

By: Chaney, Gordon, Burton, King, Harvey

To: Finance

SENATE BILL NO. 2423

1 AN ACT TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972,
2 TO REVISE THE AMOUNT OF SALES TAX REVENUE DIVERTED TO THE SCHOOL
3 AD VALOREM TAX REDUCTION FUND TO PROVIDE THAT THE AMOUNT DIVERTED
4 TO SUCH FUND SHALL NOT EXCEED THE FISCAL YEAR 2000 APPROPRIATED
5 LEVEL; TO PROVIDE THAT AMOUNTS IN EXCESS OF THE FISCAL YEAR 2000
6 APPROPRIATED LEVEL THAT WOULD HAVE OTHERWISE BEEN DIVERTED TO THE
7 SCHOOL AD VALOREM TAX REDUCTION FUND SHALL BE DEPOSITED INTO THE
8 EDUCATION ENHANCEMENT FUND FOR APPROPRIATION BY THE LEGISLATURE AS
9 OTHER EDUCATION NEEDS; 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:[WAN1]

13 * * *

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, except as otherwise
79 provided in Section 31-17-127, be deposited into the State
80 Treasury to the credit of the State Highway Fund to be used to
81 fund such Four-Lane Highway Program. The Mississippi Department
82 of Transportation shall provide to the State Tax Commission such
83 information as is necessary to determine the amount of proceeds to
84 be distributed under this subsection.

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

100 road bonds heretofore issued under Sections 19-9-51 through
101 19-9-77, in lieu of and in substitution for the funds heretofore
102 allocated to counties under this section. Such funds may not be
103 pledged for the payment of any state aid road bonds issued after
104 April 1, 1981; however, this prohibition against the pledging of
105 any such funds for the payment of bonds shall not apply to any
106 bonds for which intent to issue such bonds has been published, for
107 the first time, as provided by law prior to March 29, 1981. From
108 the amount of taxes paid into the special fund pursuant to this
109 subsection and subsection (9) of this section, there shall be
110 first deducted and paid the amount necessary to pay the expenses
111 of the Office of State Aid Road Construction, as authorized by the
112 Legislature for all other general and special fund agencies. The
113 remainder of the fund shall be allocated monthly to the several
114 counties in accordance with the following 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 through July 15, 2000, two and two hundred sixty-six
158 one-thousandths percent (2.266%) of the total sales tax revenue
159 collected during the preceding month under the provisions of this
160 chapter, except that collected under the provisions of Section
161 27-65-17(2) shall be deposited by the commission into the School
162 Ad Valorem Tax Reduction Fund created pursuant to Section
163 37-61-35. On or before August 15, 2000, and each succeeding month
164 thereafter, two and two hundred sixty-six one-thousandths percent
165 (2.266%) 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 as follows:

169 (a) An amount not to exceed the fiscal year 2000
170 appropriated level shall be deposited into the School Ad Valorem
171 Tax Reduction Fund created pursuant to Section 37-61-35, and

172 (b) The remainder shall be deposited into the Education
173 Enhancement Fund created under Section 37-61-33 for appropriation
174 by the Legislature as other education needs and shall not be
175 subject to the percentage appropriation requirements set forth in
176 Section 37-61-33.

177 (8) On or before August 15, 1992, and each succeeding month
178 thereafter, nine and seventy-three one-thousandths percent
179 (9.073%) of the total sales tax revenue collected during the
180 preceding month under the provisions of this chapter, except that
181 collected under the provisions of Section 27-65-17(2) shall be
182 deposited into the Education Enhancement Fund created pursuant to
183 Section 37-61-33.

184 (9) On or before August 15, 1994, and each succeeding month
185 thereafter, from the revenue collected under this chapter during
186 the preceding month, Two Hundred Fifty Thousand Dollars
187 (\$250,000.00) shall be paid into the State Aid Road Fund.

188 (10) On or before August 15, 1994, and each succeeding month
189 thereafter through August 15, 1995, from the revenue collected
190 under this chapter during the preceding month, Two Million Dollars
191 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
192 Valorem Tax Reduction Fund established in Section 27-51-105.

193 (11) Notwithstanding any other provision of this section to
194 the contrary, on or before February 15, 1995, and each succeeding
195 month thereafter, the sales tax revenue collected during the
196 preceding month under the provisions of Section 27-65-17(2) and
197 the corresponding levy in Section 27-65-23 on the rental or lease
198 of private carriers of passengers and light carriers of property

199 as defined in Section 27-51-101 shall be deposited, without
200 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
201 established in Section 27-51-105.

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

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

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

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

229 (16) It shall be the duty of the municipal officials of any
230 municipality which expands its limits, or of any community which
231 incorporates as a municipality, to notify the commissioner of such

232 action thirty (30) days before the effective date. Failure to so
233 notify the commissioner shall cause such municipality to forfeit
234 the revenue which it would have been entitled to receive during
235 this period of time when the commissioner had no knowledge of the
236 action. If any funds have been erroneously disbursed to any
237 municipality or any overpayment of tax is recovered by the
238 taxpayer, the commissioner may make correction and adjust the
239 error or overpayment with such municipality by withholding the
240 necessary funds from any subsequent payment to be made to the
241 municipality.

242 * * *

243 SECTION 2. This act shall take effect and be in force from
244 and after July 1, 2000.