

By: Representatives Watson, Stringer, Howell, Read, McCoy, Compretta, Akins, Arinder, Bailey, Baker (8th), Banks, Barnett, Blackmon, Bondurant, Bounds, Broomfield, Brown, Buck, Burnett, Calhoun, Capps, Clark, Clarke, Coleman (29th), Coleman (65th), Cummings, Davis, Dedeaux, Dickson, Eaton, Ellis, Espy, Evans, Fillingane, Flaggs, Fleming, Franks, Fredericks, Frierson, Gadd, Green, Gibbs, Hamilton (109th), Hamilton (6th), Harrison, Hines, Holland, Holloway, Hudson, Ishee, Jennings, Malone, Markham, Martinson, Masterson, Mayhall, Mayo, Middleton, Miles, Moak, Montgomery, Morris, Moss, Myers, Nicholson, Parker, Patterson, Peranich, Perkins, Pierce, Reed, Reynolds, Robinson (63rd), Robinson (84th), Rogers (14th), Rogers (61st), Rotenberry, Scott, Shows, Smith (27th), Smith (39th), Smith (59th), Straughter, Sullivan, Taylor, Thomas, Vince, Ward, Warren, Weathersby, West, Whittington, Woods, Young

To: Sel Cmte on Fiscal Stability

COMMITTEE SUBSTITUTE  
FOR  
HOUSE BILL NO. 1279

1 AN ACT TO REDUCE STATE BUDGET COSTS AND INCREASE STATE  
2 REVENUES; **[PART 1 - AGENCY SPENDING FREEZE]** TO PROVIDE THAT DURING  
3 FISCAL YEAR 2005, STATE AGENCIES ARE NOT AUTHORIZED TO EXPEND  
4 FUNDS TO TAKE CERTAIN ACTIONS UNLESS SPECIFICALLY AUTHORIZED IN  
5 THE AGENCY'S APPROPRIATION BILL OR OTHERWISE AUTHORIZED BY THIS  
6 SECTION; TO ESTABLISH AN APPEAL PROCEDURE TO THE STATE FISCAL  
7 OFFICER FOR AGENCIES SEEKING TO TAKE CERTAIN ACTIONS THAT  
8 OTHERWISE WOULD BE PROHIBITED BY THIS SECTION; TO SET FORTH THE  
9 DEMONSTRATION OF THE EMERGENCY THAT MUST BE MADE BY THE AGENCY IN  
10 ITS APPEAL; TO ALLOW THE STATE FISCAL OFFICER, IN HIS DISCRETION,  
11 TO AUTHORIZE THE ACTION SOUGHT IN THE APPEAL; TO PROVIDE THAT  
12 DURING FISCAL YEAR 2005, STATE AGENCIES ARE NOT AUTHORIZED TO  
13 TRANSFER ANY FUNDS FROM ONE MAJOR OBJECT OF EXPENDITURE TO ANOTHER  
14 MAJOR OBJECT OF EXPENDITURE IN THE AGENCY'S APPROPRIATION BILL  
15 UNLESS THE TRANSFER IS SPECIFICALLY AUTHORIZED IN THE  
16 APPROPRIATION BILL; TO AMEND SECTION 27-104-17, MISSISSIPPI CODE  
17 OF 1972, TO CONFORM TO THE PRECEDING PROVISION; TO AMEND SECTION  
18 27-101-3, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT DURING FISCAL  
19 YEAR 2005, THE ANNUAL REPORT REQUIRED TO BE PREPARED BY EACH STATE  
20 AGENCY AND INSTITUTION SHALL BE PUBLISHED ELECTRONICALLY ON THE  
21 OFFICIAL INTERNET WEB SITE OF THE RESPECTIVE ENTITY OR ON THE  
22 OFFICIAL STATE WEB SITE; TO AMEND SECTION 27-101-5, MISSISSIPPI  
23 CODE OF 1972, TO PROVIDE THAT DURING FISCAL YEAR 2005, STATE  
24 AGENCIES AND INSTITUTIONS MAY PROVIDE FOR THE PUBLICATION OF  
25 ADDITIONAL COPIES OF THE ANNUAL OR OTHER REPORTS ONLY IF THAT IS  
26 SPECIFICALLY AUTHORIZED IN THE APPROPRIATION BILL FOR THE AGENCY  
27 OR INSTITUTION OR OTHERWISE AUTHORIZED BY SECTION 1 OF THIS ACT;  
28 TO AMEND SECTION 25-51-1, MISSISSIPPI CODE OF 1972, TO PROVIDE  
29 THAT DURING FISCAL YEAR 2005, THE ELECTRONIC FORM OF EACH AGENCY  
30 PUBLICATION SHALL CONSTITUTE THE PUBLIC RECORD OF THAT AGENCY, FOR  
31 PURPOSES OF THE MISSISSIPPI LIBRARY COMMISSION BEING THE STATE  
32 DEPOSITORY FOR PUBLIC RECORDS OF ANY GOVERNMENT AGENCY; TO AMEND  
33 SECTIONS 25-51-3 THROUGH 25-51-7, MISSISSIPPI CODE OF 1972, TO  
34 CONFORM TO THE PRECEDING PROVISION; **[PART 2 - APPROPRIATIONS/  
35 BUDGET PROCESS]** TO AMEND SECTIONS 27-103-125, 27-103-139 AND  
36 27-103-211, MISSISSIPPI CODE OF 1972, TO REVISE THE PERCENTAGE  
37 LIMITATION ON LEGISLATIVE APPROPRIATIONS FROM THE STATE GENERAL  
38 FUND FOR FISCAL YEARS 2005 AND 2006; TO AMEND SECTION 27-103-135,  
39 MISSISSIPPI CODE OF 1972, TO REQUIRE STATE AGENCIES THAT MAINTAIN  
40 FUNDS IN ACCOUNTS THAT ARE NOT IN THE STATE TREASURY TO FURNISH  
41 THE LEGISLATIVE BUDGET OFFICE WITH DETAILED INFORMATION ABOUT THE  
42 AMOUNT OF THOSE FUNDS THAT THE AGENCY HAS ON HAND AND THE LOCATION  
43 OF THOSE FUNDS; **[PART 3 - SPECIAL FUNDS/TRANSFERS]** TO DIRECT THE  
44 STATE TREASURER TO TRANSFER CERTAIN SPECIAL FUNDS INTO THE BUDGET  
45 CONTINGENCY FUND DURING FISCAL YEAR 2005; TO AMEND SECTION  
46 27-65-75, MISSISSIPPI CODE OF 1972, TO DELAY UNTIL 2006 THE SALES

47 TAX DIVERSION THAT IS TO BE DEPOSITED INTO THE SPECIAL FUNDS  
48 TRANSFER FUND; TO AMEND SECTION 4, CHAPTER 556, LAWS OF 2003, TO  
49 PROVIDE THAT THE SPECIAL FUNDS TRANSFERRED BY THIS ACT SHALL BE  
50 REPAID FROM MONIES IN THE SPECIAL FUNDS TRANSFER FUND; TO AMEND  
51 SECTION 27-25-506, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT  
52 BEGINNING WITH FISCAL YEAR 2005, ALL AMOUNTS COLLECTED FROM  
53 CERTAIN TAX COLLECTIONS APPORTIONED TO THE STATE FROM OIL AND GAS  
54 SEVERANCE TAXES THAT DO NOT EXCEED TEN MILLION DOLLARS SHALL BE  
55 DEPOSITED INTO THE STATE GENERAL FUND, AND ALL AMOUNTS COLLECTED  
56 THAT EXCEED TEN MILLION DOLLARS SHALL BE DEPOSITED INTO THE BUDGET  
57 CONTINGENCY FUND; TO AMEND SECTION 43-13-407, MISSISSIPPI CODE OF  
58 1972, TO PROVIDE THAT IN FISCAL YEARS 2005 AND 2006, THE TOTAL  
59 AMOUNT OF THE DIVIDENDS, INTEREST AND OTHER INCOME EARNED ON THE  
60 FUNDS IN THE HEALTH CARE TRUST FUND DURING THE PRECEDING FISCAL  
61 YEAR SHALL BE TRANSFERRED TO THE HEALTH CARE EXPENDABLE FUND; TO  
62 PROVIDE THAT THE FULL AMOUNT OF THE CALENDAR YEARS 2004 AND 2005  
63 TOBACCO SETTLEMENT INSTALLMENT PAYMENTS RECEIVED BY THE STATE  
64 SHALL BE DEPOSITED INTO THE HEALTH CARE EXPENDABLE FUND; TO EXTEND  
65 THE REPEALER ON CERTAIN PROVISIONS OF THAT SECTION TO JULY 1,  
66 2006; TO AMEND SECTION 69-2-13, MISSISSIPPI CODE OF 1972, TO  
67 SUSPEND THE MAKING OF CERTAIN LOANS FROM THE EMERGING CROPS FUND  
68 UNTIL A CERTAIN AMOUNT OF FUNDS ARE TRANSFERRED FROM THE EMERGING  
69 CROPS FUND TO THE BUDGET CONTINGENCY FUND; TO PROVIDE FOR THE  
70 TRANSFER OF A CERTAIN AMOUNT OF FUNDS FROM THE EMERGING CROPS FUND  
71 TO THE BUDGET CONTINGENCY FUND; **[PART 4 - MISCELLANEOUS REVENUES]**  
72 TO AMEND SECTIONS 7-7-211 AND 7-7-213, MISSISSIPPI CODE OF 1972,  
73 TO INCREASE THE FEE CHARGED BY THE DEPARTMENT OF AUDIT FOR  
74 CONDUCTING A POSTAUDIT, PREAUDIT OR INVESTIGATION OF THE FINANCIAL  
75 AFFAIRS OF CERTAIN GOVERNMENTAL ENTITIES; TO AMEND SECTION  
76 27-3-79, MISSISSIPPI CODE OF 1972, TO REQUIRE THE STATE TAX  
77 COMMISSION TO DEVELOP A TAX AMNESTY PROGRAM; TO PROVIDE THAT THE  
78 PROGRAM WILL BEGIN ON SEPTEMBER 30, 2004, AND END ON DECEMBER 31,  
79 2004, AND WILL APPLY TO ALL TAXES REQUIRED TO BE COLLECTED BY THE  
80 STATE TAX COMMISSION AND WHICH WERE DUE AND PAYABLE FOR THE YEAR  
81 1999 AND AFTER; TO PROVIDE THAT TAX AMNESTY WILL NOT BE AVAILABLE  
82 TO TAXPAYERS SUBJECT TO TAX-RELATED CRIMINAL INVESTIGATIONS OR  
83 PROSECUTIONS, OR WHERE TAXES HAVE BEEN PREVIOUSLY ASSESSED BY THE  
84 STATE TAX COMMISSION OR TO ESTIMATED INCOME TAX PAYMENTS; TO AMEND  
85 SECTION 27-65-33, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE  
86 COMPENSATION OR DISCOUNT ALLOWED TO TAXPAYERS FOR COLLECTING SALES  
87 AND USE TAXES AND FILING NECESSARY RETURNS WITH THE STATE TAX  
88 COMMISSION SHALL NOT BE ALLOWED FOR MORE THAN ONE BUSINESS  
89 LOCATION; TO AMEND SECTIONS 52 THROUGH 63, CHAPTER 522, LAWS OF  
90 2003, TO INCREASE THE AMOUNT OF VARIABLE RATE DEBT INSTRUMENTS  
91 THAT THE STATE MAY ISSUE; **[PART 5 - INSURANCE]** TO BRING FORWARD  
92 SECTION 27-15-83, MISSISSIPPI CODE OF 1972, WHICH PROVIDES FOR  
93 CERTAIN PRIVILEGE TAXES TO BE LEVIED ON INSURANCE COMPANIES; TO  
94 BRING FORWARD SECTION 27-15-85, MISSISSIPPI CODE OF 1972, WHICH  
95 PROVIDES FOR PRIVILEGE TAXES TO BE LEVIED ON CERTAIN INCORPORATED  
96 INSURANCE AGENCIES AND INCORPORATED GENERAL AGENTS AND  
97 INCORPORATED SUPERVISING GENERAL AGENTS; TO BRING FORWARD SECTION  
98 27-15-87, MISSISSIPPI CODE OF 1972, WHICH PROVIDES FOR PRIVILEGE  
99 TAXES TO BE LEVIED ON CERTAIN FIRE, CASUALTY, LIABILITY, FIDELITY,  
100 SURETY, GUARANTY AND INLAND MARINE INSURANCE AGENTS AND INSURANCE  
101 SOLICITORS; TO BRING FORWARD SECTION 27-15-93, MISSISSIPPI CODE OF  
102 1972, WHICH PROVIDES CERTAIN PRIVILEGE TAXES TO BE LEVIED ON  
103 INCORPORATED LIFE, HEALTH OR ACCIDENT INSURANCE AGENCIES,  
104 SUPERVISING GENERAL AGENTS AND LIFE INSURANCE AGENTS; TO BRING  
105 FORWARD SECTION 27-15-95, MISSISSIPPI CODE OF 1972, WHICH PROVIDES  
106 FOR A PRIVILEGE TAX TO BE LEVIED ON CERTAIN PERSONS, OTHER THAN AN  
107 INCORPORATED INSURANCE AGENCY, WRITING HEALTH AND ACCIDENT OR  
108 INDUSTRIAL LIFE INSURANCE; TO BRING FORWARD SECTION 83-49-47,  
109 MISSISSIPPI CODE OF 1972, WHICH PROVIDES FOR CERTAIN LICENSE FEES  
110 ON PERSONS ACTING AS AGENTS OR REPRESENTATIVES OF INSURERS WHO  
111 ESTABLISH PREPAID LEGAL SERVICES; TO BRING FORWARD SECTION  
112 83-11-237, MISSISSIPPI CODE OF 1972, WHICH REQUIRES CERTAIN

113 REGISTRATION FEES FOR AGENTS OF AUTOMOBILE CLUBS OPERATING IN THE  
114 STATE OF MISSISSIPPI; **[PART 6 - TOBACCO]** TO AMEND SECTIONS  
115 27-69-3, 27-69-5, 27-69-7, 27-69-11, 27-69-13 AND 27-69-41,  
116 MISSISSIPPI CODE OF 1972, TO DEFINE THE TERMS "TOBACCO SETTLEMENT"  
117 AND "PARTICIPATING MANUFACTURER" FOR PURPOSES OF THE STATE TOBACCO  
118 TAX LAW; TO REQUIRE THAT CIGARETTE MANUFACTURERS PAY AN EQUITY  
119 ASSESSMENT OF TWO CENTS PER CIGARETTE ON ALL CIGARETTES SUBJECT TO  
120 THE CIGARETTE EXCISE TAX; TO PROVIDE THAT THE EQUITY ASSESSMENT  
121 SHALL BE INCREASED ANNUALLY BY THREE PERCENT OR THE INCREASE IN  
122 THE CONSUMER PRICE INDEX, WHICHEVER IS GREATER; TO PROVIDE THAT  
123 CIGARETTE WHOLESALERS MUST PROVIDE CIGARETTE MANUFACTURERS MONTHLY  
124 REPORTS SETTING FORTH THE NUMBER OF CIGARETTES ON WHICH TOBACCO  
125 TAX STAMPS WERE AFFIXED DURING THE PRECEDING MONTH AND IDENTIFYING  
126 THOSE CIGARETTES BY MANUFACTURER, BRAND AND STYLE; TO PROVIDE A  
127 CREDIT AGAINST THE EQUITY ASSESSMENT FOR ANNUAL TOBACCO SETTLEMENT  
128 INSTALLMENTS MADE BY PARTICIPATING MANUFACTURERS; TO PROVIDE  
129 PENALTIES FOR THE FAILURE OF A CIGARETTE MANUFACTURER TO PAY THE  
130 EQUITY ASSESSMENT; TO PROVIDE PENALTIES FOR THE FAILURE OF A  
131 WHOLESALER TO PROVIDE INFORMATION TO A MANUFACTURER NECESSARY FOR  
132 THE MANUFACTURER TO COMPUTE THE EQUITY ASSESSMENT; TO FURTHER  
133 AMEND SECTION 27-69-13, MISSISSIPPI CODE OF 1972, AND TO AMEND  
134 SECTION 27-69-31, MISSISSIPPI CODE OF 1972, TO ELIMINATE THE  
135 DISCOUNT OR COMPENSATION PROVIDED TO DEALERS AS COMPENSATION FOR  
136 THEIR SERVICES IN AFFIXING TOBACCO TAX STAMPS REQUIRED UNDER THE  
137 STATE TOBACCO TAX LAW; TO AMEND SECTION 27-69-75, MISSISSIPPI CODE  
138 OF 1972, IN CONFORMITY TO THE PRECEDING PROVISIONS; **[PART 7 -**  
139 **STATE LAW ENFORCEMENT]** TO TRANSFER THE LAW ENFORCEMENT FUNCTIONS  
140 OF THE MISSISSIPPI DEPARTMENT OF TRANSPORTATION AND THE PUBLIC  
141 SERVICE COMMISSION TO THE DEPARTMENT OF PUBLIC SAFETY; TO AMEND  
142 SECTIONS 65-1-131 AND 77-1-21, MISSISSIPPI CODE OF 1972, IN  
143 CONFORMITY TO THE PRECEDING PROVISION; TO AMEND SECTION 41-29-107,  
144 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE DIRECTOR OF THE  
145 BUREAU OF NARCOTICS SHALL BE APPOINTED BY THE COMMISSIONER OF  
146 PUBLIC SAFETY; TO REPEAL SECTION 1, CHAPTER 520, LAWS OF 1972,  
147 WHICH PROVIDES THAT FUNDS APPROPRIATED TO THE BUREAU OF NARCOTICS  
148 SHALL BE KEPT SEPARATE FROM THE FUNDS OF THE DEPARTMENT OF PUBLIC  
149 SAFETY; **[PART 8 - GAMING]** TO AMEND SECTION 75-76-129, MISSISSIPPI  
150 CODE OF 1972, TO REDISTRIBUTE A PORTION OF THE STATE'S SHARE OF  
151 GAMING LICENSE FEES TO SPECIAL FUNDS, THE PROCEEDS OF WHICH MAY BE  
152 USED FOR BEAVER ERADICATION AND CONTROL, THE LOCAL SYSTEM BRIDGE  
153 REPLACEMENT AND REHABILITATION PROGRAM AND THE LOCAL SYSTEM ROAD  
154 PROGRAM; TO AMEND SECTION 65-37-13, MISSISSIPPI CODE OF 1972, TO  
155 DELETE THE PROVISIONS THAT REQUIRE THE LEGISLATURE TO APPROPRIATE  
156 MONIES TO THE LOCAL SYSTEM BRIDGE REPLACEMENT AND REHABILITATION  
157 FUND; TO AMEND SECTION 65-18-9 AND 65-18-11, MISSISSIPPI CODE OF  
158 1972, TO CREATE THE LOCAL SYSTEM ROAD FUND; TO AUTHORIZE THE STATE  
159 ENGINEER TO ALLOCATE MONIES IN THE FUND TO EACH COUNTY FOR  
160 CONSTRUCTING, RECONSTRUCTING OF LOCAL SYSTEM ROADS; TO AMEND  
161 SECTION 75-76-193, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT IN  
162 CALCULATING GROSS REVENUE FROM ANY GAME UNDER THE MISSISSIPPI  
163 GAMING CONTROL ACT, PAYMENTS OF CASH OR TRANSFERS OF OTHER THINGS  
164 OF VALUE TO PATRONS BASED ON THE RESULT OF A GAME SHALL NOT BE  
165 DEDUCTED AS LOSSES PAID TO PATRONS WHERE THE ITEM USED OR RISKED  
166 BY THE PATRON TO PARTICIPATE IN THE GAME WOULD NOT BE CONSIDERED  
167 REVENUE TO A GAMING LICENSEE IF THE PATRON LOST THE GAME; **[PART 9**  
168 **- EDUCATION]** TO BRING FORWARD SECTIONS 37-9-24 AND 37-13-63,  
169 MISSISSIPPI CODE OF 1972, WHICH PROVIDE FOR THE MINIMUM NUMBER OF  
170 CONTRACT EMPLOYMENT DAYS FOR LICENSED PERSONNEL AND MINIMUM NUMBER  
171 OF DAYS IN A SCHOLASTIC YEAR, FOR THE PURPOSES OF AMENDMENT; TO  
172 BRING FORWARD SECTIONS 37-19-7 AND 37-21-7, MISSISSIPPI CODE OF  
173 1972, WHICH PROVIDE FOR THE MINIMUM SALARY SCALES FOR TEACHERS AND  
174 ASSISTANT TEACHERS, FOR THE PURPOSES OF AMENDMENT; TO AMEND  
175 SECTION 37-61-33, MISSISSIPPI CODE OF 1972, TO DIVERT, UNTIL JULY  
176 1, 2005, A PORTION OF EDUCATION ENHANCEMENT FUNDS THAT ARE  
177 ALLOCATED FOR CLASSROOM SUPPLIES TO THE BUDGET CONTINGENCY FUND;  
178 **[PART 10 - CORRECTIONS]** TO AUTHORIZE THE COMMISSIONER OF THE

179 MISSISSIPPI DEPARTMENT OF CORRECTIONS TO TRANSFER TERMINALLY ILL  
180 OFFENDERS TO THE COMMUNITY CORRECTIONS DIVISION OF THE DEPARTMENT;  
181 TO AMEND SECTIONS 47-5-20 AND 47-5-28, MISSISSIPPI CODE OF 1972,  
182 IN CONFORMITY TO THE PRECEDING PROVISION; TO AMEND SECTION  
183 47-5-138.1, MISSISSIPPI CODE OF 1972, TO INCREASE FROM TEN DAYS TO  
184 THIRTY DAYS THE REDUCTION OF SENTENCE THAT MAY BE AWARDED AS A  
185 TRUSTY TIME ALLOWANCE FOR EACH THIRTY DAYS OF PARTICIPATION BY A  
186 TRUSTY IN AN APPROVED PROGRAM; TO PROVIDE THAT CERTAIN OFFENDERS  
187 WHO ARE IN TRUSTY STATUS SHALL NOT BE ELIGIBLE TO RECEIVE A TRUSTY  
188 TIME ALLOWANCE FOR A REDUCTION OF SENTENCE; **[PART 11 -**  
189 **ENVIRONMENTAL QUALITY]** TO PROVIDE THAT WHERE A FEE IS NOT SET BY  
190 LAW, THE DEPARTMENT OF ENVIRONMENTAL QUALITY SHALL CHARGE FEES FOR  
191 GENERAL PERMITS, OTHER PERMITS AND MONITORING ACTIVITIES; TO AMEND  
192 SECTIONS 51-3-31, 53-7-7, 53-7-21, 53-7-25, 53-7-27 AND 53-7-69,  
193 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE DEPARTMENT OF  
194 ENVIRONMENTAL QUALITY SHALL CHARGE FEES FOR CERTAIN ACTIVITIES  
195 UNDER ITS JURISDICTION; **[PART 12 - WILDLIFE, FISHERIES AND PARKS]**  
196 TO AMEND SECTION 49-6-3, MISSISSIPPI CODE OF 1972, TO DELETE THE  
197 PROVISIONS THAT REQUIRE THE DEPARTMENT OF WILDLIFE, FISHERIES AND  
198 PARKS TO DEPOSIT A PERCENTAGE OF HUNTING AND FISHING LICENSE FEES  
199 COLLECTED EACH MONTH INTO THE WILDLIFE, FISHERIES AND PARKS MOTOR  
200 VEHICLE FUND; **[PART 13 - MOTOR VEHICLES]** TO AMEND SECTION  
201 27-19-44.4, MISSISSIPPI CODE OF 1972, TO IMPOSE AN ADDITIONAL FEE  
202 ON THE ISSUANCE OF PERSONALIZED MOTOR VEHICLE LICENSE TAGS AND  
203 CERTAIN DISTINCTIVE OR SPECIAL MOTOR VEHICLE LICENSE TAGS; TO  
204 PROVIDE THAT THE PROCEEDS COLLECTED FROM THE ADDITIONAL FEE SHALL  
205 BE DEPOSITED INTO THE STATE GENERAL FUND; TO BRING FORWARD  
206 SECTIONS 63-1-21, 63-1-37, 63-1-43, 63-1-46, 63-1-81 AND 63-1-82,  
207 MISSISSIPPI CODE OF 1972, WHICH ESTABLISH REQUIREMENTS AND FEES  
208 FOR THE ISSUANCE OF TEMPORARY DRIVING PERMITS, INTERMEDIATE  
209 DRIVER'S LICENSES, DUPLICATE COPIES OF DRIVERS' LICENSES OR  
210 TEMPORARY DRIVING PERMITS, REGULAR DRIVERS' LICENSES, MOTORCYCLE  
211 ENDORSEMENTS, RESTRICTED MOTORCYCLE OPERATORS' LICENSES, CLASS D  
212 COMMERCIAL DRIVERS' LICENSES, REINSTATEMENT OF SUSPENDED DRIVERS'  
213 LICENSES, AND CLASS A, CLASS B AND CLASS C COMMERCIAL DRIVERS'  
214 LICENSES; TO AMEND SECTION 63-21-63, MISSISSIPPI CODE OF 1972, TO  
215 INCREASE THE FEES FOR ISSUING AND PROCESSING MOTOR VEHICLE  
216 CERTIFICATES OF TITLE AND RELATED DOCUMENTS; **[PART 14 - UNIFORM**  
217 **COMMERCIAL CODE]** TO AMEND SECTION 75-9-525, MISSISSIPPI CODE OF  
218 1972, TO PROVIDE FOR ADDITIONAL FILING FEES FOR SECURED  
219 TRANSACTIONS UNDER THE UNIFORM COMMERCIAL CODE; AND FOR RELATED  
220 PURPOSES.

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

222 **PART 1 - AGENCY SPENDING FREEZE**

223 **SECTION 1.** (1) For the purposes of this section, the term  
224 "state agency" means an agency, board, commission or department in  
225 the executive branch of government of the State of Mississippi.  
226 However, the term "state agency" does not include the Office of  
227 the Governor, the Governor's Mansion, the state institutions of  
228 higher learning, the community or junior colleges, or the  
229 University of Mississippi Medical Center.

230 (2) For the period beginning on July 1, 2004, and through  
231 June 30, 2005, a state agency is not authorized to expend funds to  
232 take any of the following actions, unless specifically authorized

233 to do so in the appropriation bill for the state agency or  
234 authorized to do so under subsection (3) of this section:

235 (a) Hire any new employees, or promote, reclassify,  
236 reallocate or realign a pay grade with regard to any of its  
237 employees or job positions;

238 (b) Purchase any equipment or furniture as defined in  
239 Section 31-7-1, or any computer or telecommunications equipment;

240 (c) Contract with any person or entity for contractual  
241 services, or make payments under any such contract;

242 (d) Travel outside of the State of Mississippi;

243 (e) Publish or distribute any annual reports or other  
244 publications;

245 (f) Conduct public relations activities regarding the  
246 functions, programs or services of the state agency;

247 (g) Advertise the functions, programs or services of  
248 the state agency, except that the Mississippi Development  
249 Authority is authorized to expend funds for advertising to carry  
250 out the purposes of key programs administered by the authority; or

251 (h) Purchase cellular telephones for use of employees  
252 of the state agency, contract or enter an agreement with any  
253 person or entity to provide cellular telephone service for  
254 employees of the state agency, or make payments under any such  
255 contract or agreement.

256 (3) (a) (i) If a state agency determines that it is  
257 necessary to take any action that otherwise would be prohibited  
258 under paragraph (a), (b), (c), (d) or (f) of subsection (2) of  
259 this section, the agency may appeal to the State Fiscal Officer.  
260 The State Fiscal Officer shall immediately notify the Joint  
261 Legislative Budget Committee of the state agency's appeal and the  
262 date upon which the State Fiscal Officer will hold a hearing on  
263 the appeal. The State Fiscal Officer shall grant a hearing to the  
264 state agency on its appeal within fifteen (15) days after notice  
265 of the appeal is given to the State Fiscal Officer, except as

266 otherwise provided in subparagraph (ii) of this paragraph (a).  
267 The hearing shall not be a public meeting; however, any member of  
268 the Joint Legislative Budget Committee may attend the hearing. At  
269 the hearing, the state agency must demonstrate to the satisfaction  
270 of the State Fiscal Officer that a serious emergency exists of  
271 such magnitude that the essential mission of the agency cannot be  
272 carried out without taking an action that otherwise would be  
273 prohibited under paragraph (a), (b), (c), (d) or (f) of subsection  
274 (2) of this section. In making his decision, the State Fiscal  
275 Officer may consider the source of funds to be used by the state  
276 agency in taking that action. If the state agency makes the  
277 demonstration required by this subsection, the State Fiscal  
278 Officer, in his discretion, may authorize the agency to take the  
279 action sought by the agency that otherwise would be prohibited  
280 under paragraph (a), (b), (c), (d) or (f) of subsection (2) of  
281 this section.

282 (ii) If the Department of Mental Health is seeking  
283 to hire new professional or paraprofessional employees who work  
284 directly with patients or clients involved with department  
285 facilities and programs as replacements for professional or  
286 paraprofessional employees who leave employment with the  
287 department, then the State Fiscal Officer shall grant the hearing  
288 to the department on its appeal within three (3) days after notice  
289 of the appeal is given to the State Fiscal Officer. The State  
290 Fiscal Officer shall render his decision on the appeal within two  
291 (2) working days after the hearing.

292 (b) A state agency may take any action that otherwise  
293 would be prohibited under subsection (2)(a) of this section if all  
294 of the funds to be expended to fund that action are federal funds.

295 (4) For the period beginning on July 1, 2004, and through  
296 June 30, 2005, a state agency is not authorized to transfer any  
297 funds from one (1) major object of expenditure to another major  
298 object of expenditure in the appropriation bill of the state

299 agency, unless the transfer is specifically authorized in the  
300 appropriation bill. If the appropriation bill of a state agency  
301 authorizes the transfer of funds from one (1) major object of  
302 expenditure to another, the state agency head shall submit written  
303 justification for the transfer to the Legislative Budget Office,  
304 the Department of Finance and Administration and the State  
305 Auditor, on or before the fifteenth of the month before the  
306 effective date of the transfer. The transfer shall be effective  
307 the first working day of the month following timely submissions  
308 required in this subsection. In cases of extreme hardship,  
309 certified in writing by the state agency head and submitted with  
310 timely submissions required in this subsection, the State Fiscal  
311 Officer, in his discretion, may authorize an earlier effective  
312 date for the transfer.

313       **SECTION 2.** Section 27-104-17, Mississippi Code of 1972, is  
314 amended as follows:

315       27-104-17. (1) An allotment period shall be one-half (1/2)  
316 of twelve (12) months, and expenditure one-half (1/2) of the  
317 appropriated amount, unless otherwise specified in the  
318 appropriation bill or justified by the agency to the Department of  
319 Finance and Administration, and the first allotment period shall  
320 commence on July 1. Estimates shall be filed with the Department  
321 of Finance and Administration not later than the first day of the  
322 month preceding the beginning period.

323       \* \* \* The Department of Finance and Administration may, in  
324 its discretion, restrict an agency to monthly allotment period  
325 when it becomes evident that an agency's rate of expenditure to  
326 date indicates this restriction will be necessary to prevent  
327 depletion of its appropriation before the close of the fiscal year  
328 or when the condition of the State General Fund requires monthly  
329 monitoring and control of the rate of General Fund expenditures.

330       (2) Unless otherwise specified in the agency appropriation  
331 bill, if any emergency or unforeseen circumstances \* \* \* arises,

332 the agency head may authorize increases in major objects of  
333 expenditure within each specific budget within each appropriation  
334 bill in total amounts not to exceed ten percent (10%) of the  
335 appropriated amount of each object, provided that other major  
336 objects of expenditure are decreased by a corresponding dollar  
337 amount. No transfers shall be authorized that increase or  
338 decrease the major object of expenditure "Salaries, Wages and  
339 Fringe Benefits," or that increase the major object of expenditure  
340 "Capital Outlay - Equipment." The agency head shall submit  
341 written justification for the transfer to the Legislative Budget  
342 Office, the Department of Finance and Administration, and the  
343 State Auditor, on or before the fifteenth of the month before the  
344 effective date of the transfer. The transfer shall be effective  
345 the first working day of the month following timely submissions  
346 required in this subsection. In cases of extreme hardship,  
347 certified in writing by the agency head and submitted with timely  
348 submissions required in this subsection, the Executive Director of  
349 the Department of Finance and Administration, in his discretion,  
350 may authorize an earlier effective date for the transfer. The  
351 provisions of this subsection shall not be in effect for the  
352 period beginning on July 1, 2004, and through June 30, 2005.

353 **SECTION 3.** Section 27-101-3, Mississippi Code of 1972, is  
354 amended as follows:

355 **[Through June 30, 2005, this section shall read as follows:]**

356 27-101-3. \* \* \* Each annual report required by Section  
357 27-101-1 shall be published electronically on the official  
358 Internet web site of the respective agency, board, commission,  
359 department or institution, or on the official state web site  
360 maintained by the Department of Information Technology Services,  
361 if the agency, board, commission, department or institution does  
362 not have its own web site. One (1) copy of the executive summary  
363 of each annual report shall be sent to the Governor, the  
364 Lieutenant Governor, the Speaker of the House of



365 Representatives \* \* \*, and each state elected and appointed  
366 official. Each person to whom an executive summary is sent may  
367 receive the information necessary to obtain the annual report in  
368 electronic form, upon request to the agency, board, commission,  
369 department or institution that prepared the report.

370 **[From and after July 1, 2005, this section shall read as**  
371 **follows:]**

372 27-101-3. One (1) copy of each annual report required by  
373 Section 27-101-1 shall be sent to the State Librarian. One (1)  
374 copy of the executive summary of each annual report shall be sent  
375 to the Governor, the Lieutenant Governor, each member of the House  
376 of Representatives and the Senate, and each state elected and  
377 appointed official. Each person to whom an executive summary is  
378 sent may receive a copy of any annual report upon request to the  
379 agency, board, commission, department or institution that prepared  
380 the report.

381 **SECTION 4.** Section 27-101-5, Mississippi Code of 1972, is  
382 amended as follows:

383 **[Through June 30, 2005, this section shall read as follows:]**

384 27-101-5. An agency, board, commission, department or  
385 institution may provide for the publication of additional copies  
386 of the annual or other reports only if that is specifically  
387 authorized in the appropriation bill for the agency, board,  
388 commission, department or institution or authorized under  
389 subsection (3) of Section 1 of this act.

390 **[From and after July 1, 2005, this section shall read as**  
391 **follows:]**

392 27-101-5. The Department of Finance and Administration may  
393 authorize the publication of additional copies of the annual or  
394 other reports in meritorious cases.

395 **SECTION 5.** Section 25-51-1, Mississippi Code of 1972, is  
396 amended as follows:

397 **[Through June 30, 2005, this section shall read as follows:]**

398           25-51-1. The Mississippi Library Commission shall be the  
399 state depository for the public records issued by any government  
400 agency for public distribution. Each state agency publication  
401 shall be made available in an electronic form and the electronic  
402 form shall constitute the public record. The record shall be  
403 placed on the official Internet web site of the commission. The  
404 libraries of state agencies, public community or junior colleges,  
405 colleges, public universities and public libraries located in the  
406 state may also become depositories of state agency publications  
407 that are available on the commission's official Internet web site,  
408 when designated as such by the director of the \* \* \* commission  
409 upon their written request to this effect.

410           **[From and after July 1, 2005, this section shall read as**  
411 **follows:]**

412           25-51-1. The Mississippi Library Commission shall be the  
413 state depository for the public records issued by any government  
414 agency for public distribution. The libraries of state agencies,  
415 public community or junior colleges, colleges, public universities  
416 and public libraries located in the state may also become  
417 depositories of these records, when designated as such by the  
418 director of the \* \* \* commission upon their written request to  
419 this effect.

420           **SECTION 6.** Section 25-51-3, Mississippi Code of 1972, is  
421 amended as follows:

422           **[Through June 30, 2005, this section shall read as follows:]**

423           25-51-3. Each agency of state government shall furnish to  
424 the Director of the Mississippi Library Commission the necessary  
425 information to provide its publications and public records in an  
426 electronic form for placement on the official Internet web site of  
427 the commission. The director of the \* \* \* commission shall  
428 transmit this information to each depository \* \* \*. These records  
429 shall be made accessible by the depository receiving them to any  
430 person desiring to examine the same.

431           **[From and after July 1, 2005, this section shall read as**  
432 **follows:]**

433           25-51-3. All agencies of state government shall furnish to  
434 the Director of the Mississippi Library Commission sufficient  
435 copies of each public document printed, and the Director of the  
436 Mississippi Library Commission shall deliver to each depository as  
437 many as two (2) copies of each document requested. These records  
438 shall be made accessible by the depository receiving them to any  
439 person desiring to examine the same.

440           **SECTION 7.** Section 25-51-5, Mississippi Code of 1972, is  
441 amended as follows:

442           **[Through June 30, 2005, this section shall read as follows:]**

443           25-51-5. Each agency of state government shall furnish  
444 annually to the Director of the Mississippi Library  
445 Commission \* \* \* a list of all its publications made available  
446 for public distribution \* \* \*.

447           **[From and after July 1, 2005, this section shall read as**  
448 **follows:]**

449           25-51-5. Each agency of state government shall furnish  
450 annually to the Director of the Mississippi Library  
451 Commission \* \* \* a list of all its publications issued for public  
452 distribution, and the Director of the Mississippi Library  
453 Commission shall make and furnish to each depository a duplicate  
454 copy of the same.

455                           **PART 2 - APPROPRIATIONS/BUDGET PROCESS**

456           **SECTION 8.** Section 27-103-125, Mississippi Code of 1972, is  
457 amended as follows:

458           27-103-125. The proposed budget of each state agency shall  
459 show the amounts required for operating expenses separately from  
460 the amounts required for permanent improvements. The overall  
461 budget shall show, separately by each source, the estimated amount  
462 of general fund revenue and of special fund revenues of general  
463 fund agencies. The total proposed expenditures in Part 1 of the

464 overall budget shall not exceed the amount of estimated revenues  
465 that will be available in the general and special funds for  
466 appropriation or use during the succeeding fiscal year, including  
467 any balances that will be on hand in the general and special funds  
468 at the close of the then current fiscal year. \* \* \* The total  
469 proposed expenditures from the State General Fund in Part 1 of the  
470 overall budget shall not exceed ninety-eight percent (98%) of the  
471 amount of general fund revenue estimate for the succeeding fiscal  
472 year, plus any unencumbered balances in general funds that will be  
473 available and on hand at the close of the then current fiscal  
474 year. However, for fiscal years 2004, 2005 and 2006 only, the  
475 total proposed expenditures from the State General Fund in Part 1  
476 of the overall budget shall not exceed one hundred percent (100%)  
477 of the amount of the general fund revenue estimate for the  
478 succeeding fiscal year, plus any unencumbered balances in general  
479 funds that will be available and on hand at the close of the then  
480 current fiscal year. The general fund revenue estimate shall be  
481 the estimate jointly adopted by the Governor and the Joint  
482 Legislative Budget Committee. Unencumbered balances in general  
483 funds that will be available and on hand at the close of the  
484 current fiscal year shall not include projected amounts required  
485 to be deposited into the Working Cash-Stabilization Reserve Fund  
486 under Section 27-103-203. The Legislative Budget Office may  
487 recommend additional taxes or sources of revenue if in its  
488 judgment those additional funds are necessary to adequately  
489 support the functions of the state government.

490 **SECTION 9.** Section 27-103-139, Mississippi Code of 1972, is  
491 amended as follows:

492 27-103-139. On or before November 15 preceding each regular  
493 session of the Legislature, except the first regular session of a  
494 new term of office, the Governor shall submit to the members of  
495 the Legislature, the Legislative Budget Office or the  
496 members-elect, as the case may be, and to the executive head of

497 each state agency a balanced budget for the succeeding fiscal  
498 year. \* \* \* The budget submitted shall be prepared in a format  
499 that will include performance measurement data associated with the  
500 various programs operated by each agency. The total proposed  
501 expenditures in the balanced budget shall not exceed the amount of  
502 estimated revenues that will be available for appropriation or use  
503 during the succeeding fiscal year, including any balances that  
504 will be on hand at the close of the then current fiscal year, as  
505 determined by the revenue estimate jointly adopted by the Governor  
506 and the Legislative Budget Committee. \* \* \* The total proposed  
507 expenditures from the State General Fund in the balanced budget  
508 shall not exceed ninety-eight percent (98%) of the amount of  
509 general fund revenue estimate for the succeeding fiscal year, plus  
510 any unencumbered balances in general funds that will be available  
511 and on hand at the close of the then current fiscal year.  
512 However, for fiscal years 2004, 2005 and 2006 only, the total  
513 proposed expenditures from the State General Fund in the balanced  
514 budget shall not exceed one hundred percent (100%) of the amount  
515 of the general fund revenue estimate for the succeeding fiscal  
516 year, plus any unencumbered balances in general funds that will be  
517 available and on hand at the close of the then current fiscal  
518 year. The general fund revenue estimate shall be the estimate  
519 jointly adopted by the Governor and the Joint Legislative Budget  
520 Committee. Unencumbered balances in general funds that will be  
521 available and on hand at the close of the fiscal year shall not  
522 include projected amounts required to be deposited into the  
523 Working Cash-Stabilization Reserve Fund and the Education  
524 Enhancement Fund under Section 27-103-203.

525 The revenues used in preparing the balanced budget shall be  
526 only those revenues that will be available under the general laws  
527 of the state as they exist when the balanced budget is prepared,  
528 and shall not include any proposed revenues that would become  
529 available only after the enactment of new legislation. If the

530 Governor has any recommendations for additional proposed  
531 expenditures or proposed revenues that are not included in his  
532 balanced budget, he shall submit those recommendations in a  
533 supplement that is separate from his balanced budget, and whenever  
534 the Governor recommends any such additional proposed expenditures,  
535 he also shall recommend proposed revenues that are sufficient to  
536 fund the additional proposed expenditures, providing specific  
537 details regarding the sources and the total amount of those  
538 proposed revenues.

539 The Governor may employ a budget officer for the purpose of  
540 receiving information from the State Fiscal Officer and preparing  
541 his recommendations on the budget. If the Governor determines  
542 that information received from the State Fiscal Officer is not  
543 sufficient to enable him to prepare his budget recommendations, he  
544 may request an appropriation from the Legislature to provide  
545 additional staff within the Governor's Office for that purpose.  
546 At the first regular session after his election for Governor, the  
547 Governor shall submit any budget recommendations plus the required  
548 revenue source recommendations no later than January 31 of that  
549 year.

550 **SECTION 10.** Section 27-103-211, Mississippi Code of 1972, is  
551 amended as follows:

552 27-103-211. \* \* \* The total sum appropriated by the  
553 Legislature from the State General Fund for any fiscal year shall  
554 not exceed ninety-eight percent (98%) of the general fund revenue  
555 estimate for that fiscal year developed by the Tax Commission and  
556 the University Research Center and adopted by the Joint  
557 Legislative Budget Committee, plus any unencumbered balances in  
558 general funds that will be available and on hand at the close of  
559 the then current fiscal year. The unencumbered balances in  
560 general funds that will be available and on hand at the close of  
561 the fiscal year shall not include projected amounts required to be  
562 deposited into the Working Cash-Stabilization Reserve Fund under

563 Section 27-103-203. However, for fiscal years 2004, 2005 and 2006  
564 only, the total sum appropriated by the Legislature from the State  
565 General Fund shall not exceed one hundred percent (100%) of the  
566 amount of the general fund revenue estimate for that fiscal year,  
567 plus any unencumbered balances in general funds that will be  
568 available and on hand at the close of the then current fiscal  
569 year.

570 **SECTION 11.** Section 27-103-135, Mississippi Code of 1972, is  
571 amended as follows:

572 27-103-135. (1) At such regular or special times and on  
573 such forms as the Legislative Budget Office may require, every tax  
574 or fee-collecting or other revenue-producing agency shall furnish  
575 the Legislative Budget Office with complete and detailed  
576 information as to the amount of revenue collected or otherwise  
577 received by it during the then current fiscal year, together with  
578 an estimate of the revenue that is anticipated for such succeeding  
579 periods as the Legislative Budget Office may require. In  
580 addition, each state agency that maintains funds in accounts that  
581 are not in the State Treasury shall furnish the Legislative Budget  
582 Office with detailed information about the amount of those funds  
583 that the agency has on hand and the location of those funds.

584 (2) At such regular or special times and on such forms as  
585 the State Fiscal Officer may require, every tax or fee-collecting  
586 or other revenue-producing agency shall furnish the Department of  
587 Finance and Administration with complete and detailed information  
588 as to the amount of revenue collected or otherwise received by it  
589 during the then current fiscal year, together with an estimate of  
590 the revenue that is anticipated for such succeeding periods as the  
591 board may require. The information required to be furnished under  
592 this section shall include all revenues from every fee, penalty,  
593 tax, assessment or other charge levied, whether authorized by law  
594 or not, and shall further include an itemized statement by the

595 agency of the costs of services for which fees are charged,  
596 comparing the costs with revenues generated by the fees.

597 (3) The State Fiscal Officer shall review the information so  
598 furnished and report to the Legislature any fees that do not  
599 appear to be reasonably calculated to recover the costs of  
600 services for which the fees are charged, and any fees that are  
601 collected without legal authority.

602 **PART 3 - SPECIAL FUNDS/TRANSFERS**

603 **SECTION 12.** The State Treasurer shall transfer to the Budget  
604 Contingency Fund created in Section 27-103-301, out of the  
605 following enumerated special funds, the amount listed below from  
606 each fund throughout the period beginning upon July 1, 2004, and  
607 through June 30, 2005:

608 <u>Agency/Fund</u>	<u>Fund No.</u>	<u>Amount</u>
609 Working Cash-Stabilization		
610 Reserve Fund		\$10,000,000.00
611 DFA - Employment Compensation		
612 Revolving Fund	3644	100,000.00
613 DFA - Self-insured Workers'		
614 Compensation Fund	3642	3,000,000.00
615 DPS - Emergency Telecommunications		
616 Standards and Training Board	3744	650,000.00
617 Information Technology Services	3601	2,500,000.00
618 UM - State Court Education Program	3257	150,000.00
619 WF&P - Motor Vehicle Section	3462	500,000.00
620 WF&P - Office of Parks and		
621 Recreation	3461	<u>1,100,000.00</u>
622 Total		\$18,000,000.00

623 **SECTION 13.** (1) During each fiscal year from July 1, 2004,  
624 until June 30, 2006, the State Treasurer shall transfer to the  
625 Budget Contingency Fund created in Section 27-103-301, from the  
626 aggregate of special funds in the State Treasury, an amount equal  
627 to One Hundred Thirty-two Million Four Hundred Thousand Dollars



628 (\$132,400,000.00) or such lesser amount as provided in subsection  
629 (2) of this section. The funds shall be transferred in accordance  
630 with a schedule established by the State Treasurer, but the total  
631 amount transferred in any one (1) month shall not exceed  
632 Thirty-three Million One Hundred Thousand Dollars (\$33,100,000.00)  
633 and the amount transferred from any one (1) fund during fiscal  
634 year 2005 or fiscal year 2006, as the case may be, shall not  
635 exceed twenty-five percent (25%) of the balance of the fund, as  
636 determined by the State Treasurer.

637 (2) The amount of One Hundred Thirty-two Million Four  
638 Hundred Thousand Dollars (\$132,400,000.00) that the State  
639 Treasurer is directed to transfer to the Budget Contingency Fund  
640 under subsection (1) of this section shall be reduced by the  
641 amount of the unencumbered General Fund cash balance at the close  
642 of fiscal year 2004 or fiscal year 2005, as the case may be, that  
643 is deposited into the Working-Cash Stabilization Reserve Fund  
644 under Section 27-103-203. The amount of the unencumbered General  
645 Fund cash balance at the close of fiscal year 2004 or fiscal year  
646 2005, as the case may be, that is deposited into the Working  
647 Cash-Stabilization Reserve Fund under Section 27-103-203 shall be  
648 transferred from the Working Cash-Stabilization Reserve Fund to  
649 the Budget Contingency Fund on the same date that the amount is  
650 deposited into the Working Cash-Stabilization Reserve Fund or as  
651 soon thereafter as practicable.

652 (3) The State Treasurer shall determine which special funds  
653 shall be transferred to the Budget Contingency Fund in any month  
654 under this section and shall notify the appropriate agency, except  
655 that the Working Cash-Stabilization Reserve Fund, trust funds,  
656 bond proceed funds, federal funds, special-source funds used to  
657 match federal funds, special funds listed in Section 12 of this  
658 act, special-source funds to the credit of the Department of  
659 Mental Health derived from client care, and special-source funds  
660 to the credit of the Telecommunications Ad Valorem Tax Reduction

661 Fund established under Section 27-38-7, shall be exempt from any  
662 required transfer under this section. Upon notification from the  
663 State Treasurer, the agency shall make the transfer from its  
664 special funds as required by the State Treasurer.

665 **SECTION 14.** Section 27-65-75, Mississippi Code of 1972, is  
666 amended as follows:

667 27-65-75. On or before the fifteenth day of each month, the  
668 revenue collected under the provisions of this chapter during the  
669 preceding month shall be paid and distributed as follows:

670 (1) On or before August 15, 1992, and each succeeding month  
671 thereafter through July 15, 1993, eighteen percent (18%) of the  
672 total sales tax revenue collected during the preceding month under  
673 the provisions of this chapter, except that collected under the  
674 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
675 business activities within a municipal corporation shall be  
676 allocated for distribution to the municipality and paid to the  
677 municipal corporation. On or before August 15, 1993, and each  
678 succeeding month thereafter, eighteen and one-half percent  
679 (18-1/2%) of the total sales tax revenue collected during the  
680 preceding month under the provisions of this chapter, except that  
681 collected under the provisions of Sections 27-65-15, 27-65-19(3)  
682 and 27-65-21, on business activities within a municipal  
683 corporation shall be allocated for distribution to the  
684 municipality and paid to the municipal corporation.

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

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

694 In any county having a county seat that is not an  
695 incorporated municipality, the distribution provided under this  
696 subsection shall be made as though the county seat was an  
697 incorporated municipality; however, the distribution to the  
698 municipality shall be paid to the county treasury in which the  
699 municipality is located, and those funds shall be used for road,  
700 bridge and street construction or maintenance in the county.

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

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

738 (4) On or before August 15, 1994, and on or before the  
739 fifteenth day of each succeeding month through July 15, 1999, from  
740 the proceeds of gasoline, diesel fuel or kerosene taxes as  
741 provided in Section 27-5-101(a)(ii)1, Four Million Dollars  
742 (\$4,000,000.00) shall be deposited in the State Treasury to the  
743 credit of a special fund designated as the "State Aid Road Fund,"  
744 created by Section 65-9-17. On or before August 15, 1999, and on  
745 or before the fifteenth day of each succeeding month, from the  
746 total amount of the proceeds of gasoline, diesel fuel or kerosene  
747 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million  
748 Dollars (\$4,000,000.00) or an amount equal to twenty-three and  
749 one-fourth percent (23.25%) of those funds, whichever is the  
750 greater amount, shall be deposited in the State Treasury to the  
751 credit of the "State Aid Road Fund," created by Section 65-9-17.  
752 Those funds shall be pledged to pay the principal of and interest  
753 on state aid road bonds heretofore issued under Sections 19-9-51  
754 through 19-9-77, in lieu of and in substitution for the funds  
755 previously allocated to counties under this section. Those funds  
756 may not be pledged for the payment of any state aid road bonds  
757 issued after April 1, 1981; however, this prohibition against the  
758 pledging of any such funds for the payment of bonds shall not

759 apply to any bonds for which intent to issue those bonds has been  
760 published, for the first time, as provided by law before March 29,  
761 1981. From the amount of taxes paid into the special fund under  
762 this subsection and subsection (9) of this section, there shall be  
763 first deducted and paid the amount necessary to pay the expenses  
764 of the Office of State Aid Road Construction, as authorized by the  
765 Legislature for all other general and special fund agencies. The  
766 remainder of the fund shall be allocated monthly to the several  
767 counties in accordance with the following formula:

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

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

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

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

781 The amount of funds allocated to any county under this  
782 subsection for any fiscal year after fiscal year 1994 shall not be  
783 less than the amount allocated to the county for fiscal year 1994.  
784 Monies allocated to a county from the State Aid Road Fund for  
785 fiscal year 1995 or any fiscal year thereafter that exceed the  
786 amount of funds allocated to that county from the State Aid Road  
787 Fund for fiscal year 1994, first must be expended by the county  
788 for replacement or rehabilitation of bridges on the state aid road  
789 system that have a sufficiency rating of less than twenty-five  
790 (25), according to National Bridge Inspection standards before  
791 the monies may be approved for expenditure by the State Aid Road

792 Engineer on other projects that qualify for the use of state aid  
793 road funds.

794 Any reference in the general laws of this state or the  
795 Mississippi Code of 1972 to Section 27-5-105 shall mean and be  
796 construed to refer and apply to subsection (4) of Section  
797 27-65-75.

798 (5) One Million Six Hundred Sixty-six Thousand Six Hundred  
799 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into  
800 the special fund known as the "State Public School Building Fund"  
801 created and existing under the provisions of Sections 37-47-1  
802 through 37-47-67. Those payments into that fund are to be made on  
803 the last day of each succeeding month hereafter.

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

809 (7) On or before August 15, 1992, and each succeeding month  
810 thereafter through July 15, 2000, two and two hundred sixty-six  
811 one-thousandths percent (2.266%) of the total sales tax revenue  
812 collected during the preceding month under the provisions of this  
813 chapter, except that collected under the provisions of Section  
814 27-65-17(2) shall be deposited by the commission into the School  
815 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On  
816 or before August 15, 2000, and each succeeding month thereafter,  
817 two and two hundred sixty-six one-thousandths percent (2.266%) of  
818 the total sales tax revenue collected during the preceding month  
819 under the provisions of this chapter, except that collected under  
820 the provisions of Section 27-65-17(2), shall be deposited into the  
821 School Ad Valorem Tax Reduction Fund created under Section  
822 37-61-35 until such time that the total amount deposited into the  
823 fund during a fiscal year equals Forty-two Million Dollars  
824 (\$42,000,000.00). Thereafter, the amounts diverted under this

825 subsection (7) during the fiscal year in excess of Forty-two  
826 Million Dollars (\$42,000,000.00) shall be deposited into the  
827 Education Enhancement Fund created under Section 37-61-33 for  
828 appropriation by the Legislature as other education needs and  
829 shall not be subject to the percentage appropriation requirements  
830 set forth in Section 37-61-33.

831 (8) On or before August 15, 1992, and each succeeding month  
832 thereafter, nine and seventy-three one-thousandths percent  
833 (9.073%) of the total sales tax revenue collected during the  
834 preceding month under the provisions of this chapter, except that  
835 collected under the provisions of Section 27-65-17(2), shall be  
836 deposited into the Education Enhancement Fund created under  
837 Section 37-61-33.

838 (9) On or before August 15, 1994, and each succeeding month  
839 thereafter, from the revenue collected under this chapter during  
840 the preceding month, Two Hundred Fifty Thousand Dollars  
841 (\$250,000.00) shall be paid into the State Aid Road Fund.

842 (10) On or before August 15, 1994, and each succeeding month  
843 thereafter through August 15, 1995, from the revenue collected  
844 under this chapter during the preceding month, Two Million Dollars  
845 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad  
846 Valorem Tax Reduction Fund established in Section 27-51-105.

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

856 (12) Notwithstanding any other provision of this section to  
857 the contrary, on or before August 15, 1995, and each succeeding

858 month thereafter, the sales tax revenue collected during the  
859 preceding month under the provisions of Section 27-65-17(1) on  
860 retail sales of private carriers of passengers and light carriers  
861 of property, as defined in Section 27-51-101 and the corresponding  
862 levy in Section 27-65-23 on the rental or lease of these vehicles,  
863 shall be deposited, after diversion, into the Motor Vehicle Ad  
864 Valorem Tax Reduction Fund established in Section 27-51-105.

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

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

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

887 (16) On or before August 15, 2000, and each succeeding month  
888 thereafter, the sales tax revenue collected during the preceding  
889 month under the provisions of this chapter on the gross proceeds  
890 of sales of a project as defined in Section 57-30-1 shall be



891 deposited, after all diversions except the diversion provided for  
892 in subsection (1) of this section, into the Sales Tax Incentive  
893 Fund created in Section 57-30-3.

894 (17) Notwithstanding any other provision of this section to  
895 the contrary, on or before April 15, 2002, and each succeeding  
896 month thereafter, the sales tax revenue collected during the  
897 preceding month under Section 27-65-23 on sales of parking  
898 services of parking garages and lots at airports shall be  
899 deposited, without diversion, into the special fund created under  
900 Section 27-5-101(d).

901 (18) On or before August 15, 2006, and each succeeding month  
902 thereafter through July 15, 2007, from the sales tax revenue  
903 collected during the preceding month under the provisions of this  
904 chapter, Two Million Five Hundred Thousand Dollars (\$2,500,000.00)  
905 shall be deposited into the Special Funds Transfer Fund created in  
906 Section 4 of Chapter 556, Laws of 2003.

907 (19) The remainder of the amounts collected under the  
908 provisions of this chapter shall be paid into the State Treasury  
909 to the credit of the General Fund.

910 (20) It shall be the duty of the municipal officials of any  
911 municipality that expands its limits, or of any community that  
912 incorporates as a municipality, to notify the commissioner of  
913 that action thirty (30) days before the effective date. Failure  
914 to so notify the commissioner shall cause the municipality to  
915 forfeit the revenue that it would have been entitled to receive  
916 during this period of time when the commissioner had no knowledge  
917 of the action. If any funds have been erroneously disbursed to  
918 any municipality or any overpayment of tax is recovered by the  
919 taxpayer, the commissioner may make correction and adjust the  
920 error or overpayment with the municipality by withholding the  
921 necessary funds from any later payment to be made to the  
922 municipality.

923           **SECTION 15.** Section 4, Chapter 556, Laws of 2003, is amended  
924 as follows:

925           Section 4. (1) There is created in the State Treasury a  
926 special fund to be known as the Special Funds Transfer Fund, which  
927 shall be comprised of the monies required to be deposited into the  
928 fund under Section 27-65-75(18) for the repayment of certain funds  
929 transferred to the Budget Contingency Fund. Upon receipt of  
930 monies deposited into the fund under Section 27-65-75(18), the  
931 State Treasurer shall transfer those monies to the special funds  
932 from which transfers were made under Sections 2 and 3 of Chapter  
933 556, Laws of 2003, and under Sections 12 and 13 of this act.

934           (2) Unexpended amounts remaining in the fund on September  
935 30, 2007, shall lapse into the State General Fund, and any  
936 interest earned or investment earnings on amounts in the fund  
937 shall be deposited to the credit of the fund.

938           **SECTION 16.** Section 27-25-506, Mississippi Code of 1972, is  
939 amended as follows:

940           27-25-506. (1) There is \* \* \* created a special fund in the  
941 State Treasury into which the state's share of proceeds collected  
942 under Sections 27-25-505 and 27-25-705 shall be deposited.

943           The state's share of all oil and gas severance taxes derived  
944 from oil and gas resources under state-owned lands or from severed  
945 state-owned minerals shall be deposited into the State Treasury to  
946 the credit of the trust fund created in Section 206A, Mississippi  
947 Constitution of 1890. The following amounts of the remainder of  
948 tax collections apportioned to the state shall be deposited to the  
949 credit of the trust fund created in Section 206A, Mississippi  
950 Constitution of 1890:

951           (a) For fiscal year 1994, all amounts collected in  
952 excess of Thirty-five Million Dollars (\$35,000,000.00);

953           (b) For fiscal year 1995, all amounts collected in  
954 excess of Thirty-two Million Five Hundred Thousand Dollars  
955 (\$32,500,000.00);

956 (c) For fiscal year 1996, all amounts collected in  
957 excess of Thirty Million Dollars (\$30,000,000.00);

958 (d) For fiscal year 1997, all amounts collected in  
959 excess of Twenty-seven Million Five Hundred Thousand Dollars  
960 (\$27,500,000.00);

961 (e) For fiscal year 1998, all amounts collected in  
962 excess of Twenty-five Million Dollars (\$25,000,000.00);

963 (f) For fiscal year 1999, all amounts collected in  
964 excess of Twenty Million Dollars (\$20,000,000.00);

965 (g) For fiscal year 2000, all amounts collected in  
966 excess of Fifteen Million Dollars (\$15,000,000.00); and

967 (h) For fiscal year 2001 through December 31, 2000, all  
968 amounts collected and transferred in excess of Ten Million Dollars  
969 (\$10,000,000.00).

970 \* \* \*

971 (2) The monies collected under paragraphs (a) through (h) of  
972 subsection (1) of this section that are not deposited into the  
973 trust fund shall be deposited into the State General Fund.

974 The remainder of the tax collections apportioned to the state  
975 under subsection (1) of this section for the period beginning  
976 after December 31, 2000, through the end of fiscal year 2004 shall  
977 be deposited into the Budget Contingency Fund created in Section  
978 27-103-301. For fiscal year 2005 and each fiscal year thereafter,  
979 all amounts collected from the remainder of tax collections  
980 apportioned to the state that do not exceed Ten Million Dollars  
981 (\$10,000,000.00) shall be deposited into the State General Fund,  
982 and all amounts collected from the remainder of tax collections  
983 apportioned to the state that exceed Ten Million Dollars  
984 (\$10,000,000.00) shall be deposited into the Budget Contingency  
985 Fund.

986 All monies deposited into the Budget Contingency Fund under  
987 this subsection shall be appropriated by the Legislature for the  
988 support of \* \* \* the Mississippi Adequate Education Program \* \* \*.

989           **SECTION 17.** Section 43-13-407, Mississippi Code of 1972, is  
990 amended as follows:

991           43-13-407. (1) In accordance with the purposes of this  
992 article, there is established in the State Treasury the Health  
993 Care Expendable Fund, into which shall be transferred from the  
994 Health Care Trust Fund the following sums:

995                   (a) In fiscal year 2000, Fifty Million Dollars  
996 (\$50,000,000.00);

997                   (b) In fiscal year 2001, Fifty-five Million Dollars  
998 (\$55,000,000.00);

999                   (c) In fiscal year 2002, Sixty Million Five Hundred  
1000 Thousand Dollars (\$60,500,000.00);

1001                   (d) In fiscal year 2003, Sixty-six Million Five Hundred  
1002 Fifty Thousand Dollars (\$66,550,000.00);

1003                   (e) In fiscal year 2004, a sum equal to the average  
1004 annual amount of the income from the investment of the funds in  
1005 the Health Care Trust Fund since July 1, 1999;

1006                   (f) In fiscal years 2005 and 2006, a sum equal to the  
1007 total amount of the dividends, interest and other income,  
1008 including increases in value of the principal, earned on the funds  
1009 in the Health Care Trust Fund during the preceding fiscal year.

1010           (2) In any fiscal year in which interest and dividends from  
1011 the investment of the funds in the Health Care Trust Fund are not  
1012 sufficient to fund the full amount of the annual transfer into the  
1013 Health Care Expendable Fund as required in subsection (1) of this  
1014 section, the State Treasurer shall transfer from tobacco  
1015 settlement installment payments an amount that is sufficient to  
1016 fully fund the amount of the annual transfer.

1017           (3) (a) On March 6, 2002, the State Treasurer shall  
1018 transfer the sum of Eighty-seven Million Dollars (\$87,000,000.00)  
1019 from the Health Care Trust Fund into the Health Care Expendable  
1020 Fund. In addition, at the time the State of Mississippi receives  
1021 the \* \* \* tobacco settlement installment payments for each of the

1022 calendar years 2002, 2003, 2004 and 2005, the State Treasurer  
1023 shall deposit the full amount of each of those installment  
1024 payments into the Health Care Expendable Fund \* \* \*.

1025 (b) If during any fiscal year after March 6, 2002, the  
1026 general fund revenues received by the state exceed the general  
1027 fund revenues received during the previous fiscal year by more  
1028 than five percent (5%), the Legislature shall repay to the Health  
1029 Care Trust Fund one-third (1/3) of the amount of the general fund  
1030 revenues that exceed the five percent (5%) growth in general fund  
1031 revenues. The repayment required by this paragraph shall continue  
1032 in each fiscal year in which there is more than five percent (5%)  
1033 growth in general fund revenues, until the full amount of the  
1034 funds that were transferred and deposited into the Health Care  
1035 Expendable Fund under the provisions of paragraph (a) of this  
1036 subsection have been repaid to the Health Care Trust Fund.

1037 (4) All income from the investment of the funds in the  
1038 Health Care Expendable Fund shall be credited to the account of  
1039 the Health Care Expendable Fund. Any funds in the Health Care  
1040 Expendable Fund at the end of a fiscal year shall not lapse into  
1041 the State General Fund.

1042 (5) The funds in the Health Care Expendable Fund shall be  
1043 available for expenditure under specific appropriation by the  
1044 Legislature beginning in fiscal year 2000, and shall be expended  
1045 exclusively for health care purposes.

1046 (6) Subsections (1), (2), (4) and (5) of this section shall  
1047 stand repealed on July 1, 2006.

1048 **SECTION 18.** Section 69-2-13, Mississippi Code of 1972, is  
1049 amended as follows:

1050 69-2-13. (1) There is \* \* \* established in the State  
1051 Treasury a fund to be known as the "Emerging Crops Fund," which  
1052 shall be used to pay the interest on loans made to farmers for  
1053 nonland capital costs of establishing production of emerging crops  
1054 on land in Mississippi, and to make loans and grants that are

1055 authorized under this section to be made from the fund. The fund  
1056 shall be administered by the Mississippi Development Authority. A  
1057 board comprised of the directors of the authority, the Mississippi  
1058 Cooperative Extension Service, the Mississippi Small Farm  
1059 Development Center and the Mississippi Agricultural and Forestry  
1060 Experiment Station, or their designees, shall develop definitions,  
1061 guidelines and procedures for the implementation of this chapter.  
1062 Funds for the Emerging Crops Fund shall be provided from the  
1063 issuance of bonds or notes under Sections 69-2-19 through 69-2-37  
1064 and from repayment of interest loans made from the fund.

1065 (2) (a) The Mississippi Development Authority shall develop  
1066 a program that gives fair consideration to making loans for the  
1067 processing and manufacturing of goods and services by  
1068 agribusiness, greenhouse production horticulture, and small  
1069 business concerns. It is the policy of the State of Mississippi  
1070 that the Mississippi Development Authority shall give due  
1071 recognition to and shall aid, counsel, assist and protect, insofar  
1072 as is possible, the interests of agribusiness, greenhouse  
1073 production horticulture, and small business concerns. To ensure  
1074 that the purposes of this subsection are carried out, the  
1075 Mississippi Development Authority shall loan not more than One  
1076 Million Dollars (\$1,000,000.00) to finance any single  
1077 agribusiness, greenhouse production horticulture, or small  
1078 business concern. Loans made under this subsection shall be made  
1079 in accordance with the criteria established in Section 57-71-11.  
1080 Notwithstanding any other provision of this paragraph (a) to the  
1081 contrary, no loan may be approved under this paragraph (a) after  
1082 the effective date of this section, and no loan may be made under  
1083 this paragraph (a), unless approved before the effective date of  
1084 this section, during the period beginning July 1, 2004, and ending  
1085 June 30, 2005, until the requirements of subsection (14) of this  
1086 section have been satisfied.

1087           (b) The Mississippi Development Authority may, out of  
1088 the total amount of bonds authorized to be issued under this  
1089 chapter, make available funds to any planning and development  
1090 district in accordance with the criteria established in Section  
1091 57-71-11. Planning and development districts that receive monies  
1092 under this provision shall use the monies to make loans to private  
1093 companies for purposes consistent with this subsection.

1094           (c) The Mississippi Development Authority is \* \* \*  
1095 authorized to engage legal services, financial advisors,  
1096 appraisers and consultants if needed to review and close loans  
1097 made under this subsection and to establish and assess reasonable  
1098 fees, including, but not limited to, liquidation expenses.

1099           (3) (a) The Mississippi Development Authority shall, in  
1100 addition to the other programs described in this section, provide  
1101 for a program of loans to be made to agribusiness or greenhouse  
1102 production horticulture enterprises for the purpose of encouraging  
1103 thereby the extension of conventional financing and the issuance  
1104 of letters of credit to such agribusiness or greenhouse production  
1105 horticulture enterprises by private institutions. Monies to make  
1106 those loans by the Mississippi Development Authority shall be  
1107 drawn from the Emerging Crops Fund. The amount of a loan to any  
1108 single agribusiness or greenhouse production horticulture  
1109 enterprise under this paragraph (a) shall not exceed twenty  
1110 percent (20%) of the total cost of the project for which financing  
1111 is sought or Two Hundred Thousand Dollars (\$200,000.00), whichever  
1112 is less. No interest shall be charged on those loans, and only  
1113 the amount actually loaned shall be required to be repaid.  
1114 Repayments shall be deposited into the Emerging Crops Fund.  
1115 Notwithstanding any other provision of this paragraph (a) to the  
1116 contrary, no loan may be approved under this paragraph (a) after  
1117 the effective date of this section, and no loan may be made under  
1118 this paragraph (a), unless approved before the effective date of  
1119 this section, during the period beginning July 1, 2004, and ending

1120 June 30, 2005, until the requirements of subsection (14) of this  
1121 section have been satisfied.

1122 (b) The Mississippi Development Authority shall, in  
1123 addition to the other programs described in this section, provide  
1124 for a program of loans or loan guaranties, or both, to be made to  
1125 or on behalf of any agribusiness enterprise engaged in beef  
1126 processing for the purpose of encouraging thereby the extension of  
1127 conventional financing and the issuance of letters of credit to  
1128 those agribusiness enterprises by private institutions. Monies to  
1129 make those loans or loan guaranties, or both, by the Mississippi  
1130 Development Authority shall be drawn from the Emerging Crops Fund  
1131 and shall not exceed Thirty-five Million Dollars (\$35,000,000.00)  
1132 in the aggregate. The amount of a loan to any single agribusiness  
1133 enterprise or loan guaranty on behalf of those agribusiness  
1134 enterprise, or both, under this paragraph (b) shall not exceed the  
1135 total cost of the project for which financing is sought or  
1136 Thirty-five Million Dollars (\$35,000,000.00), whichever is less.  
1137 The interest charged on a loan made under this paragraph (b) shall  
1138 be at a rate determined by the Mississippi Development Authority.  
1139 All repayments of any loan made under this paragraph (b) shall be  
1140 deposited into the Emerging Crops Fund. Assistance received by an  
1141 agribusiness enterprise under this paragraph (b) shall not  
1142 disqualify the agribusiness enterprise from obtaining any other  
1143 assistance under this chapter.

1144 (4) (a) Through June 30, 2005, the Mississippi Development  
1145 Authority may loan or grant to qualified planning and development  
1146 districts, and to small business investment corporations,  
1147 bank-based community development corporations, the Recruitment and  
1148 Training Program, Inc., the City of Jackson Business Development  
1149 Loan Fund, the Lorman Southwest Mississippi Development  
1150 Corporation, the West Jackson Community Development Corporation,  
1151 the East Mississippi Development Corporation, and other entities  
1152 meeting the criteria established by the Mississippi Development



1153 Authority (all referred to hereinafter as "qualified entities"),  
1154 funds for the purpose of establishing loan revolving funds to  
1155 assist in providing financing for minority economic development.  
1156 The monies loaned or granted by the Mississippi Development  
1157 Authority shall be drawn from the Emerging Crops Fund and shall  
1158 not exceed Twenty-five Million Dollars (\$25,000,000.00) in the  
1159 aggregate. Planning and development districts or qualified  
1160 entities that receive monies under this provision shall use those  
1161 monies to make loans to minority business enterprises consistent  
1162 with criteria established by the Mississippi Development  
1163 Authority. That criteria shall include, at a minimum, the  
1164 following:

1165 (i) The business enterprise must be a private,  
1166 for-profit enterprise.

1167 (ii) If the business enterprise is a  
1168 proprietorship, the borrower must be a resident citizen of the  
1169 State of Mississippi; if the business enterprise is a corporation  
1170 or partnership, at least fifty percent (50%) of the owners must be  
1171 resident citizens of the State of Mississippi.

1172 (iii) The borrower must have at least five percent  
1173 (5%) equity interest in the business enterprise.

1174 (iv) The borrower must demonstrate ability to  
1175 repay the loan.

1176 (v) The borrower must not be in default of any  
1177 previous loan from the state or federal government.

1178 (vi) Loan proceeds may be used for financing all  
1179 project costs associated with development or expansion of a new  
1180 small business, including fixed assets, working capital, start-up  
1181 costs, rental payments, interest expense during construction and  
1182 professional fees related to the project.

1183 (vii) Loan proceeds shall not be used to pay off  
1184 existing debt for loan consolidation purposes; to finance the  
1185 acquisition, construction, improvement or operation of real

1186 property that is to be held primarily for sale or investment; to  
1187 provide for, or free funds, for speculation in any kind of  
1188 property; or as a loan to owners, partners or stockholders of the  
1189 applicant that do not change ownership interest by the applicant.  
1190 However, this does not apply to ordinary compensation for services  
1191 rendered in the course of business.

1192 (viii) The maximum amount that may be loaned to  
1193 any one (1) borrower shall be Two Hundred Fifty Thousand Dollars  
1194 (\$250,000.00).

1195 (ix) The Mississippi Development Authority shall  
1196 review each loan before it is made, and no loan shall be made to  
1197 any borrower until the loan has been reviewed and approved by the  
1198 Mississippi Development Authority.

1199 (b) For the purpose of this subsection, the term  
1200 "minority business enterprise" means a socially and economically  
1201 disadvantaged small business concern, organized for profit,  
1202 performing a commercially useful function that is owned and  
1203 controlled by one or more minorities or minority business  
1204 enterprises certified by the Mississippi Development Authority, at  
1205 least fifty percent (50%) of whom are resident citizens of the  
1206 State of Mississippi. For purposes of this subsection, the term  
1207 "socially and economically disadvantaged small business concern"  
1208 shall have the meaning ascribed to that term under the Small  
1209 Business Act (15 USCS, Section 637(a)), or women, and the term  
1210 "owned and controlled" means a business in which one or more  
1211 minorities or minority business enterprises certified by the  
1212 Mississippi Development Authority own sixty percent (60%) or, in  
1213 the case of a corporation, sixty percent (60%) of the voting  
1214 stock, and control sixty percent (60%) of the management and daily  
1215 business operations of the business.

1216 From and after July 1, 2005, monies not loaned or granted by  
1217 the Mississippi Development Authority to planning and development  
1218 districts or qualified entities under this subsection, and monies

1219 not loaned by planning and development districts or qualified  
1220 entities, shall be deposited to the credit of the sinking fund  
1221 created and maintained in the State Treasury for the retirement of  
1222 bonds issued under Section 69-2-19.

1223           (c) Notwithstanding any other provision of this  
1224 subsection to the contrary, if federal funds are not available for  
1225 commitments made by a planning and development district to provide  
1226 assistance under any federal loan program administered by the  
1227 planning and development district in coordination with the  
1228 Appalachian Regional Commission or Economic Development  
1229 Administration, or both, a planning and development district may  
1230 use funds in its loan revolving fund, which have not been  
1231 committed otherwise to provide assistance, for the purpose of  
1232 providing temporary funding for such commitments. If a planning  
1233 and development district uses uncommitted funds in its loan  
1234 revolving fund to provide that temporary funding, the district  
1235 shall use funds repaid to the district under the temporarily  
1236 funded federal loan program to replenish the funds used to provide  
1237 the temporary funding. Funds used by a planning and development  
1238 district to provide temporary funding under this paragraph (c)  
1239 must be repaid to the district's loan revolving fund no later than  
1240 twelve (12) months after the date the district provides the  
1241 temporary funding. A planning and development district may not  
1242 use uncommitted funds in its loan revolving fund to provide  
1243 temporary funding under this paragraph (c) on more than two (2)  
1244 occasions during a calendar year. A planning and development  
1245 district may provide temporary funding for multiple commitments on  
1246 each such occasion. The maximum aggregate amount of uncommitted  
1247 funds in a loan revolving fund that may be used for those purposes  
1248 during a calendar year shall not exceed seventy percent (70%) of  
1249 the uncommitted funds in the loan revolving fund on the date the  
1250 district first provides temporary funding during the calendar  
1251 year.

1252           (d) If the Mississippi Development Authority determines  
1253 that a planning and development district or qualified entity has  
1254 provided loans to minority businesses in a manner inconsistent  
1255 with the provisions of this subsection, then the amount of those  
1256 loans so provided shall be withheld by the Mississippi Development  
1257 Authority from any additional grant funds to which the planning  
1258 and development district or qualified entity becomes entitled  
1259 under this subsection. If the Mississippi Development Authority  
1260 determines, after notifying the planning and development district  
1261 or qualified entity twice in writing and providing the planning  
1262 and development district or qualified entity a reasonable  
1263 opportunity to comply, that a planning and development district or  
1264 qualified entity has consistently failed to comply with this  
1265 subsection, the Mississippi Development Authority may declare the  
1266 planning and development district or qualified entity in default  
1267 under this subsection and, upon receipt of notice thereof from the  
1268 Mississippi Development Authority, the planning and development  
1269 district or qualified entity shall immediately cease providing  
1270 loans under this subsection, shall refund to the Mississippi  
1271 Development Authority for distribution to other planning and  
1272 development districts or qualified entities all funds held in its  
1273 revolving loan fund and, if required by the Mississippi  
1274 Development Authority, shall convey to the Mississippi Development  
1275 Authority, all administrative and management control of loans  
1276 provided by it under this subsection.

1277           (e) If the Mississippi Development Authority  
1278 determines, after notifying a planning and development district or  
1279 qualified entity twice in writing and providing copies of that  
1280 notification to each member of the Legislature in whose district  
1281 or in a part of whose district the planning and development  
1282 district or qualified entity is located and providing the planning  
1283 and development district or qualified entity a reasonable  
1284 opportunity to take corrective action, that a planning and

1285 development district or qualified entity administering a revolving  
1286 loan fund under the provisions of this subsection is not actively  
1287 engaged in lending as defined by the rules and regulations of the  
1288 Mississippi Development Authority, the Mississippi Development  
1289 Authority may declare the planning and development district or  
1290 qualified entity in default under this subsection and, upon  
1291 receipt of notice thereof from the Mississippi Development  
1292 Authority, the planning and development district or qualified  
1293 entity shall immediately cease providing loans under this  
1294 subsection, shall refund to the Mississippi Development Authority  
1295 for distribution to other planning and development districts or  
1296 qualified entities all funds held in its revolving loan fund and,  
1297 if required by the Mississippi Development Authority, shall convey  
1298 to the Mississippi Development Authority all administrative and  
1299 management control of loans provided by it under this subsection.

1300 (5) The Mississippi Development Authority shall develop a  
1301 program that will assist minority business enterprises by  
1302 guaranteeing bid, performance and payment bonds which those  
1303 minority businesses are required to obtain in order to contract  
1304 with federal agencies, state agencies or political subdivisions of  
1305 the state. Monies for the program shall be drawn from the monies  
1306 allocated under subsection (4) of this section to assist the  
1307 financing of minority economic development and shall not exceed  
1308 Three Million Dollars (\$3,000,000.00) in the aggregate. The  
1309 Mississippi Development Authority may promulgate rules and  
1310 regulations for the operation of the program established under  
1311 this subsection. For the purpose of this subsection (5) the term  
1312 "minority business enterprise" has the meaning assigned to that  
1313 term in subsection (4) of this section.

1314 (6) The Mississippi Development Authority may loan or grant  
1315 to public entities and to nonprofit corporations funds to defray  
1316 the expense of financing (or to match any funds available from  
1317 other public or private sources for the expense of financing)

1318 projects in this state that are devoted to the study, teaching  
1319 and/or promotion of regional crafts and that are deemed by the  
1320 authority to be significant tourist attractions. The monies  
1321 loaned or granted shall be drawn from the Emerging Crops Fund and  
1322 shall not exceed Two Hundred Fifty Thousand Dollars (\$250,000.00)  
1323 in the aggregate.

1324 (7) Through June 30, 2006, the Mississippi Development  
1325 Authority shall make available to the Mississippi Department of  
1326 Agriculture and Commerce funds for the purpose of establishing  
1327 loan revolving funds and other methods of financing for  
1328 agribusiness programs administered under the Mississippi  
1329 Agribusiness Council Act of 1993. The monies made available by  
1330 the Mississippi Development Authority shall be drawn from the  
1331 Emerging Crops Fund and shall not exceed One Million Two Hundred  
1332 Thousand Dollars (\$1,200,000.00) in the aggregate. The  
1333 Mississippi Department of Agriculture and Commerce shall establish  
1334 control and auditing procedures for use of these funds. These  
1335 funds will be used primarily for quick payment to farmers for  
1336 vegetable and fruit crops processed and sold through vegetable  
1337 processing plants associated with the Department of Agriculture  
1338 and Commerce and the Mississippi State Extension Service.

1339 (8) From and after July 1, 1996, the Mississippi Development  
1340 Authority shall make available to the Mississippi Small Farm  
1341 Development Center One Million Dollars (\$1,000,000.00) to be used  
1342 by the center to assist small entrepreneurs as provided in Section  
1343 37-101-25, Mississippi Code of 1972. The monies made available by  
1344 the Mississippi Development Authority shall be drawn from the  
1345 Emerging Crops Fund.

1346 (9) The Mississippi Development Authority shall make  
1347 available to the Agribusiness and Natural Resource Development  
1348 Center through Alcorn State University an amount not to exceed Two  
1349 Hundred Fifty Thousand Dollars (\$250,000.00) in fiscal year 2001  
1350 and Two Hundred Fifty Thousand Dollars (\$250,000.00) in fiscal

1351 year 2002 from the cash balance of the Emerging Crops Fund to  
1352 support the development of a cooperative program for agribusiness  
1353 development, marketing and natural resources development. This  
1354 subsection (9) shall stand repealed on June 30, 2005.

1355 (10) The Mississippi Development Authority shall make  
1356 available to the Small Farm Development Center at Alcorn State  
1357 University funds in an aggregate amount not to exceed Three  
1358 Hundred Thousand Dollars (\$300,000.00), to be drawn from the cash  
1359 balance of the Emerging Crops Fund. The Small Farm Development  
1360 Center at Alcorn State University shall use those funds to make  
1361 loans to producers of sweet potatoes and cooperatives anywhere in  
1362 the State of Mississippi owned by sweet potato producers to assist  
1363 in the planting of sweet potatoes and the purchase of sweet potato  
1364 production and harvesting equipment. A report of the loans made  
1365 under this subsection shall be furnished by January 15 of each  
1366 year to the Chairman of the Senate Agriculture Committee and the  
1367 Chairman of the House Agriculture Committee.

1368 (11) The Mississippi Development Authority shall make  
1369 available to the Mississippi Department of Agriculture and  
1370 Commerce "Make Mine Mississippi" program an amount not to exceed  
1371 One Hundred Fifty Thousand Dollars (\$150,000.00) to be drawn from  
1372 the cash balance of the Emerging Crops Fund.

1373 (12) The Mississippi Development Authority shall make  
1374 available to the Mississippi Department of Agriculture and  
1375 Commerce an amount not to exceed One Hundred Fifty Thousand  
1376 Dollars (\$150,000.00) to be drawn from the cash balance of the  
1377 Emerging Crops Fund to be used for the rehabilitation and  
1378 maintenance of the Mississippi Farmers Central Market in Jackson,  
1379 Mississippi.

1380 (13) The Mississippi Development Authority shall make  
1381 available to the Mississippi Department of Agriculture and  
1382 Commerce an amount not to exceed Twenty-five Thousand Dollars  
1383 (\$25,000.00) to be drawn from the cash balance of the Emerging

1384 Crops Fund to be used for advertising purposes related to the  
1385 Mississippi Farmers Central Market in Jackson, Mississippi.

1386 (14) The State Treasurer shall transfer to the Budget  
1387 Contingency Fund created in Section 27-103-301, Five Million  
1388 Dollars (\$5,000,000.00) in the aggregate throughout the period  
1389 beginning July 1, 2004, and ending June 30, 2005, out of the  
1390 Emerging Crops Fund, monies derived from the repayment of loans  
1391 made under subsection (2)(a) and subsection (3)(a) of this section  
1392 that have not otherwise been committed to provide loans under  
1393 those subsections.

1394 **PART 4 - MISCELLANEOUS REVENUES**

1395 **SECTION 19.** Section 7-7-211, Mississippi Code of 1972, is  
1396 amended as follows:

1397 7-7-211. The department shall have the power and it shall be  
1398 its duty:

1399 (a) To identify and define for all public offices of  
1400 the state and its subdivisions generally accepted accounting  
1401 principles as promulgated by nationally recognized professional  
1402 organizations and to consult with the State Fiscal Officer in the  
1403 prescription and implementation of accounting rules and  
1404 regulations;

1405 (b) To prescribe, for all public offices of regional  
1406 and local subdivisions of the state, systems of accounting,  
1407 budgeting and reporting financial facts relating to those offices  
1408 in conformity with legal requirements and with generally accepted  
1409 accounting principles as promulgated by nationally recognized  
1410 professional organizations; to assist such subdivisions in need of  
1411 assistance in the installation of such systems; to revise such  
1412 systems when deemed necessary, and to report to the Legislature at  
1413 periodic times the extent to which each office is maintaining such  
1414 systems, along with such recommendations to the Legislature for  
1415 improvement as seem desirable;



1416 (c) To study and analyze existing managerial policies,  
1417 methods, procedures, duties and services of the various state  
1418 departments and institutions upon written request of the Governor,  
1419 the Legislature or any committee or other body empowered by the  
1420 Legislature to make such request to determine whether and where  
1421 operations can be eliminated, combined, simplified and improved;

1422 (d) To postaudit each year and, when deemed necessary,  
1423 preaudit and investigate the financial affairs of each and every  
1424 department, institution, board, commission, office or other  
1425 agency of each branch of state government, as part of the  
1426 publication of a comprehensive annual financial report for the  
1427 State of Mississippi. In complying with the requirements of this  
1428 subsection, the department shall have the authority to conduct all  
1429 necessary audit procedures on an interim and year-end basis;

1430 (e) To postaudit and, when deemed necessary, preaudit  
1431 and investigate separately the financial affairs of (i) the  
1432 offices, boards and commissions of county governments and any  
1433 departments and institutions thereof and therein; (ii) public  
1434 school districts, departments of education and junior college  
1435 districts; and (iii) any other local offices or agencies which  
1436 share revenues derived from taxes or fees imposed by the state  
1437 Legislature or receive grants from revenues collected by  
1438 governmental divisions of the state; the cost of such audits,  
1439 investigations or other services to be paid as follows: Such part  
1440 shall be paid by the state from appropriations made by the  
1441 Legislature for the operation of the State Department of Audit as  
1442 may exceed the sum of Thirty Dollars (\$30.00) per hour for the  
1443 services of each staff person engaged in performing the audit or  
1444 other service, which sum shall be paid by the county, district,  
1445 department, institution or other agency audited out of its general  
1446 fund or any other available funds from which such payment is not  
1447 prohibited by law;

1448           (f) To postaudit and, when deemed necessary, preaudit  
1449 and investigate the financial affairs of the levee boards;  
1450 agencies created by the Legislature or by executive order of the  
1451 Governor; profit or nonprofit business entities administering  
1452 programs financed by funds flowing through the State Treasury or  
1453 through any of the agencies of the state, or its subdivisions; and  
1454 all other public bodies supported by funds derived in part or  
1455 wholly from public funds, except municipalities which annually  
1456 submit an audit prepared by a qualified certified public  
1457 accountant using methods and procedures prescribed by the  
1458 department;

1459           (g) To make written demand, when necessary, for the  
1460 recovery of any amounts representing public funds improperly  
1461 withheld, misappropriated and/or otherwise illegally expended by  
1462 an officer, employee or administrative body of any state, county  
1463 or other public office, and/or for the recovery of the value of  
1464 any public property disposed of in an unlawful manner by a public  
1465 officer, employee or administrative body, such demands to be made  
1466 (i) upon the person or persons liable for such amounts and upon  
1467 the surety on official bond thereof, and/or (ii) upon any  
1468 individual, partnership, corporation or association to whom the  
1469 illegal expenditure was made or with whom the unlawful disposition  
1470 of public property was made, if such individual, partnership,  
1471 corporation or association knew or had reason to know through the  
1472 exercising of reasonable diligence that the expenditure was  
1473 illegal or the disposition unlawful. Such demand shall be  
1474 premised on competent evidence, which shall include at least one  
1475 (1) of the following: (i) sworn statements, (ii) written  
1476 documentation, (iii) physical evidence, or (iv) reports and  
1477 findings of government or other law enforcement agencies. Other  
1478 provisions notwithstanding, a demand letter issued pursuant to  
1479 this subsection shall remain confidential by the State Auditor  
1480 until the individual against whom the demand letter is being filed

1481 has been served with a copy of such demand letter. If, however,  
1482 such individual cannot be notified within fifteen (15) days using  
1483 reasonable means and due diligence, such notification shall be  
1484 made to the individual's bonding company, if he or she is bonded.  
1485 Each such demand shall be paid into the proper treasury of the  
1486 state, county or other public body through the office of the  
1487 department in the amount demanded within thirty (30) days from the  
1488 date thereof, together with interest thereon in the sum of one  
1489 percent (1%) per month from the date such amount or amounts were  
1490 improperly withheld, misappropriated and/or otherwise illegally  
1491 expended. In the event, however, such person or persons shall  
1492 refuse, neglect or otherwise fail to pay the amount demanded and  
1493 the interest due thereon within the allotted thirty (30) days, the  
1494 State Auditor shall have the authority and it shall be his duty to  
1495 institute suit, and the Attorney General shall prosecute the same  
1496 in any court of the state to the end that there shall be recovered  
1497 the total of such amounts from the person or persons and surety on  
1498 official bond named therein; and the amounts so recovered shall be  
1499 paid into the proper treasury of the state, county or other public  
1500 body through the State Auditor;

1501 (h) To investigate any alleged or suspected violation  
1502 of the laws of the state by any officer or employee of the state,  
1503 county or other public office in the purchase, sale or the use of  
1504 any supplies, services, equipment or other property belonging  
1505 thereto; and in such investigation to do any and all things  
1506 necessary to procure evidence sufficient either to prove or  
1507 disprove the existence of such alleged or suspected violations.  
1508 The Department of Investigation of the State Department of Audit  
1509 may investigate, for the purpose of prosecution, any suspected  
1510 criminal violation of the provisions of this chapter. For the  
1511 purpose of administration and enforcement of this chapter, the  
1512 enforcement employees of the Department of Investigation of the  
1513 State Department of Audit have the powers of a law enforcement

1514 officer of this state, and shall be empowered to make arrests and  
1515 to serve and execute search warrants and other valid legal process  
1516 anywhere within the State of Mississippi. All enforcement  
1517 employees of the Department of Investigation of the State  
1518 Department of Audit hired on or after July 1, 1993, shall be  
1519 required to complete the Law Enforcement Officers Training Program  
1520 and shall meet the standards of the program;

1521 (i) To issue subpoenas, with the approval of, and  
1522 returnable to, a judge of a chancery or circuit court, in termtime  
1523 or in vacation, to examine the records, documents or other  
1524 evidence of persons, firms, corporations or any other entities  
1525 insofar as such records, documents or other evidence relate to  
1526 dealings with any state, county or other public entity. The  
1527 circuit or chancery judge must serve the county in which the  
1528 records, documents or other evidence is located; or where all or  
1529 part of the transaction or transactions occurred which are the  
1530 subject of the subpoena;

1531 (j) In any instances in which the State Auditor is or  
1532 shall be authorized or required to examine or audit, whether  
1533 preaudit or postaudit, any books, ledgers, accounts or other  
1534 records of the affairs of any public hospital owned or owned and  
1535 operated by one or more political subdivisions or parts thereof or  
1536 any combination thereof, or any school district, including  
1537 activity funds thereof, it shall be sufficient compliance  
1538 therewith, in the discretion of the State Auditor, that such  
1539 examination or audit be made from the report of any audit or other  
1540 examination certified by a certified public accountant and  
1541 prepared by or under the supervision of such certified public  
1542 accountant. Such audits shall be made in accordance with  
1543 generally accepted standards of auditing, with the use of an audit  
1544 program prepared by the State Auditor, and final reports of such  
1545 audits shall conform to the format prescribed by the State  
1546 Auditor. All files, working papers, notes, correspondence and all

1547 other data compiled during the course of the audit shall be  
1548 available, without cost, to the State Auditor for examination and  
1549 abstracting during the normal business hours of any business day.  
1550 The expense of such certified reports shall be borne by the  
1551 respective hospital, or any available school district funds other  
1552 than adequate program funds, subject to examination or audit. The  
1553 State Auditor shall not be bound by such certified reports and  
1554 may, in his or their discretion, conduct such examination or audit  
1555 from the books, ledgers, accounts or other records involved as may  
1556 be appropriate and authorized by law;

1557           (k) The State Auditor shall have the authority to  
1558 contract with qualified public accounting firms to perform  
1559 selected audits required in subsections (d), (e) and (f) of this  
1560 section, if funds are made available for such contracts by the  
1561 Legislature, or if funds are available from the governmental  
1562 entity covered by subsections (d), (e) and (f). Such audits shall  
1563 be made in accordance with generally accepted standards of  
1564 auditing, with the use of an audit program prepared by the State  
1565 Auditor, and final reports of such audits shall conform to the  
1566 format prescribed by the State Auditor. All files, working  
1567 papers, notes, correspondence and all other data compiled during  
1568 the course of the audit shall be available, without cost, to the  
1569 State Auditor for examination and abstracting during the normal  
1570 business hours of any business day;

1571           (l) The State Auditor shall have the authority to  
1572 establish training courses and programs for the personnel of the  
1573 various state and local governmental entities under the  
1574 jurisdiction of the Office of the State Auditor. The training  
1575 courses and programs shall include, but not be limited to, topics  
1576 on internal control of funds, property and equipment control and  
1577 inventory, governmental accounting and financial reporting, and  
1578 internal auditing. The State Auditor is authorized to charge a  
1579 fee from the participants of these courses and programs, which fee

1580 shall be deposited into the Department of Audit Special Fund.  
1581 State and local governmental entities are authorized to pay such  
1582 fee and any travel expenses out of their general funds or any  
1583 other available funds from which such payment is not prohibited by  
1584 law;

1585 (m) Upon written request by the Governor or any member  
1586 of the State Legislature, the State Auditor may audit any state  
1587 funds and/or state and federal funds received by any nonprofit  
1588 corporation incorporated under the laws of this state;

1589 (n) To conduct performance audits of personal or  
1590 professional service contracts by state agencies on a random  
1591 sampling basis, or upon request of the State Personal Service  
1592 Contract Review Board under Section 25-9-120(3).

1593 **SECTION 20.** Section 7-7-213, Mississippi Code of 1972, is  
1594 amended as follows:

1595 7-7-213. The costs of audits and other services required by  
1596 Sections 7-7-201 through 7-7-215, except for those audits and  
1597 services authorized by Section 7-7-211(k) which shall be funded by  
1598 appropriations made by the Legislature from such funds as it deems  
1599 appropriate, shall be paid from a special fund that is created in  
1600 the State Treasury, to be known as the State Department of Audit  
1601 Fund, into which will be paid each year the amounts received for  
1602 performing audits required by law. Except as provided in Section  
1603 7-7-211(d) \* \* \*, the amounts to be charged for performing audits  
1604 and other services shall be the actual cost, not to exceed Thirty  
1605 Dollars (\$30.00) per hour for the services of each staff person  
1606 engaged in performing the audit or other service. In the event of  
1607 failure by any unit of government to pay the charges authorized  
1608 herein, the Department of Audit shall notify the State Fiscal  
1609 Officer, and upon a determination that the charges are  
1610 substantially correct, the State Fiscal Officer shall notify the  
1611 defaulting unit of his determination. If payment is not made  
1612 within thirty (30) days after such notification, the State Fiscal

1613 Officer shall notify the State Treasurer and Department of Public  
1614 Accounts that no further warrants are to be issued to the  
1615 defaulting unit until the deficiency is paid.

1616 The cost of any service by the department not required of it  
1617 under the provisions of the cited sections but made necessary by  
1618 the willful fault or negligence of an officer or employee of any  
1619 public office of the state shall be recovered (i) from such  
1620 officer or employee and/or surety on official bond thereof and/or  
1621 (ii) from the individual, partnership, corporation or association  
1622 involved, in the same manner and under the same terms, when  
1623 necessary, as provided the department for recovering public funds  
1624 in Section 7-7-211.

1625 The State Auditor shall deliver a copy of any audit of the  
1626 fiscal and financial affairs of a county to the chancery clerk of  
1627 such county and shall deliver a notice stating that a copy of such  
1628 audit is on file in the chancery clerk's office to some newspaper  
1629 published in the county to be published. If no newspaper is  
1630 published in the county, a copy of such notice shall be delivered  
1631 to a newspaper having a general circulation therein.

1632 **SECTION 21.** Section 27-3-79, Mississippi Code of 1972, is  
1633 amended as follows:

1634 27-3-79. (1) The State Tax Commission shall develop and  
1635 implement a tax amnesty program in accordance with the provisions  
1636 of this section. The program shall begin on September 1, 2004,  
1637 and end on December 31, 2004. The program shall apply to all  
1638 taxes that are required to be collected by the State Tax  
1639 Commission or commissioner and that were first due and payable for  
1640 the year 1999 and after. Tax amnesty shall be available to any  
1641 individuals or corporations who are liable for those taxes and who  
1642 have failed to pay all or any portion of their taxes, failed to  
1643 file returns or filed inaccurate returns; however, tax amnesty  
1644 shall not be available to individuals or corporations subject to  
1645 tax-related criminal investigations or prosecution, or where the

1646 taxes have been previously assessed by the commission, or to  
1647 estimated tax payments required to be made under Section 27-7-319.  
1648 All civil and criminal penalties for nonpayment of taxes,  
1649 including the penalties set forth in subsection (2) of this  
1650 section, shall be waived for any eligible individual or  
1651 corporation who, during the tax amnesty period, makes total  
1652 payment of the taxes due. The State Tax Commission is authorized  
1653 to do all things necessary to carry out the tax amnesty programs  
1654 that are not inconsistent with this section.

1655       (2) Any person eligible for the tax amnesty program and who  
1656 fails to make total payment of the taxes due during the tax  
1657 amnesty period or any person who, after July 1, 2004, willfully  
1658 attempts in any manner to evade or defeat any tax imposed by the  
1659 State Tax Commission, or assists in the evading of that tax or the  
1660 payment thereof shall, in addition to other penalties provided by  
1661 law, be guilty of a felony and, upon conviction thereof, shall be  
1662 fined not more than One Hundred Thousand Dollars (\$100,000.00)  
1663 and, in the case of a corporation, not more than Five Hundred  
1664 Thousand Dollars (\$500,000.00), or imprisoned not more than five  
1665 (5) years, or both.

1666       (3) Any prosecutions for tax evasion as described in this  
1667 section shall be begun within six (6) years next after the  
1668 statutory due date for the taxes in issue.

1669       **SECTION 22.** Section 27-65-33, Mississippi Code of 1972, is  
1670 amended as follows:

1671       27-65-33. (1) Except as otherwise provided in this section,  
1672 the taxes levied by this chapter shall be due and payable on or  
1673 before the twentieth day of the month next succeeding the month in  
1674 which the tax accrues, except as otherwise provided. Returns and  
1675 payments placed in the mail must be postmarked by the due date in  
1676 order to be considered timely filed, except when the due date  
1677 falls on a weekend or holiday, returns and payments placed in the  
1678 mail must be postmarked by the first working day following the due



1679 date in order to be considered timely filed. The taxpayer shall  
1680 make a return showing the gross proceeds of sales or the gross  
1681 income of the business, and any and all allowable deductions, or  
1682 exempt sales, and compute the tax due for the period covered.

1683 As compensation for collecting sales and use taxes, complying  
1684 fully with the applicable statutes, filing returns and supplements  
1685 thereto and paying all taxes by the twentieth of the month  
1686 following the period covered, the taxpayer may discount and retain  
1687 two percent (2%) of the liability on each return subject to the  
1688 following limitations:

1689 (a) The compensation or discount shall not apply to  
1690 taxes levied under the provisions of Sections 27-65-19 and  
1691 27-65-21, or on charges for ginning cotton under Section 27-65-23.

1692 (b) The compensation or discount shall not apply to  
1693 taxes collected by a county official or state agency.

1694 (c) The compensation or discount shall not exceed Fifty  
1695 Dollars (\$50.00) per month, or Six Hundred Dollars (\$600.00) per  
1696 calendar year, per taxpayer for sales tax returns filed and shall  
1697 not exceed Fifty Dollars (\$50.00) per month, or Six Hundred  
1698 Dollars (\$600.00) per calendar year, per taxpayer for use tax  
1699 returns filed.

1700 (d) The compensation or discount shall not apply to any  
1701 wholesale tax, the rate of which is equal to or greater than the  
1702 tax rate applicable to retail sales of the same property or  
1703 service. The retailer of such items shall be entitled to the  
1704 compensation based on the tax computed on retail sales before  
1705 application of the credit for any tax paid to the wholesaler,  
1706 jobber, or other person.

1707 (e) The compensation or discount allowed and taken for  
1708 any filing period may be reassessed and collected when an audit of  
1709 a taxpayer's records reveals a tax deficiency for that period.

1710 (2) A taxpayer required to collect sales taxes under this  
1711 chapter and having an average monthly sales tax liability of at

1712 least Twenty Thousand Dollars (\$20,000.00) for the preceding  
1713 calendar year shall pay to the State Tax Commission on or before  
1714 June 25, 2003, and on or before the twenty-fifth day of June of  
1715 each succeeding year thereafter, an amount equal to at least  
1716 seventy-five percent (75%) of such taxpayer's estimated sales tax  
1717 liability for the month of June of the current calendar year, or  
1718 an amount equal to at least seventy-five percent (75%) of the  
1719 taxpayer's sales tax liability for the month of June of the  
1720 preceding calendar year. Payments required to be made under this  
1721 subsection must be received by the State Tax Commission no later  
1722 than June 25 in order to be considered timely made. A taxpayer  
1723 that fails to comply with the requirements of this subsection may  
1724 be assessed a penalty in an amount equal to ten percent (10%) of  
1725 the taxpayer's actual sales tax liability for the month of June  
1726 for which the estimated payment was required to be made. Payments  
1727 made by a taxpayer under this subsection shall not be considered  
1728 to be collected for the purposes of any sales tax diversions  
1729 required by law until the taxpayer files a return for the actual  
1730 sales taxes collected during the month of June. This subsection  
1731 shall not apply to any agency, department or instrumentality of  
1732 the United States, any agency, department, institution,  
1733 instrumentality or political subdivision of the State of  
1734 Mississippi, or any agency, department, institution or  
1735 instrumentality of any political subdivision of the State of  
1736 Mississippi. Payments made pursuant to this subsection for the  
1737 month of June 2003, shall be deposited by the State Tax Commission  
1738 into the Budget Contingency Fund created under Section 27-103-301,  
1739 and payments made pursuant to this subsection for the month of  
1740 June of 2004, and each succeeding year thereafter, shall be  
1741 deposited by the State Tax Commission into the State General Fund.

1742 (3) All returns shall be sworn to by the taxpayer, if made  
1743 by an individual, or by the president, vice president, secretary  
1744 or treasurer of a corporation, or authorized agent, if made on

1745 behalf of a corporation. If made on behalf of a partnership,  
1746 joint venture, association, trust, estate, or in any other group  
1747 or combination acting as a unit, any individual delegated by such  
1748 firm shall swear to the return on behalf of the taxpayer. The  
1749 commissioner may prescribe methods by which the taxpayer may swear  
1750 to his return.

1751 (4) The commissioner may promulgate rules and regulations to  
1752 require or permit filing periods of any duration, in lieu of  
1753 monthly filing periods, for any taxpayer or group thereof.

1754 (5) The commissioner may require the execution and filing by  
1755 the taxpayer with the commissioner of a good and solvent bond with  
1756 some surety company authorized to do business in Mississippi as  
1757 surety thereon in an amount double the aggregate tax liability by  
1758 such taxpayer for any previous three (3) months' period within the  
1759 last calendar year or estimated three (3) months' tax liability.  
1760 Said bond is to be conditioned for the prompt payment of such  
1761 taxes as may be due for each such return.

1762 (6) The commissioner, for good cause, may grant such  
1763 reasonable additional time within which to make any return  
1764 required under the provisions of this chapter as he may deem  
1765 proper, but the time for filing any return shall not be extended  
1766 beyond the twentieth of the month next succeeding the regular due  
1767 date of the return without the imposition of interest at the rate  
1768 of one percent (1%) per month or fractional part of a month from  
1769 the time the return was due until the tax is paid.

1770 (7) For persistent, willful, or recurring failure to make  
1771 any return and pay the tax shown thereby to be due by the time  
1772 specified, there shall be added to the amount of tax shown to be  
1773 due ten percent (10%) damages, or interest at the rate of one  
1774 percent (1%) per month, or both.

1775 (8) Any taxpayer may, upon making application therefor,  
1776 obtain from the commissioner an extension of time for the payment  
1777 of taxes due on credit sales until collections thereon have been

1778 made. When such extension is granted, the taxpayer shall  
1779 thereafter include in each monthly or quarterly report all  
1780 collections made during the preceding month or quarter, and shall  
1781 pay the taxes due thereon at the time of filing such report. Such  
1782 permission may be revoked or denied at the discretion of the  
1783 commissioner when, in his opinion, a total sales basis will best  
1784 reflect the taxable income or expedite examination of the  
1785 taxpayer's records.

1786 (9) Any taxpayer reporting credit sales before collection  
1787 thereof has been made may take credit on subsequent returns or  
1788 reports for bad debts actually charged off, if such amounts  
1789 charged off have previously been included in taxable gross income  
1790 or taxable gross proceeds of sales, as the case may be, and the  
1791 tax paid thereon. However, any amounts subsequently collected on  
1792 accounts that have been charged off as bad debts shall be included  
1793 in subsequent reports and the tax shall be paid thereon.

1794 (10) In cases where an extension of time has been granted by  
1795 the commissioner for payment of taxes due on credit sales and the  
1796 taxpayer thereafter discontinues the business, such taxpayer shall  
1797 be required to file with the commissioner within ten (10) days, or  
1798 such further time as the commissioner may direct, from the date of  
1799 the discontinuance of such business, a special report showing the  
1800 amounts of any credit sales which have not been included in  
1801 determining the measure of the tax previously paid and any other  
1802 information with reference to credit sales as the commissioner may  
1803 require. The commissioner shall thereupon investigate the facts  
1804 with reference to credit sales and the condition of the accounts,  
1805 and shall determine, from the best evidence available, the value  
1806 of all open accounts, notes, or other evidence of debt arising  
1807 from credit sales. The value of all notes, open accounts and  
1808 other evidence of debt, as thus determined by the commissioner,  
1809 shall be used in determining the amount of the tax for which such  
1810 taxpayer shall be liable. When the amount of the tax shall have

1811 been ascertained, the taxpayer shall be required to pay the same  
1812 within ten (10) days or such further time as the commissioner may  
1813 allow, notwithstanding the fact that such note or accounts may  
1814 still remain uncollected.

1815         **SECTION 23.** Sections 52 through 63, Chapter 522, Laws of  
1816 2003, are amended as follows:

1817         Section 52. As used in Sections 52 through 63 of this act,  
1818 the following words shall have the meanings ascribed herein unless  
1819 the context clearly requires otherwise:

1820                 (a) "Variable rate bonds" shall mean state-supported  
1821 debt which bears interest at a rate or rates which vary from time  
1822 to time and shall include variable rate refunding bonds.

1823                 (b) "Interest rate exchange or similar agreement" shall  
1824 mean a written contract entered into by the state with a  
1825 counterparty in connection with state-supported debt to provide  
1826 for an exchange of payments based upon fixed and/or variable  
1827 rates, shall include interest rates, caps, collars, floors and  
1828 similar agreements and options on each of the foregoing, and shall  
1829 be for exchanges in currency of the United States of America only  
1830 with such terms determined by the commission to be in the  
1831 financial best interest of the state.

1832                 (c) "State-supported debt" shall mean any bonds or  
1833 notes, including bonds or notes issued to fund reserve funds and  
1834 costs of issuance and refunding bonds or refunding notes,  
1835 currently outstanding or authorized to be issued by the state for  
1836 which the state is or will be constitutionally obligated to pay  
1837 debt service or is or will be contractually obligated to pay debt  
1838 service subject to an appropriation; however, this definition  
1839 shall not apply to debt issued by the Mississippi Development Bank  
1840 or similar state agencies or authorities.

1841                 (d) "Counterparty" shall mean the provider of or other  
1842 party to an interest rate exchange or similar agreement.

1843                 (e) "State" shall mean the State of Mississippi.

1844           (f) "Commission" shall mean the State Bond Commission  
1845 of the state.

1846           (g) "Variable rate debt instruments" shall mean  
1847 variable rate bonds, variable rate refunding bonds and interest  
1848 rate exchange or similar agreements which result in the state  
1849 effectively paying interest at a rate or rates which vary from  
1850 time to time.

1851           (h) "Excluded agreements" shall mean the total notional  
1852 amount of interest rate exchange or similar agreements entered  
1853 into for the purpose of reducing, reversing or unwinding another  
1854 interest rate exchange or similar agreement or eliminating a  
1855 situation of risk or exposure under an existing interest rate  
1856 exchange or similar agreement, including, but not limited to, a  
1857 counterparty downgrade, default, or other actual or potential  
1858 economic loss.

1859           Section 53. The purpose of Sections 52 through 63 of this  
1860 act is to provide full and complete authority for the state,  
1861 acting by and through the commission, to issue or enter into  
1862 variable rate debt instruments. No procedure or proceedings,  
1863 publications, notices, consents, limitations, approvals, orders,  
1864 acts or things, other than those required by Sections 52 through  
1865 63 of this act, shall be required to issue or enter into any  
1866 variable rate debt instruments or to do any act or perform  
1867 anything under Sections 52 through 63 of this act except as  
1868 otherwise may be prescribed in Sections 52 through 63 of this act.  
1869 The powers conferred by Sections 52 through 63 of this act shall  
1870 be in addition and supplemental to, and not in substitution for,  
1871 and the limitations imposed by Sections 52 through 63 of this act  
1872 shall not affect the powers conferred by any other law. Sections  
1873 52 through 63 of this act are remedial in nature and shall be  
1874 liberally construed.

1875           Section 54. (1) Notwithstanding any other provision of law  
1876 to the contrary, any otherwise authorized state-supported debt may

1877 be issued as variable rate bonds. Except as otherwise provided in  
1878 Sections 52 through 63 of this act or when in conflict with the  
1879 provisions in Sections 52 through 63 of this act, such variable  
1880 rate bonds shall be subject to the terms and provisions of the  
1881 legislation authorizing the issuance of such state-supported debt.

1882 (2) Variable rate bonds issued by the state pursuant to the  
1883 provisions of subsections (1) of this section or Section 55 of  
1884 this act, shall be issued pursuant to an authorizing resolution of  
1885 the commission. Such variable rate bonds may be issued in one or  
1886 more series, may bear such date or dates, may bear interest at  
1887 such rate or rates, varying from time to time, not to exceed that  
1888 allowed by law for the class of bonds being issued, may be in such  
1889 denominations, may be subject to such terms of redemption (with or  
1890 without premium) may be sold at private sale \* \* \* (which sale  
1891 shall be on such terms and in such manner as the commission shall  
1892 determine) and may contain such other terms and covenants  
1893 (including, without limitation, covenants for the security and  
1894 better marketability of such variable rate bonds), as may be  
1895 provided by resolution of the commission. Pursuant to the  
1896 provisions of Sections 52 through 63 of this act, the commission  
1897 may enter into such agreements as may be necessary in connection  
1898 with the issuance of such variable rate bonds.

1899 Section 55. (1) This section and other applicable  
1900 provisions of Sections 52 through 63 of this act, without  
1901 reference to any other statute, shall be deemed full and complete  
1902 authority for the issuance of variable rate refunding bonds by the  
1903 state, and shall be construed as an additional and alternative  
1904 method therefor.

1905 (2) The state, acting by and through the commission, may  
1906 refund outstanding bonds through the issuance of variable rate  
1907 refunding bonds. Any such refunding may be effected whether or  
1908 not the bonds to be refunded shall have then matured or shall  
1909 thereafter mature.

1910           (3) Variable rate refunding bonds issued pursuant to  
1911 Sections 52 through 63 of this act may be secured by a pledge of:  
1912 (a) the same source of security as the bonds to be refunded, or  
1913 (b) such other security as the state may lawfully pledge, or both;  
1914 all as may be provided by resolution of the commission.

1915           (4) At the time of the issuance of such variable rate  
1916 refunding bonds, the commission shall find by resolution that at  
1917 the time of such refunding, such refunding is expected to result  
1918 in an overall net present value savings to maturity of not less  
1919 than two percent (2%) of the bonds being refunded, unless those  
1920 bonds are issued under Section 31-15-1 et seq.

1921           Section 56. In connection with state-supported debt, the  
1922 commission shall have the power to:

1923           (a) Enter into interest rate exchange or similar  
1924 agreements with any person under such terms and conditions as the  
1925 commission may determine, including, but not limited to,  
1926 provisions as to default or early termination;

1927           (b) Procure insurance, letters of credit or other  
1928 credit enhancement with respect to agreements described in  
1929 paragraph (a) of this section;

1930           (c) Provide security for the payment or performance of  
1931 its obligations with respect to agreements described in paragraph  
1932 (a) of this section from such sources and with the same effect as  
1933 is authorized by applicable law with respect to security for its  
1934 bonds, notes or other obligations \* \* \*;

1935           (d) Modify, amend, or replace, such agreements  
1936 described in paragraph (a) of this section; and

1937           (e) Because of the complexity of agreements described  
1938 in paragraph (a) of this section, the commission may solicit the  
1939 provision of such agreements on a competitive or negotiated  
1940 basis \* \* \*.



1941           Section 57. Any interest rate exchange or similar agreements  
1942 entered into pursuant to Section 56 of this act shall be subject  
1943 to the following limitations:

1944           (a) The counterparty thereto shall have credit ratings  
1945 from at least one nationally recognized statistical rating agency  
1946 that is within the two (2) highest investment grade categories and  
1947 ratings which are obtained from any other nationally recognized  
1948 statistical rating agencies shall also be within the three (3)  
1949 highest investment grade categories, or the payment obligations of  
1950 the counterparty shall be unconditionally guaranteed by an entity  
1951 with such credit ratings;

1952           (b) The written contract shall require that should the  
1953 rating: (i) of the counterparty, if its payment obligations are  
1954 not unconditionally guaranteed by another entity, or (ii) of the  
1955 entity unconditionally guaranteeing its payment obligations, if so  
1956 secured, fall below the rating required by paragraph (a) of this  
1957 section, that the obligations of such counterparty shall be fully  
1958 and continuously collateralized by direct obligations of, or  
1959 obligations the principal and interest on which are guaranteed by  
1960 the United States of America with a net market value of at least  
1961 one hundred two percent (102%) of the net market value of the  
1962 contract of the authorized insurer and such collateral shall be  
1963 deposited as agreed to by the commission;

1964           (c) The counterparty has a net worth of at least One  
1965 Hundred Million Dollars (\$100,000,000.00), or the counterparty's  
1966 obligations under the interest rate exchange or similar agreement  
1967 are guaranteed by a person or entity having a net worth of at  
1968 least One Hundred Million Dollars (\$100,000,000.00);

1969           (d) The total notional amount of all interest rate  
1970 exchange or similar agreements for the state to be in effect shall  
1971 not exceed an amount equal to fifty percent (50%) of the total  
1972 amount of state-supported debt outstanding as of the initial date

1973 of entering into each new agreement; however, such total notional  
1974 amount shall not include any excluded agreements;

1975 (e) No interest rate exchange or similar agreement  
1976 shall have a maturity exceeding the maturity of the related  
1977 state-supported debt;

1978 (f) Each interest rate exchange or similar agreement  
1979 shall be subject to a finding by the commission that its terms and  
1980 conditions reflect a fair market value of such agreement as of the  
1981 date of its execution, regardless of whether such agreement was  
1982 solicited on a competitive or negotiated basis \* \* \*; and

1983 (g) Each interest rate exchange or similar agreement,  
1984 including the modification or termination thereof, shall be  
1985 subject to the approval of the commission or its designee.

1986 Section 58. (1) As of the initial date of each issuance of  
1987 variable rate debt instruments, the total of the principal and  
1988 notional amounts of such variable rate debt instruments  
1989 outstanding and in effect shall not exceed an amount equal to  
1990 fifty percent (50%) of the total principal amount of  
1991 state-supported debt outstanding.

1992 (2) The limitation contained in subsection (2) of this  
1993 section shall not include any excluded agreements.

1994 Section 59. Nothing in Sections 52 through 63 of this act  
1995 shall be construed as to apply to or limit any debt obligation or  
1996 related instrument of the state or any other issuers except those  
1997 obligations or instruments which are or relate to state-supported  
1998 debt.

1999 Section 60. Sections 52 through 63 of this act shall be  
2000 deemed to be full and complete authority for the exercise of the  
2001 powers herein granted, but Sections 52 through 63 of this act  
2002 shall not be deemed to repeal or to be in derogation of any  
2003 existing law of this state.

2004 Section 61. All variable rate bonds issued under Sections 52  
2005 through 63 of this act shall be fully negotiable in accordance

2006 with their terms and shall be "securities" within the meaning of  
2007 Article 8 of the Uniform Commercial Code, subject to the  
2008 provisions of such bonds pertaining to registration. It shall not  
2009 be necessary to file financing statements or continuation  
2010 statements to protect the lien and pledge granted by a  
2011 governmental unit to the holders of any variable rate bonds issued  
2012 under Sections 52 through 63 of this act.

2013 Section 62. All variable rate bonds issued under the  
2014 provisions of Sections 52 through 63 of this act and income  
2015 therefrom shall be exempt from all taxation in the State of  
2016 Mississippi.

2017 Section 63. If any one or more sections, clauses, sentences  
2018 or parts of Sections 52 through 63 of this act shall for any  
2019 reason be questioned in any court and shall be adjudged  
2020 unconstitutional or invalid, such judgment shall not affect,  
2021 impair or invalidate the remaining provisions of Sections 52  
2022 through 63 of this act, but shall be confined in its operations to  
2023 the specific provisions so held invalid, and inapplicability or  
2024 invalidity of any such section, clause, provision or part shall  
2025 not be taken to affect or prejudice in any way the remaining part  
2026 or parts of Sections 52 through 63 of this act.

2027 **PART 5 - INSURANCE**

2028 **SECTION 24.** Section 27-15-83, Mississippi Code of 1972, is  
2029 brought forward as follows:

2030 27-15-83. (1) Upon each foreign insurance company licensed  
2031 as a single line company defined under Section 83-19-1, the  
2032 privilege tax is as follows:

- 2033 (a) Fire and Allied Lines and/or
- 2034 Industrial Fire..... \$200.00
- 2035 (b) Casualty/Liability..... \$200.00
- 2036 (c) Fidelity and/or Surety..... \$200.00
- 2037 (d) Workers' Compensation..... \$200.00
- 2038 (e) Boiler and Machinery..... \$200.00

2039	(f)	Plate Glass.....	\$200.00
2040	(g)	Aircraft.....	\$200.00
2041	(h)	Inland Marine and/or Ocean Marine.....	\$200.00
2042	(i)	Automobile Physical Damage/Automobile	
2043		Liability.....	\$200.00
2044	(j)	Homeowners/Farmowners.....	\$200.00
2045	(k)	Guaranty/Mortgage Guaranty.....	\$200.00
2046	(l)	Trip Accident and Baggage.....	\$200.00
2047	(m)	Legal.....	\$200.00
2048	(n)	Life and/or Accident and Health;	
2049		Credit Life, Accident and Health;	
2050		Industrial Life, Accident and Health;	
2051		and Variable Contracts.....	\$200.00
2052	(o)	Title.....	\$200.00
2053	(p)	Fraternal.....	\$ 50.00
2054	(2)	For any combination of classifications of a foreign	
2055		insurance company, the privilege tax for a multiple line company	
2056		shall be Three Hundred Fifty Dollars (\$350.00).	
2057	(3)	Any stock, mutual, reciprocal or reinsurance company	
2058		shall pay the appropriate privilege tax for each line of insurance	
2059		the company is licensed to underwrite.	
2060	(4)	For each domestic insurance which has its home office	
2061		located in Mississippi, the privilege tax shall be one-half (1/2)	
2062		of the fees listed in this section.	
2063	(5)	Each insurance company or association which amends its	
2064		privilege license shall pay a fee of Twenty-five Dollars (\$25.00).	
2065	<b>SECTION 25.</b>	Section 27-15-85, Mississippi Code of 1972, is	
2066		brought forward as follows:	
2067	27-15-85. (1)	Upon each incorporated insurance agency	
2068		licensed to represent fire, casualty, liability, fidelity, surety,	
2069		guaranty and inland marine insurance companies in municipalities	
2070		of Classes 1, 2, 3 and 4.....	\$100.00.

2071           Upon each such incorporated insurance agency in  
2072 municipalities of Classes 5, 6, 7 and elsewhere in the  
2073 state..... \$ 50.00.

2074           The license issued to such incorporated agency shall specify  
2075 the type, types or kinds of insurance that such incorporated  
2076 agency is licensed and qualified to transact. Every person acting  
2077 as agent or solicitor for any such agency shall qualify under the  
2078 provisions of Laws, 2001, Chapter 510; and no person shall be  
2079 exempt from the privilege tax placed on insurance agents by this  
2080 section by reason of the fact that he is a stockholder or officer  
2081 in any such incorporated agency, or by reason of the fact that he  
2082 represents such an agency, but every agent or solicitor, except  
2083 two (2) executive officers of such agency, shall pay the privilege  
2084 tax herein imposed.

2085           (2) Upon each incorporated general agent, as defined in  
2086 Section 83-17-1..... \$100.00.

2087           (3) Upon each incorporated "supervising general agent" for  
2088 life, health and accident insurers as defined in Section  
2089 83-17-1..... \$100.00.

2090           The privilege licenses issued under this section to  
2091 "supervising general agents" shall not constitute authority to  
2092 solicit business within the State of Mississippi, and shall be  
2093 renewed annually at the time and in the manner prescribed by  
2094 Section 83-17-25 on application forms which shall be furnished by  
2095 the Commissioner of Insurance and shall show the name of the  
2096 insurance company or companies such "supervising general agent"  
2097 represents, and other additional information as may be required by  
2098 the Commissioner of Insurance.

2099           **SECTION 26.** Section 27-15-87, Mississippi Code of 1972, is  
2100 brought forward as follows:

2101           27-15-87. Upon each fire, casualty, liability, fidelity,  
2102 surety, guaranty and/or inland marine agent or solicitor when the

2103 total commission of the agency is in excess of Three Thousand  
2104 Dollars (\$3,000.00) annually..... \$50.00.

2105       Upon each such agent or solicitor when the total commission  
2106 of the agency does not exceed Three Thousand Dollars (\$3,000.00)  
2107 annually..... \$25.00.

2108       Every agent or insurance solicitor for an agent, connected  
2109 with any insurance agent, firm or corporation who solicits the  
2110 sale of any of the above-named insurance, whether stock, mutual or  
2111 reciprocal insurance carriers, directly or indirectly, shall be  
2112 liable for the above tax.

2113       Whenever a solicitor is employed by any such agent or agency  
2114 to solicit business for its account, to be placed in the companies  
2115 represented by said agent or agency, such agent or agency shall  
2116 make application as provided for in Section 83-17-75(6), and  
2117 Section 83-17-217, Mississippi Code of 1972, and pay the above tax  
2118 on such solicitor and such license issued to him shall authorize  
2119 such solicitor to solicit insurance for the agency.

2120       At the time of the purchase of the license herein provided,  
2121 every person, firm, corporation or solicitor shall file an  
2122 affidavit with the Insurance Commissioner of the state stating the  
2123 amount of commissions earned by said agency (whether such agency  
2124 be conducted by a person, firm or corporation) during the past  
2125 year, and this affidavit shall be filed at least once each year,  
2126 and in the event that the commissioner has reason to believe that  
2127 such affidavit is incorrect, then in such event, said Insurance  
2128 Commissioner may refuse to accept said affidavit and demand  
2129 further proof as to the clarification of said person, firm or  
2130 corporation applying for said license. If the applicant for said  
2131 license was not engaged in the insurance business during the year  
2132 preceding the application for said license, then, in such event,  
2133 the affidavit shall show said fact, and the Insurance Commissioner  
2134 shall issue to said applicant a yearly license at and for the sum  
2135 of Twenty-five Dollars (\$25.00) as above provided.

2136           **SECTION 27.** Section 27-15-93, Mississippi Code of 1972, is  
2137 brought forward as follows:

2138           27-15-93. (1) Upon each incorporated insurance agency  
2139 licensed to represent life, health or accident insurance  
2140 companies..... \$ 25.00.

2141           The license issued to such incorporated agency shall specify  
2142 the type, types or kinds of insurance that such incorporated  
2143 agency is licensed and qualified to transact. Every person acting  
2144 as agent for any such agency shall qualify under the provisions of  
2145 Laws, 2001, Chapter 510; and no person shall be exempt from the  
2146 privilege tax placed on insurance agents by this section by reason  
2147 of the fact that he is a stockholder or officer in any such  
2148 incorporated agency, or by reason of the fact that he represents  
2149 such an agency, but every agent shall pay the privilege tax herein  
2150 imposed.

2151           (2) Upon each incorporated supervising general agent, as  
2152 defined in Section 83-17-1..... \$100.00.

2153           (3) Upon each life insurance agent engaged exclusively in  
2154 writing life insurance..... \$ 20.00.

2155           And any life insurance company that knowingly issues a policy  
2156 where the application has been submitted to it by an agent or  
2157 other person who has not paid all the taxes herein imposed upon  
2158 each agent or person shall be liable for and pay to the state the  
2159 sum of Fifty Dollars (\$50.00) for each policy written.

2160           Provided, that any insurance agent who has paid the tax  
2161 required as a life insurance agent, shall be permitted to write  
2162 health, accident and industrial insurance without the payment of  
2163 additional tax.

2164           **SECTION 28.** Section 27-15-95, Mississippi Code of 1972, is  
2165 brought forward as follows:

2166           27-15-95. Upon each person, other than an incorporated  
2167 insurance agency taxed under Section 27-15-93, writing health and  
2168 accident, or industrial life insurance..... \$20.00.

2169           **SECTION 29.** Section 83-49-47, Mississippi Code of 1972, is  
2170 brought forward as follows:

2171           83-49-47. (1) No person shall act as a representative of a  
2172 sponsor or agent of a sponsor as defined in Section 83-17-1,  
2173 Mississippi Code of 1972, without first having obtained a license  
2174 from the commissioner to act as an agent or representative of a  
2175 sponsor of prepaid legal services in this state.

2176           (2) The annual license fee shall be Ten Dollars (\$10.00).  
2177 The fee for said license shall be paid to the commissioner on or  
2178 before March 1 of each year.

2179           (3) Before any licensee changes his address, he shall return  
2180 his license to the commissioner, who shall endorse the license  
2181 indicating the change.

2182           (4) Each person to whom the license or the renewal thereof  
2183 may be issued shall file sworn answers, subject to the penalties  
2184 of perjury, to such interrogatories as the commissioner may  
2185 require. The commissioner shall have authority, at any time, to  
2186 require the applicant to disclose fully the identity of all  
2187 stockholders, partners, officers and employees, and he may, in his  
2188 discretion, refuse to issue or renew a license in the name of any  
2189 firm, partnership or corporation if he is not satisfied that any  
2190 officer, employee, stockholder or partner thereof who may  
2191 materially influence the applicant's conduct meets the standards  
2192 of this chapter.

2193           (5) Upon the filing of an application and the payment of the  
2194 license fee, the commissioner shall make an investigation of each  
2195 applicant and shall issue a license if he finds the applicant is  
2196 qualified in accordance with this act. If the commissioner does  
2197 not so find, he shall, within ninety (90) days after he has  
2198 received such application, so notify the applicant and, at the  
2199 request of the applicant, give the applicant a full hearing.

2200           (6) The commissioner shall issue or renew a license applied  
2201 for when he is satisfied that the person to be licensed:



2202 (a) Is competent and trustworthy and intends to act in  
2203 good faith as an agent or representative of a sponsor of prepaid  
2204 legal services plans in this state;

2205 (b) Has a good business reputation and has had  
2206 experience, training or education so as to be qualified to act as  
2207 an agent or representative of a sponsor of prepaid legal services  
2208 plans.

2209 **SECTION 30.** Section 83-11-237, Mississippi Code of 1972, is  
2210 brought forward as follows:

2211 83-11-237. (1) An automobile club operating in this state  
2212 pursuant to a certificate of authority issued hereunder shall,  
2213 within thirty (30) days of the date of appointment, file with the  
2214 commissioner a notice of appointment of a club agent by an  
2215 automobile club to sell memberships in the automobile club to the  
2216 public. This notification shall be upon such form as the  
2217 commissioner may prescribe, shall contain the name, address, age,  
2218 sex, and social security number of such club agent, and also  
2219 contain proof satisfactory to the commissioner that such applicant  
2220 is of good reputation and that he has received training from the  
2221 club or is otherwise qualified in the field of automobile club  
2222 service contracts and the laws of this state pertaining thereto.  
2223 Upon termination of any club agent's appointment by an automobile  
2224 club, such automobile club shall, within thirty (30) days  
2225 thereafter, notify the commissioner of such termination.

2226 (2) The registration fee for club agents shall be Five  
2227 Dollars (\$5.00) annually, and such registration shall be renewable  
2228 on April 1 of each year unless sooner revoked or suspended.

2229 **PART 6 - TOBACCO**

2230 **SECTION 31.** Section 27-69-3, Mississippi Code of 1972, is  
2231 amended as follows:

2232 \* \* \*

2233 27-69-3. When used in this chapter:

2234           (a) "State" means the State of Mississippi as  
2235 geographically defined, and any and all waters under the  
2236 jurisdiction of the State of Mississippi.

2237           (b) "State Auditor" means the Auditor of Public  
2238 Accounts of the State of Mississippi, or his legally appointed  
2239 deputy, clerk or agent.

2240           (c) "Commissioner" means the Chairman of the State Tax  
2241 Commission of the State of Mississippi, and his authorized agents  
2242 and employees.

2243           (d) "Person" means any individual, company,  
2244 corporation, partnership, association, joint venture, estate,  
2245 trust, or any other group, or combination acting as a unit, and  
2246 the plural as well as the singular, unless the intention to give a  
2247 more limited meaning is disclosed by the context.

2248           (e) "Consumer" means a person who comes into possession  
2249 of tobacco for the purpose of consuming it, giving it away, or  
2250 disposing of it in any way by sale, barter or exchange.

2251           (f) "Tobacco" means any cigarettes, cigars, cheroots,  
2252 stogies, smoking tobacco (including granulated, plug cut, crimp  
2253 cut, ready rubbed, and other kinds and forms of tobacco, or  
2254 substitutes therefor, prepared in such manner as to be suitable  
2255 for smoking in a pipe or cigarette) and including plug and twist  
2256 chewing tobacco and snuff, when such "tobacco" is manufactured and  
2257 prepared for sale or personal consumption. All words used herein  
2258 shall be given the meaning as defined in the regulations of the  
2259 Treasury Department of the United States of America.

2260           (g) "First sale" means and includes the first sale, or  
2261 distribution of such tobacco in intrastate commerce, or the first  
2262 use or consumption of such tobacco within this state.

2263           (h) "Drop shipment" means and includes any delivery of  
2264 tobacco received by any person within this state, when payment for  
2265 such tobacco is made to the shipper, or seller by or through a  
2266 person other than a consignee.

2267           (i) "Distributor" includes every person, except  
2268     retailers as defined herein, in the state who manufactures or  
2269     produces tobacco or who ships, transports, or imports into this  
2270     state, or in any manner acquires or possesses tobacco, and makes a  
2271     first sale of the same in the state.

2272           (j) "Wholesaler" includes dealers, whose principal  
2273     business is that of a wholesale dealer or jobber, who is known to  
2274     the retail trade as such, and whose place of business is located  
2275     in Mississippi or in a state which affords reciprocity to  
2276     wholesalers domiciled in Mississippi, who shall sell any taxable  
2277     tobacco to retail dealers only for the purpose of resale.

2278           (k) "Retailer" includes every person, other than a  
2279     wholesale dealer, as defined above, whose principal business is  
2280     that of selling merchandise at retail, who shall sell, or offer  
2281     for sale tobacco to the consumer. The sale of tobacco in quantity  
2282     lots by retailers to other retailers, transient vendors, or other  
2283     persons, shall not be construed as wholesale and shall not qualify  
2284     such retailer for a permit as a wholesaler.

2285           (l) "Dealer" includes every person, firm, corporation  
2286     or association of persons, except retailers as defined herein, who  
2287     manufacture tobacco for distribution, for sale, for use or for  
2288     consumption in the State of Mississippi.

2289           The word "dealer" is further defined to mean any person,  
2290     firm, corporation or association of persons, except retailers as  
2291     defined herein, who imports tobacco from any state or foreign  
2292     country for distribution, sale, use, or consumption in the State  
2293     of Mississippi.

2294           (m) "Distributing agent" includes every person in the  
2295     state who acts as an agent of any person outside the State of  
2296     Mississippi, by receiving tobacco in interstate commerce, and  
2297     storing such tobacco in this state subject to distribution, or  
2298     delivery upon order from said person outside the state to  
2299     distributors, wholesalers, retailers and dealers.

2300 (n) "Transient vendor" means and includes every person  
2301 commonly and generally termed "peddlers" and every person acting  
2302 for himself, or as an agent, employee, salesman, or in any  
2303 capacity for another, whether as owner, bailee, or other custodian  
2304 of tobacco, and going from person to person, dealer to dealer,  
2305 house to house, or place to place, and selling or offering for  
2306 sale at retail or wholesale tobacco, and every person who does not  
2307 keep a regular place of business open at all times in regular  
2308 hours, and every person who goes from person to person, dealer to  
2309 dealer, house to house, or place to place, and sells or offers for  
2310 sale tobacco which he carries with him, and who delivers the same  
2311 at the time of, or immediately after the sale, or without  
2312 returning to the place of business operations (a permanent place  
2313 of business within the state) between the taking of the order and  
2314 the delivery of the tobacco, or

2315 All persons who go from person to person, house to house,  
2316 place to place, or dealer to dealer, soliciting orders by  
2317 exhibiting samples, or taking orders, and thereafter making  
2318 delivery of tobacco, or filling the order without carrying or  
2319 sending the order to the permanent place of business, and  
2320 thereafter making delivery of the tobacco pursuant to the terms of  
2321 the order, or

2322 All persons who go from person to person, place to place,  
2323 house to house, or dealer to dealer, carrying samples and selling  
2324 tobacco from samples, and afterwards making delivery without  
2325 taking and sending an order therefor to a permanent place of  
2326 business for the filling of the order, and delivery of the  
2327 tobacco, or the exchange of tobacco having become damaged or  
2328 unsalable, or the purchase by tobacco of advertising space, or

2329 All persons who have in their possession, or under their  
2330 control, any tobacco offered, or to be offered for sale or to be  
2331 delivered, unless the sale or delivery thereof is to be made in

2332 pursuance of a bona fide order for the tobacco, to be sold or  
2333 delivered, said order to be evidenced by an invoice or memorandum.

2334 (o) "Contraband tobacco" means all tobacco found in the  
2335 possession of any person whose permit to engage in dealing in  
2336 tobacco has been revoked by the commissioner; and any cigarettes  
2337 found in the possession of any person to which the proper tax  
2338 stamps have not been affixed; and any cigarettes improperly  
2339 stamped when found in the possession of any person; and all other  
2340 tobacco upon which the excise tax has not been paid.

2341 (p) "Sale" means an exchange for money or goods, giving  
2342 away, or distributing any tobacco as defined in this chapter.

2343 (q) "Forty-eight (48) hours" and "seventy-two (72)  
2344 hours" means two (2) calendar days and three (3) calendar days,  
2345 respectively, excluding Sundays and legal holidays.

2346 (r) "Stamp" or "stamping," or the import of such word,  
2347 when used in this chapter, means any manner of stamp or impression  
2348 permitted by the commissioner that carries out the purposes of the  
2349 chapter in clearly indicating upon the packages of cigarettes  
2350 taxed the due payment of the tax and clearly identifying, by  
2351 serial number or otherwise, the permittee who affixed the stamp to  
2352 the particular package.

2353 (s) "Manufacturer's list price" means the full sales  
2354 price at which tobacco is sold or offered for sale by a  
2355 manufacturer to the wholesaler or distributor in this state  
2356 without any deduction for freight, trade discount, cash discounts,  
2357 special discounts or deals, cash rebates, or any other reduction  
2358 from the regular selling price. In the event freight charges on  
2359 shipments to wholesalers or distributors are not paid by the  
2360 manufacturer, then such freight charges required to be paid by the  
2361 wholesalers and distributors shall be added to the amount paid to  
2362 the manufacturer in order to determine "manufacturer's list  
2363 price." In the case of a wholesaler or distributor whose place of  
2364 business is located outside this state, the "manufacturer's list

2365 price" for tobacco sold in this state by such wholesaler or  
2366 distributor shall in all cases be considered to be the same as  
2367 that of a wholesaler or distributor located within this state.

2368 (t) "Tobacco settlement" means the settlement of the  
2369 case of Mike Moore, Attorney General ex rel. State of Mississippi  
2370 v. The American Tobacco Company et al. (Chancery Court of Jackson  
2371 County, Mississippi, Cause No. 94-1429).

2372 (u) "Participating manufacturer" means a manufacturer  
2373 of cigarettes that is a participating manufacturer in the tobacco  
2374 settlement.

2375 **SECTION 32.** Section 27-69-5, Mississippi Code of 1972, is  
2376 amended as follows:

2377 27-69-5. Every manufacturer, distributor, wholesaler, dealer  
2378 or retailer who desires to become engaged in the sale or use of  
2379 tobacco upon which a tax is required to be paid shall file with  
2380 the commissioner an application for a permit to engage in such  
2381 business. The application for a permit shall be filed on blanks  
2382 to be furnished by the commissioner for that purpose. The  
2383 application must be subscribed and sworn to by the person owning  
2384 the business, or having an ownership interest therein. If the  
2385 applicant is a corporation, a duly authorized agent shall execute  
2386 the application. The application shall show the name of such  
2387 person, and in case of partnership, the name of each partner  
2388 thereof, the person's post office address, the location of the  
2389 place of business to which the permit shall apply, and the nature  
2390 of the business in which engaged, and any other information the  
2391 commissioner may require. No manufacturer, distributor,  
2392 wholesaler, dealer or retailer shall sell any tobacco until such  
2393 application has been filed, the prescribed permit fee paid, and  
2394 the permit obtained. Except as otherwise provided in this  
2395 paragraph, said permit shall expire on January 31 of each year.  
2396 However, a retail permit shall continue in force during the time  
2397 that the permit holder to whom it is issued continues in the same

2398 business at the same location unless such permit is revoked by the  
2399 commissioner for cause or is revoked pursuant to any provision of  
2400 the Mississippi Juvenile Tobacco Access Prevention Act in Sections  
2401 97-32-1 through 97-32-23.

2402 An application shall be filed, and a permit obtained for each  
2403 place of business owned or operated by each distributor,  
2404 wholesaler, dealer or retailer.

2405 Upon receipt of the application and any permit fee  
2406 hereinafter provided for, the commissioner may issue to every  
2407 manufacturer, distributor, wholesaler, dealer or retailer, for the  
2408 place of business designated, a nonassignable permit, authorizing  
2409 the sale or use of tobacco in the state. Said permit shall  
2410 provide that the same is revocable, and may be forfeited or  
2411 suspended upon violation of any provision of this chapter, the  
2412 Mississippi Tobacco Youth Access Prevention Act of 1997 or any  
2413 rule or regulation adopted by the commissioner. If such permit  
2414 is revoked or suspended, said manufacturer, distributor,  
2415 wholesaler, dealer or retailer shall not sell any tobacco from  
2416 such place of business until a new permit is granted, or the  
2417 suspension of the old permit removed.

2418 A permit cannot be transferred from one person to another,  
2419 and the permit shall at all times be publicly displayed by the  
2420 manufacturer, distributor, wholesaler, dealer or retailer in his  
2421 place of business so as to be seen easily by the public. A permit  
2422 may be refused to any person previously convicted of violations of  
2423 this chapter.

2424 **SECTION 33.** Section 27-69-7, Mississippi Code of 1972, is  
2425 amended as follows:

2426 27-69-7. In addition to the excise tax on each person  
2427 selling, using, consuming, handling or distributing tobacco as  
2428 hereinafter provided, it is hereby made the duty of the  
2429 commissioner to collect a privilege tax of One Hundred Dollars  
2430 (\$100.00) for each permit issued to every manufacturer,

2431 distributor, wholesaler or dealer doing business directly or  
2432 indirectly in this state. However, the amount of the privilege  
2433 tax to be paid for a permit issued for a period of less than  
2434 twelve (12) months shall be the proportionate amount of the annual  
2435 privilege tax that the number of months, or part of a month,  
2436 remaining until the permit expiration date bears to twelve (12)  
2437 months, but in no case shall the privilege tax be less than Ten  
2438 Dollars (\$10.00).

2439 Foreign manufacturers, wholesalers, or distributors shall  
2440 secure a permit from the commissioner, upon the payment of a fee  
2441 of One Hundred Dollars (\$100.00), and shall agree in an  
2442 application sworn to and certified, that the excise tax shall be  
2443 paid on all shipments of taxable tobacco into the State of  
2444 Mississippi, that the required tax stamps shall be affixed to  
2445 cigarettes, and that the commissioner, or his authorized agent,  
2446 shall be permitted to inspect and audit their records of tobacco  
2447 shipments into the State of Mississippi at any and all reasonable  
2448 times.

2449 It is further provided that any person who engages in any  
2450 business for which a permit is required by this chapter, before  
2451 procuring a permit, or after the permit is cancelled, shall be  
2452 guilty of a misdemeanor, and punishable by a fine of not exceeding  
2453 Five Hundred Dollars (\$500.00), nor less than Fifty Dollars  
2454 (\$50.00).

2455 **SECTION 34.** Section 27-69-11, Mississippi Code of 1972, is  
2456 amended as follows:

2457 27-69-11. Any person engaged in the business of buying,  
2458 selling, manufacturing or distributing within this state, tobacco  
2459 as a wholesaler or manufacturer without having secured the  
2460 required permit from the commissioner shall be guilty of a  
2461 misdemeanor.

2462 **SECTION 35.** Section 27-69-13, Mississippi Code of 1972, is  
2463 amended as follows:



2464           27-69-13. (1) There is \* \* \* imposed, levied and assessed,  
2465 to be collected and paid as hereinafter provided in this chapter,  
2466 an excise tax on each person or dealer in cigarettes, cigars,  
2467 stogies, snuff, chewing tobacco, and smoking tobacco, or  
2468 substitutes therefor, upon the sale, use, consumption, handling or  
2469 distribution in the State of Mississippi, as follows:

2470           (a) On cigarettes, the rate of tax shall be  
2471 Eighteen-twentieths of One Cent (18/20 of 1¢) on each cigarette  
2472 sold with a maximum length of one hundred twenty (120)  
2473 millimeters; any cigarette in excess of this length shall be taxed  
2474 as if it were two (2) or more cigarettes. \* \* \* However, if the  
2475 federal tax rate on cigarettes in effect on July 1, 1985, is  
2476 reduced, then the rate as provided herein shall be increased by  
2477 the amount of the federal tax reduction. Such tax increase shall  
2478 take effect on the first day of the month following the effective  
2479 date of such reduction in the federal tax rate.

2480           (b) On cigars, cheroots, stogies, snuff, chewing and  
2481 smoking tobacco and all other tobacco products except cigarettes,  
2482 the rate of tax shall be fifteen percent (15%) of the  
2483 manufacturer's list price.

2484           (2) No stamp evidencing the tax herein levied on cigarettes  
2485 shall be of a denomination of less than One Cent (1¢), and  
2486 whenever the tax computed at the rates herein prescribed on  
2487 cigarettes shall be a specified amount, plus a fractional part of  
2488 One Cent (1¢), the package shall be stamped for the next full  
2489 cent \* \* \*.

2490           (3) Every wholesaler shall purchase stamps as provided in  
2491 this chapter, and affix the same to all packages of cigarettes  
2492 handled by him as herein provided.

2493           (4) The \* \* \* tax levied by this section is levied upon the  
2494 sale, use, gift, possession, or consumption of tobacco within the  
2495 State of Mississippi, and the impact of the tax levied by this  
2496 chapter is hereby declared to be on the vendee, user, consumer, or

2497 possessor of tobacco in this state; and when the tax is paid by  
2498 any other person, such payment shall be considered as an advance  
2499 payment and shall thereafter be added to the price of the tobacco  
2500 and recovered from the ultimate consumer or user.

2501 (5) (a) In addition to the tax imposed under this section,  
2502 there is imposed an equity assessment in the amount of Two Cents  
2503 (2¢) per cigarette on all cigarettes subject to the tax imposed  
2504 under this section. The assessment shall be increased annually  
2505 beginning January 1, 2005, by the amount of three percent (3%) or  
2506 the increase in the Consumer Price Index, whichever is greater.  
2507 Such equity assessment is imposed on the manufacturer.

2508 (b) A wholesaler shall provide a manufacturer a report  
2509 by the tenth day of each month setting forth the number of  
2510 cigarettes on which stamps were affixed by the wholesaler during  
2511 the preceding month and identifying those cigarettes by  
2512 manufacturer, brand and style.

2513 (c) A manufacturer shall remit the equity assessment to  
2514 the state by the twentieth day of each month for cigarettes on  
2515 which stamps were affixed during preceding month.

2516 (d) A participating manufacturer shall be allowed a  
2517 credit against the equity assessment for the amount of the annual  
2518 tobacco settlement installment payments made to the state under  
2519 the tobacco settlement by that manufacturer for the preceding  
2520 year.

2521 **SECTION 36.** Section 27-69-41, Mississippi Code of 1972, is  
2522 amended as follows:

2523 27-69-41. If any person subject to the provisions of this  
2524 chapter, or any rules or regulations promulgated by the  
2525 commissioner under authority hereof, shall be found to have failed  
2526 to affix the stamps required, or to have the same affixed as  
2527 herein provided, or to pay any tax due hereunder, or to have  
2528 violated any of the provisions of this chapter, or rules and  
2529 regulations promulgated by the commissioner in the administration

2530 of this chapter, there shall be collected from such person, in  
2531 addition to the tax that may be due, a penalty of fifty percent  
2532 (50%) of the tax due; and the commissioner, or his duly authorized  
2533 representative, may make immediate demand upon such person for the  
2534 payment of all such taxes and penalties. Provided, that the  
2535 commissioner, for good reason shown, may remit all or any part of  
2536 the penalties imposed, but the taxpayer must pay all taxes due and  
2537 interest thereon, at the rate of twelve percent (12%) per annum.  
2538 The keeping of any unstamped cigarettes or untaxed tobacco at a  
2539 place of business where such articles are sold, shall be prima  
2540 facie evidence of intent to violate the provisions of this  
2541 chapter.

2542 If a manufacturer does not pay the equity assessment imposed  
2543 under Section 27-69-13(5), the manufacturer may be assessed a  
2544 penalty of ten percent (10%) of the amount of the equity  
2545 assessment due or the manufacturer's products may be barred from  
2546 sale or consumption, or both, in this state. If a wholesaler does  
2547 not provide a manufacturer with the information required under  
2548 Section 27-69-13(5), the commissioner may suspend sales of tobacco  
2549 stamps to the wholesaler.

2550 All administrative provisions of the Mississippi Sales Tax  
2551 Law, including those which fix damages, penalties and interest for  
2552 nonpayment of taxes and for noncompliance with the provisions of  
2553 said chapter, and all other requirements and duties imposed upon  
2554 taxpayers, shall apply to all persons liable for taxes under the  
2555 provisions of this chapter, and the commissioner shall exercise  
2556 all the power and authority and perform all the duties with  
2557 respect to taxpayers under this chapter as are provided in the  
2558 Sales Tax Law, except where there is conflict, then the provisions  
2559 of this chapter shall control.

2560 **SECTION 37.** Section 27-69-31, Mississippi Code of 1972, is  
2561 amended as follows:

2562           27-69-31. Except as otherwise provided in this section,  
2563 dealers subject to the provisions of this chapter shall be  
2564 allowed, as compensation for their services in affixing the stamps  
2565 herein required, a sum equal to eight percent (8%) of the face  
2566 value of the stamps purchased by them, provided that the  
2567 commission shall allow no discount on the purchase of stamps by  
2568 wholesalers of an aggregate amount of less than One Hundred  
2569 Dollars (\$100.00), and by retailers of an aggregate amount of less  
2570 than Fifty Dollars (\$50.00) in any one (1) order.

2571           It is further provided that the commissioner may, in his  
2572 discretion, either reduce the compensation allowed, or disallow  
2573 any compensation for the affixing of stamps, for failure of such  
2574 dealer to comply with any provisions of the law or rules and  
2575 regulations promulgated by the commissioner.

2576           There shall be no compensation or discount allowed under this  
2577 section from and after July 1, 2004.

2578           **SECTION 38.** Section 27-69-75, Mississippi Code of 1972, is  
2579 amended as follows:

2580           27-69-75. All taxes levied by this chapter shall be payable  
2581 to the commissioner in cash, or by personal check, cashier's  
2582 check, bank exchange, post office money order or express money  
2583 order, and shall be deposited by the commissioner in the State  
2584 Treasury on the same day collected. No remittance other than cash  
2585 shall be a final discharge of liability for the tax herein  
2586 assessed and levied, unless and until it has been paid in cash to  
2587 the commissioner.

2588           All tobacco taxes collected, including tobacco license taxes,  
2589 shall be deposited into the State Treasury to the credit of the  
2590 General Fund.

2591           Wholesalers who are entitled to purchase stamps \* \* \* may  
2592 have consigned to them, without advance payment, such stamps, if  
2593 and when such wholesaler shall give to the commissioner a good and  
2594 sufficient bond executed by some surety company authorized to do

2595 business in this state, conditioned to secure the payment for the  
2596 stamps so consigned. The commissioner shall require payment for  
2597 such stamps not later than thirty (30) days from the date the  
2598 stamps were consigned.

2599 **PART 7 - STATE LAW ENFORCEMENT**

2600 **SECTION 39.** (1) There is created an Office of Law  
2601 Enforcement in the Department of Public Safety for the purpose of  
2602 enforcing the laws and regulations of the Mississippi Department  
2603 of Transportation and the Public Service Commission. The law  
2604 enforcement duties of the Mississippi Department of Transportation  
2605 and the Public Service Commission shall be transferred to the  
2606 Department of Public Safety on July 1, 2004.

2607 (2) The Mississippi Department of Transportation shall  
2608 transfer all employees, equipment, inventory and resources of the  
2609 department employed and used as law enforcement personnel to the  
2610 Department of Public Safety on July 1, 2004. The transfer of  
2611 personnel shall be commensurate with the number and classification  
2612 of positions allocated to that law enforcement. The transfer also  
2613 shall include direct support, clerical, data processing and  
2614 communications positions allocated to that law enforcement.

2615 (2) The Public Service Commission shall transfer all  
2616 employees, equipment, inventory and resources of the commission  
2617 employed and used to enforce the Motor Carrier Regulatory Law of  
2618 1938 to the Department of Public Safety on July 1, 2004. The  
2619 transfer of personnel shall be commensurate with the number and  
2620 classification of positions allocated to that law enforcement.  
2621 The transfer also shall include direct support, clerical, data  
2622 processing and communications positions allocated to that law  
2623 enforcement.

2624 (3) The Mississippi Department of Transportation, the Public  
2625 Service Commission and the Department of Public Safety shall  
2626 comply with Sections 5-11-1 through 5-11-5 in the transfer of the  
2627 law enforcement personnel.

2628           (4) The Mississippi Department of Transportation and the  
2629 Public Service Commission shall transfer to the Department of  
2630 Public Safety each year the amount of funds necessary to support  
2631 the law enforcement functions being performed for those agencies  
2632 by the Department of Public Safety, as specified in the  
2633 appropriation bills for the Mississippi Department of  
2634 Transportation and the Public Service Commission.

2635           (5) Any reference in any statute, rule or regulation to law  
2636 enforcement duties being performed by the Mississippi Department  
2637 of Transportation or the Public Service Commission shall be  
2638 construed to mean law enforcement duties being performed for those  
2639 agencies by the Department of Public Safety.

2640           **SECTION 40.** Section 65-1-131, Mississippi Code of 1972, is  
2641 amended as follows:

2642           65-1-131. (1) The Department of Public Safety may appoint  
2643 and commission qualified persons as law enforcement officers to  
2644 enforce the laws, rules and regulations of the Mississippi  
2645 Department of Transportation. Any such law enforcement officer so  
2646 appointed shall be a full-time employee of the \* \* \* Department of  
2647 Public Safety and shall not be employed by any privately owned  
2648 guard or security service, and shall at all times be answerable  
2649 and responsible to the Department of Public Safety.

2650           (2) A law enforcement officer appointed and commissioned as  
2651 provided in subsection (1) of this section shall, before entering  
2652 upon his duties as such officer, take the oath of office  
2653 prescribed by Section 268, Mississippi Constitution of 1890, which  
2654 shall be endorsed upon his commission. The commission, with the  
2655 oath endorsed upon it, shall be entered in the official minute  
2656 book of the Department of Public Safety.

2657           (3) A law enforcement officer appointed and commissioned  
2658 pursuant to the provisions of subsection (1) of this section,  
2659 shall, while engaged in the performance of his duties, carry on  
2660 his person a badge identifying him as a law enforcement officer of

2661 the Department of Public Safety and an identification card issued  
2662 by the Department of Public Safety. When in uniform, each such  
2663 law enforcement officer shall wear his badge in plain view.

2664 (4) A law enforcement officer appointed and commissioned  
2665 under subsection (1) of this section may exercise the same powers  
2666 of arrest and the right to bear firearms that may be exercised by  
2667 any state, municipal or other police officer in this state, but  
2668 only with respect to violations of law which are committed on or  
2669 within buildings, property or facilities owned by or under the  
2670 jurisdiction of the Transportation Commission or the  
2671 Transportation Department. Any right granted under this  
2672 subsection in no way relieves the requirements of appropriate  
2673 affidavit and warrant for arrest from the appropriate jurisdiction  
2674 and authority pursuant to the laws of this state.

2675 (5) On behalf of each person who is employed as a law  
2676 enforcement officer under subsection (1) of this section and who  
2677 is trained as a law enforcement officer at the Mississippi Law  
2678 Enforcement Officers' Training Academy, the Department of Public  
2679 Safety shall be required to pay to the academy at least an amount  
2680 equal to the per student cost of operation of the academy as  
2681 tuition.

2682 **SECTION 41.** Section 77-1-21, Mississippi Code of 1972, is  
2683 amended as follows:

2684 77-1-21. For the purpose of enforcing the provisions of the  
2685 Mississippi Motor Carrier Regulatory Law of 1938, the Department  
2686 of Public Safety is \* \* \* authorized to employ, in addition to  
2687 personnel already employed by the department, one (1) chief  
2688 enforcement officer and twenty-one (21) inspectors, who shall be  
2689 under the management of the department. The chief enforcement  
2690 officer and the inspectors shall devote their full time to the  
2691 performance of their duties and shall take an oath faithfully to  
2692 perform the duties of their position. The department shall  
2693 require bonds to be carried on such employees as the department

2694 may deem necessary, the cost thereof to be paid by the department.  
2695 The chief enforcement officer and inspectors shall be qualified by  
2696 experience and training in law enforcement or investigative work,  
2697 and shall attend and satisfactorily complete an appropriate course  
2698 of instruction established by the Commissioner of Public Safety at  
2699 the Law Enforcement Officers Training Academy. The chief  
2700 enforcement officer and the inspectors \* \* \* referred to in this  
2701 section shall be selected after an examination as to physical and  
2702 mental fitness. Such employees shall be citizens of the United  
2703 States and the State of Mississippi, and of good moral character.  
2704 All such members of staff shall be appointed by the Department of  
2705 Public Safety and shall be subject to removal at any time by the  
2706 department.

2707         **SECTION 42.** Section 41-29-107, Mississippi Code of 1972, is  
2708 amended as follows:

2709         41-29-107. There is \* \* \* created the Bureau of Narcotics  
2710 within, and under the supervision of, the \* \* \* Department of  
2711 Public Safety. The \* \* \* bureau shall have as chief  
2712 administrative officer a director who shall be appointed by the  
2713 Commissioner of Public Safety. The director is empowered to  
2714 employ or appoint necessary agents. The \* \* \* director may also  
2715 employ such secretarial, clerical and administrative personnel,  
2716 including a duly licensed attorney, as necessary for the operation  
2717 of the bureau, and shall have such quarters, equipment and  
2718 facilities as needed. The salary and qualifications of the  
2719 attorney authorized by this section shall be fixed by the  
2720 director, but the salary shall not exceed the salary authorized  
2721 for an assistant attorney general who performs similar duties.

2722         The director and agents so appointed shall be citizens of the  
2723 United States and of the State of Mississippi, and of good moral  
2724 character. The agents shall be not less than twenty-one (21) nor  
2725 shall have attained the age of thirty-six (36) years of age at the  
2726 time of such appointment. In addition thereto, those appointed



2727 shall have satisfactorily completed at least two (2) years of  
2728 college studies. However, two (2) years of satisfactory service  
2729 as a law enforcement officer and the completion of the prescribed  
2730 course of study at a school operated by the Bureau of Narcotics  
2731 and Dangerous Drugs, United States Justice Department, shall  
2732 satisfy one (1) year of such college studies, and four (4) years  
2733 of satisfactory service as a law enforcement officer and the  
2734 completion of the prescribed course of study at such federal  
2735 bureau school as stated heretofore shall fully satisfy the two (2)  
2736 years of college requirement. The director shall also be required  
2737 to complete a prescribed course of study at a school operated by  
2738 the Bureau of Narcotics and Dangerous Drugs, United States Justice  
2739 Department.

2740       During the period of the first twelve (12) months after  
2741 appointment, any employee of the bureau shall be subject to  
2742 dismissal at the will of the director. After twelve (12) months'  
2743 service, no employee of the bureau shall be subject to dismissal  
2744 unless charges have been filed with the director, showing cause  
2745 for dismissal of the employee of the bureau. A date shall be set  
2746 for hearing before the director and the employee notified in  
2747 writing of the date of such hearing and of the charges filed. The  
2748 hearing shall be held not less than ten (10) days after  
2749 notification to the employee. After the hearing, at which the  
2750 employee shall be entitled to legal counsel, a written order of  
2751 the director shall be necessary for dismissal and the decision  
2752 shall be final. Any such order of the director shall be a public  
2753 record and subject to inspection as such.

2754       The Commissioner of Public Safety may assign members of the  
2755 Mississippi Highway Safety Patrol, regardless of age, to the  
2756 bureau at the request of the director of the bureau; however, when  
2757 any highway patrolman or other employee, agent or official of the  
2758 Mississippi Department of Public Safety is assigned to duty with,  
2759 or is employed by, the bureau, he shall not be subject to

2760 assignment or transfer to any other bureau or department within  
2761 the Mississippi Department of Public Safety except by the  
2762 director. Any highway patrolman assigned to duty with the bureau  
2763 shall retain his status as a highway patrolman, but shall be under  
2764 the supervision of the director. For purposes of seniority within  
2765 the Highway Safety Patrol and for purposes of retirement under the  
2766 Mississippi Highway Safety Patrol Retirement System, highway  
2767 patrolmen assigned to the bureau will be credited as if performing  
2768 duty with the Highway Safety Patrol.

2769 The director may enter into contracts or agreements with the  
2770 State Board of Health for purposes of recruitment and screening of  
2771 applicants through the merit system.

2772 The director may enter into agreements with bureaus or  
2773 departments of other states or of the United States for the  
2774 exchange or temporary assignment of agents for special undercover  
2775 assignments and for performance of specific duties.

2776 The director is \* \* \* authorized to assign agents of the  
2777 bureau to such duty and to request and accept agents from such  
2778 other bureaus or departments for such duty.

2779 **SECTION 43.** Section 1, Chapter 520, Laws of 1972, which  
2780 provides that funds appropriated to the Bureau of Narcotics shall  
2781 be kept separate from the funds of the Department of Public  
2782 Safety, is repealed.

2783 **PART 8 - GAMING**

2784 **SECTION 44.** Section 75-76-129, Mississippi Code of 1972, is  
2785 amended as follows:

2786 **[Through June 30, 2022, this section shall read as follows:]**

2787 75-76-129. On or before the last day of each month all  
2788 taxes, fees, interest, penalties, damages, fines or other monies  
2789 collected by the State Tax Commission during that month under the  
2790 provisions of this chapter, with the exception of (a) the local  
2791 government fees imposed under Section 75-76-195, and (b) an amount  
2792 equal to Three Million Dollars (\$3,000,000.00) of the revenue

2793 collected pursuant to the fee imposed under Section  
2794 75-76-177(1)(c), or an amount equal to twenty-five percent (25%)  
2795 of the revenue collected pursuant to the fee imposed under Section  
2796 75-76-177(1)(c), whichever is the greater amount, shall be paid by  
2797 the State Tax Commission to the State Treasurer to be deposited in  
2798 the State General Fund. The local government fees shall be  
2799 distributed by the State Tax Commission pursuant to Section  
2800 75-76-197. An amount equal to Three Million Dollars  
2801 (\$3,000,000.00) of the revenue collected during that month  
2802 pursuant to the fee imposed under Section 75-76-177(1)(c) shall be  
2803 deposited by the State Tax Commission into the bond sinking fund  
2804 created in Section 65-39-3. The revenue collected during that  
2805 month pursuant to the fee imposed under Section 75-76-177(1)(c)  
2806 that is in excess of Three Million Dollars (\$3,000,000.00), but is  
2807 less than twenty-five percent (25%) of the amount of revenue  
2808 collected during that month, shall be distributed as follows:

2809 (a) Twenty-five Thousand Dollars (\$25,000.00) shall be  
2810 deposited each month into a special fund that is created in the  
2811 State Treasury. Monies in the special fund may be expended, upon  
2812 appropriation by the Legislature, to assist counties in  
2813 eradicating or controlling beaver populations. Monies in the fund  
2814 at the end of a fiscal year shall not lapse into the General Fund  
2815 and interest earned on any amounts in the fund shall be credited  
2816 to the special fund.

2817 (b) The amount each month that exceeds Twenty-five  
2818 Thousand Dollars (\$25,000.00) but which is less than One Million  
2819 Six Hundred Sixty-six Thousand Six Hundred Sixty-six Dollars  
2820 (\$1,666,666.00), shall be deposited into the Local System Bridge  
2821 Replacement and Rehabilitation Fund created under Section  
2822 65-37-13.

2823 (c) The amount each month that exceeds One Million Six  
2824 Hundred Sixty-six Thousand Six Hundred Sixty-six Dollars

2825 (\$1,666,666.00) shall be deposited into the Local System Road Fund  
2826 created under Section 65-18-9.

2827 **[From and after July 1, 2022, this section shall read as**  
2828 **follows:]**

2829 75-76-129. On or before the last day of each month, all  
2830 taxes, fees, interest, penalties, damages, fines or other monies  
2831 collected by the State Tax Commission during that month under the  
2832 provisions of this chapter, with the exception of the local  
2833 government fees imposed under Section 75-76-195, shall be paid by  
2834 the State Tax Commission to the State Treasurer to be deposited in  
2835 the State General Fund. The local government fees shall be  
2836 distributed by the State Tax Commission pursuant to Section  
2837 75-76-197.

2838 **SECTION 45.** Section 65-37-13, Mississippi Code of 1972, is  
2839 amended as follows:

2840 65-37-13. (1) There is created in the State Treasury a  
2841 special fund to be designated as the "Local System Bridge  
2842 Replacement and Rehabilitation Fund." The fund shall consist of  
2843 the monies directed to be deposited into the fund under Section  
2844 75-76-129 and such other monies as the Legislature may designate  
2845 for deposit into the fund. Monies in the fund may be expended  
2846 upon legislative appropriation in accordance with the provisions  
2847 of Sections 65-37-1 through 65-37-15.

2848 \* \* \*

2849 (2) Such monies as are deposited in the fund under the  
2850 provisions of this section may be expended upon requisition  
2851 therefor by the State Aid Engineer in accordance with the  
2852 provisions of Sections 65-37-1 through 65-37-15. The Office of  
2853 State Aid Road Construction shall be entitled to reimbursement  
2854 from monies in the fund, upon requisitions therefor by the State  
2855 Aid Engineer, for the actual expenses incurred by the office in  
2856 administering the provisions of the local system bridge  
2857 replacement and rehabilitation program. Unexpended amounts

2858 remaining in the fund at the end of a fiscal year shall not lapse  
2859 into the State General Fund, and any interest earned on amounts in  
2860 the fund shall be deposited to the credit of the fund.

2861       (3) Monies in the Local System Bridge Replacement and  
2862 Rehabilitation Fund shall be allocated and become available for  
2863 distribution to counties in accordance with the formula prescribed  
2864 in Section 65-37-4 beginning January 1, 1995, on a  
2865 project-by-project basis. Monies in the Local System Bridge  
2866 Replacement and Rehabilitation Fund may not be used or expended  
2867 for any purpose except as authorized under Sections 65-37-1  
2868 through 65-37-15.

2869       (4) Monies in the Local System Bridge Replacement and  
2870 Rehabilitation Fund may be credited to a county in advance of the  
2871 normal accrual to finance certain projects, subject to the  
2872 approval of the State Aid Engineer and subject further to the  
2873 following limitations:

2874           (a) That the maximum amount of such monies that may be  
2875 advanced to any county shall not exceed ninety percent (90%) of  
2876 the funds estimated to accrue to such county during the remainder  
2877 of the term of office of the board of supervisors of such county;

2878           (b) That no advance credit of funds will be made to any  
2879 county when the unobligated balance in the Local System Bridge  
2880 Replacement and Rehabilitation Fund is less than One Million  
2881 Dollars (\$1,000,000.00); and

2882           (c) That such advance crediting of funds be effected by  
2883 the State Aid Engineer at the time of the approval of the plans  
2884 and specifications for the proposed projects.

2885       It is the intent of this provision to utilize to the fullest  
2886 practicable extent the balance of monies in the Local System  
2887 Bridge Replacement and Rehabilitation Fund on hand at all times.

2888       **SECTION 46.** Section 65-18-9, Mississippi Code of 1972, is  
2889 amended as follows:

2890           65-18-9. (1) The State Aid Engineer shall allocate annually  
2891 the amount of the state aid road allocation of a county that is  
2892 requested by such county for use in the construction,  
2893 reconstruction and paving of local system roads in the county if  
2894 the county has met the requirements of this chapter; provided,  
2895 however, that the State Aid Engineer shall not allocate more than  
2896 twenty-five percent (25%) of the annual state aid road allocation  
2897 of a county for such purposes.

2898           (2) The State Aid Engineer shall allocate annually the  
2899 amount of the Local System Bridge Replacement and Rehabilitation  
2900 Program allocation of a county that is requested by such county  
2901 for use in the construction, reconstruction and paving of local  
2902 system roads in the county if:

2903           (a) The State Aid Engineer has certified, pursuant to  
2904 Section 65-37-7, that all the local system bridges within the  
2905 county have a sufficiency rating of greater than fifty (50) or  
2906 that all such bridges within the county with a sufficiency rating  
2907 of fifty (50) or less are currently under contract for replacement  
2908 or rehabilitation; and

2909           (b) The county has met the requirements of this  
2910 chapter.

2911           (3) There is created in the State Treasury a special fund to  
2912 be designated as the "Local System Road Fund." The fund shall  
2913 consist of the monies directed to be deposited into the fund under  
2914 Section 75-76-129 and such other monies as the Legislature may  
2915 designate for deposit into the fund. The State Aid Engineer shall  
2916 allocate annually to each county monies in the fund according to  
2917 state aid road formula under Section 27-65-75(4). Monies  
2918 allocated to a county under this subsection may be used by a  
2919 county in the construction, reconstruction and paving of local  
2920 system roads in the county if the county meets the requirements of  
2921 this chapter.

2922        (4) The State Aid Engineer shall establish specific designs  
2923 and standards to be followed by such counties in the construction,  
2924 reconstruction and paving of local system roads. The specific  
2925 designs and standards shall be based upon policies on geometric  
2926 design of local rural roads, highways and streets adopted and  
2927 published by the American Association of State Highway and  
2928 Transportation Officials.

2929        **SECTION 47.** Section 65-18-11, Mississippi Code of 1972, is  
2930 amended as follows:

2931        65-18-11. (1) In order for a county to be eligible to  
2932 utilize its Local System Bridge Replacement and Rehabilitation  
2933 Program allocation, any of its state aid road funds, or any of the  
2934 monies allocated to it from the Local System Road Fund, for the  
2935 Local System Road Program, a county must meet the following  
2936 conditions:

2937        (a) The county has employed a county engineer, together  
2938 with such other technical assistance as is necessary to carry out  
2939 the duties of this chapter, the same as provided under the  
2940 provisions of Section 65-9-15, for its state aid road system and,  
2941 through its official minutes, has authorized the county engineer  
2942 to perform the necessary engineering services connected with the  
2943 Local System Road Program. The county engineer shall prepare the  
2944 necessary plans and designs for all construction projects,  
2945 including state aid projects and projects provided under this  
2946 chapter. He also shall provide engineering supervision for the  
2947 construction of such projects and shall approve all estimate  
2948 payments made on the projects. Engineering cost for any project  
2949 performed under the Local System Road Program may be paid from any  
2950 funds allocated to a county under the program; however, the  
2951 maximum fee paid to an engineer shall not exceed twelve percent  
2952 (12%) of the final construction cost. No such cost shall be  
2953 reimbursed to the county before the letting of the project; and

2954           (b) The county has presented a plan for the  
2955 construction, reconstruction and paving of a local system road  
2956 which plan has been made and approved by the county engineer of  
2957 the county, showing the specific road or project to be improved,  
2958 stating the condition of the existing roadbed, drainage and  
2959 bridges and outlining the type of construction or reconstruction  
2960 to be made and the designs and specifications therefor, including  
2961 the paving of the road and the sources of revenue to be used and  
2962 the sources and types of material to be used thereon. The plan  
2963 shall be presented to the State Aid Engineer for the initial  
2964 approval of the beginning of a project to receive monies.

2965           (2) After the initial approval of the plan and plans as  
2966 specified in subsection (1)(b) of this section has been made by  
2967 the State Aid Engineer, the county shall be eligible to receive  
2968 all funds made available to the county under the Local System Road  
2969 Program to be used exclusively for the construction,  
2970 reconstruction or paving of the local system road. The project  
2971 may be done either by contract or by using county equipment and  
2972 employees. It shall be according to the original plan or any  
2973 amendments thereto which have been approved by the State Aid  
2974 Engineer. The board may use county equipment and employees if the  
2975 construction can be accomplished at a more reasonable cost than  
2976 can be achieved by contract.

2977           **SECTION 48.** Section 75-76-193, Mississippi Code of 1972, is  
2978 amended as follows:

2979           75-76-193. (1) In calculating gross revenue, any prizes,  
2980 premiums, drawings, benefits or tickets which are redeemable for  
2981 money or merchandise or other promotional allowance, except money  
2982 or tokens paid at face value directly to a patron as the result of  
2983 a specific wager and the amount the cash paid to purchase an  
2984 annuity to fund winnings paid to that patron over several years by  
2985 an independent financial institution, must not be deducted as  
2986 losses from winnings at any game except a slot machine.



2987 (2) In calculating gross revenue from slot machines, the  
2988 actual cost to the licensee of any personal property distributed  
2989 to a patron as the result of a legitimate wager may be deducted as  
2990 a loss, but not travel expenses, food, refreshments, lodging or  
2991 services.

2992 (3) In calculating gross revenue from any game, including,  
2993 but not limited to, a slot machine, the payments of cash and/or  
2994 the transfers of any other thing or things of value to patrons  
2995 based on the result of the game shall not be deducted as losses  
2996 paid to patrons where the type of item used or risked by the  
2997 patron to participate in the game, including, but not limited to,  
2998 a chip, token, point or credit, would not be considered revenue to  
2999 the licensee if the patron lost in the game. Those transactions  
3000 where the item used or risked by the patron is not included in the  
3001 computation of gross revenue of the licensee shall not constitute  
3002 a wager. The licensee shall maintain detailed records to identify  
3003 whether the payments of cash and/or transfers of things of value  
3004 to patrons are the result of a wager or a nonwager event.

3005 **PART 9 - EDUCATION**

3006 **SECTION 49.** Section 37-9-24, Mississippi Code of 1972, is  
3007 brought forward as follows:

3008 37-9-24. (1) Except as otherwise provided in this section,  
3009 no school district shall contract with any licensed personnel for  
3010 a number of employment days which shall be less than one hundred  
3011 eighty-five (185).

3012 Beginning with the 1994-1995 school year, no school district  
3013 shall contract with any licensed personnel for less than one  
3014 hundred eighty-seven (187) employment days.

3015 (2) Licensed personnel may be employed for less than a full  
3016 school year if the contract states the exact period of time for  
3017 which the licensed person is to be employed.

3018 **SECTION 50.** Section 37-13-63, Mississippi Code of 1972, is  
3019 brought forward as follows:



3053	AAAA.....	\$ 26,290.00
3054	AAA.....	25,440.00
3055	AA.....	24,590.00
3056	A.....	23,540.00

**25 or More Years of Teaching Experience**

3058	AAAA.....	\$ 27,790.00
3059	AAA.....	26,940.00
3060	AA.....	26,090.00
3061	A.....	25,040.00

**2002-2003 School Year**

**Less Than 25 Years of Teaching Experience**

3064	AAAA.....	\$ 27,850.00
3065	AAA.....	27,000.00
3066	AA.....	26,150.00
3067	A.....	24,700.00

**25 or More Years of Teaching Experience**

3069	AAAA.....	\$ 29,850.00
3070	AAA.....	29,000.00
3071	AA.....	28,150.00
3072	A.....	26,700.00

3073 For each one percent (1%) that the Sine Die General Fund  
3074 Revenue Estimate Growth exceeds five percent (5%) for fiscal year  
3075 2003, as certified by the Legislative Budget Office to the State  
3076 Board of Education and subject to specific appropriation therefor  
3077 by the Legislature, the State Board of Education shall revise the  
3078 salary scale to provide an additional one percent (1%) across the  
3079 board increase in the base salaries for each type of license.

**2003-2004 School Year**

**Less Than 25 Years of Teaching Experience**

3082	AAAA.....	\$ 29,550.00
3083	AAA.....	28,700.00
3084	AA.....	27,850.00
3085	A.....	26,000.00

3086	<b>25 or More Years of Teaching Experience</b>	
3087	AAAA.....	\$ 31,550.00
3088	AAA.....	30,700.00
3089	AA.....	29,850.00
3090	A.....	28,000.00

3091 The State Board of Education shall revise the salary scale  
3092 prescribed above for the 2003-2004 school year to conform to any  
3093 adjustments made to the salary scale in the prior fiscal year due  
3094 to revenue growth over and above five percent (5%). For each one  
3095 percent (1%) that the Sine Die General Fund Revenue Estimate  
3096 Growth exceeds five percent (5%) for fiscal year 2004, as  
3097 certified by the Legislative Budget Office to the State Board of  
3098 Education and subject to specific appropriation therefor by the  
3099 Legislature, the State Board of Education shall revise the salary  
3100 scale to provide an additional one percent (1%) across the board  
3101 increase in the base salaries for each type of license.

3102 style="text-align: center;">**2004-2005 School Year**

3103	<b>Less Than 25 Years of Teaching Experience</b>	
3104	AAAA.....	\$ 31,775.00
3105	AAA.....	30,850.00
3106	AA.....	29,925.00
3107	A.....	28,000.00

3108	<b>25 or More Years of Teaching Experience</b>	
3109	AAAA.....	\$ 33,775.00
3110	AAA.....	32,850.00
3111	AA.....	31,925.00
3112	A.....	30,000.00

3113 The State Board of Education shall revise the salary scale  
3114 prescribed above for the 2004-2005 school year to conform to any  
3115 adjustments made to the salary scale in prior fiscal years due to  
3116 revenue growth over and above five percent (5%). For each one  
3117 percent (1%) that the Sine Die General Fund Revenue Estimate  
3118 Growth exceeds five percent (5%) for fiscal year 2005, as

3119 certified by the Legislative Budget Office to the State Board of  
 3120 Education and subject to specific appropriation therefor by the  
 3121 Legislature, the State Board of Education shall revise the salary  
 3122 scale to provide an additional one percent (1%) across the board  
 3123 increase in the base salaries for each type of license.

3124 **2005-2006 School Year and School Years Thereafter**

3125 **Less Than 25 Years of Teaching Experience**

3126	AAAA.....	\$ 34,000.00
3127	AAA.....	33,000.00
3128	AA.....	32,000.00
3129	A.....	30,000.00

3130 **25 or More Years of Teaching Experience**

3131	AAAA.....	\$ 36,000.00
3132	AAA.....	35,000.00
3133	AA.....	34,000.00
3134	A.....	32,000.00

3135 The State Board of Education shall revise the salary scale  
 3136 prescribed above for the 2005-2006 school year to conform to any  
 3137 adjustments made to the salary scale in prior fiscal years due to  
 3138 revenue growth over and above five percent (5%). For each one  
 3139 percent (1%) that the Sine Die General Fund Revenue Estimate  
 3140 Growth exceeds five percent (5%) for fiscal year 2006, as  
 3141 certified by the Legislative Budget Office to the State Board of  
 3142 Education and subject to specific appropriation therefor by the  
 3143 Legislature, the State Board of Education shall revise the salary  
 3144 scale to provide an additional one percent (1%) across the board  
 3145 increase in the base salaries for each type of license.

3146 It is the intent of the Legislature that any state funds made  
 3147 available for salaries of licensed personnel in excess of the  
 3148 funds paid for such salaries for the 1986-1987 school year shall  
 3149 be paid to licensed personnel pursuant to a personnel appraisal  
 3150 and compensation system implemented by the State Board of  
 3151 Education. The State Board of Education shall have the authority

3152 to adopt and amend rules and regulations as are necessary to  
3153 establish, administer and maintain the system.

3154 All teachers employed on a full-time basis shall be paid a  
3155 minimum salary in accordance with the above scale. However, no  
3156 school district shall receive any funds under this section for any  
3157 school year during which the local supplement paid to any  
3158 individual teacher shall have been reduced to a sum less than that  
3159 paid to that individual teacher for performing the same duties  
3160 from local supplement during the immediately preceding school  
3161 year. The amount actually spent for the purposes of group health  
3162 and/or life insurance shall be considered as a part of the  
3163 aggregate amount of local supplement but shall not be considered a  
3164 part of the amount of individual local supplement.

3165 **2001-2002 School Year Annual Increment**

3166 For teachers holding a Class AAAA license, the minimum base  
3167 pay specified in this subsection shall be increased by the sum of  
3168 Six Hundred Sixty Dollars (\$660.00) for each year of teaching  
3169 experience possessed by the person holding such license until such  
3170 person shall have twenty-five (25) years of teaching experience.

3171 For teachers holding a Class AAA license, the minimum base  
3172 pay specified in this subsection shall be increased by the sum of  
3173 Five Hundred Ninety-five Dollars (\$595.00) for each year of  
3174 teaching experience possessed by the person holding such license  
3175 until such person shall have twenty-five (25) years of teaching  
3176 experience.

3177 For teachers holding a Class AA license, the minimum base pay  
3178 specified in this subsection shall be increased by the sum of Five  
3179 Hundred Thirty Dollars (\$530.00) for each year of teaching  
3180 experience possessed by the person holding such license until such  
3181 person shall have twenty-five (25) years of teaching experience.

3182 For teachers holding a Class A license, the minimum base pay  
3183 specified in this subsection shall be increased by the sum of Four  
3184 Hundred Thirty-five Dollars (\$435.00) for each year of teaching

3185 experience possessed by the person holding such license until such  
3186 person shall have twenty-one (21) years of teaching experience.

3187 **2002-2003 School Year Annual Increment**

3188 For teachers holding a Class AAAA license, the minimum base  
3189 pay specified in this subsection shall be increased by the sum of  
3190 Six Hundred Eighty-five Dollars (\$685.00) for each year of  
3191 teaching experience possessed by the person holding such license  
3192 until such person shall have twenty-five (25) years of teaching  
3193 experience.

3194 For teachers holding a Class AAA license, the minimum base  
3195 pay specified in this subsection shall be increased by the sum of  
3196 Six Hundred Twenty Dollars (\$620.00) for each year of teaching  
3197 experience possessed by the person holding such license until such  
3198 person shall have twenty-five (25) years of teaching experience.

3199 For teachers holding a Class AA license, the minimum base pay  
3200 specified in this subsection shall be increased by the sum of Five  
3201 Hundred Fifty-five Dollars (\$555.00) for each year of teaching  
3202 experience possessed by the person holding such license until such  
3203 person shall have twenty-five (25) years of teaching experience.

3204 For teachers holding a Class A license, the minimum base pay  
3205 specified in this subsection shall be increased by the sum of Four  
3206 Hundred Forty-five Dollars (\$445.00) for each year of teaching  
3207 experience possessed by the person holding such license until such  
3208 person shall have twenty-two (22) years of teaching experience.

3209 **2003-2004 School Year Annual Increment**

3210 For teachers holding a Class AAAA license, the minimum base  
3211 pay specified in this subsection shall be increased by the sum of  
3212 Seven Hundred Ten Dollars (\$710.00) for each year of teaching  
3213 experience possessed by the person holding such license until such  
3214 person shall have twenty-five (25) years of teaching experience.

3215 For teachers holding a Class AAA license, the minimum base  
3216 pay specified in this subsection shall be increased by the sum of  
3217 Six Hundred Forty-five Dollars (\$645.00) for each year of teaching

3218 experience possessed by the person holding such license until such  
3219 person shall have twenty-five (25) years of teaching experience.

3220 For teachers holding a Class AA license, the minimum base pay  
3221 specified in this subsection shall be increased by the sum of Five  
3222 Hundred Eighty Dollars (\$580.00) for each year of teaching  
3223 experience possessed by the person holding such license until such  
3224 person shall have twenty-five (25) years of teaching experience.

3225 For teachers holding a Class A license, the minimum base pay  
3226 specified in this subsection shall be increased by the sum of Four  
3227 Hundred Fifty-five Dollars (\$455.00) for each year of teaching  
3228 experience possessed by the person holding such license until such  
3229 person shall have twenty-three (23) years of teaching experience.

3230 **2004-2005 School Year Annual Increment**

3231 For teachers holding a Class AAAA license, the minimum base  
3232 pay specified in this subsection shall be increased by the sum of  
3233 Seven Hundred Forty Dollars (\$740.00) for each year of teaching  
3234 experience possessed by the person holding such license until such  
3235 person shall have twenty-five (25) years of teaching experience.

3236 For teachers holding a Class AAA license, the minimum base  
3237 pay specified in this subsection shall be increased by the sum of  
3238 Six Hundred Seventy-five Dollars (\$675.00) for each year of  
3239 teaching experience possessed by the person holding such license  
3240 until such person shall have twenty-five (25) years of teaching  
3241 experience.

3242 For teachers holding a Class AA license, the minimum base pay  
3243 specified in this subsection shall be increased by the sum of Six  
3244 Hundred Ten Dollars (\$610.00) for each year of teaching experience  
3245 possessed by the person holding such license until such person  
3246 shall have twenty-five (25) years of teaching experience.

3247 For teachers holding a Class A license, the minimum base pay  
3248 specified in this subsection shall be increased by the sum of Four  
3249 Hundred Sixty-five Dollars (\$465.00) for each year of teaching



3250 experience possessed by the person holding such license until such  
3251 person shall have twenty-four (24) years of teaching experience.

3252 **2005-2006 School Year**

3253 **and School Years Thereafter Annual Increments**

3254 For teachers holding a Class AAAA license, the minimum base  
3255 pay specified in this subsection shall be increased by the sum of  
3256 Seven Hundred Seventy Dollars (\$770.00) for each year of teaching  
3257 experience possessed by the person holding such license until such  
3258 person shall have twenty-five (25) years of teaching experience.

3259 For teachers holding a Class AAA license, the minimum base  
3260 pay specified in this subsection shall be increased by the sum of  
3261 Seven Hundred Five Dollars (\$705.00) for each year of teaching  
3262 experience possessed by the person holding such license until such  
3263 person shall have twenty-five (25) years of teaching experience.

3264 For teachers holding a Class AA license, the minimum base pay  
3265 specified in this subsection shall be increased by the sum of Six  
3266 Hundred Forty Dollars (\$640.00) for each year of teaching  
3267 experience possessed by the person holding such license until such  
3268 person shall have twenty-five (25) years of teaching experience.

3269 For teachers holding a Class A license, the minimum base pay  
3270 specified in this subsection shall be increased by the sum of Four  
3271 Hundred Eighty Dollars (\$480.00) for each year of teaching  
3272 experience possessed by the person holding such license until such  
3273 person shall have twenty-four (24) years of teaching experience.

3274 The level of professional training of each teacher to be used  
3275 in establishing the salary allotment for the teachers for each  
3276 year shall be determined by the type of valid teacher's license  
3277 issued to those teachers on or before October 1 of the current  
3278 school year.

3279 (2) (a) The following employees shall receive an annual  
3280 salary supplement in the amount of Six Thousand Dollars  
3281 (\$6,000.00), plus fringe benefits, in addition to any other  
3282 compensation to which the employee may be entitled:

3283                   (i) Any licensed teacher who has met the  
3284 requirements and acquired a Master Teacher certificate from the  
3285 National Board for Professional Teaching Standards and who is  
3286 employed by a local school board or the State Board of Education  
3287 as a teacher and not as an administrator. Such teacher shall  
3288 submit documentation to the State Department of Education that the  
3289 certificate was received prior to October 15 in order to be  
3290 eligible for the full salary supplement in the current school  
3291 year, or the teacher shall submit such documentation to the State  
3292 Department of Education prior to February 15 in order to be  
3293 eligible for a prorated salary supplement beginning with the  
3294 second term of the school year.

3295                   (ii) Any licensed school counselor who has met the  
3296 requirements and acquired a National Certified School Counselor  
3297 (NCSC) endorsement from the National Board of Certified Counselors  
3298 and who is employed by a local school board or the State Board of  
3299 Education as a counselor and not as an administrator. Such  
3300 licensed school counselor shall submit documentation to the State  
3301 Department of Education that the endorsement was received prior to  
3302 October 15 in order to be eligible for the full salary supplement  
3303 in the current school year, or the licensed school counselor shall  
3304 submit such documentation to the State Department of Education  
3305 prior to February 15 in order to be eligible for a prorated salary  
3306 supplement beginning with the second term of the school year.  
3307 However, the salary supplement authorized under this item shall be  
3308 discontinued two (2) years after the date on which the National  
3309 Board for Professional Teaching Standards offers a certification  
3310 process for a Master Teacher certificate for school counselors,  
3311 and any school counselor receiving the salary supplement will be  
3312 required to complete the Master Teacher certificate process under  
3313 item (i) of this paragraph in order to continue receiving such  
3314 salary supplement.

3315                   (iii) Any licensed speech-language pathologist and  
3316 audiologist who has met the requirements and acquired a  
3317 Certificate of Clinical Competence from the American  
3318 Speech-Language-Hearing Association and who is employed by a local  
3319 school board. Such licensed speech-language pathologist and  
3320 audiologist shall submit documentation to the State Department of  
3321 Education that the certificate or endorsement was received prior  
3322 to October 15 in order to be eligible for the full salary  
3323 supplement in the current school year, or the licensed  
3324 speech-language pathologist and audiologist shall submit such  
3325 documentation to the State Department of Education prior to  
3326 February 15 in order to be eligible for a prorated salary  
3327 supplement beginning with the second term of the school year.  
3328 However, the salary supplement authorized under this item shall be  
3329 discontinued two (2) years after the date on which the National  
3330 Board for Professional Teaching Standards offers a certification  
3331 process for a Master Teacher certificate for school speech  
3332 pathologists and audiologists, and any school speech pathologist  
3333 and audiologist receiving the salary supplement will be required  
3334 to complete the Master Teacher certificate process under item (i)  
3335 of this paragraph in order to continue receiving such salary  
3336 supplement.

3337                   (b) An employee shall be reimbursed one (1) time for  
3338 the actual cost of completing the process of acquiring the  
3339 certificate or endorsement, excluding any costs incurred for  
3340 postgraduate courses, not to exceed Five Hundred Dollars (\$500.00)  
3341 for a school counselor or speech-language pathologist and  
3342 audiologist, regardless of whether or not the process resulted in  
3343 the award of the certificate or endorsement. A local school  
3344 district or any private individual or entity may pay the cost of  
3345 completing the process of acquiring the certificate or endorsement  
3346 for any employee of the school district described under paragraph  
3347 (a), and the State Department of Education shall reimburse the

3348 school district for such cost, regardless of whether or not the  
3349 process resulted in the award of the certificate or endorsement.  
3350 If a private individual or entity has paid the cost of completing  
3351 the process of acquiring the certificate or endorsement for an  
3352 employee, the local school district may agree to directly  
3353 reimburse the individual or entity for such cost on behalf of the  
3354 employee.

3355 (c) All salary supplements, fringe benefits and process  
3356 reimbursement authorized under this subsection shall be paid  
3357 directly by the State Department of Education to the local school  
3358 district and shall be in addition to its minimum education program  
3359 allotments and not a part thereof in accordance with regulations  
3360 promulgated by the State Board of Education, and subject to  
3361 appropriation by the Legislature. Local school districts shall  
3362 not reduce the local supplement paid to any employee receiving  
3363 such salary supplement, and the employee shall receive any local  
3364 supplement to which employees with similar training and experience  
3365 otherwise are entitled.

3366 (d) The State Department of Education may not pay any  
3367 process reimbursement to a school district for an employee who  
3368 does not complete the certification or endorsement process  
3369 required to be eligible for the certificate or endorsement. If an  
3370 employee for whom such cost has been paid in full or in part by a  
3371 local school district or private individual or entity fails to  
3372 complete the certification or endorsement process, the employee  
3373 shall be liable to the school district or individual or entity for  
3374 all amounts paid by the school district or individual or entity on  
3375 behalf of that employee toward his or her certificate or  
3376 endorsement.

3377 **SECTION 52.** Section 37-21-7, Mississippi Code of 1972, is  
3378 brought forward as follows:

3379 37-21-7. (1) This section shall be referred to as the  
3380 "Mississippi Elementary Schools Assistant Teacher Program," the

3381 purpose of which shall be to provide an early childhood education  
3382 program that assists in the instruction of basic skills. The  
3383 State Board of Education is authorized, empowered and directed to  
3384 implement a statewide system of assistant teachers in kindergarten  
3385 classes and in the first, second and third grades. The assistant  
3386 teacher shall assist pupils in actual instruction under the strict  
3387 supervision of a licensed teacher.

3388 (2) (a) Except as otherwise authorized under subsection  
3389 (7), each school district shall employ the total number of  
3390 assistant teachers funded under subsection (6) of this section.  
3391 The superintendent of each district shall assign the assistant  
3392 teachers to the kindergarten, first-, second- and third-grade  
3393 classes in the district in a manner that will promote the maximum  
3394 efficiency, as determined by the superintendent, in the  
3395 instruction of skills such as verbal and linguistic skills,  
3396 logical and mathematical skills, and social skills.

3397 (b) If a licensed teacher to whom an assistant teacher  
3398 has been assigned is required to be absent from the classroom, the  
3399 assistant teacher may assume responsibility for the classroom in  
3400 lieu of a substitute teacher. However, no assistant teacher shall  
3401 assume sole responsibility of the classroom for more than three  
3402 (3) consecutive school days. Further, in no event shall any  
3403 assistant teacher be assigned to serve as a substitute teacher for  
3404 any teacher other than the licensed teacher to whom that assistant  
3405 teacher has been assigned.

3406 (3) Assistant teachers shall have, at a minimum, a high  
3407 school diploma or a GED equivalent, and shall show demonstratable  
3408 proficiency in reading and writing skills. The State Department  
3409 of Education shall develop a testing procedure for assistant  
3410 teacher applicants to be used in all school districts in the  
3411 state.

3412 (4) (a) In order to receive funding, each school district  
3413 shall:

3414 (i) Submit a plan on the implementation of a  
3415 reading improvement program to the State Department of Education;  
3416 and

3417 (ii) Develop a plan of educational accountability  
3418 and assessment of performance, including pretests and posttests,  
3419 for reading in Grades 1 through 6.

3420 (b) Additionally, each school district shall:

3421 (i) Provide annually a mandatory preservice  
3422 orientation session, using an existing in-school service day, for  
3423 administrators and teachers on the effective use of assistant  
3424 teachers as part of a team in the classroom setting and on the  
3425 role of assistant teachers, with emphasis on program goals;

3426 (ii) Hold periodic workshops for administrators  
3427 and teachers on the effective use and supervision of assistant  
3428 teachers;

3429 (iii) Provide training annually on specific  
3430 instructional skills for assistant teachers;

3431 (iv) Annually evaluate their program in accordance  
3432 with their educational accountability and assessment of  
3433 performance plan; and

3434 (v) Designate the necessary personnel to supervise  
3435 and report on their program.

3436 (5) The State Department of Education shall:

3437 (a) Develop and assist in the implementation of a  
3438 statewide uniform training module, subject to the availability of  
3439 funds specifically appropriated therefor by the Legislature, which  
3440 shall be used in all school districts for training administrators,  
3441 teachers and assistant teachers. The module shall provide for the  
3442 consolidated training of each assistant teacher and teacher to  
3443 whom the assistant teacher is assigned, working together as a  
3444 team, and shall require further periodical training for  
3445 administrators, teachers and assistant teachers regarding the role  
3446 of assistant teachers;

3447           (b) Annually evaluate the program on the district and  
3448 state level. Subject to the availability of funds specifically  
3449 appropriated therefor by the Legislature, the department shall  
3450 develop: (i) uniform evaluation reports, to be performed by the  
3451 principal or assistant principal, to collect data for the annual  
3452 overall program evaluation conducted by the department; or (ii) a  
3453 program evaluation model that, at a minimum, addresses process  
3454 evaluation; and

3455           (c) Promulgate rules, regulations and such other  
3456 standards deemed necessary to effectuate the purposes of this  
3457 section. Noncompliance with the provisions of this section and  
3458 any rules, regulations or standards adopted by the department may  
3459 result in a violation of compulsory accreditation standards as  
3460 established by the State Board of Education and Commission on  
3461 School Accreditation.

3462           (6) In addition to other funds allotted under the Minimum  
3463 Education or Adequate Education Program, each school district  
3464 shall be allotted sufficient funding for the purpose of employing  
3465 assistant teachers. No assistant teacher shall be paid less than  
3466 the amount he or she received in the prior school year. No school  
3467 district shall receive any funds under this section for any school  
3468 year during which the aggregate amount of the local contribution  
3469 to the salaries of assistant teachers by the district shall have  
3470 been reduced below such amount for the previous year.

3471           For the 2001-2002 school year, the minimum salary for  
3472 assistant teachers shall be Nine Thousand Three Hundred Sixty-five  
3473 Dollars (\$9,365.00).

3474           For the 2002-2003 school year, the minimum salary for  
3475 assistant teachers shall be Nine Thousand Nine Hundred Dollars  
3476 (\$9,900.00).

3477           For the 2003-2004 school year, the minimum salary for  
3478 assistant teachers shall be Ten Thousand Five Hundred Dollars  
3479 (\$10,500.00).

3480 For the 2004-2005 school year, the minimum salary for  
3481 assistant teachers shall be Eleven Thousand Two Hundred Dollars  
3482 (\$11,200.00).

3483 For the 2005-2006 school year and school years thereafter,  
3484 the minimum salary for assistant teachers shall be Twelve Thousand  
3485 Dollars (\$12,000.00).

3486 In addition, for each one percent (1%) that the Sine Die  
3487 General Fund Revenue Estimate Growth exceeds five percent (5%) in  
3488 fiscal year 2003, 2004, 2005 or 2006, as certified by the  
3489 Legislative Budget Office to the State Board of Education and  
3490 subject to the specific appropriation therefor by the Legislature,  
3491 the State Board of Education shall revise the salary scale in the  
3492 appropriate year to provide an additional one percent (1%) across  
3493 the board increase in the base salaries for assistant teachers.  
3494 The State Board of Education shall revise the salaries prescribed  
3495 above for assistant teachers to conform to any adjustments made in  
3496 prior fiscal years due to revenue growth over and above five  
3497 percent (5%). The assistant teachers shall not be restricted to  
3498 working only in the grades for which the funds were allotted, but  
3499 may be assigned to other classes as provided in subsection (2)(a)  
3500 of this section.

3501 (7) (a) As an alternative to employing assistant teachers,  
3502 any school district may use the allotment provided under  
3503 subsection (6) of this section for the purpose of employing  
3504 licensed teachers for kindergarten, first-, second- and  
3505 third-grade classes; however, no school district shall be  
3506 authorized to use the allotment for assistant teachers for the  
3507 purpose of employing licensed teachers unless the district has  
3508 established that the employment of licensed teachers using such  
3509 funds will reduce the teacher:student ratio in the kindergarten,  
3510 first-, second- and third-grade classes. All state funds for  
3511 assistant teachers shall be applied to reducing teacher:student  
3512 ratio in Grades K-3.



3513           It is the intent of the Legislature that no school district  
3514 shall dismiss any assistant teacher for the purpose of using the  
3515 assistant teacher allotment to employ licensed teachers. School  
3516 districts may rely only upon normal attrition to reduce the number  
3517 of assistant teachers employed in that district.

3518           (b) In the event any school district meets Level 4 or 5  
3519 accreditation requirements, the State Board of Education, in its  
3520 discretion, may exempt such school district from any accreditation  
3521 requirements for the district's early childhood education program  
3522 or reading improvement program.

3523           **SECTION 53.** Section 37-61-33, Mississippi Code of 1972, is  
3524 amended as follows:

3525           **[Until July 1, 2005, this section shall read as follows:]**

3526           37-61-33. (1) There is created within the State Treasury a  
3527 special fund to be designated the "Education Enhancement Fund"  
3528 into which shall be deposited all the revenues collected pursuant  
3529 to Sections 27-65-75(7) and (8) and 27-67-31(a) and (b).

3530           (2) Of the amount deposited into the Education Enhancement  
3531 Fund, Sixteen Million Dollars (\$16,000,000.00) shall be  
3532 appropriated each fiscal year to the State Department of Education  
3533 to be distributed to all school districts. Such money shall be  
3534 distributed to all school districts in the proportion that the  
3535 average daily attendance of each school district bears to the  
3536 average daily attendance of all school districts within the state  
3537 for the following purposes:

3538           (a) Purchasing, erecting, repairing, equipping,  
3539 remodeling and enlarging school buildings and related facilities,  
3540 including gymnasiums, auditoriums, lunchrooms, vocational training  
3541 buildings, libraries, teachers' homes, school barns,  
3542 transportation vehicles (which shall include new and used  
3543 transportation vehicles) and garages for transportation vehicles,  
3544 and purchasing land therefor.

3545           (b) Establishing and equipping school athletic fields  
3546 and necessary facilities connected therewith, and purchasing land  
3547 therefor.

3548           (c) Providing necessary water, light, heating, air  
3549 conditioning and sewerage facilities for school buildings, and  
3550 purchasing land therefor.

3551           (d) As a pledge to pay all or a portion of the debt  
3552 service on debt issued by the school district under Sections  
3553 37-59-1 through 37-59-45, 37-59-101 through 37-59-115, 37-7-351  
3554 through 37-7-359, 37-41-89 through 37-41-99, 37-7-301, 37-7-302  
3555 and 37-41-81, or debt issued by boards of supervisors for  
3556 agricultural high schools pursuant to Section 37-27-65, if such  
3557 pledge is accomplished pursuant to a written contract or  
3558 resolution approved and spread upon the minutes of an official  
3559 meeting of the district's school board or board of supervisors.  
3560 The annual grant to such district in any subsequent year during  
3561 the term of the resolution or contract shall not be reduced below  
3562 an amount equal to the district's grant amount for the year in  
3563 which the contract or resolution was adopted. The intent of this  
3564 provision is to allow school districts to irrevocably pledge a  
3565 certain, constant stream of revenue as security for long-term  
3566 obligations issued under the code sections enumerated in this  
3567 paragraph or as otherwise allowed by law. It is the intent of the  
3568 Legislature that the provisions of this paragraph shall be  
3569 cumulative and supplemental to any existing funding programs or  
3570 other authority conferred upon school districts or school boards.  
3571 Debt of a district secured by a pledge of sales tax revenue  
3572 pursuant to this paragraph shall not be subject to any debt  
3573 limitation contained in the foregoing enumerated code sections.

3574           (3) The remainder of the money deposited into the Education  
3575 Enhancement Fund shall be appropriated as follows:

3576           (a) To the State Department of Education as follows:

3577 (i) Sixteen and sixty-one one-hundredths percent  
3578 (16.61%) to the cost of the adequate education program determined  
3579 under Section 37-151-7; of the funds generated by the percentage  
3580 set forth in this section for the support of the adequate  
3581 education program, one and one hundred seventy-eight  
3582 one-thousandths percent (1.178%) of the funds shall be  
3583 appropriated to be used by the State Department of Education for  
3584 the purchase of textbooks to be loaned under Sections 37-43-1  
3585 through 37-43-59 to approved nonpublic schools, as described in  
3586 Section 37-43-1. The funds to be distributed to each nonpublic  
3587 school shall be in the proportion that the average daily  
3588 attendance of each nonpublic school bears to the total average  
3589 daily attendance of all nonpublic schools;

3590 (ii) Seven and ninety-seven one-hundredths percent  
3591 (7.97%) to assist the funding of transportation operations and  
3592 maintenance pursuant to Section 37-19-23; and

3593 (iii) The revenue generated from nine and  
3594 sixty-one one-hundredths percent (9.61%) that exceeds Fifteen  
3595 Million Nine Hundred Thousand Dollars (\$15,900,000.00), for  
3596 classroom supplies, instructional materials and equipment,  
3597 including computers and computer software, to be distributed to  
3598 all school districts in the proportion that the average daily  
3599 attendance of each school district bears to the average daily  
3600 attendance of all school districts within the state. Classroom  
3601 supply funds shall not be expended for administrative purposes.  
3602 Local school districts shall allocate classroom supply funds  
3603 equally among all classroom teachers in the school district. For  
3604 purposes of this subparagraph, "teacher" means any employee of the  
3605 school board of a school district who is required by law to obtain  
3606 a teacher's license from the State Department of Education and who  
3607 is assigned to an instructional area of work as defined by the  
3608 department, but shall not include a federally funded teacher. Two  
3609 (2) or more teachers may agree to pool their classroom supply

3610 funds for the benefit of a school within the district. It is the  
3611 intent of the Legislature that all classroom teachers shall be  
3612 involved in the development of a spending plan that addresses  
3613 individual classroom needs and supports the overall goals of the  
3614 school regarding supplies, instructional materials, equipment,  
3615 computers or computer software under the provisions of this  
3616 subparagraph, including the type, quantity and quality of such  
3617 supplies, materials and equipment. This plan shall be submitted  
3618 in writing to the school principal for approval. Classroom supply  
3619 funds allocated under this subparagraph shall supplement, not  
3620 replace, other local and state funds available for the same  
3621 purposes. School districts need not fully expend the funds  
3622 received under this subparagraph in the year in which they are  
3623 received, but such funds may be carried forward for expenditure in  
3624 any succeeding school year. The State Board of Education shall  
3625 develop and promulgate rules and regulations for the  
3626 administration of this subparagraph consistent with the above  
3627 criteria, with particular emphasis on allowing the individual  
3628 teachers to expend funds as they deem appropriate. The revenue  
3629 generated from the percentage under this subparagraph that does  
3630 not exceed Fifteen Million Nine Hundred Thousand Dollars  
3631 (\$15,900,000.00) shall be deposited into the Budget Contingency  
3632 Fund created under Section 27-103-301, which shall be appropriated  
3633 to the State Department of Education for the support of  
3634 educational programs authorized by law;

3635 (b) Twenty-two and nine one-hundredths percent (22.09%)  
3636 to the Board of Trustees of State Institutions of Higher Learning  
3637 for the purpose of supporting institutions of higher learning; and

3638 (c) Fourteen and forty-one one-hundredths percent  
3639 (14.41%) to the State Board for Community and Junior Colleges for  
3640 the purpose of providing support to community and junior colleges.

3641 (4) The amount remaining in the Education Enhancement Fund  
3642 after funds are distributed as provided in subsections (2) and (3)  
3643 of this section shall be disbursed as follows:

3644 (a) Twenty-five Million Dollars (\$25,000,000.00) shall  
3645 be deposited into the Working Cash-Stabilization Reserve Fund  
3646 created pursuant to Section 27-103-203(1), until the balance in  
3647 such fund reaches the maximum balance of seven and one-half  
3648 percent (7-1/2%) of the General Fund appropriations in the  
3649 appropriate fiscal year. After the maximum balance in the Working  
3650 Cash-Stabilization Reserve Fund is reached, such money shall  
3651 remain in the Education Enhancement Fund to be appropriated in the  
3652 manner provided for in paragraph (b) of this subsection.

3653 (b) The remainder shall be appropriated for other  
3654 educational needs.

3655 (5) None of the funds appropriated pursuant to subsection  
3656 (3)(a) of this section shall be used to reduce the state's General  
3657 Fund appropriation for the categories listed in an amount below  
3658 the following amounts:

3659 (a) For subsection (3)(a)(ii) of this section,  
3660 Thirty-six Million Seven Hundred Thousand Dollars  
3661 (\$36,700,000.00);

3662 (b) For the aggregate of minimum program allotments in  
3663 the 1997 fiscal year, formerly provided for in Chapter 19, Title  
3664 37, Mississippi Code of 1972, as amended, excluding those funds  
3665 for transportation as provided for in subsection (5)(a) in this  
3666 section.

3667 **[From and after July 1, 2005, this section reads as follows:]**

3668 37-61-33. (1) There is created within the State Treasury a  
3669 special fund to be designated the "Education Enhancement Fund"  
3670 into which shall be deposited all the revenues collected pursuant  
3671 to Sections 27-65-75(7) and (8) and 27-67-31(a) and (b).

3672 (2) Of the amount deposited into the Education Enhancement  
3673 Fund, Sixteen Million Dollars (\$16,000,000.00) shall be

3674 appropriated each fiscal year to the State Department of Education  
3675 to be distributed to all school districts. Such money shall be  
3676 distributed to all school districts in the proportion that the  
3677 average daily attendance of each school district bears to the  
3678 average daily attendance of all school districts within the state  
3679 for the following purposes:

3680 (a) Purchasing, erecting, repairing, equipping,  
3681 remodeling and enlarging school buildings and related facilities,  
3682 including gymnasiums, auditoriums, lunchrooms, vocational training  
3683 buildings, libraries, teachers' homes, school barns,  
3684 transportation vehicles (which shall include new and used  
3685 transportation vehicles) and garages for transportation vehicles,  
3686 and purchasing land therefor.

3687 (b) Establishing and equipping school athletic fields  
3688 and necessary facilities connected therewith, and purchasing land  
3689 therefor.

3690 (c) Providing necessary water, light, heating, air  
3691 conditioning and sewerage facilities for school buildings, and  
3692 purchasing land therefor.

3693 (d) As a pledge to pay all or a portion of the debt  
3694 service on debt issued by the school district under Sections  
3695 37-59-1 through 37-59-45, 37-59-101 through 37-59-115, 37-7-351  
3696 through 37-7-359, 37-41-89 through 37-41-99, 37-7-301, 37-7-302  
3697 and 37-41-81, or debt issued by boards of supervisors for  
3698 agricultural high schools pursuant to Section 37-27-65, if such  
3699 pledge is accomplished pursuant to a written contract or  
3700 resolution approved and spread upon the minutes of an official  
3701 meeting of the district's school board or board of supervisors.  
3702 The annual grant to such district in any subsequent year during  
3703 the term of the resolution or contract shall not be reduced below  
3704 an amount equal to the district's grant amount for the year in  
3705 which the contract or resolution was adopted. The intent of this  
3706 provision is to allow school districts to irrevocably pledge a

3707 certain, constant stream of revenue as security for long-term  
3708 obligations issued under the code sections enumerated in this  
3709 paragraph or as otherwise allowed by law. It is the intent of the  
3710 Legislature that the provisions of this paragraph shall be  
3711 cumulative and supplemental to any existing funding programs or  
3712 other authority conferred upon school districts or school boards.  
3713 Debt of a district secured by a pledge of sales tax revenue  
3714 pursuant to this paragraph shall not be subject to any debt  
3715 limitation contained in the foregoing enumerated code sections.

3716 (3) The remainder of the money deposited into the Education  
3717 Enhancement Fund shall be appropriated as follows:

3718 (a) To the State Department of Education as follows:

3719 (i) Sixteen and sixty-one one-hundredths percent  
3720 (16.61%) to the cost of the adequate education program determined  
3721 under Section 37-151-7; of the funds generated by the percentage  
3722 set forth in this section for the support of the adequate  
3723 education program, one and one hundred seventy-eight  
3724 one-thousandths percent (1.178%) of the funds shall be  
3725 appropriated to be used by the State Department of Education for  
3726 the purchase of textbooks to be loaned under Sections 37-43-1  
3727 through 37-43-59 to approved nonpublic schools, as described in  
3728 Section 37-43-1. The funds to be distributed to each nonpublic  
3729 school shall be in the proportion that the average daily  
3730 attendance of each nonpublic school bears to the total average  
3731 daily attendance of all nonpublic schools;

3732 (ii) Seven and ninety-seven one-hundredths percent  
3733 (7.97%) to assist the funding of transportation operations and  
3734 maintenance pursuant to Section 37-19-23; and

3735 (iii) Nine and sixty-one one-hundredths percent  
3736 (9.61%) for classroom supplies, instructional materials and  
3737 equipment, including computers and computer software, to be  
3738 distributed to all school districts in the proportion that the  
3739 average daily attendance of each school district bears to the

3740 average daily attendance of all school districts within the state.  
3741 Classroom supply funds shall not be expended for administrative  
3742 purposes. Local school districts shall allocate classroom supply  
3743 funds equally among all classroom teachers in the school district.  
3744 For purposes of this subparagraph, "teacher" means any employee of  
3745 the school board of a school district who is required by law to  
3746 obtain a teacher's license from the State Department of Education  
3747 and who is assigned to an instructional area of work as defined by  
3748 the department, but shall not include a federally funded teacher.  
3749 Two (2) or more teachers may agree to pool their classroom supply  
3750 funds for the benefit of a school within the district. It is the  
3751 intent of the Legislature that all classroom teachers shall be  
3752 involved in the development of a spending plan that addresses  
3753 individual classroom needs and supports the overall goals of the  
3754 school regarding supplies, instructional materials, equipment,  
3755 computers or computer software under the provisions of this  
3756 subparagraph, including the type, quantity and quality of such  
3757 supplies, materials and equipment. This plan shall be submitted  
3758 in writing to the school principal for approval. Classroom supply  
3759 funds allocated under this subparagraph shall supplement, not  
3760 replace, other local and state funds available for the same  
3761 purposes. School districts need not fully expend the funds  
3762 received under this subparagraph in the year in which they are  
3763 received, but such funds may be carried forward for expenditure in  
3764 any succeeding school year. The State Board of Education shall  
3765 develop and promulgate rules and regulations for the  
3766 administration of this subparagraph consistent with the above  
3767 criteria, with particular emphasis on allowing the individual  
3768 teachers to expend funds as they deem appropriate;

3769 (b) Twenty-two and nine one-hundredths percent (22.09%)  
3770 to the Board of Trustees of State Institutions of Higher Learning  
3771 for the purpose of supporting institutions of higher learning; and



3772 (c) Fourteen and forty-one one-hundredths percent  
3773 (14.41%) to the State Board for Community and Junior Colleges for  
3774 the purpose of providing support to community and junior colleges.

3775 (4) The amount remaining in the Education Enhancement Fund  
3776 after funds are distributed as provided in subsections (2) and (3)  
3777 of this section shall be disbursed as follows:

3778 (a) Twenty-five Million Dollars (\$25,000,000.00) shall  
3779 be deposited into the Working Cash-Stabilization Reserve Fund  
3780 created pursuant to Section 27-103-203(1), until the balance in  
3781 such fund reaches the maximum balance of seven and one-half  
3782 percent (7-1/2%) of the General Fund appropriations in the  
3783 appropriate fiscal year. After the maximum balance in the Working  
3784 Cash-Stabilization Reserve Fund is reached, such money shall  
3785 remain in the Education Enhancement Fund to be appropriated in the  
3786 manner provided for in paragraph (b) of this subsection.

3787 (b) The remainder shall be appropriated for other  
3788 educational needs.

3789 (5) None of the funds appropriated pursuant to subsection  
3790 (3)(a) of this section shall be used to reduce the state's General  
3791 Fund appropriation for the categories listed in an amount below  
3792 the following amounts:

3793 (a) For subsection (3)(a)(ii) of this section,  
3794 Thirty-six Million Seven Hundred Thousand Dollars  
3795 (\$36,700,000.00);

3796 (b) For the aggregate of minimum program allotments in  
3797 the 1997 fiscal year, formerly provided for in Chapter 19, Title  
3798 37, Mississippi Code of 1972, as amended, excluding those funds  
3799 for transportation as provided for in subsection (5)(a) in this  
3800 section.

3801 **PART 10 - CORRECTIONS**

3802 **SECTION 54.** The Commissioner of Corrections is authorized to  
3803 transfer terminally ill offenders to the Community Corrections  
3804 Division of the Mississippi Department of Corrections when the

3805 medical director for the department has reviewed and investigated  
3806 cases where offenders have been diagnosed with a serious illness.  
3807 If the medical director certifies to the Commissioner of  
3808 Corrections that an offender is suffering from a terminal illness,  
3809 the Commissioner may release the offender and direct that the  
3810 Division of Community Corrections shall supervise the offender for  
3811 the remainder of his or her sentence. The offender shall be under  
3812 the full and complete jurisdiction of the department and subject  
3813 to being returned and placed in the actual custody of the  
3814 department by the classification committee for violating an order  
3815 or condition of the terminally ill offender's release. For  
3816 purposes of this section, "terminally ill" means a medical  
3817 prognosis of limited expected survival, of one (1) year or less  
3818 of an offender who is experiencing an illness for which  
3819 therapeutic strategies directed toward cure and control of the  
3820 disease alone outside the context of symptom control are no longer  
3821 appropriate.

3822       **SECTION 55.** Section 47-5-20, Mississippi Code of 1972, is  
3823 amended as follows:

3824       47-5-20. In addition to the powers and duties enumerated in  
3825 Section 47-5-28, the commissioner shall have the following powers  
3826 and duties:

- 3827           (a) To establish the general policy of the department;
- 3828           (b) To approve proposals for the location of new  
3829 facilities, for major renovation activities, and for the creation  
3830 of new programs and divisions within the department as well as for  
3831 the abolition of the same; provided, however, that the  
3832 commissioner shall approve the location of no new facility unless  
3833 the board of supervisors of the county or the governing  
3834 authorities of the municipality in which the new facility is to be  
3835 located shall have had the opportunity with at least sixty (60)  
3836 days' prior notice to disapprove the location of the proposed  
3837 facility. If either the board of supervisors or the governing

3838 authorities shall disapprove the facility, it shall not be located  
3839 in that county or municipality. Said notice shall be made by  
3840 certified mail, return receipt requested, to the members of the  
3841 board or governing authorities and to the clerk thereof;

3842 (c) Except as otherwise provided or required by law, to  
3843 open bids and approve the sale of any products or manufactured  
3844 goods by the department according to applicable provisions of law  
3845 regarding bidding and sale of state property, and according to  
3846 rules and regulations established by the State Fiscal Management  
3847 Board; \* \* \*

3848 (d) To adopt administrative rules and regulations  
3849 including, but not limited to, offender transfer procedures, award  
3850 of administrative earned time, personnel procedures, employment  
3851 practices; and

3852 (e) To authorize the transfer of terminally ill  
3853 offenders to the Community Corrections Division of the Mississippi  
3854 Department of Corrections.

3855 **SECTION 56.** Section 47-5-28, Mississippi Code of 1972, is  
3856 amended as follows:

3857 47-5-28. In addition to the powers and duties enumerated in  
3858 Section 47-5-20, the commissioner shall have the following powers  
3859 and duties:

3860 (a) To implement and administer laws and policy  
3861 relating to corrections and coordinate the efforts of the  
3862 department with those of the federal government and other state  
3863 departments and agencies, county governments, municipal  
3864 governments, and private agencies concerned with providing  
3865 offender services;

3866 (b) To establish standards, in cooperation with other  
3867 state agencies having responsibility as provided by law, provide  
3868 technical assistance, and exercise the requisite supervision as it  
3869 relates to correctional programs over all state-supported adult  
3870 correctional facilities and community-based programs;

3871 (c) To promulgate and publish such rules, regulations  
3872 and policies of the department as are needed for the efficient  
3873 government and maintenance of all facilities and programs in  
3874 accord insofar as possible with currently accepted standards of  
3875 adult offender care and treatment;

3876 (d) To provide the Parole Board with suitable and  
3877 sufficient office space and support resources and staff necessary  
3878 to conducting Parole Board business under the guidance of the  
3879 Chairman of the Parole Board;

3880 (e) To make an annual report to the Governor and the  
3881 Legislature reflecting the activities of the department and make  
3882 recommendations for improvement of the services to be performed by  
3883 the department;

3884 (f) To cooperate fully with periodic independent  
3885 internal investigations of the department and to file the report  
3886 with the Governor and the Legislature;

3887 (g) To perform such other duties necessary to  
3888 effectively and efficiently carry out the purposes of the  
3889 department as may be directed by the Governor;

3890 (h) To authorize the transfer of terminally ill  
3891 offenders to the Community Corrections Division of the Mississippi  
3892 Department of Corrections.

3893 **SECTION 57.** The provisions of Section 54 shall be codified  
3894 in Chapter 5, Title 47, Mississippi Code of 1972.

3895 **SECTION 58.** Section 47-5-138.1, Mississippi Code of 1972, is  
3896 amended as follows:

3897 47-5-138.1. (1) In addition to any other administrative  
3898 reduction of sentence, an offender in trusty status as defined by  
3899 the classification board of the Department of Corrections may be  
3900 awarded a trusty time allowance of thirty (30) days' reduction of  
3901 sentence for each thirty (30) days of participation in an approved  
3902 program while in trusty status, including satisfactory  
3903 participation in education or instructional programs, satisfactory

3904 participation in work projects and satisfactory participation in  
3905 any special incentive program.

3906 (2) An offender in trusty status shall not be eligible for a  
3907 reduction of sentence under this section if:

3908 (a) The offender was sentenced to life imprisonment;  
3909 however, an offender, other than one sentenced to life  
3910 imprisonment for capital murder, who has reached the age of  
3911 sixty-five (65) or older and who has served at least fifteen (15)  
3912 years may petition the sentencing court for conditional release;

3913 (b) The offender was convicted as an habitual offender  
3914 under Sections 99-19-81 through 99-19-87;

3915 (c) The offender was convicted of a sex crime;

3916 (d) The offender has not served the mandatory time  
3917 required for parole eligibility, as prescribed under Section  
3918 47-7-3, for a conviction of robbery or attempted robbery through  
3919 the display of a deadly weapon, carjacking through the display of  
3920 a deadly weapon or a drive-by shooting;

3921 (e) The offender was convicted of violating Section  
3922 41-29-139 (a) and sentenced under Section 41-29-139 (b) or  
3923 41-29-139 (f); or

3924 (f) The offender was convicted of trafficking in  
3925 controlled substances under Section 41-29-139.

3926 **PART 11 - ENVIRONMENTAL QUALITY**

3927 **SECTION 59.** (1) Beginning on July 1, 2004, in all instances  
3928 where no provision of law sets a fee, the Department of  
3929 Environmental Quality shall charge a fee of One Hundred Dollars  
3930 (\$100.00) for any general permit that it issues to any permittee.  
3931 For any other permit or any activity associated with the  
3932 monitoring of the activities of a permittee, where no provision of  
3933 law sets a permit or monitoring fee, the department shall charge  
3934 all permittees a fee of Two Hundred Fifty Dollars (\$250.00). Fees  
3935 for permits shall be collected at the time of the issuance of the  
3936 permits. Monitoring fees shall be collected after completion of

3937 the monitoring activity. All revenues collected from fees charged  
3938 under the authority of this section shall be deposited into a  
3939 special fund that is created in the State Treasury. Any interest  
3940 earned on monies in the fund shall be credited to the fund, and  
3941 any unexpended monies remaining in the fund at the end of a fiscal  
3942 year shall not lapse into the State General Fund.

3943 (2) The department shall not charge any fees under the  
3944 authority of this section to animal feeding operations or confined  
3945 animal feeding operations.

3946 **SECTION 60.** Section 51-3-31, Mississippi Code of 1972, is  
3947 amended as follows:

3948 51-3-31. Any person desiring to use water for a beneficial  
3949 purpose shall apply to the board for a permit for such use on a  
3950 form prescribed by the board for such purpose. The application  
3951 shall be accompanied by a fee of Two Hundred Fifty Dollars  
3952 (\$250.00). The application shall provide such information as  
3953 deemed appropriate by the board to its decision to issue such  
3954 permit. The fees and applications required by this section also  
3955 shall apply to renewals of permits and any modifications to  
3956 permits. The board shall not charge any fees under this section  
3957 to animal feeding operations or confined animal feeding  
3958 operations.

3959 All fees received by the board as \* \* \* prescribed in this  
3960 section shall be deposited into the special fund created in  
3961 Section 59 of this act.

3962 **SECTION 61.** Section 53-7-7, Mississippi Code of 1972, is  
3963 amended as follows:

3964 53-7-7. (1) Except as provided in this section, it is  
3965 unlawful to commence an operation or operate a surface mine  
3966 without a permit or coverage under a general permit as provided by  
3967 this chapter.

3968 (2) Except as expressly provided in this section, this  
3969 chapter shall not apply to:

3970           (a) Excavations made by the owner of land for the  
3971 owner's own use and not for commercial purposes, where the  
3972 materials removed do not exceed one thousand (1,000) cubic yards  
3973 per year and where one (1) acre or less of land is affected;

3974           (b) Excavations made by a public agency on a one-time  
3975 basis for emergency use at an emergency site if:

3976                 (i) The excavation lies in the vicinity of the  
3977 emergency site and affects less than one-fourth (1/4) acre of  
3978 mined surface area;

3979                 (ii) The landowner has signed a statement giving  
3980 approval for the removal of the materials; and

3981                 (iii) The public agency notifies the department as  
3982 required by the commission within two (2) working days of the  
3983 removal of the materials.

3984           (c) Operations for any materials on any affected area  
3985 conducted before April 15, 1978, but this chapter shall apply to  
3986 any additional land which the operation extended to or encompassed  
3987 after April 15, 1978;

3988           (d) Operations for any materials that affected four (4)  
3989 acres or less and were greater than one thousand three hundred  
3990 twenty (1,320) feet from any other affected area if:

3991                 (i) The operation began before July 1, 2002; and

3992                 (ii) The operator notified the commission of the  
3993 commencement, expansion or resumption of the operation before July  
3994 1, 2002; and

3995           (e) Operations for any materials that affect four (4)  
3996 acres or less, are greater than one thousand three hundred twenty  
3997 (1,320) feet from any other affected area and commenced after July  
3998 1, 2002, if the operator notifies the department at least seven  
3999 (7) calendar days before commencement or expansion of the  
4000 operation as required in regulations adopted by the commission.

4001 The seven-day notice prior to mining requirement shall be waived

4002 and the operator may begin mining immediately after notifying the  
4003 department if:

4004                   (i) The operator agrees, in the notification, to  
4005 reclaim the mine site in accordance with the minimum standards  
4006 adopted by the commission; or

4007                   (ii) The exempted operation is conducted for  
4008 Mississippi Department of Transportation projects or state aid  
4009 road construction projects funded in whole or in part by public  
4010 funds.

4011           (3) Exempt operations under paragraph (e) that are conducted  
4012 for the MDOT projects or state aid road construction projects  
4013 shall be reclaimed in accordance with the requirements of the  
4014 Mississippi Standard Specifications for Road and Bridge  
4015 Construction, Mississippi Department of Transportation or Division  
4016 of State Aid Road Construction, as applicable. Any operator  
4017 failing to reclaim as required under this subsection may be  
4018 subject to the penalties provided in Section 53-7-59(2).

4019           (4) If a landowner refuses to allow the operator to complete  
4020 reclamation in accordance with minimum standards or interferes  
4021 with or authorizes a third party to disturb or interfere with  
4022 reclamation in accordance with minimum standards, the landowner  
4023 shall assume the exempt notice and shall be responsible for any  
4024 reclamation.

4025           (5) All operations exempted under Sections 53-7-7(2)(d) and  
4026 53-7-7(2)(e) shall be subject to the prohibitions on mining in  
4027 certain areas contained in Sections 53-7-49 and 53-7-51 and may be  
4028 subject to the penalties in Section 53-7-59(2) for any violation  
4029 of those sections.

4030           (6) Any operator conducting operations exempted under  
4031 Section 53-7-7(2)(b) or 53-7-7(2)(e) failing to notify the  
4032 department in accordance with the regulations of the commission,  
4033 may be subject to penalties provided in Section 53-7-59(2). Any  
4034 operator exempted under Section 53-7-7(2)(e) who agrees in the



4035 notification to reclaim and fails to reclaim in accordance with  
4036 that paragraph may be subject to penalties provided in Section  
4037 53-7-59(2).

4038 (7) The department shall collect from every operator granted  
4039 an exemption the amount of One Hundred Dollars (\$100.00) from any  
4040 operator whose mining operations are exempted under the authority  
4041 of this section. The department shall charge an annual monitoring  
4042 fee of One Hundred Dollars (\$100.00) to any exempted and  
4043 non-exempted operators to help defray the costs of monitoring  
4044 surface mining activity. All fees collected by authority of this  
4045 subsection shall be deposited into the special fund created in  
4046 Section 59 of this act.

4047 **SECTION 62.** Section 53-7-21, Mississippi Code of 1972, is  
4048 amended as follows:

4049 53-7-21. (1) Unless exempted under Section 53-7-7, no  
4050 operator shall engage in surface mining without having first  
4051 obtained coverage under a general permit or having obtained from  
4052 the Permit Board a permit for each operation. The permit or  
4053 coverage under a general permit shall authorize the operator to  
4054 engage in surface mining upon the area of land described in the  
4055 application for a period of either five (5) years or longer period  
4056 of time as deemed appropriate by the Permit Board from the date of  
4057 issuance or until reclamation of the affected area is completed  
4058 and the reclamation bond is finally released, whichever comes  
4059 first.

4060 (2) Each operator holding a permit shall annually, before  
4061 the anniversary date of the permit, file with the department a  
4062 certificate of compliance in which the operator, under oath, shall  
4063 declare that the operator is following the approved mining and  
4064 reclamation plan and is abiding by this chapter and the rules and  
4065 regulations adopted under this chapter.

4066 (3) The department shall charge all permit holders an annual  
4067 permit monitoring fee of One Hundred Twenty-Five Dollars

4068 (\$125.00). All fees collected by authority of this subsection  
4069 shall be deposited into the special fund created in Section 59 of  
4070 this act.

4071 **SECTION 63.** Section 53-7-25, Mississippi Code of 1972, is  
4072 amended as follows:

4073 53-7-25. (1) Each application for a surface mining permit  
4074 and for coverage under a general permit shall be accompanied by an  
4075 application fee in accordance with a published fee schedule  
4076 adopted by the commission. The application fee shall not be less  
4077 than One Hundred Dollars (\$100.00) plus Ten Dollars (\$10.00) per  
4078 acre included in the application. The total application fee shall  
4079 not exceed Five Hundred Dollars (\$500.00). The commission, in  
4080 considering regulations on the fee schedule, shall recognize the  
4081 difference in the various materials, taking into consideration the  
4082 commercial value of the material and the nature and size of  
4083 operation necessary to extract it.

4084 (2) All state agencies, political subdivisions of the state,  
4085 and local governing bodies shall be exempt from all fees required  
4086 by this chapter.

4087 (3) Upon submission of the certificate of compliance  
4088 required under Section 53-7-21, each operator shall pay a fee of  
4089 Fifty Dollars (\$50.00).

4090 (4) In addition to the fees provided for in this section,  
4091 the department shall charge a fee of One Hundred Dollars (\$100.00)  
4092 for any permit issued and for the renewal of permits. All funds  
4093 collected by authority of this subsection shall be deposited into  
4094 the special fund created in Section 59 of this act.

4095 **SECTION 64.** Section 53-7-27, Mississippi Code of 1972, is  
4096 amended as follows:

4097 53-7-27. (1) Before commencing any operation for which a  
4098 permit is required, each applicant for a permit shall submit to  
4099 the Permit Board an application, a proposed initial reclamation

4100 plan and a performance bond in an amount proposed to be sufficient  
4101 by the applicant to reclaim the permit area.

4102 (2) The application shall be in the form prescribed by the  
4103 commission and shall contain the following information:

4104 (a) A legal description of the tract or tracts of land  
4105 in the affected area and one or more maps or plats of adequate  
4106 scale to clearly portray the location of the affected area. The  
4107 description shall contain sufficient information so that the  
4108 affected area may be located and distinguished from other lands  
4109 and shall identify the access from the nearest public road;

4110 (b) The approximate location and depth of the deposit  
4111 in the permit area and the total number of acres in the permit  
4112 area;

4113 (c) The name, address and management officers of the  
4114 permit applicant and any affiliated persons who shall be engaged  
4115 in the operations;

4116 (d) The name and address of any person holding legal  
4117 and equitable interests of record, if reasonably ascertainable, in  
4118 the surface estate of the permit area and in the surface estate of  
4119 land located within five hundred (500) feet of the exterior limits  
4120 of the permit area;

4121 (e) The name and address of any person residing on the  
4122 property of the permit area at the time of application;

4123 (f) Current or previous surface mining permits held by  
4124 the applicant, including any revocations, suspensions or bond  
4125 forfeitures;

4126 (g) The type and method of operation, the engineering  
4127 techniques and the equipment that is proposed to be used,  
4128 including mining schedules, the nature and expected amount of  
4129 overburden to be removed, the depth of excavations, a description  
4130 of the permit area, the anticipated hydrologic consequences of the  
4131 mining operation, and the proposed use of explosives for blasting,

4132 including the nature of the explosive, the proposed location of  
4133 the blasting and the expected effect of the blasting;

4134 (h) A notarized statement showing the applicant's legal  
4135 right to surface mine the affected area;

4136 (i) The names and locations of all lakes, rivers,  
4137 reservoirs, streams, creeks and other bodies of water in the  
4138 vicinity of the contemplated operations which may be affected by  
4139 the operations and the types of existing vegetative cover on the  
4140 area affected thereby and on adjoining lands within five hundred  
4141 (500) feet of the exterior limits of the affected area;

4142 (j) A topographical survey map showing the surface  
4143 drainage plan on and away from the permit area;

4144 (k) The surface location and extent of all existing and  
4145 proposed waste and spoil piles, cuts, pits, tailing dumps, ponds,  
4146 borrow pits, evaporation and settling basins, roads, buildings,  
4147 access ways, workings and installations sufficient to provide a  
4148 reasonably clear and accurate portrayal of the existing surface  
4149 conditions and the proposed mining operations;

4150 (l) If the surface and mineral estates, or any part of  
4151 those estates, in land covered by the application, have been  
4152 severed and are owned by separate owners, the applicant shall  
4153 provide a notarized statement subscribed to by each surface owner  
4154 and lessee of those lands, unless the lease or other conveyance to  
4155 the applicant specifically states the material to be mined by the  
4156 operator granting consent for the applicant to initiate and  
4157 conduct surface mining, exploration and reclamation activities on  
4158 the land;

4159 (m) Except for governmental agencies, a certificate of  
4160 insurance certifying that the applicant has in force a public  
4161 liability insurance policy issued by an insurance company  
4162 authorized to conduct business in the State of Mississippi  
4163 covering all operations of the applicant in this state and

4164 affording bodily injury protection and property damage protection  
4165 in an amount not less than the following:

4166 (i) One Hundred Thousand Dollars (\$100,000.00) for  
4167 all damages because of bodily injury sustained by one (1) person  
4168 as the result of any one (1) occurrence, and Three Hundred  
4169 Thousand Dollars (\$300,000.00) for all damages because of bodily  
4170 injury sustained by two (2) or more persons as the result of any  
4171 one (1) occurrence; \* \* \*

4172 (ii) One Hundred Thousand Dollars (\$100,000.00)  
4173 for all claims arising out of damage to property as the result of  
4174 any one (1) occurrence including completed operations; and

4175 (iii) In any case where the department releases  
4176 any permittee from the obligation of having the insurance or bond  
4177 required by this paragraph (m), the department shall charge the  
4178 permittee One Hundred Dollars (\$100.00). The fees collected by  
4179 authority of this subparagraph (iii) shall be deposited into the  
4180 special fund created in Section 59 of this act.

4181 The policy shall be maintained in full force and effect  
4182 during the term of the permit, including the length of all  
4183 reclamation operations;

4184 (n) A copy of a proposed initial reclamation plan  
4185 prepared under Section 53-7-31; and

4186 (o) Any other information needed to clarify the  
4187 required parts of the application.

4188 **SECTION 65.** Section 53-7-69, Mississippi Code of 1972, is  
4189 amended as follows:

4190 53-7-69. (1) There is created in the State Treasury a fund  
4191 to be designated as the "Surface Mining and Reclamation Fund,"  
4192 referred to hereinafter as the "fund." There is created in the  
4193 fund an account designated as the "Land Reclamation Account" and  
4194 an account designated as the "Surface Mining Program Operations  
4195 Account."

4196 (2) The fund shall be treated as a special trust fund.  
4197 Interest earned on the principal therein shall be credited by the  
4198 Treasurer to the fund.

4199 (3) The fund may receive monies from any available public or  
4200 private sources, including, but not limited to, collection of  
4201 fees, interest, grants, taxes, public and private donations,  
4202 judicial actions, penalties and forfeited performance bonds. Any  
4203 monies received from penalties, forfeited performance bonds,  
4204 judicial actions and the interest thereon, less enforcement and  
4205 collection costs, shall be credited to the Land Reclamation  
4206 Account. Except as otherwise provided by law, any monies received  
4207 from the collection of fees, grants, taxes, public or private  
4208 donations and the interest thereon shall be credited to the  
4209 Surface Mining Program Operations Account.

4210 (4) The commission shall expend or utilize monies in the  
4211 fund by an annual appropriation by the Legislature as provided  
4212 herein. Monies in the Land Reclamation Account may be used to  
4213 defray any costs of reclamation of land affected by mining  
4214 operations. Monies in the Surface Mining Program Operations  
4215 Account may be used to defray the reasonable direct and indirect  
4216 costs associated with the administration and enforcement of this  
4217 chapter.

4218 (5) Proceeds from the forfeiture of performance bonds or  
4219 deposits and penalties recovered shall be available to be expended  
4220 to reclaim, in accordance with this chapter, lands with respect to  
4221 which the performance bonds or deposits were provided and  
4222 penalties assessed. If the commission expends monies from the  
4223 fund for which the cost of reclamation exceeded the proceeds from  
4224 the forfeiture of performance bonds or deposits, the commission  
4225 may seek to recover any monies expended from the fund from any  
4226 responsible party.

4227 **PART 12 - WILDLIFE, FISHERIES AND PARKS**



4261           (2) Notwithstanding any other provision of law to the  
4262 contrary, beginning with any registration year beginning on or  
4263 after July 1, 2004, an additional fee of Five Dollars (\$5.00) is  
4264 imposed for any distinctive or special license tag or plate  
4265 authorized under this chapter, including personalized tags issued  
4266 under Section 27-19-48, regardless of whether the license tag or  
4267 plate was authorized before or after July 1, 2004. The proceeds  
4268 collected from the additional fee imposed under this subsection  
4269 shall be deposited into the State General Fund.

4270           (3) The fees imposed under this section shall be in addition  
4271 to any other fees imposed under this chapter for a distinctive,  
4272 special, or personalized license tag or plate.

4273           (4) The provisions of this section shall not apply to  
4274 distinctive or special license tags or plates:

4275                   (a) Which are issued under Section 27-19-46, 27-19-51,  
4276 27-19-53, 27-19-54, 27-19-56.5, 27-19-56.12, 27-19-56.13,  
4277 27-19-56.33, 27-19-56.36, 27-19-56.38, 27-19-56.42, 27-19-56.48,  
4278 27-19-56.49, 27-19-56.50, 27-19-56.51, 27-19-56.62, 27-19-56.79,  
4279 27-19-56.85 or 27-19-169; or

4280                   (b) For which no additional fee is required to be paid.

4281           **SECTION 68.** Section 63-1-21, Mississippi Code of 1972, is  
4282 brought forward as follows:

4283           63-1-21. (1) Every applicant for a new or original driver's  
4284 or operator's license, except persons holding an out-of-state  
4285 license, shall first obtain a temporary driving permit upon the  
4286 payment of a fee of One Dollar (\$1.00) to the Department of Public  
4287 Safety and upon the successful completion of the examination  
4288 provided for in Section 63-1-33 and the payment of the fee for  
4289 such examination provided for in Section 63-1-43.

4290           (2) A temporary driving permit entitles the holder, provided  
4291 the permit is in his immediate possession, to drive a motor  
4292 vehicle other than a motorcycle on the highways of the State of  
4293 Mississippi only when accompanied by a licensed operator who is at



4294 least twenty-one (21) years of age and who is actually occupying  
4295 the seat beside the driver. A temporary driving permit may be  
4296 issued to any applicant who is at least fifteen (15) years of age.  
4297 A temporary driving permit shall be valid for a period of one (1)  
4298 year from the date of issue.

4299 (3) An intermediate license allows unsupervised driving from  
4300 6:00 a.m. to 10:00 p.m. At all other times the intermediate  
4301 licensee must be supervised by a parent, guardian or other person  
4302 age twenty-one (21) years or older who holds a valid driver's  
4303 license under this article and who is actually occupying the seat  
4304 beside the driver.

4305 (4) The fee for issuance of an intermediate license shall be  
4306 Five Dollars (\$5.00).

4307 Except as otherwise provided by Section 63-1-6, every  
4308 applicant for a restricted motorcycle operator's license or a  
4309 motorcycle endorsement shall first obtain a temporary motorcycle  
4310 driving permit upon the payment of a fee of One Dollar (\$1.00) to  
4311 the Department of Public Safety, and upon the successful  
4312 completion of the examination provided for in Section 63-1-33, and  
4313 payment of the fee for said examination provided for in Section  
4314 63-1-43. All applicants for such temporary permit shall (a) be at  
4315 least fifteen (15) years of age; (b) operate a motorcycle only  
4316 under the direct supervision of a person at least twenty-one (21)  
4317 years of age who possesses either a valid driver's or operator's  
4318 license with a motorcycle endorsement or a valid restricted  
4319 motorcycle operator's license; (c) be prohibited from transporting  
4320 a passenger on a motorcycle; (d) be prohibited from operating a  
4321 motorcycle upon any controlled access highway; and (e) be  
4322 prohibited from operating a motorcycle during the hours of 6:00  
4323 p.m. through 6:00 a.m. Temporary motorcycle driving permits shall  
4324 be valid for the same period of time and may be renewed upon the  
4325 same conditions as temporary driving permits issued for vehicles  
4326 other than motorcycles.

4327           **SECTION 69.** Section 63-1-37, Mississippi Code of 1972, is  
4328 brought forward as follows:

4329           63-1-37. In the event that a license or temporary driving  
4330 permit issued under the provisions of this article is lost or  
4331 destroyed, the licensee shall obtain from the commissioner a  
4332 duplicate copy thereof and shall pay a fee in the amount of Three  
4333 Dollars (\$3.00) plus the applicable photograph fee for the first  
4334 duplicate copy and a fee in the amount of Eight Dollars (\$8.00)  
4335 plus the applicable photograph fee for the second and each  
4336 subsequent duplicate copy. The license or permit shall be marked  
4337 "Duplicate."

4338           All fees collected under this section, except photograph  
4339 fees, shall be deposited into the State General Fund. Photograph  
4340 fees collected under this section shall be deposited pursuant to  
4341 the provisions of Section 63-1-43.

4342           **SECTION 70.** Section 63-1-43, Mississippi Code of 1972, is  
4343 brought forward as follows:

4344           63-1-43. (1) The fee for receiving the application and  
4345 issuing the regular driver's or operator's license and the fee for  
4346 renewing the license shall be:

4347                   (a) Eighteen Dollars (\$18.00) plus the applicable  
4348 photograph fee for each applicant for a four-year license;

4349                   (b) Three Dollars (\$3.00) plus the applicable  
4350 photograph fee for each applicant for a one-year license, except  
4351 as provided in paragraph (c) of this subsection; and

4352                   (c) Eight Dollars (\$8.00) plus the applicable  
4353 photograph fee for a one-year license for each applicant who is  
4354 not a United States citizen and who does not possess a social  
4355 security number issued by the United States government.

4356           All originals and renewals of regular operators' licenses  
4357 shall be in compliance with Section 63-1-47.

4358           (2) The fee for receiving the application and issuing a  
4359 motorcycle endorsement shall be Five Dollars (\$5.00). Motorcycle

4360 endorsements shall be valid for the same period of time as the  
4361 applicant's operator's license.

4362 (3) The fee for receiving the application and issuing a  
4363 restricted motorcycle operator's license and the fee for renewing  
4364 such license shall be:

4365 (a) Eleven Dollars (\$11.00) plus the applicable  
4366 photograph fee for a four-year license; and

4367 (b) Eight Dollars (\$8.00) plus the applicable  
4368 photograph fee for a one (1) year license.

4369 All originals and renewals of restricted motorcycle licenses  
4370 shall be valid for the same period of time that an original  
4371 regular driver's license may be issued to such person in  
4372 compliance with Section 63-1-47.

4373 (4) From and after January 1, 1990, every person who makes  
4374 application for an original license or a renewal license to  
4375 operate a vehicle as a common carrier by motor vehicle, taxicab,  
4376 passenger coach, dray, contract carrier or private commercial  
4377 carrier as such terms are defined in Section 27-19-3, except for  
4378 those vehicles for which a Class A, B or C license is required  
4379 under Article 2 of this chapter, shall, in lieu of the regular  
4380 driver's license above provided for, apply for and obtain a Class  
4381 D commercial driver's license. Except as otherwise provided in  
4382 subsection (5) of this section, the fee for the issuance of a  
4383 Class D commercial driver's license shall be Twenty-three Dollars  
4384 (\$23.00) plus the applicable photograph fee for a period of four  
4385 (4) years; however, except as required under Article 2 of this  
4386 chapter, no driver of a pickup truck shall be required to have a  
4387 commercial license regardless of the purpose for which the pickup  
4388 truck is used.

4389 Except as otherwise provided in subsection (5) of this  
4390 section, all originals and renewals of commercial licenses issued  
4391 under this section shall be valid for a period of four (4) years,  
4392 in compliance with Section 63-1-47. Only persons who operate the

4393 above-mentioned vehicles in the course of the regular and  
4394 customary business of the owner shall be required to obtain a  
4395 Class D commercial operator's license, and persons operating such  
4396 vehicles for private purposes or in emergencies shall not be  
4397 required to obtain such license.

4398 (5) The original and each renewal of a commercial driver's  
4399 license issued under this section to a person who is not a United  
4400 States citizen and who does not possess a social security number  
4401 issued by the United States government shall be issued for a  
4402 period of one (1) year for a fee of Eight Dollars (\$8.00) plus the  
4403 applicable photograph fee and shall expire one (1) year from the  
4404 date of issuance. Such person may renew a commercial license  
4405 issued under this section within thirty (30) days of expiration of  
4406 the license.

4407 (6) The Commissioner of Public Safety, by rule or  
4408 regulation, shall establish a driver's license photograph fee  
4409 which shall be the actual cost of the photograph rounded off to  
4410 the next highest dollar. Monies collected for the photograph fee  
4411 shall be deposited into a special photograph fee account which the  
4412 Department of Public Safety shall use to pay the actual cost of  
4413 producing the photographs. Any monies collected in excess of the  
4414 actual costs of the photography shall be deposited to the General  
4415 Fund of the State of Mississippi.

4416 **SECTION 71.** Section 63-1-46, Mississippi Code of 1972, is  
4417 brought forward as follows:

4418 63-1-46. (1) A fee of Twenty-five Dollars (\$25.00) shall be  
4419 charged for the reinstatement of a license issued pursuant to this  
4420 article to every person whose license has been validly suspended,  
4421 revoked or cancelled. This fee shall be in addition to the fee  
4422 provided for in Section 63-1-43, Mississippi Code of 1972.

4423 (2) The funds received under the provisions of subsection  
4424 (1) of this section shall be deposited into the State General Fund  
4425 in accordance with Section 45-1-23, Mississippi Code of 1972.

4426           (3) In addition to the fee provided for in subsection (1) of  
4427 this section, an additional fee of Seventy-five Dollars (\$75.00)  
4428 shall be charged for the reinstatement of a license issued  
4429 pursuant to this article to every person whose license has been  
4430 suspended or revoked under the provisions of the Mississippi  
4431 Implied Consent Law or as a result of a conviction of a violation  
4432 of the Uniform Controlled Substances Law under the provisions of  
4433 Section 63-1-71.

4434           (4) The funds received under the provisions of subsection  
4435 (3) of this section shall be placed in a special fund hereby  
4436 created in the State Treasury. Monies in such special fund may be  
4437 expended solely to contribute to the Disability and Relief Fund  
4438 for members of the Mississippi Highway Safety Patrol such amounts  
4439 as are necessary to make sworn agents of the Mississippi Bureau of  
4440 Narcotics who were employed by such bureau prior to December 1,  
4441 1990, and who were subsequently employed as enforcement troopers  
4442 by the Department of Public Safety, full members of the retirement  
4443 system for the Mississippi Highway Safety Patrol with full credit  
4444 for the time they were employed as sworn agents for the  
4445 Mississippi Bureau of Narcotics. The Board of Trustees of the  
4446 Public Employees' Retirement System shall certify to the State  
4447 Treasurer the amounts necessary for the purposes described above.  
4448 The State Treasurer shall monthly transfer from the special fund  
4449 created pursuant to this subsection the amounts deposited in such  
4450 special fund to the Disability and Relief Fund for members of the  
4451 Mississippi Highway Safety Patrol until such time as the certified  
4452 amount has been transferred. At such time as the certified amount  
4453 has been transferred, the State Treasurer shall transfer any funds  
4454 remaining in the special fund created pursuant to this subsection  
4455 to the State General Fund and shall then dissolve such special  
4456 fund. This subsection (4) shall stand repealed at such time when  
4457 the State Treasurer transfers funds and dissolves the special fund  
4458 account in accordance with the provisions of this subsection.

4459           (5) The procedure for the reinstatement of a license issued  
4460 pursuant to this article that has been suspended for being out of  
4461 compliance with an order for support, as defined in Section  
4462 93-11-153, and the payment of any fees for the reinstatement of a  
4463 license suspended for that purpose, shall be governed by Section  
4464 93-11-157 or 93-11-163, as the case may be.

4465           **SECTION 72.** Section 63-1-81, Mississippi Code of 1972, is  
4466 brought forward as follows:

4467           63-1-81. (1) Each application for a commercial driver's  
4468 license or commercial driver instruction permit shall include the  
4469 following:

4470                   (a) The full name and the current mailing and  
4471 residential address of the applicant;

4472                   (b) A physical description of the applicant, including  
4473 sex, height, weight, eye and hair color;

4474                   (c) The applicant's date of birth;

4475                   (d) The applicant's social security number unless the  
4476 application is for a nonresident commercial driver's license;

4477                   (e) The applicant's signature;

4478                   (f) The applicant's color photograph;

4479                   (g) All certifications required by applicable federal  
4480 regulations;

4481                   (h) Any other information which the Commissioner of  
4482 Public Safety, by rule or regulation, determines necessary and  
4483 essential; and

4484                   (i) The consent of the applicant to release driving  
4485 record information.

4486           (2) The fee for accepting and processing an application for  
4487 a commercial driver instruction permit shall be Ten Dollars  
4488 (\$10.00).

4489           (3) The fee for accepting and processing an application for  
4490 a Class A, B or C commercial driver's license shall be Twenty-five  
4491 Dollars (\$25.00).

4492 (4) No person who has been a resident of this state for  
4493 thirty (30) days may drive a commercial motor vehicle under the  
4494 authority of a commercial driver's license issued by another  
4495 jurisdiction. Any violation of this subsection shall be  
4496 punishable as provided by Section 63-1-69, Mississippi Code of  
4497 1972.

4498 (5) Any person who knowingly falsifies information or  
4499 certifications required under subsection (1) of this section shall  
4500 be subject to the penalties prescribed in Section 63-1-59,  
4501 Mississippi Code of 1972, and shall be subject to suspension of  
4502 his commercial driver instruction permit or commercial driver's  
4503 license in accordance with Section 63-1-51, Mississippi Code of  
4504 1972.

4505 (6) Each application or filing made under this section shall  
4506 include the social security number(s) of the applicant in  
4507 accordance with Section 93-11-64, Mississippi Code of 1972.

4508 (7) (a) Any male who is at least eighteen (18) years of age  
4509 but less than twenty-six (26) years of age and who applies for a  
4510 commercial license or renewal of a commercial license under this  
4511 article shall be registered in compliance with the requirements of  
4512 Section 3 of the Military Selective Service Act, 50 USCS Appx 451  
4513 et seq., as amended.

4514 (b) The department shall forward in an electronic  
4515 format the necessary personal information of the applicant to the  
4516 Selective Service System. The applicant's submission of the  
4517 application shall serve as an indication that the applicant either  
4518 has already registered with the Selective Service System or that  
4519 he is authorizing the department to forward to the Selective  
4520 Service System the necessary information for registration. The  
4521 commissioner shall notify the applicant on, or as a part of, the  
4522 application that his submission of the application will serve as  
4523 his consent to registration with the Selective Service System, if  
4524 so required. The commissioner also shall notify any male

4525 applicant under the age of eighteen (18) that he will be  
4526 registered upon turning age eighteen (18) as required by federal  
4527 law.

4528         **SECTION 73.** Section 63-1-82, Mississippi Code of 1972, is  
4529 brought forward as follows:

4530         63-1-82. (1) Each commercial driver's license shall be  
4531 marked "Commercial Driver's License" or "CDL," and shall, to the  
4532 maximum extent practicable, be tamper proof. Each such license  
4533 shall include thereon, but not be limited to, the following  
4534 information:

4535                 (a) The name and residential address of the licensee;

4536                 (b) The licensee's color photograph;

4537                 (c) A physical description of the licensee, including  
4538 his sex, height, weight, eye and hair color;

4539                 (d) The licensee's date of birth;

4540                 (e) Except for a nonresident commercial driver's  
4541 license, the licensee's social security number; and any other  
4542 identifying information which the Commissioner of Public Safety,  
4543 by rule or regulation, determines necessary and essential for the  
4544 purposes of complying with the provisions of this article;

4545                 (f) The licensee's signature;

4546                 (g) The class or type of commercial motor vehicle or  
4547 vehicles which the licensee is authorized to drive together with  
4548 any endorsements or restrictions;

4549                 (h) The name of this state; and

4550                 (i) The dates between which the license is valid.

4551         (2) The holder of a valid commercial driver's license may  
4552 drive all vehicles in the class for which that license is issued  
4553 and all lesser classes of vehicles, including any vehicle for  
4554 which an operator's license or commercial driver's license issued  
4555 under Article 1 of this chapter authorizes a person to drive.  
4556 However, vehicles which require an endorsement may not be driven  
4557 unless the proper endorsement appears on the license.



4558 (3) Commercial driver's licenses may be issued with the  
4559 following classifications:

4560 (a) Class A. Any combination of vehicles with a gross  
4561 vehicle weight rating of twenty-six thousand one (26,001) pounds  
4562 or more, provided the gross vehicle weight rating of the vehicle  
4563 or vehicles being towed is in excess of ten thousand (10,000)  
4564 pounds;

4565 (b) Class B. Any single vehicle with a gross vehicle  
4566 weight rating of twenty-six thousand one (26,001) pounds or more,  
4567 and any such vehicle towing a vehicle not in excess of ten  
4568 thousand (10,000) pounds;

4569 (c) Class C. Any single vehicle with a gross vehicle  
4570 weight rating of less than twenty-six thousand one (26,001) pounds  
4571 or any such vehicle towing a vehicle with a gross vehicle weight  
4572 rating not in excess of ten thousand (10,000) pounds comprising:

4573 (i) Vehicles designed to transport sixteen (16) or  
4574 more passengers, including the driver; and

4575 (ii) Vehicles used in the transportation of  
4576 hazardous materials which are required to be placarded under the  
4577 Hazardous Materials Transportation Act, 49 USCS Appx., Section  
4578 1801 et seq.; and

4579 (d) Class D. All other vehicles or combination of  
4580 vehicles which are not included in Class A, Class B or Class C and  
4581 for which a commercial license is required to be issued as  
4582 provided by Section 63-1-43, Mississippi Code of 1972.

4583 (4) Commercial driver's licenses may be issued with the  
4584 following endorsements and restrictions:

4585 (a) "H" authorizes the driver to drive a vehicle  
4586 transporting hazardous materials;

4587 (b) "K" restricts the driver to vehicles not equipped  
4588 with air brakes;

4589 (c) "T" authorizes driving double and triple trailers;

4590 (d) "P" authorizes driving vehicles carrying  
4591 passengers;

4592 (e) "N" authorizes driving tank vehicles; and

4593 (f) "X" represents a combination of hazardous materials  
4594 and tank vehicle endorsements.

4595 (g) "S" restricts the driver to school buses being  
4596 operated for the purpose of transporting pupils to and from school  
4597 or to school-related functions and/or to all other vehicles not  
4598 requiring a commercial driver's license.

4599 (5) Before issuing a commercial driver's license, the  
4600 Commissioner of Public Safety shall obtain driving record  
4601 information through the Commercial Driver License Information  
4602 System.

4603 (6) Within ten (10) days after issuing a commercial driver's  
4604 license, the Commissioner of Public Safety shall notify the  
4605 Commercial Driver License Information System of that fact,  
4606 providing all information required to ensure identification of the  
4607 person.

4608 (7) The fee charged for the issuance of each original and  
4609 each renewal of a Class A, B or C commercial driver's license  
4610 shall be Thirty-eight Dollars (\$38.00) plus the applicable  
4611 photograph fee. In addition, a fee of Five Dollars (\$5.00) shall  
4612 be charged for each endorsement or restriction entered on a  
4613 commercial driver's license under subsection (4) of this section.  
4614 However, the fee charged for each original and renewal of a  
4615 commercial driver's license with an "S" restriction shall be the  
4616 same as the fee for a Class D commercial driver's license in  
4617 addition to all application fees.

4618 (8) If a commercial driver instruction permit or commercial  
4619 driver's license is lost or destroyed, or if the holder of a  
4620 commercial driver's license changes his name, mailing address or  
4621 residence, an application for a duplicate permit or license shall  
4622 be made as provided by Section 63-1-37, Mississippi Code of 1972.

4623 (9) All commercial driver's licenses issued under the  
4624 provisions of this article shall be issued for a period of not  
4625 more than four (4) years and shall expire at midnight on the last  
4626 day of the licensee's month of birth.

4627 (10) Every person applying for renewal of a commercial  
4628 driver's license shall complete the application form required by  
4629 Section 63-1-81, Mississippi Code of 1972, providing updated  
4630 information and required certifications and paying the appropriate  
4631 fees. If the applicant wishes to retain a hazardous materials  
4632 endorsement, the written test for a hazardous materials  
4633 endorsement must be taken and passed.

4634 (11) The Commissioner of Public Safety, by rule or  
4635 regulation, shall establish a driver's license photograph fee  
4636 which shall be the actual cost of the photograph rounded off to  
4637 the next highest dollar. Monies collected for the photograph fee  
4638 shall be deposited into a special photograph fee account which the  
4639 Department of Public Safety shall use to pay the actual cost of  
4640 producing the photographs. Any monies collected in excess of the  
4641 actual costs of the photography shall be deposited to the General  
4642 Fund of the State of Mississippi.

4643 **SECTION 74.** Section 63-21-63, Mississippi Code of 1972, is  
4644 amended as follows:

4645 63-21-63. There shall be paid to the State Tax Commission  
4646 for issuing and processing documents required by this chapter,  
4647 fees according to the following schedule:

- 4648 (1) Each application for certificate of title... \$14.00  
4649 (2) Each application for replacement or corrected  
4650 certificate of title..... 14.00  
4651 (3) Each suspension or revocation of certificate of  
4652 title..... 14.00  
4653 (4) Each notice of security interest..... 14.00  
4654 (5) Each release of security interest..... 14.00  
4655 (6) Each assignment by lienholder..... 14.00

4656 (7) Each application for information as to the status  
4657 of the title of a vehicle..... 14.00

4658 The designated agent may add the sum of One Dollar (\$1.00) to  
4659 each document processed for which a fee is charged to be retained  
4660 as his commission for services rendered. All other fees collected  
4661 shall be remitted to the State Tax Commission.

4662 If more than one (1) transaction be involved in any  
4663 application on a single vehicle and if supported by all required  
4664 documents, the fee charged by the State Tax Commission and by the  
4665 designated agent for processing and issuing shall be considered as  
4666 only one (1) transaction.

4667 **PART 14 - UNIFORM COMMERCIAL CODE**

4668 **SECTION 75.** Section 75-9-525, Mississippi Code of 1972, is  
4669 amended as follows:

4670 **[Until December 31, 2007, this section shall read as**  
4671 **follows:]**

4672 75-9-525. (a) Except as otherwise provided in subsection  
4673 (e), the fee for filing and indexing a record under this part,  
4674 other than an initial financing statement of the kind described in  
4675 subsection (b) is the amount specified in subsection (c), if  
4676 applicable, plus:

4677 (1) Ten Dollars (\$10.00) if the record is communicated  
4678 in writing and is in the standard form prescribed by the Secretary  
4679 of State;

4680 (2) Thirteen Dollars (\$13.00) if the record is  
4681 communicated in writing and is not in the standard form prescribed  
4682 by the Secretary of State; and

4683 (3) Eight Dollars (\$8.00) if the record is communicated  
4684 by another medium authorized by filing-office rule.

4685 In addition to the fees levied in paragraphs (1), (2) and (3)  
4686 of this subsection (a), a fee of Five Dollars (\$5.00) shall be  
4687 levied on all transactions described in paragraphs (1), (2) and  
4688 (3) of this subsection (a). The additional fees collected under

4689 authority of this paragraph shall be deposited into the State  
4690 General Fund.

4691 (b) Except as otherwise provided in subsection (e), the fee  
4692 for filing and indexing an initial financing statement of the  
4693 following kind is the amount specified in subsection (c), if  
4694 applicable, plus:

4695 (1) Thirteen Dollars (\$13.00) if the financing  
4696 statement indicates that it is filed in connection with a  
4697 public-finance transaction;

4698 (2) Ten Dollars (\$10.00) if the financing statement  
4699 indicates that it is filed in connection with a manufactured-home  
4700 transaction.

4701 In addition to the fees levied in paragraphs (1) and (2) of  
4702 this subsection (b), a fee of Five Dollars (\$5.00) shall be levied  
4703 on all transactions described in paragraphs (1) and (2) of this  
4704 subsection (b). The additional fees collected under authority of  
4705 this paragraph shall be deposited into the State General Fund.

4706 (c) Except as otherwise provided in subsection (e), if a  
4707 record is communicated in writing, the fee for each additional  
4708 debtor name more than one (1) required to be indexed is Four  
4709 Dollars (\$4.00).

4710 (d) The fee for responding to a request for information from  
4711 the filing office, including for issuing a certificate showing  
4712 whether there is on file any financing statement naming a  
4713 particular debtor, is:

4714 (1) Five Dollars (\$5.00) if the request is communicated  
4715 in writing on the standard form prescribed by the Secretary of  
4716 State;

4717 (2) Ten Dollars (\$10.00) if the request is communicated  
4718 in writing and is not in the standard form prescribed by the  
4719 Secretary of State;

4720           (3) Three Dollars (\$3.00) if the request is  
4721 communicated by another medium authorized by filing-office rule;  
4722 and

4723           (4) An additional fee of Two Dollars (\$2.00) shall be  
4724 paid by the requesting party for each financing statement listed  
4725 on the filing officer's certificate, the aggregate of which shall  
4726 be billed to the requesting party at the time the filing officer's  
4727 certificate is issued.

4728           (e) This section does not require a fee to the chancery  
4729 clerk with respect to a record of a mortgage which is effective as  
4730 a financing statement filed as a fixture filing or as a financing  
4731 statement covering as-extracted collateral or timber to be cut  
4732 under Section 75-9-502(c). However, the recording and  
4733 satisfaction fees to the chancery clerk that otherwise would be  
4734 applicable under Section 25-7-9 to the record of the mortgage  
4735 apply.

4736           **[From and after December 31, 2007, this section shall read as**  
4737 **follows:]**

4738           75-9-525. (a) Except as otherwise provided in subsection  
4739 (e), the fee for filing and indexing a record under this part,  
4740 other than an initial financing statement of the kind described in  
4741 subsection (b) is the amount specified in subsection (c), if  
4742 applicable, plus:

4743           (1) Five Dollars (\$5.00) if the record is communicated  
4744 in writing and is in the standard form prescribed by the Secretary  
4745 of State;

4746           (2) Eight Dollars (\$8.00) if the record is communicated  
4747 in writing and is not in the standard form prescribed by the  
4748 Secretary of State; and

4749           (3) Three Dollars (\$3.00) if the record is communicated  
4750 by another medium authorized by filing-office rule.

4751           In addition to the fees levied in paragraphs (1), (2) and (3)  
4752 of this subsection (a), a fee of Five Dollars (\$5.00) shall be

4753 levied on all transactions described in paragraphs (1), (2) and  
4754 (3) of this subsection (a). The additional fees collected under  
4755 authority of this paragraph shall be deposited into the State  
4756 General Fund.

4757 (b) Except as otherwise provided in subsection (e), the fee  
4758 for filing and indexing an initial financing statement of the  
4759 following kind is the amount specified in subsection (c), if  
4760 applicable, plus:

4761 (1) Eight Dollars (\$8.00) if the financing statement  
4762 indicates that it is filed in connection with a public-finance  
4763 transaction;

4764 (2) Five Dollars (\$5.00) if the financing statement  
4765 indicates that it is filed in connection with a manufactured-home  
4766 transaction.

4767 In addition to the fees levied in paragraphs (1) and (2) of  
4768 this subsection (b), a fee of Five Dollars (\$5.00) shall be levied  
4769 on all transactions described in paragraphs (1) and (2) of this  
4770 subsection (b). The additional fees collected under authority of  
4771 this paragraph shall be deposited into the State General Fund.

4772 (c) Except as otherwise provided in subsection (e), if a  
4773 record is communicated in writing, the fee for each additional  
4774 debtor name more than one (1) required to be indexed is Four  
4775 Dollars (\$4.00).

4776 (d) The fee for responding to a request for information from  
4777 the filing office, including for issuing a certificate showing  
4778 whether there is on file any financing statement naming a  
4779 particular debtor, is:

4780 (1) Five Dollars (\$5.00) if the request is communicated  
4781 in writing on the standard form prescribed by the Secretary of  
4782 State;

4783 (2) Ten Dollars (\$10.00) if the request is communicated  
4784 in writing and is not in the standard form prescribed by the  
4785 Secretary of State;

4786                   (3) Three Dollars (\$3.00) if the request is  
4787 communicated by another medium authorized by filing-office rule;  
4788 and

4789                   (4) An additional fee of Two Dollars (\$2.00) shall be  
4790 paid by the requesting party for each financing statement listed  
4791 on the filing officer's certificate, the aggregate of which shall  
4792 be billed to the requesting party at the time the filing officer's  
4793 certificate is issued.

4794                   (e) This section does not require a fee to the chancery  
4795 clerk with respect to a record of a mortgage which is effective as  
4796 a financing statement filed as a fixture filing or as a financing  
4797 statement covering as-extracted collateral or timber to be cut  
4798 under Section 75-9-502(c). However, the recording and  
4799 satisfaction fees to the chancery clerk that otherwise would be  
4800 applicable under Section 25-7-9 to the record of the mortgage  
4801 apply.

4802                   **SECTION 76.** This act shall take effect and be in force from  
4803 and after July 1, 2004, except for Sections 18, 23, 48 and 58,  
4804 which shall take effect and be in force from and after the passage  
4805 of this act.