

By: Representative Frierson

To: Education; Ways and Means

HOUSE BILL NO. 1310

1 AN ACT TO AMEND SECTION 37-61-33, MISSISSIPPI CODE OF 1972,
2 TO REQUIRE THE OFFICE OF EDUCATIONAL ACCOUNTABILITY WITHIN THE
3 STATE DEPARTMENT OF EDUCATION TO AUDIT THE DISTRIBUTION AND USE OF
4 EDUCATION ENHANCEMENT FUNDS ALLOCATED FOR CLASSROOM SUPPLIES; TO
5 BRING FORWARD SECTIONS 27-65-75 AND 27-67-31, MISSISSIPPI CODE OF
6 1972, WHICH RELATE TO THE DISTRIBUTION OF SALES AND USE TAXES; AND
7 FOR RELATED PURPOSES.

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

9 SECTION 1. Section 37-61-33, Mississippi Code of 1972, is
10 amended as follows:

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

12 37-61-33. (1) There is * * * created within the State
13 Treasury a special fund to be designated the "Education
14 Enhancement Fund" into which shall be deposited all the revenues
15 collected pursuant to Sections 27-65-75(7) and (8), 27-67-31(a)
16 and (b) and 27-103-203(1).

17 (2) Of the amount deposited into the Education Enhancement
18 Fund, excluding revenues deposited pursuant to Section
19 27-103-203(1), Sixteen Million Dollars (\$16,000,000.00) shall be
20 appropriated each fiscal year to the State Department of Education
21 to be distributed to all school districts. Such money shall be
22 distributed to all school districts in the proportion that the
23 average daily attendance of each school district bears to the
24 average daily attendance of all school districts within the state
25 for the following purposes:

26 (a) Purchasing, erecting, repairing, equipping,
27 remodeling and enlarging school buildings and related facilities,
28 including gymnasiums, auditoriums, lunchrooms, vocational training

29 buildings, libraries, teachers' homes, school barns,
30 transportation vehicles (which shall include new and used
31 transportation vehicles) and garages for transportation vehicles,
32 and purchasing land therefor.

33 (b) Establishing and equipping school athletic fields
34 and necessary facilities connected therewith, and purchasing land
35 therefor.

36 (c) Providing necessary water, light, heating, air
37 conditioning and sewerage facilities for school buildings, and
38 purchasing land therefor.

39 (d) As a pledge to pay all or a portion of the debt
40 service on debt issued by the school district under Sections
41 37-59-1 through 37-59-45, 37-59-101 through 37-59-115, 37-7-351
42 through 37-7-359, 37-41-89 through 37-41-99, 37-7-301, 37-7-302
43 and 37-41-81, or debt issued by boards of supervisors for
44 agricultural high schools pursuant to Section 37-27-65, if such
45 pledge is accomplished pursuant to a written contract or
46 resolution approved and spread upon the minutes of an official
47 meeting of the district's school board or board of supervisors.
48 The annual grant to such district in any subsequent year during
49 the term of the resolution or contract shall not be reduced below
50 an amount equal to the district's grant amount for the year in
51 which the contract or resolution was adopted. The intent of this
52 provision is to allow school districts to irrevocably pledge a
53 certain, constant stream of revenue as security for long-term
54 obligations issued under the code sections enumerated in this
55 paragraph or as otherwise allowed by law. It is the intent of the
56 Legislature that the provisions of this paragraph shall be
57 cumulative and supplemental to any existing funding programs or
58 other authority conferred upon school districts or school boards.
59 Debt of a district secured by a pledge of sales tax revenue
60 pursuant to this paragraph shall not be subject to any debt
61 limitation contained in the foregoing enumerated code sections.

62 (3) The remainder of the money deposited into the Education
63 Enhancement Fund, excluding funds deposited pursuant to Section
64 27-103-203(1), shall be appropriated as follows:

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

66 (i) Eight and thirty-five one-hundredths percent
67 (8.35%) to be distributed to public school districts for the
68 funding of textbooks and other educational materials and to be
69 used by the State Department of Education for the purchase of
70 textbooks to be loaned under Sections 37-43-1 through 37-43-59 to
71 approved nonpublic schools, as described under Section 37-43-1.
72 The amount of funds under this item to be used by the department
73 for purchasing textbooks to loan to approved nonpublic schools
74 shall be in the proportion that the average daily attendance of
75 the nonpublic schools that are loaned textbooks by the state bears
76 to the average daily attendance of all school districts in the
77 state. The funds distributed to the school districts under this
78 item shall be in the proportion that the average daily attendance
79 of each school district bears to the average daily attendance of
80 all school districts within the state and shall be used to assist
81 in the funding of textbooks and other educational materials, to
82 include not more than Two Million Dollars (\$2,000,000.00) each
83 year for technology enhancement projects for elementary and
84 secondary education programs;

85 (ii) Seven and ninety-seven one-hundredths percent
86 (7.97%) to assist the funding of transportation operations and
87 maintenance pursuant to Section 37-19-23;

88 (iii) Eight and twenty-six one-hundredths percent
89 (8.26%) to assist the funding of the Uniform Millage Assistance
90 Grant Program pursuant to Section 37-22-1; and

91 (iv) Nine and sixty-one one-hundredths percent
92 (9.61%) for classroom supplies, instructional materials and
93 equipment, including computers and computer software, to be
94 distributed to all school districts in the proportion that the

95 average daily attendance of each school district bears to the
96 average daily attendance of all school districts within the state.
97 Such funds shall not be expended for administrative purposes.
98 Local school districts shall allocate classroom supply funds
99 equally among all classroom teachers in the school district. For
100 purposes of this subparagraph, "teacher" shall mean any employee
101 of the school board of a school district who is required by law to
102 obtain a teacher's license from the State Board of Education and
103 who is assigned to an instructional area of work as defined by the
104 State Department of Education, but shall not include a federally
105 funded teacher. Two (2) or more teachers may agree to pool their
106 classroom supply funds for the benefit of a school within the
107 district pursuant to the development of a spending plan that
108 supports the overall goals of the school which includes the type,
109 quantity and quality of such supplies, instructional materials,
110 equipment, computers or computer software. This plan shall be
111 submitted, in writing, to the school principal for approval.
112 Classroom supply funds allocated under this subparagraph shall
113 supplement, not replace, other local and state funds available for
114 the same purposes. School districts need not fully expend the
115 funds received under this subparagraph in the year in which they
116 are received, but such funds may be carried forward for
117 expenditure in any succeeding school year. The State Board of
118 Education shall develop and promulgate rules and regulations for
119 the administration of this subparagraph consistent with the above
120 criteria, with particular emphasis on allowing the individual
121 teachers to expend funds as they deem appropriate, with minimum
122 input from school principals. The Office of Educational
123 Accountability in the State Department of Education shall audit
124 annually the distribution and use of classroom supply funds to
125 ensure compliance with the requirements of this subparagraph and
126 those rules and regulations promulgated by the State Board of
127 Education;

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

131 (c) Fourteen and forty-one one-hundredths percent
132 (14.41%) to the State Board for Community and Junior Colleges for
133 the purpose of providing support to community and junior colleges.

134 (4) The amount remaining in the Education Enhancement Fund
135 after funds are distributed as provided in subsections (2) and (3)
136 of this section, excluding funds deposited pursuant to Section
137 27-103-203(1), shall be disbursed as follows:

138 (a) Twenty-five Million Dollars (\$25,000,000.00) shall
139 be deposited into the Working Cash-Stabilization Reserve Fund
140 created pursuant to Section 27-103-203(1), until the balance in
141 such fund reaches the maximum balance of seven and one-half
142 percent (7-1/2%) of the General Fund appropriations in the
143 appropriate fiscal year. After the maximum balance in the Working
144 Cash-Stabilization Reserve Fund is reached, such money shall
145 remain in the Education Enhancement Fund to be appropriated in the
146 manner provided for in paragraph (b) of this section.

147 (b) The remainder shall be appropriated for other
148 educational needs.

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

153 (a) For subsection (3)(a)(i) of this section, Six
154 Million Three Hundred Thirty Thousand Nine Hundred Twenty Dollars
155 (\$6,330,920.00);

156 (b) For subsection (3)(a)(ii) of this section
157 Thirty-six Million Seven Hundred Thousand Dollars
158 (\$36,700,000.00);

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

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

166 (6) At the end of a fiscal year such amounts as required by
167 Section 27-103-203(1) to be transferred to the Education
168 Enhancement Fund shall be deposited into the Education Enhancement
169 Fund and shall be kept separate from other monies in the fund by
170 the State Treasurer. * * * The monies in such special fund
171 deposited pursuant to * * * Section 27-103-203(1) shall be subject
172 to appropriation by the Legislature in the following manner: (a)
173 fifty percent (50%) to support public education, including but not
174 limited to, Grades K through 12, Mississippi Educational
175 Television and/or the Mississippi Library Commission; (b)
176 twenty-five percent (25%) to support institutions of higher
177 learning; and (c) twenty-five percent (25%) to support the junior
178 or community colleges. Any amount of such monies transferred into
179 the separate fund pursuant to Section 27-103-203(1) which are not
180 appropriated by the Legislature shall not lapse but shall carry
181 over and be subject to appropriation by the Legislature in the
182 succeeding fiscal year in the same manner provided in this
183 subsection * * *. The interest earned on the investment of such
184 monies transferred pursuant to Section 27-103-203(1) shall be paid
185 into the separate fund within the Education Enhancement Fund.

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

187 37-61-33. (1) There is * * * created within the State
188 Treasury a special fund to be designated the "Education
189 Enhancement Fund" into which shall be deposited all the revenues
190 collected pursuant to Sections 27-65-75(7) and (8), 27-67-31(a)
191 and (b) and 27-103-203(1).

192 (2) Of the amount deposited into the Education Enhancement
193 Fund, excluding revenues deposited pursuant to Section
194 27-103-203(1), Sixteen Million Dollars (\$16,000,000.00) shall be
195 appropriated each fiscal year to the State Department of Education
196 to be distributed to all school districts. Such money shall be
197 distributed to all school districts in the proportion that the
198 average daily attendance of each school district bears to the
199 average daily attendance of all school districts within the state
200 for the following purposes:

201 (a) Purchasing, erecting, repairing, equipping,
202 remodeling and enlarging school buildings and related facilities,
203 including gymnasiums, auditoriums, lunchrooms, vocational training
204 buildings, libraries, teachers' homes, school barns,
205 transportation vehicles (which shall include new and used
206 transportation vehicles) and garages for transportation vehicles,
207 and purchasing land therefor.

208 (b) Establishing and equipping school athletic fields
209 and necessary facilities connected therewith, and purchasing land
210 therefor.

211 (c) Providing necessary water, light, heating, air
212 conditioning and sewerage facilities for school buildings, and
213 purchasing land therefor.

214 (d) As a pledge to pay all or a portion of the debt
215 service on debt issued by the school district under Sections
216 37-59-1 through 37-59-45, 37-59-101 through 37-59-115, 37-7-351
217 through 37-7-359, 37-41-89 through 37-41-99, 37-7-301, 37-7-302
218 and 37-41-81, or debt issued by boards of supervisors for
219 agricultural high schools pursuant to Section 37-27-65, if such
220 pledge is accomplished pursuant to a written contract or
221 resolution approved and spread upon the minutes of an official
222 meeting of the district's school board or board of supervisors.
223 The annual grant to such district in any subsequent year during
224 the term of the resolution or contract shall not be reduced below

225 an amount equal to the district's grant amount for the year in
226 which the contract or resolution was adopted. The intent of this
227 provision is to allow school districts to irrevocably pledge a
228 certain, constant stream of revenue as security for long-term
229 obligations issued under the code sections enumerated in this
230 paragraph or as otherwise allowed by law. It is the intent of the
231 Legislature that the provisions of this paragraph shall be
232 cumulative and supplemental to any existing funding programs or
233 other authority conferred upon school districts or school boards.
234 Debt of a district secured by a pledge of sales tax revenue
235 pursuant to this paragraph shall not be subject to any debt
236 limitation contained in the foregoing enumerated code sections.

237 (3) The remainder of the money deposited into the Education
238 Enhancement Fund, excluding funds deposited pursuant to Section
239 27-103-203(1), shall be appropriated as follows:

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

241 (i) Sixteen and sixty-one one-hundredths percent
242 (16.61%) to the cost of the adequate education program determined
243 under Section 37-151-7;

244 (ii) Seven and ninety-seven one-hundredths percent
245 (7.97%) to assist the funding of transportation operations and
246 maintenance pursuant to Section 37-19-23; and

247 (iii) Nine and sixty-one one-hundredths percent
248 (9.61%) for classroom supplies, instructional materials and
249 equipment, including computers and computer software, to be
250 distributed to all school districts in the proportion that the
251 average daily attendance of each school district bears to the
252 average daily attendance of all school districts within the state.

253 It is the intent of the Legislature that all classroom teachers
254 shall be involved in the development of a spending plan that
255 addresses individual classroom needs and supports the overall
256 goals of the school regarding supplies, instructional materials,
257 equipment, computers or computer software under the provisions of

258 this subparagraph, including the type, quantity and quality of
259 such supplies, materials and equipment. This plan shall be
260 submitted to the school principal for approval. School districts
261 need not fully expend the funds received under this subparagraph
262 in the year in which they are received, but such funds may be
263 carried forward for expenditure in any succeeding school year.
264 The Office of Educational Accountability in the State Department
265 of Education shall audit annually the distribution and use of
266 classroom supply funds to ensure compliance with the requirements
267 of this subparagraph;

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

271 (c) Fourteen and forty-one one-hundredths percent
272 (14.41%) to the State Board for Community and Junior Colleges for
273 the purpose of providing support to community and junior colleges.

274 (4) The amount remaining in the Education Enhancement Fund
275 after funds are distributed as provided in subsections (2) and (3)
276 of this section, excluding funds deposited pursuant to Section
277 27-103-203(1), shall be disbursed as follows:

278 (a) Twenty-five Million Dollars (\$25,000,000.00) shall
279 be deposited into the Working Cash-Stabilization Reserve Fund
280 created pursuant to Section 27-103-203(1), until the balance in
281 such fund reaches the maximum balance of seven and one-half
282 percent (7-1/2%) of the General Fund appropriations in the
283 appropriate fiscal year. After the maximum balance in the Working
284 Cash-Stabilization Reserve Fund is reached, such money shall
285 remain in the Education Enhancement Fund to be appropriated in the
286 manner provided for in paragraph (b) of this section.

287 (b) The remainder shall be appropriated for other
288 educational needs.

289 (5) None of the funds appropriated pursuant to subsection
290 (3)(a) of this section shall be used to reduce the state's general

291 fund appropriation for the categories listed in an amount below
292 the following amounts:

293 (a) For subsection (3)(a)(ii) of this section
294 Thirty-six Million Seven Hundred Thousand Dollars
295 (\$36,700,000.00);

296 (b) For the aggregate of minimum program allotments in
297 the 1997 fiscal year, formerly provided for in Chapter 19, Title
298 37, Mississippi Code of 1972, as amended, excluding those funds
299 for transportation as provided for in subsection (5)(a) herein.

300 (6) At the end of a fiscal year such amounts as required by
301 Section 27-103-203(1) to be transferred to the Education
302 Enhancement Fund shall be deposited into the Education Enhancement
303 Fund and shall be kept separate from other monies in the fund by
304 the State Treasurer. * * * The monies in such special fund
305 deposited pursuant to * * * Section 27-103-203(1) shall be subject
306 to appropriation by the Legislature in the following manner: (a)
307 fifty percent (50%) to support public education, including but not
308 limited to, Grades K through 12, Mississippi Educational
309 Television and/or the Mississippi Library Commission; (b)
310 twenty-five percent (25%) to support institutions of higher
311 learning; and (c) twenty-five percent (25%) to support the junior
312 or community colleges. Any amount of such monies transferred into
313 the separate fund pursuant to Section 27-103-203(1) which are not
314 appropriated by the Legislature shall not lapse but shall carry
315 over and be subject to appropriation by the Legislature in the
316 succeeding fiscal year in the same manner provided in this
317 subsection * * *. The interest earned on the investment of such
318 monies transferred pursuant to Section 27-103-203(1) shall be paid
319 into the separate fund within the Education Enhancement Fund.

320 SECTION 2. Section 27-65-75, Mississippi Code of 1972, is
321 brought forward as follows:

322 27-65-75. On or before the fifteenth day of each month, the
323 revenue collected under the provisions of this chapter during the
324 preceding month shall be paid and distributed as follows:

325 (1) On or before August 15, 1992, and each succeeding month
326 thereafter through July 15, 1993, eighteen percent (18%) of the
327 total sales tax revenue collected during the preceding month under
328 the provisions of this chapter, except that collected under the
329 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
330 business activities within a municipal corporation shall be
331 allocated for distribution to such municipality and paid to such
332 municipal corporation. On or before August 15, 1993, and each
333 succeeding month thereafter, eighteen and one-half percent
334 (18-1/2%) of the total sales tax revenue collected during the
335 preceding month under the provisions of this chapter, except that
336 collected under the provisions of Sections 27-65-15, 27-65-19(3)
337 and 27-65-21, on business activities within a municipal
338 corporation shall be allocated for distribution to such
339 municipality and paid to such municipal corporation.

340 A municipal corporation, for the purpose of distributing the
341 tax under this subsection, shall mean and include all incorporated
342 cities, towns and villages.

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

349 In any county having a county seat which is not an
350 incorporated municipality, the distribution provided hereunder
351 shall be made as though the county seat was an incorporated
352 municipality; however, the distribution to such municipality shall
353 be paid to the county treasury wherein the municipality is located

354 and such funds shall be used for road, bridge and street
355 construction or maintenance therein.

356 (2) On or before September 15, 1987, and each succeeding
357 month thereafter, from the revenue collected under this chapter
358 during the preceding month One Million One Hundred Twenty-five
359 Thousand Dollars (\$1,125,000.00) shall be allocated for
360 distribution to municipal corporations as defined under subsection
361 (1) of this section in the proportion that the number of gallons
362 of gasoline and diesel fuel sold by distributors to consumers and
363 retailers in each such municipality during the preceding fiscal
364 year bears to the total gallons of gasoline and diesel fuel sold
365 by distributors to consumers and retailers in municipalities
366 statewide during the preceding fiscal year. The State Tax
367 Commission shall require all distributors of gasoline and diesel
368 fuel to report to the commission monthly the total number of
369 gallons of gasoline and diesel fuel sold by them to consumers and
370 retailers in each municipality during the preceding month. The
371 State Tax Commission shall have the authority to promulgate such
372 rules and regulations as is necessary to determine the number of
373 gallons of gasoline and diesel fuel sold by distributors to
374 consumers and retailers in each municipality. In determining the
375 percentage allocation of funds under this subsection for the
376 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
377 State Tax Commission may consider gallons of gasoline and diesel
378 fuel sold for a period of less than one (1) fiscal year. For the
379 purposes of this subsection, the term "fiscal year" means the
380 fiscal year beginning July 1 of a year.

381 (3) On or before September 15, 1987, and on or before the
382 fifteenth day of each succeeding month, until the date specified
383 in Section 65-39-35, the proceeds derived from contractors' taxes
384 levied under Section 27-65-21 on contracts for the construction or
385 reconstruction of highways designated under the Four-Lane Highway
386 Program created under Section 65-3-97 shall, except as otherwise

387 provided in Section 31-17-127, be deposited into the State
388 Treasury to the credit of the State Highway Fund to be used to
389 fund such Four-Lane Highway Program. The Mississippi Department
390 of Transportation shall provide to the State Tax Commission such
391 information as is necessary to determine the amount of proceeds to
392 be distributed under this subsection.

393 (4) On or before August 15, 1994, and on or before the
394 fifteenth day of each succeeding month through July 15, 1999, from
395 the proceeds of gasoline, diesel fuel or kerosene taxes as
396 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
397 (\$4,000,000.00) shall be deposited in the State Treasury to the
398 credit of a special fund designated as the "State Aid Road Fund,"
399 created by Section 65-9-17. On or before August 15, 1999, and on
400 or before the fifteenth day of each succeeding month, from the
401 total amount of the proceeds of gasoline, diesel fuel or kerosene
402 taxes apportioned by Section 27-5-101(a)(ii), Four Million Dollars
403 (\$4,000,000.00) or an amount equal to twenty-three and one-fourth
404 percent (23.25%) of such funds, whichever is the greater amount,
405 shall be deposited in the State Treasury to the credit of the
406 "State Aid Road Fund," created by Section 65-9-17. Such funds
407 shall be pledged to pay the principal of and interest on state aid
408 road bonds heretofore issued under Sections 19-9-51 through
409 19-9-77, in lieu of and in substitution for the funds heretofore
410 allocated to counties under this section. Such funds may not be
411 pledged for the payment of any state aid road bonds issued after
412 April 1, 1981; however, this prohibition against the pledging of
413 any such funds for the payment of bonds shall not apply to any
414 bonds for which intent to issue such bonds has been published, for
415 the first time, as provided by law prior to March 29, 1981. From
416 the amount of taxes paid into the special fund pursuant to this
417 subsection and subsection (9) of this section, there shall be
418 first deducted and paid the amount necessary to pay the expenses
419 of the Office of State Aid Road Construction, as authorized by the

420 Legislature for all other general and special fund agencies. The
421 remainder of the fund shall be allocated monthly to the several
422 counties in accordance with the following formula:

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

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

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

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

436 The amount of funds allocated to any county under this
437 subsection for any fiscal year after fiscal year 1994 shall not be
438 less than the amount allocated to such county for fiscal year
439 1994. Monies allocated to a county from the State Aid Road Fund
440 for fiscal year 1995 or any fiscal year thereafter that exceed the
441 amount of funds allocated to that county from the State Aid Road
442 Fund for fiscal year 1994, first must be expended by the county
443 for replacement or rehabilitation of bridges on the state aid road
444 system that have a sufficiency rating of less than twenty-five
445 (25), according to National Bridge Inspection standards before
446 such monies may be approved for expenditure by the State Aid Road
447 Engineer on other projects that qualify for the use of state aid
448 road funds.

449 Any reference in the general laws of this state or the
450 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
451 construed to refer and apply to subsection (4) of Section
452 27-65-75.

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

459 (6) An amount each month beginning August 15, 1983, through
460 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
461 of 1983, shall be paid into the special fund known as the
462 Correctional Facilities Construction Fund created in Section 6 of
463 Chapter 542, Laws of 1983.

464 (7) On or before August 15, 1992, and each succeeding month
465 thereafter through July 15, 2000, two and two hundred sixty-six
466 one-thousandths percent (2.266%) of the total sales tax revenue
467 collected during the preceding month under the provisions of this
468 chapter, except that collected under the provisions of Section
469 27-65-17(2) shall be deposited by the commission into the School
470 Ad Valorem Tax Reduction Fund created pursuant to Section
471 37-61-35. On or before August 15, 2000, and each succeeding month
472 thereafter, two and two hundred sixty-six one-thousandths percent
473 (2.266%) of the total sales tax revenue collected during the
474 preceding month under the provisions of this chapter, except that
475 collected under the provisions of Section 27-65-17(2), shall be
476 deposited into the School Ad Valorem Tax Reduction Fund created
477 under Section 37-61-35 until such time that the total amount
478 deposited into the fund during a fiscal year equals Forty-two
479 Million Dollars (\$42,000,000.00). Thereafter, the amounts
480 diverted under this subsection (7) during the fiscal year in
481 excess of Forty-two Million Dollars (\$42,000,000.00) shall be
482 deposited into the Education Enhancement Fund created under
483 Section 37-61-33 for appropriation by the Legislature as other
484 education needs and shall not be subject to the percentage
485 appropriation requirements set forth in Section 37-61-33.

486 (8) On or before August 15, 1992, and each succeeding month
487 thereafter, nine and seventy-three one-thousandths percent
488 (9.073%) of the total sales tax revenue collected during the
489 preceding month under the provisions of this chapter, except that
490 collected under the provisions of Section 27-65-17(2) shall be
491 deposited into the Education Enhancement Fund created pursuant to
492 Section 37-61-33.

493 (9) On or before August 15, 1994, and each succeeding month
494 thereafter, from the revenue collected under this chapter during
495 the preceding month, Two Hundred Fifty Thousand Dollars
496 (\$250,000.00) shall be paid into the State Aid Road Fund.

497 (10) On or before August 15, 1994, and each succeeding month
498 thereafter through August 15, 1995, from the revenue collected
499 under this chapter during the preceding month, Two Million Dollars
500 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
501 Valorem Tax Reduction Fund established in Section 27-51-105.

502 (11) Notwithstanding any other provision of this section to
503 the contrary, on or before February 15, 1995, and each succeeding
504 month thereafter, the sales tax revenue collected during the
505 preceding month under the provisions of Section 27-65-17(2) and
506 the corresponding levy in Section 27-65-23 on the rental or lease
507 of private carriers of passengers and light carriers of property
508 as defined in Section 27-51-101 shall be deposited, without
509 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
510 established in Section 27-51-105.

511 (12) Notwithstanding any other provision of this section to
512 the contrary, on or before August 15, 1995, and each succeeding
513 month thereafter, the sales tax revenue collected during the
514 preceding month under the provisions of Section 27-65-17(1) on
515 retail sales of private carriers of passengers and light carriers
516 of property, as defined in Section 27-51-101 and the corresponding
517 levy in Section 27-65-23 on the rental or lease of these vehicles,

518 shall be deposited, after diversion, into the Motor Vehicle Ad
519 Valorem Tax Reduction Fund established in Section 27-51-105.

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

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

535 (15) Notwithstanding any other provision of this section to
536 the contrary, on or before September 15, 2000, and each succeeding
537 month thereafter, the sales tax revenue collected during the
538 preceding month under the provisions of Section 27-65-19(f), shall
539 be deposited, without diversion, into the Telecommunications Ad
540 Valorem Tax Reduction Fund established in Section 27-38-7.

541 (16) On or before August 15, 2000, and each succeeding month
542 thereafter, the sales tax revenue collected during the preceding
543 month under the provisions of this chapter on the gross proceeds
544 of sales of a project as defined in Section 57-30-1 shall be
545 deposited, after all diversions except the diversion provided for
546 in subsection (1) of this section, into the Sales Tax Incentive
547 Fund created in Section 57-30-3.

548 (17) The remainder of the amounts collected under the
549 provisions of this chapter shall be paid into the State Treasury
550 to the credit of the General Fund.

551 (18) It shall be the duty of the municipal officials of any
552 municipality which expands its limits, or of any community which
553 incorporates as a municipality, to notify the commissioner of such
554 action thirty (30) days before the effective date. Failure to so
555 notify the commissioner shall cause such municipality to forfeit
556 the revenue which it would have been entitled to receive during
557 this period of time when the commissioner had no knowledge of the
558 action. If any funds have been erroneously disbursed to any
559 municipality or any overpayment of tax is recovered by the
560 taxpayer, the commissioner may make correction and adjust the
561 error or overpayment with such municipality by withholding the
562 necessary funds from any subsequent payment to be made to the
563 municipality.

564 SECTION 3. Section 27-67-31, Mississippi Code of 1972, is
565 brought forward as follows:

566 27-67-31. All administrative provisions of the sales tax
567 law, and amendments thereto, including those which fix damages,
568 penalties and interest for failure to comply with the provisions
569 of said sales tax law, and all other requirements and duties
570 imposed upon taxpayer, shall apply to all persons liable for use
571 taxes under the provisions of this article. The commissioner
572 shall exercise all power and authority and perform all duties with
573 respect to taxpayers under this article as are provided in said
574 sales tax law, except where there is conflict, then the provisions
575 of this article shall control.

576 The commissioner may require transportation companies to
577 permit the examination of waybills, freight bills, or other
578 documents covering shipments of tangible personal property into
579 this state.

580 On or before the fifteenth day of each month, the amount
581 received from taxes, damages and interest under the provisions of
582 this article during the preceding month shall be paid and
583 distributed as follows:

584 (a) On or before July 15, 1994, through July 15, 2000,
585 and each succeeding month thereafter, two and two hundred
586 sixty-six one-thousandths percent (2.266%) of the total use tax
587 revenue collected during the preceding month under the provisions
588 of this article shall be deposited in the School Ad Valorem Tax
589 Reduction Fund created pursuant to Section 37-61-35. On or before
590 August 15, 2000, and each succeeding month thereafter, two and two
591 hundred sixty-six one-thousandths percent (2.266%) of the total
592 use tax revenue collected during the preceding month under the
593 provisions of this chapter shall be deposited into the School Ad
594 Valorem Tax Reduction Fund created under Section 37-61-35 until
595 such time that the total amount deposited into the fund during a
596 fiscal year equals Four Million Dollars (\$4,000,000.00).
597 Thereafter, the amounts diverted under this paragraph (a) during
598 the fiscal year in excess of Four Million Dollars (\$4,000,000.00)
599 shall be deposited into the Education Enhancement Fund created
600 under Section 37-61-33 for appropriation by the Legislature as
601 other education needs and shall not be subject to the percentage
602 appropriation requirements set forth in Section 37-61-33.

603 (b) On or before July 15, 1994, and each succeeding
604 month thereafter, nine and seventy-three one-thousandths percent
605 (9.073%) of the total use tax revenue collected during the
606 preceding month under the provisions of this article shall be
607 deposited into the Education Enhancement Fund created pursuant to
608 Section 37-61-33.

609 (c) On or before July 15, 1997, and on or before the
610 fifteenth day of each succeeding month thereafter, the revenue
611 collected under the provisions of this article imposed and levied
612 as a result of Section 27-65-17(2) and the corresponding levy in
613 Section 27-65-23 on the rental or lease of private carriers of
614 passengers and light carriers of property as defined in Section
615 27-51-101 shall be deposited into the Motor Vehicle Ad Valorem Tax
616 Reduction Fund created pursuant to Section 27-51-105.

617 (d) On or before July 15, 1997, and on or before the
618 fifteenth day of each succeeding month thereafter and after the
619 deposits required by paragraphs (a) and (b) of this section are
620 made, the remaining revenue collected under the provisions of this
621 article imposed and levied as a result of Section 27-65-17(1) and
622 the corresponding levy in Section 27-65-23 on the rental or lease
623 of private carriers of passengers and light carriers of property
624 as defined in Section 27-51-101 shall be deposited into the Motor
625 Vehicle Ad Valorem Tax Reduction Fund created pursuant to Section
626 27-51-105.

627 (e) The remainder of the amount received from taxes,
628 damages and interest under the provisions of this article shall be
629 paid into the General Fund of the State Treasury by the
630 commissioner.

631 SECTION 4. This act shall take effect and be in force from
632 and after July 1, 2001.