

By: Representative Ishee

To: Ways and Means

HOUSE BILL NO. 196

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF ANY
2 MUNICIPALITY TO IMPOSE A SPECIAL SALES TAX OF NOT MORE THAN ONE
3 PERCENT ON THE GROSS PROCEEDS OF ALL SALES OR THE GROSS INCOME OF
4 BUSINESSES IN THE MUNICIPALITY DERIVED FROM ACTIVITIES TAXED AT
5 THE RATE OF SEVEN PERCENT OR MORE UNDER THE MISSISSIPPI SALES TAX
6 LAW; TO PROVIDE THAT THE SPECIAL SALES TAX SHALL NOT BE LEVIED
7 UNLESS AUTHORIZED BY AT LEAST THREE-FIFTHS OF THE VOTES CAST AT AN
8 ELECTION CALLED AND HELD FOR SUCH PURPOSE; TO AUTHORIZE A
9 MUNICIPALITY TO INCUR INDEBTEDNESS IN AN AMOUNT NOT GREATER THAN
10 AN AMOUNT FOR WHICH DEBT SERVICE IS CAPABLE OF BEING FUNDED BY THE
11 PROCEEDS OF THE SPECIAL SALES TAX; TO PROVIDE THAT THE SPECIAL
12 SALES TAX REVENUE COLLECTED PURSUANT TO SUCH A TAX SHALL BE USED
13 AND EXPENDED BY THE MUNICIPALITY ONLY TO FUND CERTAIN
14 TRANSPORTATION INFRASTRUCTURE PROJECTS AND/OR OTHER CAPITAL
15 PROJECTS; TO PROVIDE FOR THE DISCONTINUANCE OF THE SPECIAL SALES
16 TAX UPON COMPLETION OF THE FUNDING OF THE TRANSPORTATION
17 INFRASTRUCTURE PROJECTS AND/OR OTHER CAPITAL PROJECTS FOR WHICH
18 THE TAX WAS LEVIED; TO AMEND SECTIONS 21-33-303 AND 27-65-75,
19 MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND FOR RELATED
20 PURPOSES.

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

22 **SECTION 1.** The governing authorities of any municipality may
23 impose upon all persons as a privilege for engaging or continuing
24 in business or doing business within such municipality, a special
25 sales tax at the rate of not more than one percent (1%) of the
26 gross proceeds of sales or gross income of the business, as the
27 case may be, derived from any of the activities taxed at the rate
28 of seven percent (7%) or more under the Mississippi Sales Tax Law,
29 Section 27-65-1 et seq., as provided hereinafter. The tax levied
30 under this section shall apply to every person making sales,
31 delivery or installations of tangible personal property or
32 services within any municipality which has adopted the levy herein
33 authorized but shall not apply to sales exempted by Sections
34 27-65-19, 27-65-101, 27-65-103, 27-65-105, 27-65-107, 27-65-109
35 and 27-65-111 of the Mississippi Sales Tax Law.

36 SECTION 2. (1) The governing authorities of the
37 municipality shall specify in the resolution ordering the election
38 required by subsection (2) of this section, the specific
39 transportation infrastructure projects or other capital projects,
40 or both, that the revenue collected pursuant to the tax levy may
41 be used and expended to construct.

42 (2) The tax levy authorized herein shall not be made unless
43 authorized by at least three-fifths (3/5) of the votes cast at an
44 election to be called and held for that purpose. Notice of such
45 election shall be given, the election shall be held and the result
46 thereof determined, as far as is practicable, in the same manner
47 as other elections are held in the municipality. At such
48 election, all qualified electors of the municipality may vote.
49 The ballots used at such election shall have printed thereon a
50 brief description of the sales tax, the amount of the sales tax
51 levy, a description of the specific transportation infrastructure
52 projects or other capital projects, or both, for which the tax
53 revenue may be used and expended and the words "FOR THE LOCAL
54 SALES TAX" and "AGAINST THE LOCAL SALES TAX" and the voter shall
55 vote by placing a cross (X) or check mark (✓) opposite his choice
56 on the proposition. When the results of the election have been
57 canvassed by the election commissioners of the municipality and
58 certified by them to the governing authorities of the
59 municipality, it shall be the duty of such governing authorities
60 to determine and adjudicate whether at least three-fifths (3/5) of
61 the qualified electors who voted in such election voted in favor
62 of the tax. If the election results in favor of the levy, the
63 governing authorities shall adopt a resolution declaring the levy
64 and collection of the tax provided in Sections 1 through 3 of this
65 act and shall set the first day of the second month following the
66 date of such adoption as the effective date of the tax levy. A
67 certified copy of this resolution together with the result of the

68 election shall be furnished to the State Tax Commission not less
69 than thirty (30) days before the effective date of the levy.

70 **SECTION 3.** (1) The special sales tax authorized by Sections
71 1 through 3 of this act shall be collected by the State Tax
72 Commission, shall be accounted for separately from the amount of
73 sales tax collected for the state in the municipality and shall be
74 paid to the municipality in which collected. Payments to the
75 municipalities shall be made by the State Tax Commission on or
76 before the fifteenth day of the month following the month in which
77 the tax was collected.

78 (2) The proceeds of the special sales tax shall be placed
79 into a separate fund apart from the municipal general fund and any
80 other funds of the municipality, and shall be expended by the
81 municipality solely for the purpose of paying any indebtedness or
82 other obligation the municipality may incur for the transportation
83 infrastructure project or other capital projects, or both,
84 specified in the resolution ordering the election.

85 (3) All provisions of the Mississippi Sales Tax Law
86 applicable to filing of returns, discounts to the taxpayer,
87 remittances to the State Tax Commission, enforced collection,
88 rights of taxpayers, recovery of improper taxes, refunds of
89 overpaid taxes or other provisions of law providing for imposition
90 and collection of the state sales tax shall apply to the special
91 sales tax authorized by Sections 1 through 3 of this act, except
92 where there is a conflict, in which case the provisions of
93 Sections 1 through 3 of this act shall control. Any damages,
94 penalties or interest collected for the nonpayment of taxes
95 imposed under Sections 1 through 3 of this act, or for
96 noncompliance with the provisions of Sections 1 through 3 of this
97 act, shall be paid to the municipality in which such damages,
98 penalties or interest were collected on the same basis and in the
99 same manner as the tax proceeds. Any overpayment of tax for any
100 reason that has been disbursed to any municipality or any payment

101 of the tax to any municipality in error may be adjusted by the
102 State Tax Commission on any subsequent payment to the municipality
103 involved pursuant to the provisions of the Mississippi Sales Tax
104 Law. The State Tax Commission may, from time to time, make such
105 rules and regulations not inconsistent with Sections 1 through 3
106 of this act as may be deemed necessary to carry out the provisions
107 of Sections 1 through 3 of this act, and such rules and
108 regulations shall have the full force and effect of law.

109 (4) The special sales tax shall be discontinued by the
110 governing authorities of the municipality on the first day of the
111 month immediately succeeding the date any indebtedness, including
112 interest, incurred pursuant to Section 4 of this act is retired,
113 or in the event the municipality incurs no indebtedness, the first
114 day of the month after all obligations for the transportation
115 infrastructure projects or other capital projects, or both, have
116 been paid. Any amount remaining in the separate fund containing
117 the proceeds of the special tax not necessary to retire the debt
118 or pay any other obligations, shall be transferred to the
119 municipal general fund.

120 **SECTION 4.** The governing authorities of any municipality
121 that levies a special sales tax pursuant to Sections 1 through 3
122 of this act may incur indebtedness of the municipality in an
123 aggregate principal amount that is not in excess of an amount for
124 which debt service is capable of being funded by the proceeds of
125 the special sales tax levied pursuant to Sections 1 through 3 of
126 this act. The indebtedness authorized by this section shall not
127 be considered when computing any limitation of indebtedness of the
128 municipality established by law.

129 **SECTION 5.** Section 21-33-303, Mississippi Code of 1972, is
130 amended as follows:

131 21-33-303. No municipality shall hereafter issue bonds
132 secured by a pledge of its full faith and credit for the purposes
133 authorized by law in an amount which, when added to the then

134 outstanding bonded indebtedness of such municipality, shall exceed
135 either (a) fifteen percent (15%) of the assessed value of the
136 taxable property within such municipality, according to the last
137 completed assessment for taxation, or (b) ten percent (10%) of the
138 assessment upon which taxes were levied for its fiscal year ending
139 September 30, 1984, whichever is greater. In computing such
140 indebtedness, there may be deducted all bonds or other evidences
141 of indebtedness, heretofore or hereafter issued, for school,
142 water, sewerage systems, gas, and light and power purposes and for
143 the construction of special improvements primarily chargeable to
144 the property benefited, or for the purpose of paying the
145 municipality's proportion of any betterment program, a portion of
146 which is primarily chargeable to the property benefited. However,
147 in no case shall any municipality contract any indebtedness which,
148 when added to all of the outstanding general obligation
149 indebtedness, both bonded and floating, shall exceed either (a)
150 twenty percent (20%) of the assessed value of all taxable property
151 within such municipality according to the last completed
152 assessment for taxation or (b) fifteen percent (15%) of the
153 assessment upon which taxes were levied for its fiscal year ending
154 September 30, 1984, whichever is greater. Nothing herein
155 contained shall be construed to apply to contract obligations in
156 any form heretofore or hereafter incurred by any municipality
157 which are subject to annual appropriations therefor, or to bonds
158 heretofore issued by any municipality for school purposes, or to
159 contract obligations in any form heretofore or hereafter incurred
160 by any municipality which are payable exclusively from the
161 revenues of any municipally owned utility, or to bonds issued by
162 any municipality under the provisions of Sections 57-1-1 through
163 57-1-51, or to any special assessment improvement bonds issued by
164 any municipality under the provisions of Sections 21-41-1 through
165 21-41-53, or to any indebtedness incurred under Section 55-23-8,

166 or to any indebtedness incurred under Section 4 of House Bill No.
167 ____, 2004 Regular Session.

168 All bonds issued prior to July 1, 1990, pursuant to this
169 chapter by any municipality for the purpose of the constructing,
170 replacing, renovating or improving wastewater collection and
171 treatment facilities in order to comply with an administrative
172 order of the Mississippi Department of Natural Resources issued
173 pursuant to the Federal Water Pollution Control Act and amendments
174 thereto, are hereby exempt from the limitation imposed by this
175 section if the governing body of the municipality adopts an order,
176 resolution or ordinance to the effect that the rates paid by the
177 users of such facilities shall be increased to the extent
178 necessary to provide sufficient funds for the payment of the
179 principal of and interest on such bonds as each respectively
180 becomes due and payable as well as the necessary expenses in
181 connection with the operation and maintenance of such facilities.

182 **SECTION 6.** Section 27-65-75, Mississippi Code of 1972, is
183 amended as follows:

184 27-65-75. On or before the fifteenth day of each month, the
185 revenue collected under the provisions of this chapter during the
186 preceding month shall be paid and distributed as follows:

187 (1) On or before August 15, 1992, and each succeeding month
188 thereafter through July 15, 1993, eighteen percent (18%) of the
189 total sales tax revenue collected during the preceding month under
190 the provisions of this chapter, except that collected under the
191 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
192 business activities within a municipal corporation shall be
193 allocated for distribution to such municipality and paid to such
194 municipal corporation. On or before August 15, 1993, and each
195 succeeding month thereafter, eighteen and one-half percent
196 (18-1/2%) of the total sales tax revenue collected during the
197 preceding month under the provisions of this chapter, except that
198 collected under the provisions of Sections 27-65-15, 27-65-19(3)

199 and 27-65-21, on business activities within a municipal
200 corporation shall be allocated for distribution to such
201 municipality and paid to such municipal corporation.

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

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

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

218 (2) On or before September 15, 1987, and each succeeding
219 month thereafter, from the revenue collected under this chapter
220 during the preceding month One Million One Hundred Twenty-five
221 Thousand Dollars (\$1,125,000.00) shall be allocated for
222 distribution to municipal corporations as defined under subsection
223 (1) of this section in the proportion that the number of gallons
224 of gasoline and diesel fuel sold by distributors to consumers and
225 retailers in each such municipality during the preceding fiscal
226 year bears to the total gallons of gasoline and diesel fuel sold
227 by distributors to consumers and retailers in municipalities
228 statewide during the preceding fiscal year. The State Tax
229 Commission shall require all distributors of gasoline and diesel
230 fuel to report to the commission monthly the total number of
231 gallons of gasoline and diesel fuel sold by them to consumers and

232 retailers in each municipality during the preceding month. The
233 State Tax Commission shall have the authority to promulgate such
234 rules and regulations as is necessary to determine the number of
235 gallons of gasoline and diesel fuel sold by distributors to
236 consumers and retailers in each municipality. In determining the
237 percentage allocation of funds under this subsection for the
238 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
239 State Tax Commission may consider gallons of gasoline and diesel
240 fuel sold for a period of less than one (1) fiscal year. For the
241 purposes of this subsection, the term "fiscal year" means the
242 fiscal year beginning July 1 of a year.

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

255 (4) On or before August 15, 1994, and on or before the
256 fifteenth day of each succeeding month through July 15, 1999, from
257 the proceeds of gasoline, diesel fuel or kerosene taxes as
258 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
259 (\$4,000,000.00) shall be deposited in the State Treasury to the
260 credit of a special fund designated as the "State Aid Road Fund,"
261 created by Section 65-9-17. On or before August 15, 1999, and on
262 or before the fifteenth day of each succeeding month, from the
263 total amount of the proceeds of gasoline, diesel fuel or kerosene
264 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million

265 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
266 one-fourth percent (23.25%) of such funds, whichever is the
267 greater amount, shall be deposited in the State Treasury to the
268 credit of the "State Aid Road Fund," created by Section 65-9-17.
269 Such funds shall be pledged to pay the principal of and interest
270 on state aid road bonds heretofore issued under Sections 19-9-51
271 through 19-9-77, in lieu of and in substitution for the funds
272 heretofore allocated to counties under this section. Such funds
273 may not be pledged for the payment of any state aid road bonds
274 issued after April 1, 1981; however, this prohibition against the
275 pledging of any such funds for the payment of bonds shall not
276 apply to any bonds for which intent to issue such bonds has been
277 published, for the first time, as provided by law prior to March
278 29, 1981. From the amount of taxes paid into the special fund
279 pursuant to this subsection and subsection (9) of this section,
280 there shall be first deducted and paid the amount necessary to pay
281 the expenses of the Office of State Aid Road Construction, as
282 authorized by the Legislature for all other general and special
283 fund agencies. The remainder of the fund shall be allocated
284 monthly to the several counties in accordance with the following
285 formula:

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

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

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

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

299 The amount of funds allocated to any county under this
300 subsection for any fiscal year after fiscal year 1994 shall not be
301 less than the amount allocated to such county for fiscal year
302 1994. Monies allocated to a county from the State Aid Road Fund
303 for fiscal year 1995 or any fiscal year thereafter that exceed the
304 amount of funds allocated to that county from the State Aid Road
305 Fund for fiscal year 1994, first must be expended by the county
306 for replacement or rehabilitation of bridges on the state aid road
307 system that have a sufficiency rating of less than twenty-five
308 (25), according to National Bridge Inspection standards before
309 such monies may be approved for expenditure by the State Aid Road
310 Engineer on other projects that qualify for the use of state aid
311 road funds.

312 Any reference in the general laws of this state or the
313 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
314 construed to refer and apply to subsection (4) of Section
315 27-65-75.

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

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

327 (7) On or before August 15, 1992, and each succeeding month
328 thereafter through July 15, 2000, two and two hundred sixty-six

329 one-thousandths percent (2.266%) of the total sales tax revenue
330 collected during the preceding month under the provisions of this
331 chapter, except that collected under the provisions of Section
332 27-65-17(2) shall be deposited by the commission into the School
333 Ad Valorem Tax Reduction Fund created pursuant to Section
334 37-61-35. On or before August 15, 2000, and each succeeding month
335 thereafter, two and two hundred sixty-six one-thousandths percent
336 (2.266%) of the total sales tax revenue collected during the
337 preceding month under the provisions of this chapter, except that
338 collected under the provisions of Section 27-65-17(2), shall be
339 deposited into the School Ad Valorem Tax Reduction Fund created
340 under Section 37-61-35 until such time that the total amount
341 deposited into the fund during a fiscal year equals Forty-two
342 Million Dollars (\$42,000,000.00). Thereafter, the amounts
343 diverted under this subsection (7) during the fiscal year in
344 excess of Forty-two Million Dollars (\$42,000,000.00) shall be
345 deposited into the Education Enhancement Fund created under
346 Section 37-61-33 for appropriation by the Legislature as other
347 education needs and shall not be subject to the percentage
348 appropriation requirements set forth in Section 37-61-33.

349 (8) On or before August 15, 1992, and each succeeding month
350 thereafter, nine and seventy-three one-thousandths percent
351 (9.073%) of the total sales tax revenue collected during the
352 preceding month under the provisions of this chapter, except that
353 collected under the provisions of Section 27-65-17(2) shall be
354 deposited into the Education Enhancement Fund created pursuant to
355 Section 37-61-33.

356 (9) On or before August 15, 1994, and each succeeding month
357 thereafter, from the revenue collected under this chapter during
358 the preceding month, Two Hundred Fifty Thousand Dollars
359 (\$250,000.00) shall be paid into the State Aid Road Fund.

360 (10) On or before August 15, 1994, and each succeeding month
361 thereafter through August 15, 1995, from the revenue collected

362 under this chapter during the preceding month, Two Million Dollars
363 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
364 Valorem Tax Reduction Fund established in Section 27-51-105.

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

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

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

391 (14) On or before August 15, 1998, and each succeeding month
392 thereafter through July 15, 2005, that portion of the avails of
393 the tax imposed in Section 27-65-23 which is derived from sales by
394 cotton compresses or cotton warehouses and which would otherwise

395 be paid into the General Fund, shall be deposited in an amount not
396 to exceed Two Million Dollars (\$2,000,000.00) into the special
397 fund created pursuant to Section 69-37-39.

398 (15) Notwithstanding any other provision of this section to
399 the contrary, on or before September 15, 2000, and each succeeding
400 month thereafter, the sales tax revenue collected during the
401 preceding month under the provisions of Section 27-65-19(1)(f) and
402 (g)(i)2, shall be deposited, without diversion, into the
403 Telecommunications Ad Valorem Tax Reduction Fund established in
404 Section 27-38-7.

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

412 (17) Notwithstanding any other provision of this section to
413 the contrary, on or before April 15, 2002, and each succeeding
414 month thereafter, the sales tax revenue collected during the
415 preceding month under Section 27-65-23 on sales of parking
416 services of parking garages and lots at airports shall be
417 deposited, without diversion, into the special fund created
418 pursuant to Section 27-5-101(d).

419 (18) On or before August 15, 2004, and each succeeding month
420 thereafter through July 15, 2005, from the sales tax revenue
421 collected during the preceding month under the provisions of this
422 chapter, Two Million Five Hundred Thousand Dollars (\$2,500,000.00)
423 shall be deposited into the Special Funds Transfer Fund created in
424 House Bill No. 1036, 2003 Regular Session.

425 (19) Notwithstanding any other provision of this section to
426 the contrary, the revenue collected from the special sales tax
427 authorized under Sections 1 through 3 of House Bill No. _____, 2004

428 Regular Session, shall be allocated for distribution and
429 distributed as provided in Section 3 of House Bill No. , 2004
430 Regular Session.

431 (20) The remainder of the amounts collected under the
432 provisions of this chapter shall be paid into the State Treasury
433 to the credit of the General Fund.

434 (21) It shall be the duty of the municipal officials of any
435 municipality which expands its limits, or of any community which
436 incorporates as a municipality, to notify the commissioner of such
437 action thirty (30) days before the effective date. Failure to so
438 notify the commissioner shall cause such municipality to forfeit
439 the revenue which it would have been entitled to receive during
440 this period of time when the commissioner had no knowledge of the
441 action. If any funds have been erroneously disbursed to any
442 municipality or any overpayment of tax is recovered by the
443 taxpayer, the commissioner may make correction and adjust the
444 error or overpayment with such municipality by withholding the
445 necessary funds from any subsequent payment to be made to the
446 municipality.

447 **SECTION 7.** The Attorney General of the State of Mississippi
448 shall submit this act, immediately upon approval by the Governor
449 or upon approval by the Legislature subsequent to a veto, to the
450 Attorney General of the United States or to the United States
451 District Court for the District of Columbia in accordance with the
452 provisions of the Voting Rights Act of 1965, as amended and
453 extended.

454 **SECTION 8.** This act shall take effect and be in force from
455 and after the date it is effectuated under Section 5 of the Voting
456 Rights Act of 1965, as amended and extended.