

By: Representative Compretta (By Request)

To: Ways and Means

HOUSE BILL NO. 1585

1 AN ACT TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT PROCEEDS DERIVED FROM CONTRACTORS' TAXES LEVIED ON
3 CONTRACTS FOR THE CONSTRUCTION, RECONSTRUCTION OR MAINTENANCE OF
4 HIGHWAYS ON THE STATE MAINTAINED HIGHWAY SYSTEM, OTHER THAN
5 HIGHWAYS DESIGNATED UNDER THE 1987 FOUR-LANE HIGHWAY PROGRAM,
6 SHALL BE DEPOSITED INTO THE STATE HIGHWAY FUND AND USED TO FUND
7 STATE HIGHWAY MAINTENANCE; AND FOR RELATED PURPOSES.

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

9 **SECTION 1.** Section 27-65-75, Mississippi Code of 1972, is
10 amended as follows:

11 27-65-75. On or before the fifteenth day of each month, the
12 revenue collected under the provisions of this chapter during the
13 preceding month shall be paid and distributed as follows:

14 (1) On or before August 15, 1992, and each succeeding month
15 thereafter through July 15, 1993, eighteen percent (18%) of the
16 total sales tax revenue collected during the preceding month under
17 the provisions of this chapter, except that collected under the
18 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
19 business activities within a municipal corporation shall be
20 allocated for distribution to such municipality and paid to such
21 municipal corporation. On or before August 15, 1993, and each
22 succeeding month thereafter, eighteen and one-half percent
23 (18-1/2%) of the total sales tax revenue collected during the
24 preceding month under the provisions of this chapter, except that
25 collected under the provisions of Sections 27-65-15, 27-65-19(3)
26 and 27-65-21, on business activities within a municipal
27 corporation shall be allocated for distribution to such
28 municipality and paid to such municipal corporation.



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

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

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

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



62 gallons of gasoline and diesel fuel sold by distributors to
63 consumers and retailers in each municipality. In determining the
64 percentage allocation of funds under this subsection for the
65 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
66 State Tax Commission may consider gallons of gasoline and diesel
67 fuel sold for a period of less than one (1) fiscal year. For the
68 purposes of this subsection, the term "fiscal year" means the
69 fiscal year beginning July 1 of a year.

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

82 (b) On or before August 15, 2002, and on or before the
83 fifteenth day of each succeeding month, until the date specified
84 in Section 65-37-35, the proceeds derived from contractors' taxes
85 levied under Section 27-65-21 on contracts for the construction,
86 reconstruction or maintenance of highways on the state maintained
87 highway system, other than highways designated under the Four-Lane
88 Highway Program created under Section 65-3-97, shall be deposited
89 into the State Treasury to the credit of the State Highway Fund to
90 be used to fund state maintained highways.

91 (4) On or before August 15, 1994, and on or before the
92 fifteenth day of each succeeding month through July 15, 1999, from
93 the proceeds of gasoline, diesel fuel or kerosene taxes as
94 provided in Section 27-5-101(a)(ii)1, Four Million Dollars



95 (\$4,000,000.00) shall be deposited in the State Treasury to the
96 credit of a special fund designated as the "State Aid Road Fund,"
97 created by Section 65-9-17. On or before August 15, 1999, and on
98 or before the fifteenth day of each succeeding month, from the
99 total amount of the proceeds of gasoline, diesel fuel or kerosene
100 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
101 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
102 one-fourth percent (23.25%) of such funds, whichever is the
103 greater amount, shall be deposited in the State Treasury to the
104 credit of the "State Aid Road Fund," created by Section 65-9-17.
105 Such funds shall be pledged to pay the principal of and interest
106 on state aid road bonds heretofore issued under Sections 19-9-51
107 through 19-9-77, in lieu of and in substitution for the funds
108 heretofore allocated to counties under this section. Such funds
109 may not be pledged for the payment of any state aid road bonds
110 issued after April 1, 1981; however, this prohibition against the
111 pledging of any such funds for the payment of bonds shall not
112 apply to any bonds for which intent to issue such bonds has been
113 published, for the first time, as provided by law prior to March
114 29, 1981. From the amount of taxes paid into the special fund
115 pursuant to this subsection and subsection (9) of this section,
116 there shall be first deducted and paid the amount necessary to pay
117 the expenses of the Office of State Aid Road Construction, as
118 authorized by the Legislature for all other general and special
119 fund agencies. The remainder of the fund shall be allocated
120 monthly to the several counties in accordance with the following
121 formula:

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

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



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

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

135 The amount of funds allocated to any county under this
136 subsection for any fiscal year after fiscal year 1994 shall not be
137 less than the amount allocated to such county for fiscal year
138 1994. Monies allocated to a county from the State Aid Road Fund
139 for fiscal year 1995 or any fiscal year thereafter that exceed the
140 amount of funds allocated to that county from the State Aid Road
141 Fund for fiscal year 1994, first must be expended by the county
142 for replacement or rehabilitation of bridges on the state aid road
143 system that have a sufficiency rating of less than twenty-five
144 (25), according to National Bridge Inspection standards before
145 such monies may be approved for expenditure by the State Aid Road
146 Engineer on other projects that qualify for the use of state aid
147 road funds.

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

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

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



161 Correctional Facilities Construction Fund created in Section 6 of
162 Chapter 542, Laws of 1983.

163 (7) On or before August 15, 1992, and each succeeding month
164 thereafter through July 15, 2000, two and two hundred sixty-six
165 one-thousandths percent (2.266%) of the total sales tax revenue
166 collected during the preceding month under the provisions of this
167 chapter, except that collected under the provisions of Section
168 27-65-17(2) shall be deposited by the commission into the School
169 Ad Valorem Tax Reduction Fund created pursuant to Section
170 37-61-35. On or before August 15, 2000, and each succeeding month
171 thereafter, two and two hundred sixty-six one-thousandths percent
172 (2.266%) of the total sales tax revenue collected during the
173 preceding month under the provisions of this chapter, except that
174 collected under the provisions of Section 27-65-17(2), shall be
175 deposited into the School Ad Valorem Tax Reduction Fund created
176 under Section 37-61-35 until such time that the total amount
177 deposited into the fund during a fiscal year equals Forty-two
178 Million Dollars (\$42,000,000.00). Thereafter, the amounts
179 diverted under this subsection (7) during the fiscal year in
180 excess of Forty-two Million Dollars (\$42,000,000.00) shall be
181 deposited into the Education Enhancement Fund created under
182 Section 37-61-33 for appropriation by the Legislature as other
183 education needs and shall not be subject to the percentage
184 appropriation requirements set forth in 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 27-38-7.

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

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

250 (18) It shall be the duty of the municipal officials of any
251 municipality which expands its limits, or of any community which
252 incorporates as a municipality, to notify the commissioner of such
253 action thirty (30) days before the effective date. Failure to so
254 notify the commissioner shall cause such municipality to forfeit
255 the revenue which it would have been entitled to receive during
256 this period of time when the commissioner had no knowledge of the
257 action. If any funds have been erroneously disbursed to any
258 municipality or any overpayment of tax is recovered by the
259 taxpayer, the commissioner may make correction and adjust the



260 error or overpayment with such municipality by withholding the
261 necessary funds from any subsequent payment to be made to the
262 municipality.

263 **SECTION 2.** This act shall take effect and be in force from
264 and after July 1, 2002.

