

By: Johnson (19th), White (29th), Jordan

To: Finance

SENATE BILL NO. 2888

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:[LR1]

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
13 month thereafter through July 15, 1993, eighteen percent (18%) of
14 the total sales tax revenue collected during the preceding month
15 under the provisions of this chapter, except that collected under
16 the 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
55 succeeding month thereafter, from the revenue collected under this
56 chapter during the preceding month One Million One Hundred
57 Twenty-five Thousand Dollars (\$1,125,000.00) shall be allocated
58 for distribution to municipal corporations as defined under
59 subsection (1) of this section in the proportion that the number
60 of gallons of gasoline and diesel fuel sold by distributors to
61 consumers and retailers in each such municipality during the
62 preceding fiscal year bears to the total gallons of gasoline and
63 diesel fuel sold by distributors to consumers and retailers in
64 municipalities statewide during the preceding fiscal year. The

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

79 (3) On or before September 15, 1987, and on or before
80 the fifteenth day of each succeeding month, until the date
81 specified in Section 65-39-35, the proceeds derived from
82 contractors' taxes levied under Section 27-65-21 on contracts for
83 the construction or reconstruction of highways designated under
84 the Four-Lane Highway Program created under Section 65-3-97 shall,
85 except as otherwise provided in Section 31-17-127, be deposited
86 into the State Treasury to the credit of the State Highway Fund to
87 be used to fund such Four-Lane Highway Program. The Mississippi
88 Department of Transportation shall provide to the State Tax
89 Commission such information as is necessary to determine the
90 amount of proceeds to 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
122 counties 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
152 Hundred Sixty-six Dollars (\$1,666,666.00) each month shall be paid
153 into the special fund known as the "State Public School Building
154 Fund" created and existing under the provisions of Sections
155 37-47-1 through 37-47-67. Such payments into said fund are to be
156 made on the last day of each succeeding month hereafter.

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

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

164 percent (2.266%) of the total sales tax revenue collected during
165 the preceding month under the provisions of this chapter, except
166 that collected under the provisions of Section 27-65-17(2) shall
167 be 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
170 month 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
177 month thereafter, from the revenue collected under this chapter
178 during 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
181 month thereafter through August 15, 1995, from the revenue
182 collected under this chapter during the preceding month, Two
183 Million Dollars (\$2,000,000.00) shall be deposited into the Motor
184 Vehicle Ad Valorem Tax Reduction Fund established in Section
185 27-51-105.

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

195 (12) Notwithstanding any other provision of this
196 section to the contrary, on or before August 15, 1995, and each

197 succeeding month thereafter, the sales tax revenue collected
198 during the preceding month under the provisions of Section
199 27-65-17(1) on retail sales of private carriers of passengers and
200 light carriers of property, as defined in Section 27-51-101 and
201 the corresponding levy in Section 27-65-23 on the rental or lease
202 of these vehicles, shall be deposited, after diversion, into the
203 Motor Vehicle Ad Valorem Tax Reduction Fund established in Section
204 27-51-105.

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

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

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

223 (16) It shall be the duty of the municipal officials of
224 any municipality which expands its limits, or of any community
225 which incorporates as a municipality, to notify the commissioner
226 of such action thirty (30) days before the effective date.
227 Failure to so notify the commissioner shall cause such
228 municipality to forfeit the revenue which it would have been
229 entitled to receive during this period of time when the

230 commissioner had no knowledge of the action. If any funds have
231 been erroneously disbursed to any municipality or any overpayment
232 of tax is recovered by the taxpayer, the commissioner may make
233 correction and adjust the error or overpayment with such
234 municipality by withholding the necessary funds from any
235 subsequent payment to be made to the municipality.

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

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

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

263 A municipal corporation, for the purpose of distributing the
264 tax under this subsection, shall mean and include all incorporated
265 cities, towns and villages.

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

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

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

296 the number of gallons of gasoline and diesel fuel sold by
297 distributors to consumers and retailers in each municipality. In
298 determining the percentage allocation of funds under this
299 subsection for the fiscal year beginning July 1, 1987, and ending
300 June 30, 1988, the State Tax Commission may consider gallons of
301 gasoline and diesel fuel sold for a period of less than one (1)
302 fiscal year. For the purposes of this subsection, the term
303 "fiscal year" means the fiscal year beginning July 1 of a year.

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

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

329 "State Aid Road Fund," created by Section 65-9-17. Such funds
330 shall be pledged to pay the principal of and interest on state aid
331 road bonds heretofore issued under Sections 19-9-51 through
332 19-9-77, in lieu of and in substitution for the funds heretofore
333 allocated to counties under this section. Such funds may not be
334 pledged for the payment of any state aid road bonds issued after
335 April 1, 1981; however, this prohibition against the pledging of
336 any such funds for the payment of bonds shall not apply to any
337 bonds for which intent to issue such bonds has been published, for
338 the first time, as provided by law prior to March 29, 1981. From
339 the amount of taxes paid into the special fund pursuant to this
340 subsection and subsection (9) of this section, there shall be
341 first deducted and paid the amount necessary to pay the expenses
342 of the Office of State Aid Road Construction, as authorized by the
343 Legislature for all other general and special fund agencies. The
344 remainder of the fund shall be allocated monthly to the several
345 counties in accordance with the following formula:

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

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

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

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

359 The amount of funds allocated to any county under this
360 subsection for any fiscal year after fiscal year 1994 shall not be
361 less than the amount allocated to such county for fiscal year

362 1994. Monies allocated to a county from the State Aid Road Fund
363 for fiscal year 1995 or any fiscal year thereafter that exceed the
364 amount of funds allocated to that county from the State Aid Road
365 Fund for fiscal year 1994, first must be expended by the county
366 for replacement or rehabilitation of bridges on the state aid road
367 system that have a sufficiency rating of less than twenty-five
368 (25), according to National Bridge Inspection standards before
369 such monies may be approved for expenditure by the State Aid Road
370 Engineer on other projects that qualify for the use of state aid
371 road funds.

372 Any reference in the general laws of this state or the
373 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
374 construed to refer and apply to subsection (4) of Section
375 27-65-75.

376 (5) One Million Six Hundred Sixty-six Thousand Six
377 Hundred Sixty-six Dollars (\$1,666,666.00) each month shall be paid
378 into the special fund known as the "State Public School Building
379 Fund" created and existing under the provisions of Sections
380 37-47-1 through 37-47-67. Such payments into said fund are to be
381 made on the last day of each succeeding month hereafter.

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

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

395 transferred to the Education Enhancement Fund created under
396 Section 37-61-33 for appropriation by the Legislature as other
397 education needs and not subject to the percentage set asides set
398 forth in Section 37-61-33.

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

406 (9) On or before August 15, 1994, and each succeeding
407 month thereafter, from the revenue collected under this chapter
408 during the preceding month, Two Hundred Fifty Thousand Dollars
409 (\$250,000.00) shall be paid into the State Aid Road Fund.

410 (10) On or before August 15, 1994, and each succeeding
411 month thereafter through August 15, 1995, from the revenue
412 collected under this chapter during the preceding month, Two
413 Million Dollars (\$2,000,000.00) shall be deposited into the Motor
414 Vehicle Ad Valorem Tax Reduction Fund established in Section
415 27-51-105.

416 (11) Notwithstanding any other provision of this
417 section to the contrary, on or before February 15, 1995, and each
418 succeeding month thereafter, the sales tax revenue collected
419 during the preceding month under the provisions of Section
420 27-65-17(2) shall be deposited, without diversion, into the Motor
421 Vehicle Ad Valorem Tax Reduction Fund established in Section
422 27-51-105.

423 (12) Notwithstanding any other provision of this
424 section to the contrary, on or before August 15, 1995, and each
425 succeeding month thereafter, the sales tax revenue collected
426 during the preceding month under the provisions of Section
427 27-65-17(1) on retail sales of private carriers of passengers and

428 light carriers of property, as defined in Section 27-51-101, shall
429 be deposited, after diversion, into the Motor Vehicle Ad Valorem
430 Tax Reduction Fund established in Section 27-51-105.

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

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

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

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

461 subsequent payment to be made to the municipality.

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