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To: Ways and Means

HOUSE BILL NO. 856

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF ANY  
2 MUNICIPALITY TO IMPOSE A SPECIAL SALES TAX OF NOT MORE THAN  
3 THREE-FOURTHS OF ONE PERCENT ON THE GROSS PROCEEDS OF ALL SALES OR  
4 THE GROSS INCOME OF BUSINESSES IN THE MUNICIPALITY DERIVED FROM  
5 ACTIVITIES TAXED AT THE RATE OF SEVEN PERCENT OR MORE UNDER THE  
6 MISSISSIPPI SALES TAX LAW; TO PROVIDE THAT THE SPECIAL SALES TAX  
7 SHALL NOT BE LEVIED UNLESS AUTHORIZED BY AT LEAST THREE-FIFTHS OF  
8 THE VOTES CAST AT AN ELECTION CALLED AND HELD FOR SUCH PURPOSE,  
9 WHICH ELECTION SHALL BE HELD AT A REGULARLY SCHEDULED NOVEMBER  
10 GENERAL ELECTION; TO AUTHORIZE A MUNICIPALITY TO INCUR  
11 INDEBTEDNESS IN AN AMOUNT NOT GREATER THAN AN AMOUNT FOR WHICH  
12 DEBT SERVICE IS CAPABLE OF BEING FUNDED BY THE PROCEEDS OF THE  
13 SPECIAL SALES TAX; TO PROVIDE THAT THE SPECIAL SALES TAX REVENUE  
14 COLLECTED PURSUANT TO SUCH A TAX SHALL BE USED AND EXPENDED BY THE  
15 MUNICIPALITY ONLY TO FUND CERTAIN TRANSPORTATION INFRASTRUCTURE  
16 PROJECTS AND/OR OTHER CAPITAL PROJECTS; TO PROVIDE FOR THE  
17 DISCONTINUANCE OF THE SPECIAL SALES TAX UPON COMPLETION OF THE  
18 FUNDING OF THE PROJECTS FOR WHICH THE TAX WAS LEVIED; TO AUTHORIZE  
19 THE BOARD OF SUPERVISORS OF ANY COUNTY TO IMPOSE A SPECIAL SALES  
20 TAX OF NOT MORE THAN THREE-FOURTHS OF ONE PERCENT ON THE GROSS  
21 PROCEEDS OF ALL SALES OR THE GROSS INCOME OF BUSINESSES IN THE  
22 COUNTY OUTSIDE THE CORPORATE BOUNDARIES OF ANY MUNICIPALITY WITHIN  
23 SUCH COUNTY DERIVED FROM ACTIVITIES TAXED AT THE RATE OF SEVEN  
24 PERCENT OR MORE UNDER THE MISSISSIPPI SALES TAX LAW; TO PROVIDE  
25 THAT THE SPECIAL SALES TAX SHALL NOT BE LEVIED UNLESS AUTHORIZED  
26 BY AT LEAST THREE-FIFTHS OF THE VOTES CAST AT AN ELECTION CALLED  
27 AND HELD FOR SUCH PURPOSE, WHICH ELECTION SHALL BE HELD AT A  
28 REGULARLY SCHEDULED NOVEMBER GENERAL ELECTION; TO AUTHORIZE A  
29 COUNTY TO INCUR INDEBTEDNESS IN AN AMOUNT NOT GREATER THAN AN  
30 AMOUNT FOR WHICH DEBT SERVICE IS CAPABLE OF BEING FUNDED BY THE  
31 PROCEEDS OF THE SPECIAL SALES TAX; TO PROVIDE THAT THE SPECIAL  
32 SALES TAX REVENUE COLLECTED PURSUANT TO SUCH A TAX SHALL BE USED  
33 AND EXPENDED BY THE MUNICIPALITY ONLY TO FUND CERTAIN  
34 TRANSPORTATION INFRASTRUCTURE PROJECTS AND/OR OTHER CAPITAL  
35 PROJECTS; TO PROVIDE FOR THE DISCONTINUANCE OF THE SPECIAL SALES  
36 TAX UPON COMPLETION OF THE FUNDING OF THE PROJECTS FOR WHICH THE  
37 TAX WAS LEVIED; TO AUTHORIZE THE BOARD OF SUPERVISORS OF ANY  
38 COUNTY TO IMPOSE A SPECIAL SALES TAX OF NOT MORE THAN ONE-FOURTH  
39 OF ONE PERCENT ON THE GROSS PROCEEDS OF ALL SALES OR THE GROSS  
40 INCOME OF BUSINESSES IN THE COUNTY INCLUDING THE CORPORATE  
41 BOUNDARIES OF ANY MUNICIPALITY WITHIN SUCH COUNTY DERIVED FROM  
42 ACTIVITIES TAXED AT THE RATE OF SEVEN PERCENT OR MORE UNDER THE  
43 MISSISSIPPI SALES TAX LAW; TO PROVIDE THAT THE SPECIAL SALES TAX  
44 SHALL NOT BE LEVIED UNLESS AUTHORIZED BY AT LEAST THREE-FIFTHS OF  
45 THE VOTES CAST AT AN ELECTION CALLED AND HELD FOR SUCH PURPOSE,  
46 WHICH ELECTION SHALL BE HELD AT A REGULARLY SCHEDULED NOVEMBER  
47 GENERAL ELECTION; TO AUTHORIZE A COUNTY TO INCUR INDEBTEDNESS IN  
48 AN AMOUNT NOT GREATER THAN AN AMOUNT FOR WHICH DEBT SERVICE IS  
49 CAPABLE OF BEING FUNDED BY THE PROCEEDS OF THE SPECIAL SALES TAX;  
50 TO PROVIDE THAT THE SPECIAL SALES TAX REVENUE COLLECTED PURSUANT  
51 TO SUCH A TAX SHALL BE USED AND EXPENDED BY THE MUNICIPALITY ONLY  
52 TO FUND CERTAIN TRANSPORTATION INFRASTRUCTURE PROJECTS AND/OR

53 OTHER CAPITAL PROJECTS; TO PROVIDE FOR THE DISCONTINUANCE OF THE  
54 SPECIAL SALES TAX UPON COMPLETION OF THE FUNDING OF THE PROJECTS  
55 FOR WHICH THE TAX WAS LEVIED; TO AMEND SECTIONS 21-33-303, 19-9-5  
56 AND 27-65-75, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND  
57 FOR RELATED PURPOSES.

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

59 **SECTION 1.** (1) Subject to the provisions of this section,  
60 the governing authorities of any municipality may impose upon all  
61 persons as a privilege for engaging or continuing in business or  
62 doing business within such municipality, a special sales tax at  
63 the rate of not more than three-fourths of one percent (0.75%) of  
64 the gross proceeds of sales or gross income of the business, as  
65 the case may be, derived from any of the activities taxed at the  
66 rate of seven percent (7%) or more under the Mississippi Sales Tax  
67 Law, Section 27-65-1 et seq., as provided hereinafter. The tax  
68 levied under this section shall apply to every person making  
69 sales, delivery or installations of tangible personal property or  
70 services within any municipality which has adopted the levy  
71 authorized in this section but shall not apply to sales exempted  
72 by Sections 27-65-19, 27-65-101, 27-65-103, 27-65-105, 27-65-107,  
73 27-65-109 and 27-65-111 of the Mississippi Sales Tax Law.

74 (2) (a) The governing authorities of the municipality shall  
75 specify in the resolution ordering the election required by  
76 paragraph (b) of this subsection (2), the specific transportation  
77 infrastructure projects or other capital projects (which also may  
78 include capital projects for which the municipality already has  
79 outstanding indebtedness), or both, for which the revenue  
80 collected pursuant to the tax levy may be used and expended.

81 (b) The tax levy authorized in this section shall not  
82 be made unless authorized by at least three-fifths (3/5) of the  
83 votes cast at an election to be called and held for that purpose,  
84 which election shall be held at a regularly scheduled November  
85 general election. Notice of such election shall be given, the  
86 election shall be held and the result thereof determined, as far  
87 as is practicable, in the same manner as other elections are held

88 in the municipality. At such election, all qualified electors of  
89 the municipality may vote. The ballots used at such election  
90 shall have printed thereon a brief description of the sales tax,  
91 the amount of the sales tax levy, a description of the specific  
92 transportation infrastructure projects or other capital projects,  
93 or both, for which the tax revenue may be used and expended and  
94 the words "FOR THE LOCAL SALES TAX" and "AGAINST THE LOCAL SALES  
95 TAX" and the voter shall vote by placing a cross (X) or check mark  
96 (✓) opposite his choice on the proposition. When the results of  
97 the election have been canvassed by the election commissioners of  
98 the municipality and certified by them to the governing  
99 authorities, it shall be the duty of such governing authorities to  
100 determine and adjudicate whether at least three-fifths (3/5) of  
101 the qualified electors who voted in such election voted in favor  
102 of the tax. If the election results in favor of the levy, the  
103 governing authorities shall adopt a resolution declaring the levy  
104 and collection of the tax provided in subsections (1) through (3)  
105 of this section and shall set the first day of the second month  
106 following the date of such adoption as the effective date of the  
107 tax levy. A certified copy of this resolution together with the  
108 result of the election shall be furnished to the State Tax  
109 Commission not less than thirty (30) days before the effective  
110 date of the levy.

111 (3) (a) The special sales tax authorized by subsections (1)  
112 through (3) of this section shall be collected by the State Tax  
113 Commission, shall be accounted for separately from the amount of  
114 sales tax collected for the state in the municipality and shall be  
115 paid to the municipality in which collected. The State Tax  
116 Commission may retain three percent (3%) of the proceeds of such  
117 tax for the purpose of defraying the costs incurred by the  
118 commission in the collection of the tax. Payments to the  
119 municipalities shall be made by the State Tax Commission on or

120 before the fifteenth day of the month following the month in which  
121 the tax was collected.

122 (b) The proceeds of the special sales tax shall be  
123 placed into a separate fund apart from the municipal general fund  
124 and any other funds of the municipality, and shall be expended by  
125 the municipality solely for the purpose of paying any indebtedness  
126 or other obligation incurred or that may be incurred by the  
127 municipality for the transportation infrastructure projects or  
128 other capital projects, or both, specified in the resolution  
129 ordering the election.

130 (c) All provisions of the Mississippi Sales Tax Law  
131 applicable to filing of returns, discounts to the taxpayer,  
132 remittances to the State Tax Commission, enforced collection,  
133 rights of taxpayers, recovery of improper taxes, refunds of  
134 overpaid taxes or other provisions of law providing for imposition  
135 and collection of the state sales tax shall apply to the special  
136 sales tax authorized by subsections (1) through (3) of this  
137 section, except where there is a conflict, in which case the  
138 provisions of subsections (1) through (3) of this section shall  
139 control. Any damages, penalties or interest collected for the  
140 nonpayment of taxes imposed under subsections (1) through (3) of  
141 this section, or for noncompliance with the provisions of  
142 subsections (1) through (3) of this section, shall be paid to the  
143 municipality in which such damages, penalties or interest were  
144 collected on the same basis and in the same manner as the tax  
145 proceeds. Any overpayment of tax for any reason that has been  
146 disbursed to any municipality or any payment of the tax to any  
147 municipality in error may be adjusted by the State Tax Commission  
148 on any subsequent payment to the municipality involved pursuant to  
149 the provisions of the Mississippi Sales Tax Law. The State Tax  
150 Commission may, from time to time, make such rules and regulations  
151 not inconsistent with subsections (1) through (3) of this section  
152 as may be deemed necessary to carry out the provisions of

153 subsections (1) through (3) of this section, and such rules and  
154 regulations shall have the full force and effect of law.

155 (d) The special sales tax shall be discontinued by the  
156 governing authorities of the municipality on the first day of the  
157 month immediately succeeding the date any indebtedness, including  
158 interest, incurred by the municipality for the transportation  
159 infrastructure projects or other capital projects, or both, is  
160 retired, or in the event the municipality incurs no indebtedness,  
161 the first day of the month after all obligations for the  
162 transportation infrastructure projects or other capital projects,  
163 or both, have been paid. Any amount remaining in the separate  
164 fund containing the proceeds of the special sales tax not  
165 necessary to retire the debt or pay any other obligations, shall  
166 be transferred to the municipal general fund.

167 (e) The governing authorities of a municipality may not  
168 impose a special sales tax under this section on sales that are  
169 subject to any tax levied and collected (before the date a  
170 resolution is adopted under subsection (2)(b) of this section)  
171 under the authority of a local and private law of the State of  
172 Mississippi, and which tax is collected and paid to the State Tax  
173 Commission in the same or similar manner that state sales taxes  
174 are collected and paid.

175 (f) If a municipality imposing a special sales tax  
176 under this section expands its corporate boundaries, the governing  
177 authorities of the municipality may not impose the special sales  
178 tax in the annexed area unless the tax is approved at an election  
179 conducted, as far as is practicable, in the manner provided in  
180 subsection (2) of this section, except that only qualified  
181 electors in the annexed area may vote in such election. However,  
182 if a municipality imposing a special sales tax under this section  
183 expands its corporate boundaries into a county that is imposing a  
184 special sales tax under Section 2 of this act, the governing  
185 authorities of the municipality may not impose the special sales

186 tax in the annexed area for as long as such county is imposing a  
187 special sales tax under Section 2 of this act.

188 (g) If a municipality imposing a special sales tax  
189 under this section contracts its corporate boundaries, the special  
190 sales tax shall continue to be imposed in the area that was in the  
191 corporate boundaries of the municipality before the contraction of  
192 such boundaries.

193 (4) The governing authorities of any municipality that  
194 levies a special sales tax pursuant to subsections (1) through (3)  
195 of this section may incur indebtedness of the municipality in an  
196 aggregate principal amount that is not in excess of an amount for  
197 which debt service is capable of being funded by the proceeds of  
198 the special sales tax levied pursuant to subsections (1) through  
199 (3) of this section. The indebtedness authorized by this  
200 subsection (4) shall not be considered when computing any  
201 limitation of indebtedness of the municipality established by law.

202 **SECTION 2.** (1) Subject to the provisions of this section,  
203 the board of supervisors of any county may impose upon all persons  
204 as a privilege for engaging or continuing in business or doing  
205 business within such county but outside the corporate boundaries  
206 of any municipality within such county, a special sales tax at the  
207 rate of not more than three-fourths of one percent (0.75%) of the  
208 gross proceeds of sales or gross income of the business, as the  
209 case may be, derived from any of the activities taxed at the rate  
210 of seven percent (7%) or more under the Mississippi Sales Tax Law,  
211 Section 27-65-1 et seq., as provided hereinafter. The tax levied  
212 under this section shall apply to every person making sales,  
213 delivery or installations of tangible personal property or  
214 services within any county which has adopted the levy authorized  
215 in this section but shall not apply to sales exempted by Sections  
216 27-65-19, 27-65-101, 27-65-103, 27-65-105, 27-65-107, 27-65-109  
217 and 27-65-111 of the Mississippi Sales Tax Law.

218           (2) (a) The board of supervisors of the county shall  
219 specify in the resolution ordering the election required by  
220 paragraph (b) of this subsection (2), the specific transportation  
221 infrastructure projects or other capital projects (which also may  
222 include capital projects for which the county already has  
223 outstanding indebtedness), or both, for which the revenue  
224 collected pursuant to the tax levy may be used and expended.

225           (b) The tax levy authorized in this section shall not  
226 be made unless authorized by at least three-fifths (3/5) of the  
227 votes cast at an election to be called and held for that purpose,  
228 which election shall be held at a regularly scheduled November  
229 general election. Notice of such election shall be given, the  
230 election shall be held and the result thereof determined, as far  
231 as is practicable, in the same manner as other elections are held  
232 in the county. At such election, all qualified electors of the  
233 county who reside outside the corporate boundaries of any  
234 municipality within such county may vote. The ballots used at  
235 such election shall have printed thereon a brief description of  
236 the sales tax, the amount of the sales tax levy, a description of  
237 the specific transportation infrastructure projects or other  
238 capital projects, or both, for which the tax revenue may be used  
239 and expended and the words "FOR THE LOCAL SALES TAX" and "AGAINST  
240 THE LOCAL SALES TAX" and the voter shall vote by placing a cross  
241 (X) or check mark (✓) opposite his choice on the proposition.  
242 When the results of the election have been canvassed by the  
243 election commissioners of the county and certified by them to the  
244 board of supervisors, it shall be the duty of such board of  
245 supervisors to determine and adjudicate whether at least  
246 three-fifths (3/5) of the qualified electors who voted in such  
247 election voted in favor of the tax. If the election results in  
248 favor of the levy, the board of supervisors shall adopt a  
249 resolution declaring the levy and collection of the tax provided  
250 in subsections (1) through (3) of this section and shall set the

251 first day of the second month following the date of such adoption  
252 as the effective date of the tax levy. A certified copy of this  
253 resolution together with the result of the election shall be  
254 furnished to the State Tax Commission not less than thirty (30)  
255 days before the effective date of the levy.

256 (3) (a) The special sales tax authorized by subsections (1)  
257 through (3) of this section shall be collected by the State Tax  
258 Commission, shall be accounted for separately from the amount of  
259 sales tax collected for the state in the county and shall be paid  
260 to the county in which collected. The State Tax Commission may  
261 retain three percent (3%) of the proceeds of such tax for the  
262 purpose of defraying the costs incurred by the commission in the  
263 collection of the tax. Payments to the counties shall be made by  
264 the State Tax Commission on or before the fifteenth day of the  
265 month following the month in which the tax was collected.

266 (b) The proceeds of the special sales tax shall be  
267 placed into a separate fund apart from the county general fund and  
268 any other funds of the county, and shall be expended by the county  
269 solely for the purpose of paying any indebtedness or other  
270 obligation incurred or that may be incurred by the county for the  
271 transportation infrastructure projects or other capital projects,  
272 or both, specified in the resolution ordering the election.

273 (c) All provisions of the Mississippi Sales Tax Law  
274 applicable to filing of returns, discounts to the taxpayer,  
275 remittances to the State Tax Commission, enforced collection,  
276 rights of taxpayers, recovery of improper taxes, refunds of  
277 overpaid taxes or other provisions of law providing for imposition  
278 and collection of the state sales tax shall apply to the special  
279 sales tax authorized by subsections (1) through (3) of this  
280 section, except where there is a conflict, in which case the  
281 provisions of subsections (1) through (3) of this section shall  
282 control. Any damages, penalties or interest collected for the  
283 nonpayment of taxes imposed under subsections (1) through (3) of



284 this section, or for noncompliance with the provisions of  
285 subsections (1) through (3) of this section, shall be paid to the  
286 county in which such damages, penalties or interest were collected  
287 on the same basis and in the same manner as the tax proceeds. Any  
288 overpayment of tax for any reason that has been disbursed to any  
289 county or any payment of the tax to any county in error may be  
290 adjusted by the State Tax Commission on any subsequent payment to  
291 the county involved pursuant to the provisions of the Mississippi  
292 Sales Tax Law. The State Tax Commission may, from time to time,  
293 make such rules and regulations not inconsistent with subsections  
294 (1) through (3) of this section as may be deemed necessary to  
295 carry out the provisions of subsections (1) through (3) of this  
296 section, and such rules and regulations shall have the full force  
297 and effect of law.

298 (d) The special sales tax shall be discontinued by the  
299 board of supervisors of the county on the first day of the month  
300 immediately succeeding the date any indebtedness, including  
301 interest, incurred by the county for the transportation  
302 infrastructure projects or other capital projects, or both, is  
303 retired, or in the event the county incurs no indebtedness, the  
304 first day of the month after all obligations for the  
305 transportation infrastructure projects or other capital projects,  
306 or both, have been paid. Any amount remaining in the separate  
307 fund containing the proceeds of the special sales tax not  
308 necessary to retire the debt or pay any other obligations, shall  
309 be transferred to the county general fund.

310 (e) The board of supervisors of a county may not impose  
311 a special sales tax under this section on sales that are subject  
312 to any tax levied and collected (before the date a resolution is  
313 adopted under subsection (2)(b) of this section) under the  
314 authority of a local and private law of the State of Mississippi,  
315 and which tax is collected and paid to the State Tax Commission in

316 the same or similar manner that state sales taxes are collected  
317 and paid.

318 (f) If the board of supervisors of a county imposes a  
319 special sales tax under this section and a municipality annexes a  
320 part of the county, the special sales tax shall continue to be  
321 imposed in the annexed area until the board of supervisors  
322 discontinues the tax as provided in paragraph (d) of this  
323 subsection (3).

324 (g) If the board of supervisors of a county imposes a  
325 special sales tax under this section, and a municipality within  
326 the county that is not imposing a special sales tax under Section  
327 1 of this act contracts its municipal corporate boundaries, the  
328 board of supervisors of the county may not impose a special sales  
329 tax in the de-annexed area unless the tax is approved at an  
330 election conducted, as far as is practicable, in the manner  
331 provided in subsection (2) of this section, except that only  
332 qualified electors in the de-annexed area may vote in such  
333 election.

334 (4) The board of supervisors of any county that levies a  
335 special sales tax pursuant to subsections (1) through (3) of this  
336 section may incur indebtedness of the county in an aggregate  
337 principal amount that is not in excess of an amount for which debt  
338 service is capable of being funded by the proceeds of the special  
339 sales tax levied pursuant to subsections (1) through (3) of this  
340 section. The indebtedness authorized by this subsection (4) shall  
341 not be considered when computing any limitation of indebtedness of  
342 the county established by law.

343 **SECTION 3.** (1) Subject to the provisions of this section,  
344 the board of supervisors of any county that does not contain  
345 within such county a municipality with corporate boundaries also  
346 located in one or more other counties may impose upon all persons  
347 as a privilege for engaging or continuing in business or doing  
348 business within such county (including the corporate boundaries of

349 any municipality within the county), a special sales tax at the  
350 rate of not more than one-fourth of one percent (0.25%) of the  
351 gross proceeds of sales or gross income of the business, as the  
352 case may be, derived from any of the activities taxed at the rate  
353 of seven percent (7%) or more under the Mississippi Sales Tax Law,  
354 Section 27-65-1 et seq., as provided hereinafter. The tax levied  
355 under this section shall apply to every person making sales,  
356 delivery or installations of tangible personal property or  
357 services within any county which has adopted the levy herein  
358 authorized but shall not apply to sales exempted by Sections  
359 27-65-19, 27-65-101, 27-65-103, 27-65-105, 27-65-107, 27-65-109  
360 and 27-65-111 of the Mississippi Sales Tax Law.

361 (2) (a) The board of supervisors of the county shall  
362 specify in the resolution ordering the election required by  
363 paragraph (b) of this subsection (2), the specific transportation  
364 infrastructure projects or other capital projects (which also may  
365 include capital projects for which the county already has  
366 outstanding indebtedness), or both, for which the revenue  
367 collected pursuant to the tax levy may be used and expended.

368 (b) The tax levy authorized in this section shall not  
369 be made unless authorized by at least three-fifths (3/5) of the  
370 votes cast at an election to be called and held for that purpose,  
371 which election shall be held at a regularly scheduled November  
372 general election. However, if the specific transportation  
373 infrastructure projects or other capital projects, or both, for  
374 which the tax levy is proposed may have a direct impact on the  
375 municipal government physical or fiscal functions, budget or  
376 infrastructure of one or more municipalities within the county, as  
377 determined by an impact study which the board of supervisors shall  
378 have prepared, then the board of supervisors may call an election  
379 only after entering into a joint agreement with the governing  
380 authorities of the affected municipalities consenting to the  
381 calling of a county wide election on the question of the special

382 sales tax levy. Notice of such election shall be given, the  
383 election shall be held and the result thereof determined, as far  
384 as is practicable, in the same manner as other elections are held  
385 in the county. At such election, all qualified electors of the  
386 county may vote. The ballots used at such election shall have  
387 printed thereon a brief description of the sales tax, the amount  
388 of the sales tax levy, a description of the specific  
389 transportation infrastructure projects or other capital projects,  
390 or both, for which the tax revenue may be used and expended and  
391 the words "FOR THE LOCAL SALES TAX" and "AGAINST THE LOCAL SALES  
392 TAX" and the voter shall vote by placing a cross (X) or check mark  
393 (✓) opposite his choice on the proposition. When the results of  
394 the election have been canvassed by the election commissioners of  
395 the county and certified by them to the board of supervisors, it  
396 shall be the duty of such board of supervisors to determine and  
397 adjudicate whether at least three-fifths (3/5) of the qualified  
398 electors who voted in such election voted in favor of the tax. If  
399 the election results in favor of the levy, the board of  
400 supervisors shall adopt a resolution declaring the levy and  
401 collection of the tax provided in subsections (1) through (3) of  
402 this section and shall set the first day of the second month  
403 following the date of such adoption as the effective date of the  
404 tax levy. A certified copy of this resolution together with the  
405 result of the election shall be furnished to the State Tax  
406 Commission not less than thirty (30) days before the effective  
407 date of the levy.

408 (3) (a) The special sales tax authorized by subsections (1)  
409 through (3) of this section shall be collected by the State Tax  
410 Commission, shall be accounted for separately from the amount of  
411 sales tax collected for the state in the county and shall be paid  
412 to the county in which collected. The State Tax Commission may  
413 retain three percent (3%) of the proceeds of such tax for the  
414 purpose of defraying the costs incurred by the commission in the

415 collection of the tax. Payments to the counties shall be made by  
416 the State Tax Commission on or before the fifteenth day of the  
417 month following the month in which the tax was collected.

418 (b) The proceeds of the special sales tax shall be  
419 placed into a separate fund apart from the county general fund and  
420 any other funds of the county, and shall be expended by the county  
421 solely for the purpose of paying any indebtedness or other  
422 obligation incurred or that may be incurred by the county for the  
423 transportation infrastructure projects or other capital projects,  
424 or both, specified in the resolution ordering the election.

425 (c) All provisions of the Mississippi Sales Tax Law  
426 applicable to filing of returns, discounts to the taxpayer,  
427 remittances to the State Tax Commission, enforced collection,  
428 rights of taxpayers, recovery of improper taxes, refunds of  
429 overpaid taxes or other provisions of law providing for imposition  
430 and collection of the state sales tax shall apply to the special  
431 sales tax authorized by subsections (1) through (3) of this  
432 section, except where there is a conflict, in which case the  
433 provisions of subsections (1) through (3) of this section shall  
434 control. Any damages, penalties or interest collected for the  
435 nonpayment of taxes imposed under subsections (1) through (3) of  
436 this section, or for noncompliance with the provisions of  
437 subsections (1) through (3) of this section, shall be paid to the  
438 county in which such damages, penalties or interest were collected  
439 on the same basis and in the same manner as the tax proceeds. Any  
440 overpayment of tax for any reason that has been disbursed to any  
441 county or any payment of the tax to any county in error may be  
442 adjusted by the State Tax Commission on any subsequent payment to  
443 the county involved pursuant to the provisions of the Mississippi  
444 Sales Tax Law. The State Tax Commission may, from time to time,  
445 make such rules and regulations not inconsistent with subsections  
446 (1) through (3) of this section as may be deemed necessary to  
447 carry out the provisions of subsections (1) through (3) of this

448 section, and such rules and regulations shall have the full force  
449 and effect of law.

450 (d) The special sales tax shall be discontinued by the  
451 board of supervisors of the county on the first day of the month  
452 immediately succeeding the date any indebtedness, including  
453 interest, incurred by the county for the transportation  
454 infrastructure projects or other capital projects, or both, is  
455 retired, or in the event the county incurs no indebtedness, the  
456 first day of the month after all obligations for the  
457 transportation infrastructure projects or other capital projects,  
458 or both, have been paid. Any amount remaining in the separate  
459 fund containing the proceeds of the special sales tax not  
460 necessary to retire the debt or pay any other obligations, shall  
461 be transferred to the county general fund.

462 (e) The board of supervisors of a county may not impose  
463 a special sales tax under this section on sales that are subject  
464 to any tax levied and collected (before the date a resolution is  
465 adopted under subsection (2)(b) of this section) under the  
466 authority of a local and private law of the State of Mississippi,  
467 and which tax is collected and paid to the State Tax Commission in  
468 the same or similar manner that state sales taxes are collected  
469 and paid.

470 (4) The board of supervisors of any county that levies a  
471 special sales tax pursuant to subsections (1) through (3) of this  
472 section may incur indebtedness of the county in an aggregate  
473 principal amount that is not in excess of an amount for which debt  
474 service is capable of being funded by the proceeds of the special  
475 sales tax levied pursuant to subsections (1) through (3) of this  
476 section. The indebtedness authorized by this subsection (4) shall  
477 not be considered when computing any limitation of indebtedness of  
478 the county established by law.

479 **SECTION 4.** (1) Subject to the provisions of this section,  
480 the board of supervisors of any county that contains within such

481 county any municipality with corporate boundaries also located  
482 within one or more other counties may impose upon all persons as a  
483 privilege for engaging or continuing in business or doing business  
484 within such county (including the corporate boundaries of any  
485 municipality located within the county and such other county or  
486 counties and including the corporate boundaries of any  
487 municipality located completely within the county), a special  
488 sales tax at the rate of not more than one-fourth of one percent  
489 (0.25%) of the gross proceeds of sales or gross income of the  
490 business, as the case may be, derived from any of the activities  
491 taxed at the rate of seven percent (7%) or more under the  
492 Mississippi Sales Tax Law, Section 27-65-1 et seq., as provided  
493 hereinafter. The tax levied under this section shall apply to  
494 every person making sales, delivery or installations of tangible  
495 personal property or services but shall not apply to sales  
496 exempted by Sections 27-65-19, 27-65-101, 27-65-103, 27-65-105,  
497 27-65-107, 27-65-109 and 27-65-111 of the Mississippi Sales Tax  
498 Law.

499 (2) (a) The board of supervisors of the county shall  
500 specify in the resolution ordering the election required by  
501 paragraph (b) of this subsection (2), the specific transportation  
502 infrastructure projects or other capital projects (which also may  
503 include capital projects for which the county already has  
504 outstanding indebtedness), or both, for which the revenue  
505 collected pursuant to the tax levy may be used and expended.

506 (b) Subject to the provisions of this paragraph (b),  
507 the tax levy authorized in this section shall not be made unless  
508 authorized at an election to be called and held for that purpose,  
509 which election shall be held at a regularly scheduled November  
510 general election. Before an election may be called on the  
511 question of the special sales tax levy, a joint agreement must be  
512 entered into by the board of supervisors of the county proposing  
513 to levy the special sales tax ("initiating county"), the governing

514 authorities of each municipality with corporate boundaries located  
515 within the initiating county and also located within one or more  
516 other counties and in which municipality the board of supervisors  
517 of the initiating county proposes to levy the tax, and the board  
518 of supervisors of all other counties in which the corporate  
519 boundaries of any such municipality located within the initiating  
520 county also are located, consenting to the calling of an election  
521 in each of the counties in which the municipal corporate  
522 boundaries of any such municipality are located. However, the  
523 board of supervisors of the initiating county may propose to  
524 exclude one or more municipalities with corporate boundaries  
525 located within the county and also located within one or more  
526 other counties from the special sales tax levy and, in such case,  
527 it shall not be necessary for the other county or counties in  
528 which the corporate boundaries of an excluded municipality are  
529 located to enter into the joint agreement before an election may  
530 be called. The special sales tax may not be levied within the  
531 corporate boundaries of such an excluded municipality regardless  
532 of the results of an election. In addition, if the specific  
533 transportation infrastructure projects or other capital projects,  
534 or both, for which the tax levy is proposed may have a direct  
535 impact on the municipal government physical or fiscal functions,  
536 budget or infrastructure of one or more municipalities within the  
537 county, as determined by an impact study which the board of  
538 supervisors shall have prepared, then the board of supervisors may  
539 call an election only after entering into a joint agreement with  
540 the governing authorities of the affected municipalities  
541 consenting to the calling of a county wide election on the  
542 question of the special sales tax levy. Notice of such election  
543 shall be given, the election shall be held and the result thereof  
544 determined, as far as is practicable, in the same manner as other  
545 elections are held in the counties. At such election, all  
546 qualified electors of each of the counties may vote. The ballots



547 used at such election shall have printed thereon a brief  
548 description of the sales tax, the amount of the sales tax levy, a  
549 description of the specific transportation infrastructure projects  
550 or other capital projects, or both, for which the tax revenue may  
551 be used and expended and the words "FOR THE LOCAL SALES TAX" and  
552 "AGAINST THE LOCAL SALES TAX" and the voter shall vote by placing  
553 a cross (X) or check mark (✓) opposite his choice on the  
554 proposition. When the results of the election have been canvassed  
555 by the election commissioners of the respective counties and  
556 certified by them to the respective boards of supervisors, it  
557 shall be the duty of each of such boards of supervisors to  
558 determine and adjudicate whether at least three-fifths (3/5) of  
559 the qualified electors of each of the respective counties who  
560 voted in such election voted in favor of the tax. If the election  
561 results in favor of the levy, the board of supervisors of the  
562 initiating county shall adopt a resolution declaring the levy and  
563 collection of the tax provided in subsections (1) through (3) of  
564 this section and shall set the first day of the second month  
565 following the date of such adoption as the effective date of the  
566 tax levy. A certified copy of each of these resolutions together  
567 with the result of the election shall be furnished to the State  
568 Tax Commission not less than thirty (30) days before the effective  
569 date of the levy.

570 (3) (a) The special sales tax authorized by subsections (1)  
571 through (3) of this section shall be collected by the State Tax  
572 Commission, shall be accounted for separately from the amount of  
573 sales tax collected for the state in the county and shall be paid  
574 to the county in which collected. The State Tax Commission may  
575 retain three percent (3%) of the proceeds of such tax for the  
576 purpose of defraying the costs incurred by the commission in the  
577 collection of the tax. Payments to the counties shall be made by  
578 the State Tax Commission on or before the fifteenth day of the  
579 month following the month in which the tax was collected.

580           (b) The proceeds of the special sales tax shall be  
581 placed into a separate fund apart from the county general fund and  
582 any other funds of the county, and shall be expended by the county  
583 solely for the purpose of paying any indebtedness or other  
584 obligation incurred or that may be incurred by the county for the  
585 transportation infrastructure projects or other capital projects,  
586 or both, specified in the resolution ordering the election.

587           (c) All provisions of the Mississippi Sales Tax Law  
588 applicable to filing of returns, discounts to the taxpayer,  
589 remittances to the State Tax Commission, enforced collection,  
590 rights of taxpayers, recovery of improper taxes, refunds of  
591 overpaid taxes or other provisions of law providing for imposition  
592 and collection of the state sales tax shall apply to the special  
593 sales tax authorized by subsections (1) through (3) of this  
594 section, except where there is a conflict, in which case the  
595 provisions of subsections (1) through (3) of this section shall  
596 control. Any damages, penalties or interest collected for the  
597 nonpayment of taxes imposed under subsections (1) through (3) of  
598 this section, or for noncompliance with the provisions of  
599 subsections (1) through (3) of this section, shall be paid to the  
600 county in which such damages, penalties or interest were collected  
601 on the same basis and in the same manner as the tax proceeds. Any  
602 overpayment of tax for any reason that has been disbursed to any  
603 county or any payment of the tax to any county in error may be  
604 adjusted by the State Tax Commission on any subsequent payment to  
605 the county involved pursuant to the provisions of the Mississippi  
606 Sales Tax Law. The State Tax Commission may, from time to time,  
607 make such rules and regulations not inconsistent with subsections  
608 (1) through (3) of this section as may be deemed necessary to  
609 carry out the provisions of subsections (1) through (3) of this  
610 section, and such rules and regulations shall have the full force  
611 and effect of law.

612           (d) The special sales tax shall be discontinued by the  
613 board of supervisors of the county on the first day of the month  
614 immediately succeeding the date any indebtedness, including  
615 interest, incurred by the county for the transportation  
616 infrastructure projects or other capital projects, or both, is  
617 retired, or in the event the county incurs no indebtedness, the  
618 first day of the month after all obligations for the  
619 transportation infrastructure projects or other capital projects,  
620 or both, have been paid. Any amount remaining in the separate  
621 fund containing the proceeds of the special sales tax not  
622 necessary to retire the debt or pay any other obligations, shall  
623 be transferred to the county general fund.

624           (e) The board of supervisors of a county may not impose  
625 a special sales tax under this section on sales that are subject  
626 to any tax levied and collected (before the date a resolution is  
627 adopted under subsection (2)(b) of this section) under the  
628 authority of a local and private law of the State of Mississippi,  
629 and collected and paid to the State Tax Commission in the same or  
630 similar manner that state sales taxes are collected and paid.

631           (4) The board of supervisors of any county that levies a  
632 special sales tax pursuant to subsections (1) through (3) of this  
633 section may incur indebtedness of the county in an aggregate  
634 principal amount that is not in excess of an amount for which debt  
635 service is capable of being funded by the proceeds of the special  
636 sales tax levied pursuant to subsections (1) through (3) of this  
637 section. The indebtedness authorized by this subsection (4) shall  
638 not be considered when computing any limitation of indebtedness of  
639 the county established by law.

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

642           21-33-303. No municipality shall hereafter issue bonds  
643 secured by a pledge of its full faith and credit for the purposes  
644 authorized by law in an amount which, when added to the then

645 outstanding bonded indebtedness of such municipality, shall exceed  
646 either (a) fifteen percent (15%) of the assessed value of the  
647 taxable property within such municipality, according to the last  
648 completed assessment for taxation, or (b) ten percent (10%) of the  
649 assessment upon which taxes were levied for its fiscal year ending  
650 September 30, 1984, whichever is greater. In computing such  
651 indebtedness, there may be deducted all bonds or other evidences  
652 of indebtedness, heretofore or hereafter issued, for school,  
653 water, sewerage systems, gas, and light and power purposes and for  
654 the construction of special improvements primarily chargeable to  
655 the property benefited, or for the purpose of paying the  
656 municipality's proportion of any betterment program, a portion of  
657 which is primarily chargeable to the property benefited. However,  
658 in no case shall any municipality contract any indebtedness which,  
659 when added to all of the outstanding general obligation  
660 indebtedness, both bonded and floating, shall exceed either (a)  
661 twenty percent (20%) of the assessed value of all taxable property  
662 within such municipality according to the last completed  
663 assessment for taxation or (b) fifteen percent (15%) of the  
664 assessment upon which taxes were levied for its fiscal year ending  
665 September 30, 1984, whichever is greater. Nothing herein  
666 contained shall be construed to apply to contract obligations in  
667 any form heretofore or hereafter incurred by any municipality  
668 which are subject to annual appropriations therefor, or to bonds  
669 heretofore issued by any municipality for school purposes, or to  
670 contract obligations in any form heretofore or hereafter incurred  
671 by any municipality which are payable exclusively from the  
672 revenues of any municipally-owned utility, or to bonds issued by  
673 any municipality under the provisions of Sections 57-1-1 through  
674 57-1-51, or to any special assessment improvement bonds issued by  
675 any municipality under the provisions of Sections 21-41-1 through  
676 21-41-53, or to any indebtedness incurred under Section 55-23-8,  
677 or to any indebtedness incurred under Section 1 of House Bill

678 No. 856, 2004 Regular Session.

679 All bonds issued prior to July 1, 1990, pursuant to this  
680 chapter by any municipality for the purpose of the constructing,  
681 replacing, renovating or improving wastewater collection and  
682 treatment facilities in order to comply with an administrative  
683 order of the Mississippi Department of Natural Resources issued  
684 pursuant to the Federal Water Pollution Control Act and amendments  
685 thereto, are hereby exempt from the limitation imposed by this  
686 section if the governing body of the municipality adopts an order,  
687 resolution or ordinance to the effect that the rates paid by the  
688 users of such facilities shall be increased to the extent  
689 necessary to provide sufficient funds for the payment of the  
690 principal of and interest on such bonds as each respectively  
691 becomes due and payable as well as the necessary expenses in  
692 connection with the operation and maintenance of such facilities.

693 **SECTION 6.** Section 19-9-5, Mississippi Code of 1972, is  
694 amended as follows:

695 19-9-5. No county shall hereafter issue bonds secured by a  
696 pledge of its full faith and credit for the purposes authorized by  
697 law in an amount which, when added to the then outstanding bonds  
698 of such county, shall exceed either (a) fifteen percent (15%) of  
699 the assessed value of the taxable property within such county  
700 according to the last completed assessment for taxation, or (b)  
701 fifteen percent (15%) of the assessment upon which taxes were  
702 levied for its fiscal year ending September 30, 1984, whichever is  
703 greater.

704 However, any county in the state which shall have experienced  
705 washed-out or collapsed bridges on the public roads of the county  
706 for any cause or reason may hereafter issue bonds for bridge  
707 purposes as now authorized by law in an amount which, when added  
708 to the then outstanding general obligation bonds of such county,  
709 shall not exceed either (a) twenty percent (20%) of the assessed  
710 value of the taxable property within such county according to the

711 last completed assessment for taxation or (b) fifteen percent  
712 (15%) of the assessment upon which taxes were levied for its  
713 fiscal year ending September 30, 1984, whichever is greater.

714        Provided further, in computing such indebtedness, there may  
715 be deducted all bonds or other evidences of indebtedness  
716 heretofore or hereafter issued, for the construction of hospitals,  
717 ports or other capital improvements which are payable primarily  
718 from the net revenue to be generated from such hospital, port or  
719 other capital improvement, which revenue shall be pledged to the  
720 retirement of such bonds or other evidences of indebtedness,  
721 together with the full faith and credit of the county. However,  
722 in no case shall any county contract any indebtedness payable in  
723 whole or in part from proceeds of ad valorem taxes which, when  
724 added to all of the outstanding general obligation indebtedness,  
725 both bonded and floating, shall exceed either (a) twenty percent  
726 (20%) of the assessed value of all taxable property within such  
727 county according to the last completed assessment for taxation, or  
728 (b) fifteen percent (15%) of the assessment upon which taxes were  
729 levied for its fiscal year ending September 30, 1984, whichever is  
730 greater. Nothing herein contained shall be construed to apply to  
731 contract obligations in any form heretofore or hereafter incurred  
732 by any county which are subject to annual appropriations therefor,  
733 or to bonds heretofore or hereafter issued by any county for  
734 school purposes, or to bonds issued by any county under the  
735 provisions of Sections 57-1-1 through 57-1-51, or to any  
736 indebtedness incurred under Section 55-23-8, or to any  
737 indebtedness incurred under Section 2 of House Bill No. 856, 2004  
738 Regular Session, or to any indebtedness incurred under Section 3  
739 of House Bill No. 856, 2004 Regular Session, or to any  
740 indebtedness incurred under Section 4 of House Bill No. 856, 2004  
741 Regular Session.

742        **SECTION 7.** Section 27-65-75, Mississippi Code of 1972, is  
743 amended as follows:

744           27-65-75. On or before the fifteenth day of each month, the  
745 revenue collected under the provisions of this chapter during the  
746 preceding month shall be paid and distributed as follows:

747           (1) On or before August 15, 1992, and each succeeding month  
748 thereafter through July 15, 1993, eighteen percent (18%) of the  
749 total sales tax revenue collected during the preceding month under  
750 the provisions of this chapter, except that collected under the  
751 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
752 business activities within a municipal corporation shall be  
753 allocated for distribution to such municipality and paid to such  
754 municipal corporation. On or before August 15, 1993, and each  
755 succeeding month thereafter, eighteen and one-half percent  
756 (18-1/2%) of the total sales tax revenue collected during the  
757 preceding month under the provisions of this chapter, except that  
758 collected under the provisions of Sections 27-65-15, 27-65-19(3)  
759 and 27-65-21, on business activities within a municipal  
760 corporation shall be allocated for distribution to such  
761 municipality and paid to such municipal corporation.

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

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

771           In any county having a county seat which is not an  
772 incorporated municipality, the distribution provided hereunder  
773 shall be made as though the county seat was an incorporated  
774 municipality; however, the distribution to such municipality shall  
775 be paid to the county treasury wherein the municipality is located

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

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

803 (3) On or before September 15, 1987, and on or before the  
804 fifteenth day of each succeeding month, until the date specified  
805 in Section 65-39-35, the proceeds derived from contractors' taxes  
806 levied under Section 27-65-21 on contracts for the construction or  
807 reconstruction of highways designated under the highway program  
808 created under Section 65-3-97 shall, except as otherwise provided



809 in Section 31-17-127, be deposited into the State Treasury to the  
810 credit of the State Highway Fund to be used to fund such highway  
811 program. The Mississippi Department of Transportation shall  
812 provide to the State Tax Commission such information as is  
813 necessary to determine the amount of proceeds to be distributed  
814 under this subsection.

815 (4) On or before August 15, 1994, and on or before the  
816 fifteenth day of each succeeding month through July 15, 1999, from  
817 the proceeds of gasoline, diesel fuel or kerosene taxes as  
818 provided in Section 27-5-101(a)(ii)1, Four Million Dollars  
819 (\$4,000,000.00) shall be deposited in the State Treasury to the  
820 credit of a special fund designated as the "State Aid Road Fund,"  
821 created by Section 65-9-17. On or before August 15, 1999, and on  
822 or before the fifteenth day of each succeeding month, from the  
823 total amount of the proceeds of gasoline, diesel fuel or kerosene  
824 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million  
825 Dollars (\$4,000,000.00) or an amount equal to twenty-three and  
826 one-fourth percent (23.25%) of such funds, whichever is the  
827 greater amount, shall be deposited in the State Treasury to the  
828 credit of the "State Aid Road Fund," created by Section 65-9-17.  
829 Such funds shall be pledged to pay the principal of and interest  
830 on state aid road bonds heretofore issued under Sections 19-9-51  
831 through 19-9-77, in lieu of and in substitution for the funds  
832 heretofore allocated to counties under this section. Such funds  
833 may not be pledged for the payment of any state aid road bonds  
834 issued after April 1, 1981; however, this prohibition against the  
835 pledging of any such funds for the payment of bonds shall not  
836 apply to any bonds for which intent to issue such bonds has been  
837 published, for the first time, as provided by law prior to March  
838 29, 1981. From the amount of taxes paid into the special fund  
839 pursuant to this subsection and subsection (9) of this section,  
840 there shall be first deducted and paid the amount necessary to pay  
841 the expenses of the Office of State Aid Road Construction, as

842 authorized by the Legislature for all other general and special  
843 fund agencies. The remainder of the fund shall be allocated  
844 monthly to the several counties in accordance with the following  
845 formula:

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

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

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

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

859           The amount of funds allocated to any county under this  
860 subsection for any fiscal year after fiscal year 1994 shall not be  
861 less than the amount allocated to such county for fiscal year  
862 1994. Monies allocated to a county from the State Aid Road Fund  
863 for fiscal year 1995 or any fiscal year thereafter that exceed the  
864 amount of funds allocated to that county from the State Aid Road  
865 Fund for fiscal year 1994, first must be expended by the county  
866 for replacement or rehabilitation of bridges on the state aid road  
867 system that have a sufficiency rating of less than twenty-five  
868 (25), according to National Bridge Inspection standards before  
869 such monies may be approved for expenditure by the State Aid Road  
870 Engineer on other projects that qualify for the use of state aid  
871 road funds.

872           Any reference in the general laws of this state or the  
873 Mississippi Code of 1972 to Section 27-5-105 shall mean and be

874 construed to refer and apply to subsection (4) of Section  
875 27-65-75.

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

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

887 (7) On or before August 15, 1992, and each succeeding month  
888 thereafter through July 15, 2000, two and two hundred sixty-six  
889 one-thousandths percent (2.266%) of the total sales tax revenue  
890 collected during the preceding month under the provisions of this  
891 chapter, except that collected under the provisions of Section  
892 27-65-17(2) shall be deposited by the commission into the School  
893 Ad Valorem Tax Reduction Fund created pursuant to Section  
894 37-61-35. On or before August 15, 2000, and each succeeding month  
895 thereafter, two and two hundred sixty-six one-thousandths percent  
896 (2.266%) of the total sales tax revenue collected during the  
897 preceding month under the provisions of this chapter, except that  
898 collected under the provisions of Section 27-65-17(2), shall be  
899 deposited into the School Ad Valorem Tax Reduction Fund created  
900 under Section 37-61-35 until such time that the total amount  
901 deposited into the fund during a fiscal year equals Forty-two  
902 Million Dollars (\$42,000,000.00). Thereafter, the amounts  
903 diverted under this subsection (7) during the fiscal year in  
904 excess of Forty-two Million Dollars (\$42,000,000.00) shall be  
905 deposited into the Education Enhancement Fund created under  
906 Section 37-61-33 for appropriation by the Legislature as other

907 education needs and shall not be subject to the percentage  
908 appropriation requirements set forth in Section 37-61-33.

909 (8) On or before August 15, 1992, and each succeeding month  
910 thereafter, nine and seventy-three one-thousandths percent  
911 (9.073%) of the total sales tax revenue collected during the  
912 preceding month under the provisions of this chapter, except that  
913 collected under the provisions of Section 27-65-17(2) shall be  
914 deposited into the Education Enhancement Fund created pursuant to  
915 Section 37-61-33.

916 (9) On or before August 15, 1994, and each succeeding month  
917 thereafter, from the revenue collected under this chapter during  
918 the preceding month, Two Hundred Fifty Thousand Dollars  
919 (\$250,000.00) shall be paid into the State Aid Road Fund.

920 (10) On or before August 15, 1994, and each succeeding month  
921 thereafter through August 15, 1995, from the revenue collected  
922 under this chapter during the preceding month, Two Million Dollars  
923 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad  
924 Valorem Tax Reduction Fund established in Section 27-51-105.

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

934 (12) Notwithstanding any other provision of this section to  
935 the contrary, on or before August 15, 1995, and each succeeding  
936 month thereafter, the sales tax revenue collected during the  
937 preceding month under the provisions of Section 27-65-17(1) on  
938 retail sales of private carriers of passengers and light carriers  
939 of property, as defined in Section 27-51-101 and the corresponding

940 levy in Section 27-65-23 on the rental or lease of these vehicles,  
941 shall be deposited, after diversion, into the Motor Vehicle Ad  
942 Valorem Tax Reduction Fund established in Section 27-51-105.

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

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

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

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

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

979           (18) On or before August 15, 2004, and each succeeding month  
980 thereafter through July 15, 2005, from the sales tax revenue  
981 collected during the preceding month under the provisions of this  
982 chapter, Two Million Five Hundred Thousand Dollars (\$2,500,000.00)  
983 shall be deposited into the Special Funds Transfer Fund created in  
984 Section 4 of Chapter 556, Laws of 2003.

985           (19) Notwithstanding any other provision of this section to  
986 the contrary, the revenue collected from the special sales tax  
987 authorized under Section 1 of House Bill No. 856, 2004 Regular  
988 Session, shall be allocated for distribution and distributed as  
989 provided in Section 1 of House Bill No. 856, 2004 Regular Session.

990           (20) Notwithstanding any other provision of this section to  
991 the contrary, the revenue collected from the special sales tax  
992 authorized under Section 2 of House Bill No. 856, 2004 Regular  
993 Session, shall be allocated for distribution and distributed as  
994 provided in Section 2 of House Bill No. 856, 2004 Regular Session.

995           (21) Notwithstanding any other provision of this section to  
996 the contrary, the revenue collected from the special sales tax  
997 authorized under Section 3 of House Bill No. 856, 2004 Regular  
998 Session, shall be allocated for distribution and distributed as  
999 provided in Section 3 of House Bill No. 856, 2004 Regular Session.

1000           (22) Notwithstanding any other provision of this section to  
1001 the contrary, the revenue collected from the special sales tax  
1002 authorized under Section 4 of House Bill No. 856, 2004 Regular  
1003 Session, shall be allocated for distribution and distributed as  
1004 provided in Section 4 of House Bill No. 856, 2004 Regular Session.

1005       (23) The remainder of the amounts collected under the  
1006 provisions of this chapter shall be paid into the State Treasury  
1007 to the credit of the General Fund.

1008       (24) It shall be the duty of the municipal officials of any  
1009 municipality which expands its limits, or of any community which  
1010 incorporates as a municipality, to notify the commissioner of such  
1011 action thirty (30) days before the effective date. Failure to so  
1012 notify the commissioner shall cause such municipality to forfeit  
1013 the revenue which it would have been entitled to receive during  
1014 this period of time when the commissioner had no knowledge of the  
1015 action. If any funds have been erroneously disbursed to any  
1016 municipality or county or any overpayment of tax is recovered by  
1017 the taxpayer, the commissioner may make correction and adjust the  
1018 error or overpayment with such municipality or county by  
1019 withholding the necessary funds from any subsequent payment to be  
1020 made to the municipality or county.

1021       **SECTION 8.** It is the intent of the Legislature that the  
1022 amount of State General Funds appropriated to the State Tax  
1023 Commission shall not be reduced because of funds collected by the  
1024 commission under Section 1(3)(a), Section 2(3)(a), Section 3(3)(a)  
1025 and/or Section 4(3)(a) of this act.

1026       **SECTION 9.** Sections 1 through 4 of this act shall be known  
1027 and may be cited as the "Mississippi Optional Sales Tax Act."

1028       **SECTION 10.** The Attorney General of the State of Mississippi  
1029 shall submit this act, immediately upon approval by the Governor,  
1030 or upon approval by the Legislature subsequent to a veto, to the  
1031 Attorney General of the United States or to the United States  
1032 District Court for the District of Columbia in accordance with the  
1033 provisions of the Voting Rights Act of 1965, as amended and  
1034 extended.

1035       **SECTION 11.** This act shall take effect and be in force from  
1036 and after the date it is effectuated under Section 5 of the Voting  
1037 Rights Act of 1965, as amended and extended.