)(ii)1, Four Million Dollars  
95 (\$4,000,000.00) shall be deposited in the State Treasury to the  
96 credit of a special fund designated as the "State Aid Road Fund,"  
97 created by Section 65-9-17. On or before August 15, 1999, and on

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

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

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

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

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

134 The amount of funds allocated to any county under this  
135 subsection for any fiscal year after fiscal year 1994 shall not be  
136 less than the amount allocated to such county for fiscal year  
137 1994. Monies allocated to a county from the State Aid Road Fund  
138 for fiscal year 1995 or any fiscal year thereafter that exceed the  
139 amount of funds allocated to that county from the State Aid Road  
140 Fund for fiscal year 1994, first must be expended by the county  
141 for replacement or rehabilitation of bridges on the state aid road  
142 system that have a sufficiency rating of less than twenty-five  
143 (25), according to National Bridge Inspection standards before  
144 such monies may be approved for expenditure by the State Aid Road  
145 Engineer on other projects that qualify for the use of state aid  
146 road funds.

147 Any reference in the general laws of this state or the  
148 Mississippi Code of 1972 to Section 27-5-105 shall mean and be  
149 construed to refer and apply to subsection (4) of Section  
150 27-65-75.

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

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

162 (7) On or before August 15, 1992, and each succeeding month  
163 thereafter, two and two hundred sixty-six one-thousandths percent

164 (2.266%) of the total sales tax revenue collected during the  
165 preceding month under the provisions of this chapter, except that  
166 collected under the provisions of Section 27-65-17(2) shall be  
167 deposited by the commission into the School Ad Valorem Tax  
168 Reduction Fund created pursuant to Section 37-61-35.

169 (8) On or before August 15, 1992, and each succeeding month  
170 thereafter, nine and seventy-three one-thousandths percent  
171 (9.073%) of the total sales tax revenue collected during the  
172 preceding month under the provisions of this chapter, except that  
173 collected under the provisions of Section 27-65-17(2) shall be  
174 deposited into the Education Enhancement Fund created pursuant to  
175 Section 37-61-33.

176 (9) On or before August 15, 1994, and each succeeding month  
177 thereafter, from the revenue collected under this chapter during  
178 the preceding month, Two Hundred Fifty Thousand Dollars  
179 (\$250,000.00) shall be paid into the State Aid Road Fund.

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

185 (11) Notwithstanding any other provision of this section to  
186 the contrary, on or before February 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(2) and  
189 the corresponding levy in Section 27-65-23 on the rental or lease  
190 of private carriers of passengers and light carriers of property  
191 as defined in Section 27-51-101 shall be deposited, without  
192 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund  
193 established in Section 27-51-105.

194 (12) Notwithstanding any other provision of this section to  
195 the contrary, on or before August 15, 1995, and each succeeding  
196 month thereafter, the sales tax revenue collected during the

197 preceding month under the provisions of Section 27-65-17(1) on  
198 retail sales of private carriers of passengers and light carriers  
199 of property, as defined in Section 27-51-101 and the corresponding  
200 levy in Section 27-65-23 on the rental or lease of these vehicles,  
201 shall be deposited, after diversion, into the Motor Vehicle Ad  
202 Valorem Tax Reduction Fund established in Section 27-51-105.

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

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

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

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

230 taxpayer, the commissioner may make correction and adjust the  
231 error or overpayment with such municipality by withholding the  
232 necessary funds from any subsequent payment to be made to the  
233 municipality.

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

235 27-65-75. On or before the fifteenth day of each month, the  
236 revenue collected under the provisions of this chapter during the  
237 preceding month shall be paid and distributed as follows:

238 (1) On or before August 15, 1992, and each succeeding month  
239 thereafter through July 15, 1993, eighteen percent (18%) of the  
240 total sales tax revenue collected during the preceding month under  
241 the provisions of this chapter, except that collected under the  
242 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
243 business activities within a municipal corporation shall be  
244 allocated for distribution to such municipality and paid to such  
245 municipal corporation. On or before August 15, 1993, and each  
246 succeeding month thereafter through July 15, 2000, eighteen and  
247 one-half percent (18-1/2%) of the total sales tax revenue  
248 collected during the preceding month under the provisions of this  
249 chapter, except that collected under the provisions of Sections  
250 27-65-15, 27-65-19(3) and 27-65-21, on business activities within  
251 a municipal corporation shall be allocated for distribution to  
252 such municipality and paid to such municipal corporation. On or  
253 before August 15, 2000, and each succeeding month thereafter,  
254 twenty and one-half percent (20½%) of the total sales tax revenue  
255 collected during the preceding month under the provisions of this  
256 chapter, except that collected under the provisions of Sections  
257 27-65-15, 27-65-17(2), 27-65-19(3), and 27-65-21, on business  
258 activities within a municipal corporation shall be allocated for  
259 distribution to such municipality and paid to such municipal  
260 corporation.

261 A municipal corporation, for the purpose of distributing the  
262 tax under this subsection, shall mean and include all incorporated



263 cities, towns and villages.

264 Monies allocated for distribution and credited to a municipal  
265 corporation under this subsection may be pledged as security for  
266 any loan received by the municipal corporation for the purpose of  
267 capital improvements as authorized under Section 57-1-303, or  
268 loans as authorized under Section 57-44-7, or water systems  
269 improvements as authorized under Section 41-3-16.

270 In any county having a county seat which is not an  
271 incorporated municipality, the distribution provided hereunder  
272 shall be made as though the county seat was an incorporated  
273 municipality; however, the distribution to such municipality shall  
274 be paid to the county treasury wherein the municipality is located  
275 and such funds shall be used for road, bridge and street  
276 construction or maintenance therein.

277 (2) On or before September 15, 1987, and each succeeding  
278 month thereafter, from the revenue collected under this chapter  
279 during the preceding month One Million One Hundred Twenty-five  
280 Thousand Dollars (\$1,125,000.00) shall be allocated for  
281 distribution to municipal corporations as defined under subsection  
282 (1) of this section in the proportion that the number of gallons  
283 of gasoline and diesel fuel sold by distributors to consumers and  
284 retailers in each such municipality during the preceding fiscal  
285 year bears to the total gallons of gasoline and diesel fuel sold  
286 by distributors to consumers and retailers in municipalities  
287 statewide during the preceding fiscal year. The State Tax  
288 Commission shall require all distributors of gasoline and diesel  
289 fuel to report to the commission monthly the total number of  
290 gallons of gasoline and diesel fuel sold by them to consumers and  
291 retailers in each municipality during the preceding month. The  
292 State Tax Commission shall have the authority to promulgate such  
293 rules and regulations as is necessary to determine the number of  
294 gallons of gasoline and diesel fuel sold by distributors to  
295 consumers and retailers in each municipality. In determining the

296 percentage allocation of funds under this subsection for the  
297 fiscal year beginning July 1, 1987, and ending June 30, 1988, the  
298 State Tax Commission may consider gallons of gasoline and diesel  
299 fuel sold for a period of less than one (1) fiscal year. For the  
300 purposes of this subsection, the term "fiscal year" means the  
301 fiscal year beginning July 1 of a year.

302 (3) On or before September 15, 1987, and on or before the  
303 fifteenth day of each succeeding month, until the date specified  
304 in Section 65-39-35, the proceeds derived from contractors' taxes  
305 levied under Section 27-65-21 on contracts for the construction or  
306 reconstruction of highways designated under the Four-Lane Highway  
307 Program created under Section 65-3-97 shall, except as otherwise  
308 provided in Section 31-17-127, be deposited into the State  
309 Treasury to the credit of the State Highway Fund to be used to  
310 fund such Four-Lane Highway Program. The Mississippi Department  
311 of Transportation shall provide to the State Tax Commission such  
312 information as is necessary to determine the amount of proceeds to  
313 be distributed under this subsection.

314 (4) On or before August 15, 1994, and on or before the  
315 fifteenth day of each succeeding month through July 15, 1999, from  
316 the proceeds of gasoline, diesel fuel or kerosene taxes as  
317 provided in Section 27-5-101(a)(ii)1, Four Million Dollars  
318 (\$4,000,000.00) shall be deposited in the State Treasury to the  
319 credit of a special fund designated as the "State Aid Road Fund,"  
320 created by Section 65-9-17. On or before August 15, 1999, and on  
321 or before the fifteenth day of each succeeding month, from the  
322 total amount of the proceeds of gasoline, diesel fuel or kerosene  
323 taxes apportioned by Section 27-5-101(a)(ii), Four Million Dollars  
324 (\$4,000,000.00) or an amount equal to twenty-three and one-fourth  
325 percent (23.25%) of such funds, whichever is the greater amount,  
326 shall be deposited in the State Treasury to the credit of the  
327 "State Aid Road Fund," created by Section 65-9-17. Such funds  
328 shall be pledged to pay the principal of and interest on state aid

329 road bonds heretofore issued under Sections 19-9-51 through  
330 19-9-77, in lieu of and in substitution for the funds heretofore  
331 allocated to counties under this section. Such funds may not be  
332 pledged for the payment of any state aid road bonds issued after  
333 April 1, 1981; however, this prohibition against the pledging of  
334 any such funds for the payment of bonds shall not apply to any  
335 bonds for which intent to issue such bonds has been published, for  
336 the first time, as provided by law prior to March 29, 1981. From  
337 the amount of taxes paid into the special fund pursuant to this  
338 subsection and subsection (9) of this section, there shall be  
339 first deducted and paid the amount necessary to pay the expenses  
340 of the Office of State Aid Road Construction, as authorized by the  
341 Legislature for all other general and special fund agencies. The  
342 remainder of the fund shall be allocated monthly to the several  
343 counties in accordance with the following formula:

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

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

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

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

357 The amount of funds allocated to any county under this  
358 subsection for any fiscal year after fiscal year 1994 shall not be  
359 less than the amount allocated to such county for fiscal year  
360 1994. Monies allocated to a county from the State Aid Road Fund  
361 for fiscal year 1995 or any fiscal year thereafter that exceed the

362 amount of funds allocated to that county from the State Aid Road  
363 Fund for fiscal year 1994, first must be expended by the county  
364 for replacement or rehabilitation of bridges on the state aid road  
365 system that have a sufficiency rating of less than twenty-five  
366 (25), according to National Bridge Inspection standards before  
367 such monies may be approved for expenditure by the State Aid Road  
368 Engineer on other projects that qualify for the use of state aid  
369 road funds.

370 Any reference in the general laws of this state or the  
371 Mississippi Code of 1972 to Section 27-5-105 shall mean and be  
372 construed to refer and apply to subsection (4) of Section  
373 27-65-75.

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

380 (6) An amount each month beginning August 15, 1983, through  
381 November 15, 1986, as specified in Section 6 of Chapter 542, Laws  
382 of 1983, shall be paid into the special fund known as the  
383 Correctional Facilities Construction Fund created in Section 6 of  
384 Chapter 542, Laws of 1983.

385 (7) On or before August 15, 1992, and each succeeding month  
386 thereafter, two and two hundred sixty-six one-thousandths percent  
387 (2.266%) of the total sales tax revenue collected during the  
388 preceding month under the provisions of this chapter, except that  
389 collected under the provisions of Section 27-65-17(2), not to  
390 exceed the fiscal year 1997 appropriated level shall be deposited  
391 by the commission into the School Ad Valorem Tax Reduction Fund  
392 created pursuant to Section 37-61-35, with the balance to be  
393 transferred to the Education Enhancement Fund created under  
394 Section 37-61-33 for appropriation by the Legislature as other

395 education needs and not subject to the percentage set asides set  
396 forth in Section 37-61-33.

397 (8) On or before August 15, 1992, and each succeeding month  
398 thereafter, nine and seventy-three one-thousandths percent  
399 (9.073%) of the total sales tax revenue collected during the  
400 preceding month under the provisions of this chapter, except that  
401 collected under the provisions of Section 27-65-17(2) shall be  
402 deposited into the Education Enhancement Fund created pursuant to  
403 Section 37-61-33.

404 (9) On or before August 15, 1994, and each succeeding month  
405 thereafter, from the revenue collected under this chapter during  
406 the preceding month, Two Hundred Fifty Thousand Dollars  
407 (\$250,000.00) 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 July 1, 2000.