HOUSE BILL NO. 1310

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

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

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

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

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

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

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

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

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

(d) As a pledge to pay all or a portion of the debt
service on debt issued by the school district under Sections
through 37-7-359, 37-41-89 through 37-41-99, 37-7-301, 37-7-302
and 37-41-81, or debt issued by boards of supervisors for
agricultural high schools pursuant to Section 37-27-65, if such
pledge is accomplished pursuant to a written contract or
resolution approved and spread upon the minutes of an official
meeting of the district's school board or board of supervisors.
The annual grant to such district in any subsequent year during
the term of the resolution or contract shall not be reduced below
an amount equal to the district's grant amount for the year in
which the contract or resolution was adopted. The intent of this
provision is to allow school districts to irrevocably pledge a
certain, constant stream of revenue as security for long-term
obligations issued under the code sections enumerated in this
paragraph or as otherwise allowed by law. It is the intent of the
Legislature that the provisions of this paragraph shall be
cumulative and supplemental to any existing funding programs or
other authority conferred upon school districts or school boards.
Debt of a district secured by a pledge of sales tax revenue
pursuant to this paragraph shall not be subject to any debt
limitation contained in the foregoing enumerated code sections.
(3) The remainder of the money deposited into the Education
Enhancement Fund, excluding funds deposited pursuant to Section
27-103-203(1), shall be appropriated as follows:
   (a) To the State Department of Education as follows:
      (i) Eight and thirty-five one-hundredths percent
          (8.35%) to be distributed to public school districts for the
          funding of textbooks and other educational materials and to be
          used by the State Department of Education for the purchase of
          textbooks to be loaned under Sections 37-43-1 through 37-43-59 to
          approved nonpublic schools, as described under Section 37-43-1.
          The amount of funds under this item to be used by the department
          for purchasing textbooks to loan to approved nonpublic schools
          shall be in the proportion that the average daily attendance of
          the nonpublic schools that are loaned textbooks by the state bears
          to the average daily attendance of all school districts in the
          state. The funds distributed to the school districts under this
          item shall be in the proportion that the average daily attendance
          of each school district bears to the average daily attendance of
          all school districts within the state and shall be used to assist
          in the funding of textbooks and other educational materials, to
          include not more than Two Million Dollars ($2,000,000.00) each
          year for technology enhancement projects for elementary and
          secondary education programs;
      (ii) Seven and ninety-seven one-hundredths percent
          (7.97%) to assist the funding of transportation operations and
          maintenance pursuant to Section 37-19-23;
      (iii) Eight and twenty-six one-hundredths percent
          (8.26%) to assist the funding of the Uniform Millage Assistance
          Grant Program pursuant to Section 37-22-1; and
      (iv) Nine and sixty-one one-hundredths percent
          (9.61%) for classroom supplies, instructional materials and
          equipment, including computers and computer software, to be
          distributed to all school districts in the proportion that the
average daily attendance of each school district bears to the
average daily attendance of all school districts within the state. Such funds shall not be expended for administrative purposes.
Local school districts shall allocate classroom supply funds equally among all classroom teachers in the school district. For purposes of this subparagraph, "teacher" shall mean any employee of the school board of a school district who is required by law to obtain a teacher's license from the State Board of Education and who is assigned to an instructional area of work as defined by the State Department of Education, but shall not include a federally funded teacher. Two (2) or more teachers may agree to pool their classroom supply funds for the benefit of a school within the district pursuant to the development of a spending plan that supports the overall goals of the school which includes the type, quantity and quality of such supplies, instructional materials, equipment, computers or computer software. This plan shall be submitted, in writing, to the school principal for approval. Classroom supply funds allocated under this subparagraph shall supplement, not replace, other local and state funds available for the same purposes. School districts need not fully expend the funds received under this subparagraph in the year in which they are received, but such funds may be carried forward for expenditure in any succeeding school year. The State Board of Education shall develop and promulgate rules and regulations for the administration of this subparagraph consistent with the above criteria, with particular emphasis on allowing the individual teachers to expend funds as they deem appropriate, with minimum input from school principals. The Office of Educational Accountability in the State Department of Education shall audit annually the distribution and use of classroom supply funds to ensure compliance with the requirements of this subparagraph and those rules and regulations promulgated by the State Board of Education;
(b) Twenty-two and nine one-hundredths percent (22.09%) to the Board of Trustees of State Institutions of Higher Learning for the purpose of supporting institutions of higher learning; and

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

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

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

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

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

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

   (b) For subsection (3)(a)(ii) of this section Thirty-six Million Seven Hundred Thousand Dollars ($36,700,000.00);
(c) For subsection (3(a)(iii) of this section, Twenty-one Million Four Hundred Thousand Dollars ($21,400,000.00); and

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

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

[From and after July 1, 2002, this section reads as follows:] 37-61-33. (1) There is ** created within the State Treasury a special fund to be designated the "Education Enhancement Fund" into which shall be deposited all the revenues collected pursuant to Sections 27-65-75(7) and (8), 27-67-31(a) and (b) and 27-103-203(1).
(2) Of the amount deposited into the Education Enhancement Fund, excluding revenues deposited pursuant to Section 27-103-203(1), Sixteen Million Dollars ($16,000,000.00) shall be appropriated each fiscal year to the State Department of Education to be distributed to all school districts. Such money shall be distributed to all school districts in the proportion that the average daily attendance of each school district bears to the average daily attendance of all school districts within the state for the following purposes:

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

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

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

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

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

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

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

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

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

It is the intent of the Legislature that all classroom teachers shall be involved in the development of a spending plan that addresses individual classroom needs and supports the overall goals of the school regarding supplies, instructional materials, equipment, computers or computer software under the provisions of...
this subparagraph, including the type, quantity and quality of
such supplies, materials and equipment. This plan shall be
submitted to the school principal for approval. School districts
need not fully expend the funds received under this subparagraph
in the year in which they are received, but such funds may be
carried forward for expenditure in any succeeding school year.
The Office of Educational Accountability in the State Department
of Education shall audit annually the distribution and use of
classroom supply funds to ensure compliance with the requirements
of this subparagraph;
(b) Twenty-two and nine one-hundredths percent (22.09%) to the Board of Trustees of State Institutions of Higher Learning
for the purpose of supporting institutions of higher learning; and
(c) Fourteen and forty-one one-hundredths percent (14.41%) to the State Board for Community and Junior Colleges for
the purpose of providing support to community and junior colleges.
(4) The amount remaining in the Education Enhancement Fund
after funds are distributed as provided in subsections (2) and (3)
of this section, excluding funds deposited pursuant to Section
27-103-203(1), shall be disbursed as follows:
(a) Twenty-five Million Dollars ($25,000,000.00) shall be deposited into the Working Cash-Stabilization Reserve Fund
created pursuant to Section 27-103-203(1), until the balance in
such fund reaches the maximum balance of seven and one-half
percent (7-1/2%) of the General Fund appropriations in the
appropriate fiscal year. After the maximum balance in the Working
Cash-Stabilization Reserve Fund is reached, such money shall
remain in the Education Enhancement Fund to be appropriated in the
manner provided for in paragraph (b) of this section.
(b) The remainder shall be appropriated for other educational needs.
(5) None of the funds appropriated pursuant to subsection
(3)(a) of this section shall be used to reduce the state's general
fund appropriation for the categories listed in an amount below the following amounts:

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

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

At the end of a fiscal year such amounts as required by Section 27-103-203(1) to be transferred to the Education Enhancement Fund shall be deposited into the Education Enhancement Fund and shall be kept separate from other monies in the fund by the State Treasurer. * * * The monies in such special fund deposited pursuant to * * * Section 27-103-203(1) shall be subject to appropriation by the Legislature in the following manner: (a) fifty percent (50%) to support public education, including but not limited to, Grades K through 12, Mississippi Educational Television and/or the Mississippi Library Commission; (b) twenty-five percent (25%) to support institutions of higher learning; and (c) twenty-five percent (25%) to support the junior or community colleges. Any amount of such monies transferred into the separate fund pursuant to Section 27-103-203(1) which are not appropriated by the Legislature shall not lapse but shall carry over and be subject to appropriation by the Legislature in the succeeding fiscal year in the same manner provided in this subsection * * *.

The interest earned on the investment of such monies transferred pursuant to Section 27-103-203(1) shall be paid into the separate fund within the Education Enhancement Fund.

SECTION 2. Section 27-65-75, Mississippi Code of 1972, is brought forward as follows:
27-65-75. On or before the fifteenth day of each month, the revenue collected under the provisions of this chapter during the preceding month shall be paid and distributed as follows:

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

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

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

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

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

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

(4) On or before August 15, 1994, and on or before the
fifteenth day of each succeeding month through July 15, 1999, from
the proceeds of gasoline, diesel fuel or kerosene taxes as
provided in Section 27-5-101(a)(ii), Four Million Dollars
($4,000,000.00) shall be deposited in the State Treasury to the
credit of a special fund designated as the "State Aid Road Fund,"
created by Section 65-9-17. On or before August 15, 1999, and on
or before the fifteenth day of each succeeding month, from the
total amount of the proceeds of gasoline, diesel fuel or kerosene
taxes apportioned by Section 27-5-101(a)(ii), Four Million Dollars
($4,000,000.00) or an amount equal to twenty-three and one-fourth
percent (23.25%) of such funds, whichever is the greater amount,
shall be deposited in the State Treasury to the credit of the
"State Aid Road Fund," created by Section 65-9-17. Such funds
shall be pledged to pay the principal of and interest on state aid
road bonds heretofore issued under Sections 19-9-51 through
19-9-77, in lieu of and in substitution for the funds heretofore
allocated to counties under this section. Such funds may not be
pledged for the payment of any state aid road bonds issued after
April 1, 1981; however, this prohibition against the pledging of
any such funds for the payment of bonds shall not apply to any
bonds for which intent to issue such bonds has been published, for
the first time, as provided by law prior to March 29, 1981. From
the amount of taxes paid into the special fund pursuant to this
subsection and subsection (9) of this section, there shall be
first deducted and paid the amount necessary to pay the expenses
of the Office of State Aid Road Construction, as authorized by the
Legislature for all other general and special fund agencies. The remainder of the fund shall be allocated monthly to the several counties in accordance with the following formula:

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

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

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

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

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

Any reference in the general laws of this state or the Mississippi Code of 1972 to Section 27-5-105 shall mean and be construed to refer and apply to subsection (4) of Section 27-65-75.
(5) One Million Six Hundred Sixty-six Thousand Six Hundred Sixty-six Dollars ($1,666,666.00) each month shall be paid into the special fund known as the "State Public School Building Fund" created and existing under the provisions of Sections 37-47-1 through 37-47-67. Such payments into said fund are to be made on the last day of each succeeding month hereafter.

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

(7) On or before August 15, 1992, and each succeeding month thereafter through July 15, 2000, two and two hundred sixty-six one-thousandths percent (2.266%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Section 27-65-17(2) shall be deposited by the commission into the School Ad Valorem Tax Reduction Fund created pursuant to Section 37-61-35. On or before August 15, 2000, and each succeeding month thereafter, two and two hundred sixty-six one-thousandths percent (2.266%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Section 27-65-17(2), shall be deposited into the School Ad Valorem Tax Reduction Fund created under Section 37-61-35 until such time that the total amount deposited into the fund during a fiscal year equals Forty-two Million Dollars ($42,000,000.00). Thereafter, the amounts diverted under this subsection (7) during the fiscal year in excess of Forty-two Million Dollars ($42,000,000.00) shall be deposited into the Education Enhancement Fund created under Section 37-61-33 for appropriation by the Legislature as other education needs and shall not be subject to the percentage appropriation requirements set forth in Section 37-61-33.
(8) On or before August 15, 1992, and each succeeding month thereafter, nine and seventy-three one-thousandths percent (9.073%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Section 27-65-17(2) shall be deposited into the Education Enhancement Fund created pursuant to Section 37-61-33.

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

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

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

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

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

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

(15) Notwithstanding any other provision of this section to
the contrary, on or before September 15, 2000, and each succeeding
month thereafter, the sales tax revenue collected during the
preceding month under the provisions of Section 27-65-19(f), shall
be deposited, without diversion, into the Telecommunications Ad

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

(17) The remainder of the amounts collected under the
provisions of this chapter shall be paid into the State Treasury
to the credit of the General Fund.
(18) It shall be the duty of the municipal officials of any municipality which expands its limits, or of any community which incorporates as a municipality, to notify the commissioner of such action thirty (30) days before the effective date. Failure to so notify the commissioner shall cause such municipality to forfeit the revenue which it would have been entitled to receive during this period of time when the commissioner had no knowledge of the action. If any funds have been erroneously disbursed to any municipality or any overpayment of tax is recovered by the taxpayer, the commissioner may make correction and adjust the error or overpayment with such municipality by withholding the necessary funds from any subsequent payment to be made to the municipality.

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

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

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

On or before the fifteenth day of each month, the amount received from taxes, damages and interest under the provisions of this article during the preceding month shall be paid and distributed as follows:
(a) On or before July 15, 1994, through July 15, 2000, and each succeeding month thereafter, two and two hundred sixty-six one-thousandths percent (2.266%) of the total use tax revenue collected during the preceding month under the provisions of this article shall be deposited in the School Ad Valorem Tax Reduction Fund created pursuant to Section 37-61-35. On or before August 15, 2000, and each succeeding month thereafter, two and two hundred sixty-six one-thousandths percent (2.266%) of the total use tax revenue collected during the preceding month under the provisions of this chapter shall be deposited into the School Ad Valorem Tax Reduction Fund created under Section 37-61-35 until such time that the total amount deposited into the fund during a fiscal year equals Four Million Dollars ($4,000,000.00). Thereafter, the amounts diverted under this paragraph (a) during the fiscal year in excess of Four Million Dollars ($4,000,000.00) shall be deposited into the Education Enhancement Fund created under Section 37-61-33 for appropriation by the Legislature as other education needs and shall not be subject to the percentage appropriation requirements set forth in Section 37-61-33.

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

(c) On or before July 15, 1997, and on or before the fifteenth day of each succeeding month thereafter, the revenue collected under the provisions of this article imposed and levied as a result of Section 27-65-17(2) and the corresponding levy in Section 27-65-23 on the rental or lease of private carriers of passengers and light carriers of property as defined in Section 27-51-101 shall be deposited into the Motor Vehicle Ad Valorem Tax Reduction Fund created pursuant to Section 27-51-105.
(d) On or before July 15, 1997, and on or before the
fifteenth day of each succeeding month thereafter and after the
deposits required by paragraphs (a) and (b) of this section are
made, the remaining revenue collected under the provisions of this
article imposed and levied as a result of Section 27-65-17(1) and
the corresponding levy in Section 27-65-23 on the rental or lease
of private carriers of passengers and light carriers of property
as defined in Section 27-51-101 shall be deposited into the Motor
Vehicle Ad Valorem Tax Reduction Fund created pursuant to Section
27-51-105.

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

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