

*****Adopted*****

AMENDMENT No. 1 PROPOSED TO

Senate Bill NO. 2423

By Representative(s) Committee

16 **Amend by striking all after the enacting clause and inserting**
17 **in lieu thereof the following:**

18

19 SECTION 1. Section 27-65-75, Mississippi Code of 1972, as
20 amended by Senate Bill No. 2512, 2000 Regular Session, is amended
21 as follows:

22 27-65-75. On or before the fifteenth day of each month, the
23 revenue collected under the provisions of this chapter during the
24 preceding month shall be paid and distributed as follows:

25 (1) On or before August 15, 1992, and each succeeding month
26 thereafter through July 15, 1993, eighteen percent (18%) of the
27 total sales tax revenue collected during the preceding month under
28 the provisions of this chapter, except that collected under the
29 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
30 business activities within a municipal corporation shall be
31 allocated for distribution to such municipality and paid to such
32 municipal corporation. On or before August 15, 1993, and each
33 succeeding month thereafter, eighteen and one-half percent
34 (18-1/2%) of the total sales tax revenue collected during the
35 preceding month under the provisions of this chapter, except that
36 collected under the provisions of Sections 27-65-15, 27-65-19(3)
37 and 27-65-21, on business activities within a municipal
38 corporation shall be allocated for distribution to such

39 municipality and paid to such municipal corporation.

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

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

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

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

74 consumers and retailers in each municipality. In determining the
75 percentage allocation of funds under this subsection for the
76 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
77 State Tax Commission may consider gallons of gasoline and diesel
78 fuel sold for a period of less than one (1) fiscal year. For the
79 purposes of this subsection, the term "fiscal year" means the
80 fiscal year beginning July 1 of a year.

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

93 (4) On or before August 15, 1994, and on or before the
94 fifteenth day of each succeeding month through July 15, 1999, from
95 the proceeds of gasoline, diesel fuel or kerosene taxes as
96 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
97 (\$4,000,000.00) shall be deposited in the State Treasury to the
98 credit of a special fund designated as the "State Aid Road Fund,"
99 created by Section 65-9-17. On or before August 15, 1999, and on
100 or before the fifteenth day of each succeeding month, from the
101 total amount of the proceeds of gasoline, diesel fuel or kerosene
102 taxes apportioned by Section 27-5-101(a)(ii), Four Million Dollars
103 (\$4,000,000.00) or an amount equal to twenty-three and one-fourth
104 percent (23.25%) of such funds, whichever is the greater amount,
105 shall be deposited in the State Treasury to the credit of the
106 "State Aid Road Fund," created by Section 65-9-17. Such funds
107 shall be pledged to pay the principal of and interest on state aid
108 road bonds heretofore issued under Sections 19-9-51 through

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

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

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

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

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

136 The amount of funds allocated to any county under this
137 subsection for any fiscal year after fiscal year 1994 shall not be
138 less than the amount allocated to such county for fiscal year
139 1994. Monies allocated to a county from the State Aid Road Fund
140 for fiscal year 1995 or any fiscal year thereafter that exceed the
141 amount of funds allocated to that county from the State Aid Road
142 Fund for fiscal year 1994, first must be expended by the county
143 for replacement or rehabilitation of bridges on the state aid road

144 system that have a sufficiency rating of less than twenty-five
145 (25), according to National Bridge Inspection standards before
146 such monies may be approved for expenditure by the State Aid Road
147 Engineer on other projects that qualify for the use of state aid
148 road funds.

149 Any reference in the general laws of this state or the
150 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
151 construed to refer and apply to subsection (4) of Section
152 27-65-75.

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

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

164 (7) On or before August 15, 1992, and each succeeding month
165 thereafter through July 15, 2000, two and two hundred sixty-six
166 one-thousandths percent (2.266%) of the total sales tax revenue
167 collected during the preceding month under the provisions of this
168 chapter, except that collected under the provisions of Section
169 27-65-17(2) shall be deposited by the commission into the School
170 Ad Valorem Tax Reduction Fund created pursuant to Section
171 37-61-35. On or before August 15, 2000, and each succeeding month
172 thereafter, two and two hundred sixty-six one-thousandths percent
173 (2.266%) of the total sales tax revenue collected during the
174 preceding month under the provisions of this chapter, except that
175 collected under the provisions of Section 27-65-17(2), shall be
176 deposited as follows:

177 (a) An amount not to exceed the fiscal year 2000
178 appropriated level shall be deposited into the School Ad Valorem

179 Tax Reduction Fund created pursuant to Section 37-61-35, and

180 (b) The remainder shall be deposited into the Education
181 Enhancement Fund created under Section 37-61-33 for appropriation
182 by the Legislature as other education needs and shall not be
183 subject to the percentage appropriation requirements set forth in
184 Section 37-61-33.

185 (8) On or before August 15, 1992, and each succeeding month
186 thereafter, nine and seventy-three one-thousandths percent
187 (9.073%) of the total sales tax revenue collected during the
188 preceding month under the provisions of this chapter, except that
189 collected under the provisions of Section 27-65-17(2) shall be
190 deposited into the Education Enhancement Fund created pursuant to
191 Section 37-61-33.

192 (9) On or before August 15, 1994, and each succeeding month
193 thereafter, from the revenue collected under this chapter during
194 the preceding month, Two Hundred Fifty Thousand Dollars
195 (\$250,000.00) shall be paid into the State Aid Road Fund.

196 (10) On or before August 15, 1994, and each succeeding month
197 thereafter through August 15, 1995, from the revenue collected
198 under this chapter during the preceding month, Two Million Dollars
199 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
200 Valorem Tax Reduction Fund established in Section 27-51-105.

201 (11) Notwithstanding any other provision of this section to
202 the contrary, on or before February 15, 1995, and each succeeding
203 month thereafter, the sales tax revenue collected during the
204 preceding month under the provisions of Section 27-65-17(2) and
205 the corresponding levy in Section 27-65-23 on the rental or lease
206 of private carriers of passengers and light carriers of property
207 as defined in Section 27-51-101 shall be deposited, without
208 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
209 established in Section 27-51-105.

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

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

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

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

234 (15) Notwithstanding any other provision of this section to
235 the contrary, on or before September 15, 2000, and each succeeding
236 month thereafter, the sales tax revenue collected during the
237 preceding month under the provisions of Section 27-65-19(f), shall
238 be deposited, without diversion, into the Telecommunications Ad
239 Valorem Tax Reduction Fund established in Section 4 of Senate Bill
240 No. 2512, 2000 Regular Session.

241 (16) The remainder of the amounts collected under the
242 provisions of this chapter shall be paid into the State Treasury
243 to the credit of the General Fund.

244 (17) It shall be the duty of the municipal officials of any
245 municipality which expands its limits, or of any community which
246 incorporates as a municipality, to notify the commissioner of such
247 action thirty (30) days before the effective date. Failure to so
248 notify the commissioner shall cause such municipality to forfeit

249 the revenue which it would have been entitled to receive during
250 this period of time when the commissioner had no knowledge of the
251 action. If any funds have been erroneously disbursed to any
252 municipality or any overpayment of tax is recovered by the
253 taxpayer, the commissioner may make correction and adjust the
254 error or overpayment with such municipality by withholding the
255 necessary funds from any subsequent payment to be made to the
256 municipality.

257 SECTION 2. Section 27-67-31, Mississippi Code of 1972, is
258 amended as follows:

259 * * *

260 27-67-31. All administrative provisions of the sales tax
261 law, and amendments thereto, including those which fix damages,
262 penalties and interest for failure to comply with the provisions
263 of said sales tax law, and all other requirements and duties
264 imposed upon taxpayer, shall apply to all persons liable for use
265 taxes under the provisions of this article. The commissioner
266 shall exercise all power and authority and perform all duties with
267 respect to taxpayers under this article as are provided in said
268 sales tax law, except where there is conflict, then the provisions
269 of this article shall control.

270 The commissioner may require transportation companies to
271 permit the examination of waybills, freight bills, or other
272 documents covering shipments of tangible personal property into
273 this state.

274 On or before the fifteenth day of each month, the amount
275 received from taxes, damages and interest under the provisions of
276 this article during the preceding month shall be paid and
277 distributed as follows:

278 (a) On or before July 15, 1994, through July 15, 2000,
279 and each succeeding month thereafter, two and two hundred
280 sixty-six one-thousandths percent (2.266%) of the total use tax
281 revenue collected during the preceding month under the provisions
282 of this article shall be deposited in the School Ad Valorem Tax
283 Reduction Fund created pursuant to Section 37-61-35. On or before

284 August 15, 2000, and each succeeding month thereafter, two and two
285 hundred sixty-six one-thousandths percent (2.266%) of the total
286 use tax revenue collected during the preceding month under the
287 provisions of this chapter shall be deposited as follows:

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

291 (ii) The remainder shall be deposited into the
292 Education Enhancement Fund created under Section 37-61-33 for
293 appropriation by the Legislature as other education needs and
294 shall not be subject to the percentage appropriation requirements
295 set forth in Section 37-61-33.

296 (b) On or before July 15, 1994, and each succeeding
297 month thereafter, nine and seventy-three one thousandths percent
298 (9.073%) of the total use tax revenue collected during the
299 preceding month under the provisions of this article shall be
300 deposited into the Education Enhancement Fund created pursuant to
301 Section 37-61-33.

302 (c) On or before July 15, 1997, and on or before the
303 fifteenth day of each succeeding month thereafter, the revenue
304 collected under the provisions of this article imposed and levied
305 as a result of Section 27-65-17(2) and the corresponding levy in
306 Section 27-65-23 on the rental or lease of private carriers of
307 passengers and light carriers of property as defined in Section
308 27-51-101 shall be deposited into the Motor Vehicle Ad Valorem Tax
309 Reduction Fund created pursuant to Section 27-51-105.

310 (d) On or before July 15, 1997, and on or before the
311 fifteenth day of each succeeding month thereafter and after the
312 deposits required by paragraphs (a) and (b) of this section are
313 made, the remaining revenue collected under the provisions of this
314 article imposed and levied as a result of Section 27-65-17(1) and
315 the corresponding levy in Section 27-65-23 on the rental or lease
316 of private carriers of passengers and light carriers of property
317 as defined in Section 27-51-101 shall be deposited into the Motor
318 Vehicle Ad Valorem Tax Reduction Fund created pursuant to Section

319 27-51-105.

320 (e) The remainder of the amount received from taxes,
321 damages and interest under the provisions of this article shall be
322 paid into the General Fund of the State Treasury by the
323 commissioner.

324 * * *

325 SECTION 3. Section 37-61-33, Mississippi Code of 1972, is
326 amended as follows:

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

328 37-61-33. (1) There is hereby created within the State
329 Treasury a special fund to be designated the "Education
330 Enhancement Fund" into which shall be deposited all the revenues
331 collected pursuant to Sections 27-65-75(7) and (8), 27-67-31(a)
332 and (b) and 27-103-203(1).

333 (2) Of the amount deposited into the Education Enhancement
334 Fund, excluding revenues deposited pursuant to Section
335 27-103-203(1), Sixteen Million Dollars (\$16,000,000.00) shall be
336 appropriated each fiscal year to the State Department of Education
337 to be distributed to all school districts. Such money shall be
338 distributed to all school districts in the proportion that the
339 average daily attendance of each school district bears to the
340 average daily attendance of all school districts within the state
341 for the following purposes:

342 (a) Purchasing, erecting, repairing, equipping,
343 remodeling and enlarging school buildings and related facilities,
344 including gymnasiums, auditoriums, lunchrooms, vocational training
345 buildings, libraries, teachers' homes, school barns,
346 transportation vehicles (which shall include new and used
347 transportation vehicles) and garages for transportation vehicles,
348 and purchasing land therefor.

349 (b) Establishing and equipping school athletic fields
350 and necessary facilities connected therewith, and purchasing land
351 therefor.

352 (c) Providing necessary water, light, heating, air
353 conditioning and sewerage facilities for school buildings, and

354 purchasing land therefor.

355 (d) As a pledge to pay all or a portion of the debt
356 service on debt issued by the school district under Sections
357 37-59-1 through 37-59-45, 37-59-101 through 37-59-115, 37-7-351
358 through 37-7-359, 37-41-89 through 37-41-99, 37-7-301, 37-7-302
359 and 37-41-81, Mississippi Code of 1972, or debt issued by boards
360 of supervisors for agricultural high schools pursuant to Section
361 37-27-65, Mississippi Code of 1972, if such pledge is accomplished
362 pursuant to a written contract or resolution approved and spread
363 upon the minutes of an official meeting of the district's school
364 board or board of supervisors. The annual grant to such district
365 in any subsequent year during the term of the resolution or
366 contract shall not be reduced below an amount equal to the
367 district's grant amount for the year in which the contract or
368 resolution was adopted. The intent of this provision is to allow
369 school districts to irrevocably pledge a certain, constant stream
370 of revenue as security for long-term obligations issued under the
371 code sections enumerated in this paragraph or as otherwise allowed
372 by law. It is the intent of the Legislature that the provisions
373 of this paragraph shall be cumulative and supplemental to any
374 existing funding programs or other authority conferred upon school
375 districts or school boards. Debt of a district secured by a
376 pledge of sales tax revenue pursuant to this paragraph shall not
377 be subject to any debt limitation contained in the foregoing
378 enumerated code sections.

379 (3) The remainder of the money deposited into the Education
380 Enhancement Fund, excluding funds deposited pursuant to Section
381 27-103-203(1), shall be appropriated as follows:

382 (a) To the State Department of Education as follows:

383 (i) Eight and thirty-five one-hundredths percent
384 (8.35%) to be distributed to public school districts for the
385 funding of textbooks and other educational materials and to be
386 used by the State Department of Education for the purchase of
387 textbooks to be loaned under Sections 37-43-1 through 37-43-59 to
388 approved nonpublic schools, as described under Section 37-43-1.

389 The amount of funds under this item to be used by the department
390 for purchasing textbooks to loan to approved nonpublic schools
391 shall be in the proportion that the average daily attendance of
392 the nonpublic schools that are loaned textbooks by the state bears
393 to the average daily attendance of all school districts in the
394 state. The funds distributed to the school districts under this
395 item shall be in the proportion that the average daily attendance
396 of each school district bears to the average daily attendance of
397 all school districts within the state and shall be used to assist
398 in the funding of textbooks and other educational materials, to
399 include not more than Two Million Dollars (\$2,000,000.00) each
400 year for technology enhancement projects for elementary and
401 secondary education programs;

402 (ii) Seven and ninety-seven one-hundredths percent
403 (7.97%) to assist the funding of transportation operations and
404 maintenance pursuant to Section 37-19-23;

405 (iii) Eight and twenty-six one-hundredths percent
406 (8.26%) to assist the funding of the Uniform Millage Assistance
407 Grant Program pursuant to Section 37-22-1; and

408 (iv) Nine and sixty-one one-hundredths percent
409 (9.61%) for classroom supplies, instructional materials and
410 equipment, including computers and computer software, to be
411 distributed to all school districts in the proportion that the
412 average daily attendance of each school district bears to the
413 average daily attendance of all school districts within the state.
414 Such funds shall not be expended for administrative purposes.
415 Local school districts shall allocate classroom supply funds
416 equally among all classroom teachers in the school district. For
417 purposes of this subparagraph, "teacher" shall mean any employee
418 of the school board of a school district who is required by law to
419 obtain a teacher's license from the State Board of Education and
420 who is assigned to an instructional area of work as defined by the
421 State Department of Education, but shall not include a federally
422 funded teacher. Two (2) or more teachers may agree to pool their
423 classroom supply funds for the benefit of a school within the

424 district pursuant to the development of a spending plan that
425 supports the overall goals of the school which includes the type,
426 quantity and quality of such supplies, instructional materials,
427 equipment, computers or computer software. This plan shall be
428 submitted, in writing, to the school principal for approval.
429 Classroom supply funds allocated under this subparagraph shall
430 supplement, not replace, other local and state funds available for
431 the same purposes. School districts need not fully expend the
432 funds received under this subparagraph in the year in which they
433 are received, but such funds may be carried forward for
434 expenditure in any succeeding school year. The State Board of
435 Education shall develop and promulgate rules and regulations for
436 the administration of this subparagraph consistent with the above
437 criteria, with particular emphasis on allowing the individual
438 teachers to expend funds as they deem appropriate, with minimum
439 input from school principals;

440 (b) Twenty-two and nine one-hundredths percent (22.09%)
441 to the Board of Trustees of State Institutions of Higher Learning
442 for the purpose of supporting institutions of higher learning; and

443 (c) Fourteen and forty-one one-hundredths percent
444 (14.41%) to the State Board for Community and Junior Colleges for
445 the purpose of providing support to community and junior colleges.

446 (4) The amount remaining in the Education Enhancement Fund
447 after funds are distributed as provided in subsections (2) and (3)
448 of this section, excluding funds deposited pursuant to Section
449 27-103-203(1), shall be disbursed as follows:

450 (a) Twenty-five Million Dollars (\$25,000,000.00) shall
451 be deposited into the Working Cash-Stabilization Reserve Fund
452 created pursuant to Section 27-103-203(1), until the balance in
453 such fund reaches the maximum balance of seven and one-half
454 percent (7-1/2%) of the General Fund appropriations in the
455 appropriate fiscal year. After the maximum balance in the Working
456 Cash-Stabilization Reserve Fund is reached, such money shall
457 remain in the Education Enhancement Fund to be appropriated in the
458 manner provided for in paragraph (b) of this section.

459 (b) The remainder shall be appropriated for other
460 educational needs.

461 (5) None of the funds appropriated pursuant to subsection
462 (3)(a) of this section shall be used to reduce the state's general
463 fund appropriation for the categories listed in an amount below
464 the following amounts:

465 (a) For subsection (3)(a)(i) of this section, Six
466 Million Three Hundred Thirty Thousand Nine Hundred Twenty Dollars
467 (\$6,330,920.00);

468 (b) For subsection (3)(a)(ii) of this section
469 Thirty-six Million Seven Hundred Thousand Dollars
470 (\$36,700,000.00);

471 (c) For subsection (3)(a)(iii) of this section,
472 Twenty-one Million Four Hundred Thousand Dollars (\$21,400,000.00);
473 and

474 (d) For the aggregate of minimum program allotments
475 provided for in Chapter 19, Title 37, Mississippi Code of 1972, as
476 amended, excluding those funds for transportation as provided for
477 in subsection (5)(b) herein.

478 (6) At the end of a fiscal year such amounts as required by
479 Section 27-103-203(1) to be transferred to the Education
480 Enhancement Fund shall be deposited into said Education
481 Enhancement Fund and shall be kept separate from other monies in
482 the fund by the State Treasurer. Beginning with the 1994 fiscal
483 year the monies in such special fund deposited pursuant to said
484 Section 27-103-203(1) shall be subject to appropriation by the
485 Legislature in the following manner: (a) fifty percent (50%) to
486 support public education, including but not limited to, Grades K
487 through 12, Mississippi Educational Television and/or the
488 Mississippi Library Commission; (b) twenty-five percent (25%) to
489 support institutions of higher learning; and (c) twenty-five
490 percent (25%) to support the junior or community colleges. Any
491 amount of such monies transferred into said separate fund pursuant
492 to Section 27-103-203(1) which are not appropriated by the
493 Legislature shall not lapse but shall carry over and be subject to

494 appropriation by the Legislature in the succeeding fiscal year in
495 the same manner provided in this subsection (6). The interest
496 earned on the investment of such monies transferred pursuant to
497 Section 27-103-203(1) shall be paid into said separate fund within
498 the Education Enhancement Fund.

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

500 37-61-33. (1) There is hereby created within the State
501 Treasury a special fund to be designated the "Education
502 Enhancement Fund" into which shall be deposited all the revenues
503 collected pursuant to Sections 27-65-75(7) and (8), 27-67-31(a)
504 and (b) and 27-103-203(1).

505 (2) Of the amount deposited into the Education Enhancement
506 Fund, excluding revenues deposited pursuant to Section
507 27-103-203(1), Sixteen Million Dollars (\$16,000,000.00) shall be
508 appropriated each fiscal year to the State Department of Education
509 to be distributed to all school districts. Such money shall be
510 distributed to all school districts in the proportion that the
511 average daily attendance of each school district bears to the
512 average daily attendance of all school districts within the state
513 for the following purposes:

514 (a) Purchasing, erecting, repairing, equipping,
515 remodeling and enlarging school buildings and related facilities,
516 including gymnasiums, auditoriums, lunchrooms, vocational training
517 buildings, libraries, teachers' homes, school barns,
518 transportation vehicles (which shall include new and used
519 transportation vehicles) and garages for transportation vehicles,
520 and purchasing land therefor.

521 (b) Establishing and equipping school athletic fields
522 and necessary facilities connected therewith, and purchasing land
523 therefor.

524 (c) Providing necessary water, light, heating, air
525 conditioning and sewerage facilities for school buildings, and
526 purchasing land therefor.

527 (d) As a pledge to pay all or a portion of the debt
528 service on debt issued by the school district under Sections

529 37-59-1 through 37-59-45, 37-59-101 through 37-59-115, 37-7-351
530 through 37-7-359, 37-41-89 through 37-41-99, 37-7-301, 37-7-302
531 and 37-41-81, Mississippi Code of 1972, or debt issued by boards
532 of supervisors for agricultural high schools pursuant to Section
533 37-27-65, Mississippi Code of 1972, if such pledge is accomplished
534 pursuant to a written contract or resolution approved and spread
535 upon the minutes of an official meeting of the district's school
536 board or board of supervisors. The annual grant to such district
537 in any subsequent year during the term of the resolution or
538 contract shall not be reduced below an amount equal to the
539 district's grant amount for the year in which the contract or
540 resolution was adopted. The intent of this provision is to allow
541 school districts to irrevocably pledge a certain, constant stream
542 of revenue as security for long-term obligations issued under the
543 code sections enumerated in this paragraph or as otherwise allowed
544 by law. It is the intent of the Legislature that the provisions
545 of this paragraph shall be cumulative and supplemental to any
546 existing funding programs or other authority conferred upon school
547 districts or school boards. Debt of a district secured by a
548 pledge of sales tax revenue pursuant to this paragraph shall not
549 be subject to any debt limitation contained in the foregoing
550 enumerated code sections.

551 (3) The remainder of the money deposited into the Education
552 Enhancement Fund, excluding funds deposited pursuant to Section
553 27-103-203(1), shall be appropriated as follows:

554 (a) To the State Department of Education as follows:

555 (i) Sixteen and sixty-one one-hundredths percent
556 (16.61%) to the cost of the adequate education program determined
557 under Section 37-151-7;

558 (ii) Seven and ninety-seven one-hundredths percent
559 (7.97%) to assist the funding of transportation operations and
560 maintenance pursuant to Section 37-19-23; and

561 (iii) Nine and sixty-one one-hundredths percent
562 (9.61%) for classroom supplies, instructional materials and
563 equipment, including computers and computer software, to be

564 distributed to all school districts in the proportion that the
565 average daily attendance of each school district bears to the
566 average daily attendance of all school districts within the state.

567 It is the intent of the Legislature that all classroom teachers
568 shall be involved in the development of a spending plan that
569 addresses individual classroom needs and supports the overall
570 goals of the school regarding supplies, instructional materials,
571 equipment, computers or computer software under the provisions of
572 this subparagraph, including the type, quantity and quality of
573 such supplies, materials and equipment. This plan shall be
574 submitted to the school principal for approval. School districts
575 need not fully expend the funds received under this subparagraph
576 in the year in which they are received, but such funds may be
577 carried forward for expenditure in any succeeding school year.

578 (b) Twenty-two and nine one-hundredths percent (22.09%)
579 to the Board of Trustees of State Institutions of Higher Learning
580 for the purpose of supporting institutions of higher learning, and
581 fourteen and forty-one one-hundredths percent (14.41%) to the
582 State Board for Community and Junior Colleges for the purpose of
583 providing support to community and junior colleges.

584 (4) The amount remaining in the Education Enhancement Fund
585 after funds are distributed as provided in subsections (2) and (3)
586 of this section, excluding funds deposited pursuant to Section
587 27-103-203(1), shall be disbursed as follows:

588 (a) Twenty-five Million Dollars (\$25,000,000.00) shall
589 be deposited into the Working Cash-Stabilization Reserve Fund
590 created pursuant to Section 27-103-203(1), until the balance in
591 such fund reaches the maximum balance of seven and one-half
592 percent (7-1/2%) of the General Fund appropriations in the
593 appropriate fiscal year. After the maximum balance in the Working
594 Cash-Stabilization Reserve Fund is reached, such money shall
595 remain in the Education Enhancement Fund to be appropriated in the
596 manner provided for in paragraph (b) of this section.

597 (b) The remainder shall be appropriated for other
598 educational needs.

599 (5) None of the funds appropriated pursuant to subsection
600 (3)(a) of this section shall be used to reduce the state's general
601 fund appropriation for the categories listed in an amount below
602 the following amounts:

603 (a) For subsection (3)(a)(ii) of this section
604 Thirty-six Million Seven Hundred Thousand Dollars
605 (\$36,700,000.00);

606 (b) For the aggregate of minimum program allotments in
607 the 1997 fiscal year, formerly provided for in Chapter 19, Title
608 37, Mississippi Code of 1972, as amended, excluding those funds
609 for transportation as provided for in subsection (5)(a) herein.

610 (6) At the end of a fiscal year such amounts as required by
611 Section 27-103-203(1) to be transferred to the Education
612 Enhancement Fund shall be deposited into said Education
613 Enhancement Fund and shall be kept separate from other monies in
614 the fund by the State Treasurer. Beginning with the 1994 fiscal
615 year the monies in such special fund deposited pursuant to said
616 Section 27-103-203(1) shall be subject to appropriation by the
617 Legislature in the following manner: (a) fifty percent (50%) to
618 support public education, including but not limited to, Grades K
619 through 12, Mississippi Educational Television and/or the
620 Mississippi Library Commission; (b) twenty-five percent (25%) to
621 support institutions of higher learning; and (c) twenty-five
622 percent (25%) to support the junior or community colleges. Any
623 amount of such monies transferred into said separate fund pursuant
624 to Section 27-103-203(1) which are not appropriated by the
625 Legislature shall not lapse but shall carry over and be subject to
626 appropriation by the Legislature in the succeeding fiscal year in
627 the same manner provided in this subsection (6). The interest
628 earned on the investment of such monies transferred pursuant to
629 Section 27-103-203(1) shall be paid into said separate fund within
630 the Education Enhancement Fund.

631 SECTION 4. Section 37-61-35, Mississippi Code of 1972, is
632 amended as follows:

633 37-61-35. There is hereby created a special fund in the

634 State Treasury to be designated School Ad Valorem Tax Reduction
635 Fund into which proceeds collected pursuant to Sections
636 27-65-75(7) and 27-67-31(a) shall be deposited. Beginning with
637 the 1994 state fiscal year, the entire amount of monies in such
638 special fund shall be appropriated annually to the State
639 Department of Education which shall distribute the appropriated
640 amount to the various school districts in the proportion that the
641 average daily attendance of each school district bears to the
642 average daily attendance of all school districts within the state.
643 On or before June 1, 1993, and on or before June 1 of each
644 succeeding year, the State Department of Education shall notify
645 each school district of the amount to which such district is
646 entitled pursuant to this section.

647 SECTION 5. This act shall take effect and be in force from
648 and after July 1, 2000.

**Further, amend by striking the title in its entirety and
inserting in lieu thereof the following:**

1 AN ACT TO AMEND SECTIONS 27-65-75 AND 27-67-31, MISSISSIPPI
2 CODE OF 1972, TO REVISE THE AMOUNT OF SALES AND USE TAX REVENUE
3 DIVERTED TO THE SCHOOL AD VALOREM TAX REDUCTION FUND TO PROVIDE
4 THAT THE AMOUNT DIVERTED TO SUCH FUND SHALL NOT EXCEED THE FISCAL
5 YEAR 2000 APPROPRIATED LEVEL; TO PROVIDE THAT AMOUNTS IN EXCESS OF
6 THE FISCAL YEAR 2000 APPROPRIATED LEVEL THAT WOULD HAVE OTHERWISE
7 BEEN DIVERTED TO THE SCHOOL AD VALOREM TAX REDUCTION FUND SHALL BE
8 DEPOSITED INTO THE EDUCATION ENHANCEMENT FUND FOR APPROPRIATION BY
9 THE LEGISLATURE AS OTHER EDUCATION NEEDS; TO PROVIDE THAT THE
10 PROCEEDS OF THE SALES TAX ON INTERSTATE TELECOMMUNICATIONS
11 SERVICES SHALL BE DEPOSITED WITHOUT DIVERSION INTO THE
12 TELECOMMUNICATIONS AD VALOREM TAX REDUCTION FUND; TO AMEND
13 SECTIONS 37-61-33 AND 37-61-35, MISSISSIPPI CODE OF 1972, TO
14 CONFORM TO THE PROVISIONS OF THIS ACT; AND FOR RELATED PURPOSES.