

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

HOUSE BILL NO. 1279
(As Sent to Governor)

1 AN ACT TO REDUCE STATE BUDGET COSTS AND INCREASE STATE
2 REVENUES; TO AMEND SECTIONS 27-103-125, 27-103-139 AND 27-103-211,
3 MISSISSIPPI CODE OF 1972, TO REVISE THE PERCENTAGE LIMITATION ON
4 LEGISLATIVE APPROPRIATIONS FROM THE STATE GENERAL FUND FOR FISCAL
5 YEAR 2005; TO AMEND SECTION 27-103-135, MISSISSIPPI CODE OF 1972,
6 TO REQUIRE STATE AGENCIES THAT MAINTAIN FUNDS IN ACCOUNTS THAT ARE
7 NOT IN THE STATE TREASURY TO FURNISH THE LEGISLATIVE BUDGET OFFICE
8 WITH DETAILED INFORMATION ABOUT THE AMOUNT OF THOSE FUNDS THAT THE
9 AGENCY HAS ON HAND AND THE LOCATION OF THOSE FUNDS; TO REQUIRE
10 EACH AGENCY, DEPARTMENT AND INSTITUTION OF THE STATE TO SUBMIT A
11 REPORT TO THE CHAIRMEN OF THE HOUSE AND SENATE APPROPRIATIONS
12 COMMITTEES AND THE STATE AUDITOR ON THE USAGE OF CELLULAR
13 TELEPHONES BY THE AGENCY, DEPARTMENT OR INSTITUTION DURING FISCAL
14 YEAR 2004; TO DIRECT THE STATE FISCAL OFFICER TO TRANSFER CERTAIN
15 SPECIAL FUNDS INTO THE BUDGET CONTINGENCY FUND DURING FISCAL YEARS
16 2004 AND 2005; TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF
17 1972, TO DELAY UNTIL 2005 THE SALES TAX DIVERSION THAT IS TO BE
18 DEPOSITED INTO THE SPECIAL FUNDS TRANSFER FUND; TO AMEND SECTION
19 4, CHAPTER 556, LAWS OF 2003, TO CONFORM TO THE PRECEDING SECTION;
20 TO AMEND SECTION 27-25-506, MISSISSIPPI CODE OF 1972, TO PROVIDE
21 THAT UNTIL FISCAL YEAR 2006, \$10,000,000.00 OF THE STATE'S SHARE
22 OF OIL AND GAS SEVERANCE TAXES SHALL BE DEPOSITED INTO THE STATE
23 GENERAL FUND AND THE REMAINDER SHALL BE DEPOSITED INTO THE BUDGET
24 CONTINGENCY FUND TO BE APPROPRIATED FOR THE SUPPORT OF THE
25 MISSISSIPPI ADEQUATE EDUCATION PROGRAM; TO AMEND SECTION
26 43-13-407, MISSISSIPPI CODE OF 1972, AS AMENDED BY HOUSE BILL NO.
27 438, 2004 REGULAR SESSION, TO PROVIDE THAT IN FISCAL YEARS 2005
28 THROUGH 2009, CERTAIN SUMS SHALL BE TRANSFERRED FROM THE HEALTH
29 CARE TRUST FUND TO THE HEALTH CARE EXPENDABLE FUND; TO PROVIDE
30 THAT IN FISCAL YEAR 2010 AND EACH FISCAL YEAR THEREAFTER, THE
31 AVERAGE ANNUAL AMOUNT OF THE DIVIDENDS, INTEREST AND OTHER INCOME
32 EARNED ON THE FUNDS IN THE HEALTH CARE TRUST FUND DURING THE
33 PRECEDING FOUR FISCAL YEARS SHALL BE TRANSFERRED TO THE HEALTH
34 CARE EXPENDABLE FUND; TO PROVIDE THAT THE PRECEDING PROVISIONS MAY
35 NOT BE CHANGED EXCEPT UPON A THREE-FIFTHS VOTE OF EACH HOUSE OF
36 THE LEGISLATURE; TO EXTEND THE REPEALER ON CERTAIN PROVISIONS OF
37 THAT SECTION TO JULY 1, 2009; TO PROVIDE THAT THROUGH JUNE 30,
38 2005, THE PERSONNEL ACTIONS OF THE DEPARTMENT OF CORRECTIONS
39 REGARDING EMPLOYEES AT THE CENTRAL OFFICES, THE STATE PENITENTIARY
40 AND THE CENTRAL CORRECTIONAL FACILITY SHALL BE EXEMPT FROM STATE
41 PERSONNEL BOARD PROCEDURES; TO PROVIDE THAT WHENEVER AN EMPLOYEE
42 AT ANY OF THOSE LOCATIONS IS DISMISSED DURING THAT PERIOD OF TIME,
43 THAT EMPLOYEE'S POSITION SHALL BE ELIMINATED; TO AMEND SECTION
44 27-3-79, MISSISSIPPI CODE OF 1972, AS AMENDED BY HOUSE BILL NO.
45 611, 2004 REGULAR SESSION, TO REQUIRE THE STATE TAX COMMISSION TO
46 DEVELOP A TAX AMNESTY PROGRAM; TO PROVIDE THAT THE PROGRAM WILL

47 BEGIN ON SEPTEMBER 30, 2004, AND END ON DECEMBER 31, 2004, AND
48 WILL APPLY TO ALL TAXES REQUIRED TO BE COLLECTED BY THE STATE TAX
49 COMMISSION AND WHICH WERE DUE AND PAYABLE FOR THE YEAR 1999 AND
50 AFTER; TO PROVIDE THAT TAX AMNESTY WILL NOT BE AVAILABLE TO
51 TAXPAYERS SUBJECT TO TAX-RELATED CRIMINAL INVESTIGATIONS OR
52 PROSECUTIONS, OR WHERE TAXES HAVE BEEN PREVIOUSLY ASSESSED BY THE
53 STATE TAX COMMISSION OR TO ESTIMATED INCOME TAX PAYMENTS; TO
54 PROVIDE THAT DURING FISCAL YEAR 2005, ANY INTEREST EARNED ON
55 STATE-SOURCE SPECIAL FUNDS OF THE DEPARTMENT OF TRANSPORTATION
56 SHALL BE DEPOSITED INTO THE STATE GENERAL FUND; TO AMEND SECTION
57 65-1-111, MISSISSIPPI CODE OF 1972, IN CONFORMITY TO THE PRECEDING
58 PROVISION; TO AMEND SECTIONS 41-29-107, 41-29-108, 41-29-111 AND
59 45-1-2, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE MISSISSIPPI
60 BUREAU OF NARCOTICS SHALL BE AN OFFICE WITHIN THE DEPARTMENT OF
61 PUBLIC SAFETY; TO PROVIDE THAT THE DIRECTOR OF THE BUREAU OF
62 NARCOTICS SHALL BE APPOINTED BY THE COMMISSIONER OF PUBLIC SAFETY;
63 TO PROVIDE FOR THE TRANSFER OF ALL FUNDS, PROPERTY AND PINS OF THE
64 BUREAU OF NARCOTICS TO THE DEPARTMENT OF PUBLIC SAFETY; TO PROVIDE
65 FOR AN OFFICE OF HOMELAND SECURITY WITHIN THE DEPARTMENT OF PUBLIC
66 SAFETY; TO REPEAL SECTION 1, CHAPTER 520, LAWS OF 1972, WHICH
67 PROVIDES THAT FUNDS APPROPRIATED TO THE BUREAU OF NARCOTICS SHALL
68 BE KEPT SEPARATE FROM THE FUNDS OF THE DEPARTMENT OF PUBLIC
69 SAFETY; TO AMEND SECTION 77-1-21, MISSISSIPPI CODE OF 1972, TO
70 TRANSFER THE LAW ENFORCEMENT FUNCTIONS OF THE PUBLIC SERVICE
71 COMMISSION TO THE MISSISSIPPI DEPARTMENT OF TRANSPORTATION; TO
72 AMEND SECTION 75-76-129, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT
73 DURING FISCAL YEAR 2005, 25% OF THE STATE'S SHARE OF GAMING
74 LICENSE FEES SHALL BE DEPOSITED INTO THE BUDGET CONTINGENCY FUND;
75 TO AMEND SECTION 37-61-33, MISSISSIPPI CODE OF 1972, TO DIVERT,
76 UNTIL JULY 1, 2005, A PORTION OF EDUCATION ENHANCEMENT FUNDS THAT
77 ARE ALLOCATED FOR CLASSROOM SUPPLIES TO THE BUDGET CONTINGENCY
78 FUND; TO AMEND SECTION 49-6-3, MISSISSIPPI CODE OF 1972, TO DELETE
79 THE PROVISIONS THAT REQUIRE THE DEPARTMENT OF WILDLIFE, FISHERIES
80 AND PARKS TO DEPOSIT A PERCENTAGE OF HUNTING AND FISHING LICENSE
81 FEES COLLECTED EACH MONTH INTO THE WILDLIFE, FISHERIES AND PARKS
82 MOTOR VEHICLE FUND; AND FOR RELATED PURPOSES.

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

84 **SECTION 1.** Section 27-103-125, Mississippi Code of 1972, is
85 amended as follows:

86 27-103-125. The proposed budget of each state agency shall
87 show the amounts required for operating expenses separately from
88 the amounts required for permanent improvements. The overall
89 budget shall show, separately by each source, the estimated amount
90 of general fund revenue and of special fund revenues of general
91 fund agencies. The total proposed expenditures in Part 1 of the
92 overall budget shall not exceed the amount of estimated revenues
93 that will be available in the general and special funds for
94 appropriation or use during the succeeding fiscal year, including
95 any balances that will be on hand in the general and special funds
96 at the close of the then current fiscal year. * * * The total
97 proposed expenditures from the State General Fund in Part 1 of the

98 overall budget shall not exceed ninety-eight percent (98%) of the
99 amount of general fund revenue estimate for the succeeding fiscal
100 year, plus any unencumbered balances in general funds that will be
101 available and on hand at the close of the then current fiscal
102 year. However, for fiscal years 2004 and 2005 only, the total
103 proposed expenditures from the State General Fund in Part 1 of the
104 overall budget shall not exceed one hundred percent (100%) of the
105 amount of the general fund revenue estimate for the succeeding
106 fiscal year, plus any unencumbered balances in general funds that
107 will be available and on hand at the close of the then current
108 fiscal year. The general fund revenue estimate shall be the
109 estimate jointly adopted by the Governor and the Joint Legislative
110 Budget Committee. Unencumbered balances in general funds that
111 will be available and on hand at the close of the current fiscal
112 year shall not include projected amounts required to be deposited
113 into the Working Cash-Stabilization Reserve Fund under Section
114 27-103-203. The Legislative Budget Office may recommend
115 additional taxes or sources of revenue if in its judgment those
116 additional funds are necessary to adequately support the functions
117 of the state government.

118 **SECTION 2.** Section 27-103-139, Mississippi Code of 1972, is
119 amended as follows:

120 27-103-139. On or before November 15 preceding each regular
121 session of the Legislature, except the first regular session of a
122 new term of office, the Governor shall submit to the members of
123 the Legislature, the Legislative Budget Office or the
124 members-elect, as the case may be, and to the executive head of
125 each state agency a balanced budget for the succeeding fiscal
126 year. * * * The budget submitted shall be prepared in a format
127 that will include performance measurement data associated with the
128 various programs operated by each agency. The total proposed
129 expenditures in the balanced budget shall not exceed the amount of
130 estimated revenues that will be available for appropriation or use

131 during the succeeding fiscal year, including any balances that
132 will be on hand at the close of the then current fiscal year, as
133 determined by the revenue estimate jointly adopted by the Governor
134 and the Legislative Budget Committee. * * * The total proposed
135 expenditures from the State General Fund in the balanced budget
136 shall not exceed ninety-eight percent (98%) of the amount of
137 general fund revenue estimate for the succeeding fiscal year, plus
138 any unencumbered balances in general funds that will be available
139 and on hand at the close of the then current fiscal year.
140 However, for fiscal years 2004 and 2005 only, the total proposed
141 expenditures from the State General Fund in the balanced budget
142 shall not exceed one hundred percent (100%) of the amount of the
143 general fund revenue estimate for the succeeding fiscal year, plus
144 any unencumbered balances in general funds that will be available
145 and on hand at the close of the then current fiscal year. The
146 general fund revenue estimate shall be the estimate jointly
147 adopted by the Governor and the Joint Legislative Budget
148 Committee. Unencumbered balances in general funds that will be
149 available and on hand at the close of the fiscal year shall not
150 include projected amounts required to be deposited into the
151 Working Cash-Stabilization Reserve Fund and the Education
152 Enhancement Fund under Section 27-103-203.

153 The revenues used in preparing the balanced budget shall be
154 only those revenues that will be available under the general laws
155 of the state as they exist when the balanced budget is prepared,
156 and shall not include any proposed revenues that would become
157 available only after the enactment of new legislation. If the
158 Governor has any recommendations for additional proposed
159 expenditures or proposed revenues that are not included in his
160 balanced budget, he shall submit those recommendations in a
161 supplement that is separate from his balanced budget, and whenever
162 the Governor recommends any such additional proposed expenditures,
163 he also shall recommend proposed revenues that are sufficient to

164 fund the additional proposed expenditures, providing specific
165 details regarding the sources and the total amount of those
166 proposed revenues.

167 The Governor may employ a budget officer for the purpose of
168 receiving information from the State Fiscal Officer and preparing
169 his recommendations on the budget. If the Governor determines
170 that information received from the State Fiscal Officer is not
171 sufficient to enable him to prepare his budget recommendations, he
172 may request an appropriation from the Legislature to provide
173 additional staff within the Governor's Office for that purpose.
174 At the first regular session after his election for Governor, the
175 Governor shall submit any budget recommendations plus the required
176 revenue source recommendations no later than January 31 of that
177 year.

178 **SECTION 3.** Section 27-103-211, Mississippi Code of 1972, is
179 amended as follows:

180 27-103-211. * * * The total sum appropriated by the
181 Legislature from the State General Fund for any fiscal year shall
182 not exceed ninety-eight percent (98%) of the general fund revenue
183 estimate for that fiscal year developed by the Tax Commission and
184 the University Research Center and adopted by the Joint
185 Legislative Budget Committee, plus any unencumbered balances in
186 general funds that will be available and on hand at the close of
187 the then current fiscal year. The unencumbered balances in
188 general funds that will be available and on hand at the close of
189 the fiscal year shall not include projected amounts required to be
190 deposited into the Working Cash-Stabilization Reserve Fund under
191 Section 27-103-203. However, for fiscal years 2004 and 2005 only,
192 the total sum appropriated by the Legislature from the State
193 General Fund shall not exceed one hundred percent (100%) of the
194 amount of the general fund revenue estimate for that fiscal year,
195 plus any unencumbered balances in general funds that will be

196 available and on hand at the close of the then current fiscal
197 year.

198 **SECTION 4.** Section 27-103-135, Mississippi Code of 1972, is
199 amended as follows:

200 27-103-135. (1) At such regular or special times and on
201 such forms as the Legislative Budget Office may require, every tax
202 or fee-collecting or other revenue-producing agency shall furnish
203 the Legislative Budget Office with complete and detailed
204 information as to the amount of revenue collected or otherwise
205 received by it during the then current fiscal year, together with
206 an estimate of the revenue that is anticipated for such succeeding
207 periods as the Legislative Budget Office may require. In
208 addition, each state agency that maintains funds in accounts that
209 are not in the State Treasury shall furnish the Legislative Budget
210 Office with detailed information about the amount of those funds
211 that the agency has on hand and the location of those funds.

212 (2) At such regular or special times and on such forms as
213 the State Fiscal Officer may require, every tax or fee-collecting
214 or other revenue-producing agency shall furnish the Department of
215 Finance and Administration with complete and detailed information
216 as to the amount of revenue collected or otherwise received by it
217 during the then current fiscal year, together with an estimate of
218 the revenue that is anticipated for such succeeding periods as the
219 board may require. The information required to be furnished under
220 this section shall include all revenues from every fee, penalty,
221 tax, assessment or other charge levied, whether authorized by law
222 or not, and shall further include an itemized statement by the
223 agency of the costs of services for which fees are charged,
224 comparing the costs with revenues generated by the fees.

225 (3) The State Fiscal Officer shall review the information so
226 furnished and report to the Legislature any fees that do not
227 appear to be reasonably calculated to recover the costs of

228 services for which the fees are charged, and any fees that are
229 collected without legal authority.

230 **SECTION 5.** (1) Not later than September 1, 2004, each
231 agency, department and institution of the State of Mississippi
232 shall submit a report to the Chairmen of the House and Senate
233 Appropriations Committees and the State Auditor on the usage of
234 cellular telephones by the agency, department or institution
235 during fiscal year 2004. The report shall include the number and
236 types of cellular telephones, the annual cost of using those
237 telephones, a listing of the positions using those telephones, and
238 a separate justification for using each of those telephones.

239 (2) The Department of Audit shall review and determine the
240 accuracy of the reports on the usage of cellular telephones during
241 fiscal year 2004 that are submitted by state agencies, departments
242 and institutions as required by subsection (1) of this section.

243 **SECTION 6.** The State Fiscal Officer shall transfer to the
244 Budget Contingency Fund created in Section 27-103-301, out of the
245 following special fund, the amount listed below during the period
246 beginning upon the passage of this act through June 30, 2004:

247	<u>Agency/Fund</u>	<u>Fund No.</u>	<u>Amount</u>
248	Casino Roads Bond		
249	Sinking Fund	397W	<u>\$69,000,000.00</u>
250	TOTAL		\$69,000,000.00

251 **SECTION 7.** (1) The State Fiscal Officer shall transfer to
252 the Budget Contingency Fund created in Section 27-103-301, out of
253 the following enumerated special funds, the amount listed below
254 from each fund throughout the period beginning upon July 1, 2004,
255 and through June 30, 2005:

256	<u>Agency/Fund</u>	<u>Fund No.</u>	<u>Amount</u>
257	Mississippi Department of		
258	Transportation (truck		
259	and bus permits)	3941	\$ 6,000,000.00
260	State General Fund		102,000,000.00

261	Working Cash-Stabilization		
262	Reserve Fund		8,000,000.00
263	Mississippi Development		
264	Authority/State Aid Roads	34HG	500,000.00
265	Chiropractic Examiners Board	3849	101,239.00
266	Criminal Justice Fund	3086	300,000.00
267	Department of Marine Resources	3452	200,000.00
268	DFA - Employment Compensation		
269	Revolving Fund	3644	471,958.00
270	DFA - Self-Insured Workers		
271	Compensation Fund	3642	2,715,295.00
272	DPS - Emergency		
273	Telecommunications Standards		
274	and Training Board	3744	671,292.00
275	Engineers and Land Surveyors		
276	Board	3842	106,647.00
277	Department of Information		
278	Technology Services	3601	360,430.00
279	Public Contractors Board	3834	351,076.00
280	State Fire Academy	3502	152,756.00
281	Treasury - Unclaimed Property		
282	Fund	3178	1,000,000.00
283	UM - State Court Education		
284	Program	3257	150,000.00
285	Department of Wildlife,		
286	Fisheries and Parks	3462	
287		and/or 3464,	
288		and/or 3461	2,000,000.00
289	Department of Finance and		
290	Administration	3931	6,884,235.00
291	Insurance Department Fees		
292	and Assessments Fund	3501	<u>2,000,000.00</u>
293	TOTAL		\$133,964,928.00

294 (2) The funds required to be transferred from the Department
295 of Finance and Administration's Fund No. 3931 in subsection (1) of
296 this section shall be derived from the following projects:

297	<u>Project No.</u>	<u>Amount</u>
298	412 - 149	\$ 866,136.13
299	412 - 150	\$1,562,064.30
300	412 - 160	\$ 23,730.85
301	421 - 069	\$ 255,331.00
302	421 - 070	\$ 950,433.95
303	421 - 072	\$ 433,294.95
304	421 - 073	\$ 495,100.00
305	422 - 142	\$ 859,643.82
306	601 - 071	\$ 600,000.00
307	601 - 098	\$ 382,000.00
308	601 - 099	<u>\$ 456,500.00</u>
309	TOTAL	\$6,884,235.00

310 (3) The funds required to be transferred from the Insurance
311 Department's Fund No. 3501 in subsection (1) of this section shall
312 be derived from funds transferred to the Insurance Department
313 under Section 83-21-21(9), Mississippi Code of 1972, as amended by
314 House Bill No. 834, 2004 Regular Session.

315 (4) During the period beginning upon July 1, 2004, and
316 through June 30, 2005, the Board of Levee Commissioners of the
317 Yazoo-Mississippi Delta Levee District, upon demand of the State
318 Fiscal Officer, shall transfer to the State Treasurer a sum or
319 sums not exceeding a total of Five Million Dollars
320 (\$5,000,000.00), which shall be deposited into the Budget
321 Contingency Fund.

322 **SECTION 8.** (1) During the period beginning upon July 1,
323 2004, and until June 30, 2005, the State Fiscal Officer shall
324 transfer to the Budget Contingency Fund created in Section
325 27-103-301, from the aggregate of special funds in the State
326 Treasury, an amount equal to Eighty-three Million Four Hundred

327 Thousand Dollars (\$83,400,000.00). Not later than July 31, 2004,
328 the State Fiscal Officer shall notify each agency that is subject
329 to the provisions of this section of the total amount of funds
330 that the agency shall transfer during the fiscal year and the time
331 period or periods within which the funds must be transferred. The
332 funds shall be transferred in accordance with a schedule
333 established by the State Fiscal Officer, but the total amount
334 transferred in any one (1) month shall not exceed Twenty Million
335 Eight Hundred Fifty Thousand Dollars (\$20,850,000.00).

336 (2) The State Fiscal Officer shall determine which special
337 funds shall be transferred to the Budget Contingency Fund at any
338 time under this section and shall notify the appropriate agencies,
339 except that the Working Cash-Stabilization Reserve Fund, trust
340 funds, bond proceed funds, federal funds, special-source funds
341 used to match federal funds, special-source funds to the credit of
342 the Mississippi Department of Transportation, special-source funds
343 to the credit of the Department of Mental Health derived from
344 client care, and special-source funds to the credit of the
345 Telecommunications Ad Valorem Tax Reduction Fund established under
346 Section 27-38-7, shall be exempt from any required transfer under
347 this section. Upon notification from the State Fiscal Officer,
348 the agency shall make the transfer from its special funds as
349 required by the State Fiscal Officer.

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

352 27-65-75. On or before the fifteenth day of each month, the
353 revenue collected under the provisions of this chapter during the
354 preceding month shall be paid and distributed as follows:

355 (1) On or before August 15, 1992, and each succeeding month
356 thereafter through July 15, 1993, eighteen percent (18%) of the
357 total sales tax revenue collected during the preceding month under
358 the provisions of this chapter, except that collected under the
359 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on

360 business activities within a municipal corporation shall be
361 allocated for distribution to the municipality and paid to the
362 municipal corporation. On or before August 15, 1993, and each
363 succeeding month thereafter, eighteen and one-half percent
364 (18-1/2%) of the total sales tax revenue collected during the
365 preceding month under the provisions of this chapter, except that
366 collected under the provisions of Sections 27-65-15, 27-65-19(3)
367 and 27-65-21, on business activities within a municipal
368 corporation shall be allocated for distribution to the
369 municipality and paid to the municipal corporation.

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

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

379 In any county having a county seat that is not an
380 incorporated municipality, the distribution provided under this
381 subsection shall be made as though the county seat was an
382 incorporated municipality; however, the distribution to the
383 municipality shall be paid to the county treasury in which the
384 municipality is located, and those funds shall be used for road,
385 bridge and street construction or maintenance in the county.

386 (2) On or before September 15, 1987, and each succeeding
387 month thereafter, from the revenue collected under this chapter
388 during the preceding month One Million One Hundred Twenty-five
389 Thousand Dollars (\$1,125,000.00) shall be allocated for
390 distribution to municipal corporations as defined under subsection
391 (1) of this section in the proportion that the number of gallons
392 of gasoline and diesel fuel sold by distributors to consumers and

393 retailers in each such municipality during the preceding fiscal
394 year bears to the total gallons of gasoline and diesel fuel sold
395 by distributors to consumers and retailers in municipalities
396 statewide during the preceding fiscal year. The State Tax
397 Commission shall require all distributors of gasoline and diesel
398 fuel to report to the commission monthly the total number of
399 gallons of gasoline and diesel fuel sold by them to consumers and
400 retailers in each municipality during the preceding month. The
401 State Tax Commission shall have the authority to promulgate such
402 rules and regulations as is necessary to determine the number of
403 gallons of gasoline and diesel fuel sold by distributors to
404 consumers and retailers in each municipality. In determining the
405 percentage allocation of funds under this subsection for the
406 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
407 State Tax Commission may consider gallons of gasoline and diesel
408 fuel sold for a period of less than one (1) fiscal year. For the
409 purposes of this subsection, the term "fiscal year" means the
410 fiscal year beginning July 1 of a year.

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

423 (4) On or before August 15, 1994, and on or before the
424 fifteenth day of each succeeding month through July 15, 1999, from
425 the proceeds of gasoline, diesel fuel or kerosene taxes as

426 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
427 (\$4,000,000.00) shall be deposited in the State Treasury to the
428 credit of a special fund designated as the "State Aid Road Fund,"
429 created by Section 65-9-17. On or before August 15, 1999, and on
430 or before the fifteenth day of each succeeding month, from the
431 total amount of the proceeds of gasoline, diesel fuel or kerosene
432 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
433 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
434 one-fourth percent (23.25%) of those funds, whichever is the
435 greater amount, shall be deposited in the State Treasury to the
436 credit of the "State Aid Road Fund," created by Section 65-9-17.
437 Those funds shall be pledged to pay the principal of and interest
438 on state aid road bonds heretofore issued under Sections 19-9-51
439 through 19-9-77, in lieu of and in substitution for the funds
440 previously allocated to counties under this section. Those funds
441 may not be pledged for the payment of any state aid road bonds
442 issued after April 1, 1981; however, this prohibition against the
443 pledging of any such funds for the payment of bonds shall not
444 apply to any bonds for which intent to issue those bonds has been
445 published, for the first time, as provided by law before March 29,
446 1981. From the amount of taxes paid into the special fund under
447 this subsection and subsection (9) of this section, there shall be
448 first deducted and paid the amount necessary to pay the expenses
449 of the Office of State Aid Road Construction, as authorized by the
450 Legislature for all other general and special fund agencies. The
451 remainder of the fund shall be allocated monthly to the several
452 counties in accordance with the following formula:

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

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

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

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

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

479 Any reference in the general laws of this state or the
480 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
481 construed to refer and apply to subsection (4) of Section
482 27-65-75.

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

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

492 Correctional Facilities Construction Fund created in Section 6 of
493 Chapter 542, Laws of 1983.

494 (7) On or before August 15, 1992, and each succeeding month
495 thereafter through July 15, 2000, two and two hundred sixty-six
496 one-thousandths percent (2.266%) of the total sales tax revenue
497 collected during the preceding month under the provisions of this
498 chapter, except that collected under the provisions of Section
499 27-65-17(2) shall be deposited by the commission into the School
500 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
501 or before August 15, 2000, and each succeeding month thereafter,
502 two and two hundred sixty-six one-thousandths percent (2.266%) of
503 the total sales tax revenue collected during the preceding month
504 under the provisions of this chapter, except that collected under
505 the provisions of Section 27-65-17(2), shall be deposited into the
506 School Ad Valorem Tax Reduction Fund created under Section
507 37-61-35 until such time that the total amount deposited into the
508 fund during a fiscal year equals Forty-two Million Dollars
509 (\$42,000,000.00). Thereafter, the amounts diverted under this
510 subsection (7) during the fiscal year in excess of Forty-two
511 Million Dollars (\$42,000,000.00) shall be deposited into the
512 Education Enhancement Fund created under Section 37-61-33 for
513 appropriation by the Legislature as other education needs and
514 shall not be subject to the percentage appropriation requirements
515 set forth in Section 37-61-33.

516 (8) On or before August 15, 1992, and each succeeding month
517 thereafter, nine and seventy-three one-thousandths percent
518 (9.073%) of the total sales tax revenue collected during the
519 preceding month under the provisions of this chapter, except that
520 collected under the provisions of Section 27-65-17(2), shall be
521 deposited into the Education Enhancement Fund created under
522 Section 37-61-33.

523 (9) On or before August 15, 1994, and each succeeding month
524 thereafter, from the revenue collected under this chapter during

525 the preceding month, Two Hundred Fifty Thousand Dollars
526 (\$250,000.00) shall be paid into the State Aid Road Fund.

527 (10) On or before August 15, 1994, and each succeeding month
528 thereafter through August 15, 1995, from the revenue collected
529 under this chapter during the preceding month, Two Million Dollars
530 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
531 Valorem Tax Reduction Fund established in Section 27-51-105.

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

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

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

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

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

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

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

586 (18) On or before August 15, 2005, and each succeeding month
587 thereafter through July 15, 2006, from the sales tax revenue
588 collected during the preceding month under the provisions of this
589 chapter, Two Million Five Hundred Thousand Dollars (\$2,500,000.00)

590 shall be deposited into the Special Funds Transfer Fund created in
591 Section 4 of Chapter 556, Laws of 2003.

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

595 (20) It shall be the duty of the municipal officials of any
596 municipality that expands its limits, or of any community that
597 incorporates as a municipality, to notify the commissioner of
598 that action thirty (30) days before the effective date. Failure
599 to so notify the commissioner shall cause the municipality to
600 forfeit the revenue that it would have been entitled to receive
601 during this period of time when the commissioner had no knowledge
602 of the action. If any funds have been erroneously disbursed to
603 any municipality or any overpayment of tax is recovered by the
604 taxpayer, the commissioner may make correction and adjust the
605 error or overpayment with the municipality by withholding the
606 necessary funds from any later payment to be made to the
607 municipality.

608 **SECTION 10.** Section 4, Chapter 556, Laws of 2003, is amended
609 as follows:

610 Section 4. (1) There is created in the State Treasury a
611 special fund to be known as the Special Funds Transfer Fund, which
612 shall be comprised of the monies required to be deposited into the
613 fund under Section 27-65-75(18) for the repayment of certain funds
614 transferred to the Budget Contingency Fund. Upon receipt of
615 monies deposited into the fund under Section 27-65-75(18), the
616 State Treasurer shall transfer those monies to the special funds
617 from which transfers were made under Sections 2 and 3 of Chapter
618 556, Laws of 2003.

619 (2) Unexpended amounts remaining in the fund on September
620 30, 2006, shall lapse into the State General Fund, and any
621 interest earned or investment earnings on amounts in the fund
622 shall be deposited to the credit of the fund.

623 **SECTION 11.** Section 27-25-506, Mississippi Code of 1972, is
624 amended as follows:

625 27-25-506. There is * * * created a special fund in the
626 State Treasury into which the state's share of proceeds collected
627 under Sections 27-25-505 and 27-25-705 shall be deposited.

628 The state's share of all oil and gas severance taxes derived
629 from oil and gas resources under state-owned lands or from severed
630 state-owned minerals shall be deposited into the State Treasury to
631 the credit of the trust fund created in Section 206A, Mississippi
632 Constitution of 1890. The following amounts of the remainder of
633 tax collections apportioned to the state shall be deposited to the
634 credit of the trust fund created in Section 206A, Mississippi
635 Constitution of 1890:

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

638 (b) For fiscal year 1995, all amounts collected in
639 excess of Thirty-two Million Five Hundred Thousand Dollars
640 (\$32,500,000.00);

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

643 (d) For fiscal year 1997, all amounts collected in
644 excess of Twenty-seven Million Five Hundred Thousand Dollars
645 (\$27,500,000.00);

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

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

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

652 (h) For fiscal year 2001 through December 31, 2000, all
653 amounts collected and transferred in excess of Ten Million Dollars
654 (\$10,000,000.00);

655 (i) For fiscal year 2005, all amounts collected in
656 excess of Ten Million Dollars (\$10,000,000.00);

657 (j) For fiscal year 2006, all amounts collected in
658 excess of Five Million Dollars (\$5,000,000.00); and

659 (k) For fiscal year 2007 and each fiscal year
660 thereafter, all such tax collections apportioned to the state
661 shall be deposited to the credit of the trust fund.

662 The monies collected under paragraphs (a) through (j) of this
663 section that are not deposited into the trust fund shall be
664 deposited into the State General Fund. For fiscal year 2005, the
665 monies not deposited into the State General Fund shall be
666 deposited into the Budget Contingency Fund created in Section
667 27-103-301. All monies deposited into the Budget Contingency Fund
668 under this section shall be appropriated by the Legislature for
669 the support of the * * * Mississippi Adequate Education
670 Program * * *.

671 **SECTION 12.** Section 43-13-407, Mississippi Code of 1972, as
672 amended by House Bill No. 438, 2004 Regular Session, is amended as
673 follows:

674 43-13-407. (1) In accordance with the purposes of this
675 article, there is established in the State Treasury the Health
676 Care Expendable Fund, into which shall be transferred from the
677 Health Care Trust Fund the following sums:

678 (a) In fiscal year 2005, Two Hundred Sixteen Million
679 Dollars (\$216,000,000.00);

680 (b) In fiscal year 2006, One Hundred Eighty-six Million
681 Dollars (\$186,000,000.00);

682 (c) In fiscal year 2007, One Hundred Forty-six Million
683 Dollars (\$146,000,000.00);

684 (d) In fiscal year 2008, One Hundred Six Million
685 Dollars (\$106,000,000.00);

686 (e) In fiscal year 2009, Sixty-six Million Dollars
687 (\$66,000,000.00);

688 * * *

689 (f) In fiscal year 2010 and each fiscal year
690 thereafter, a sum equal to the average annual amount of the
691 dividends, interest and other income, including increases in value
692 of the principal, earned on the funds in the Health Care Trust
693 Fund during the preceding four (4) fiscal years.

694 (2) In any fiscal year in which interest, dividends and
695 other income from the investment of the funds in the Health Care
696 Trust Fund are not sufficient to fund the full amount of the
697 annual transfer into the Health Care Expendable Fund as required
698 in subsection (1)(f) of this section, the State Treasurer shall
699 transfer from tobacco settlement installment payments an amount
700 that is sufficient to fully fund the amount of the annual
701 transfer.

702 (3) (a) On March 6, 2002, the State Treasurer shall
703 transfer the sum of Eighty-seven Million Dollars (\$87,000,000.00)
704 from the Health Care Trust Fund into the Health Care Expendable
705 Fund. In addition, at the time the State of Mississippi receives
706 the tobacco settlement installment payments for each of the
707 calendar years 2002 and 2003 * * *, the State Treasurer shall
708 deposit the full amount of each of those installment payments into
709 the Health Care Expendable Fund.

710 (b) If during any fiscal year after March 6, 2002, the
711 general fund revenues received by the state exceed the general
712 fund revenues received during the previous fiscal year by more
713 than five percent (5%), the Legislature shall repay to the Health
714 Care Trust Fund one-third (1/3) of the amount of the general fund
715 revenues that exceed the five percent (5%) growth in general fund
716 revenues. The repayment required by this paragraph shall continue
717 in each fiscal year in which there is more than five percent (5%)
718 growth in general fund revenues, until the full amount of the
719 funds that were transferred and deposited into the Health Care

720 Expendable Fund under the provisions of paragraph (a) of this
721 subsection have been repaid to the Health Care Trust Fund.

722 (4) All income from the investment of the funds in the
723 Health Care Expendable Fund shall be credited to the account of
724 the Health Care Expendable Fund. Any funds in the Health Care
725 Expendable Fund at the end of a fiscal year shall not lapse into
726 the State General Fund.

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

731 (6) The provisions of subsection (1) of this section may not
732 be changed in any manner except upon amendment to that subsection
733 by a bill enacted by the Legislature with a vote of not less than
734 three-fifths (3/5) of the members of each house present and
735 voting.

736 (7) Subsections (1), (2), (4) and (5) of this section shall
737 stand repealed on July 1, 2009.

738 **SECTION 13.** (1) For the period beginning upon the effective
739 date of this section and through June 30, 2005, the personnel
740 actions of the Mississippi Department of Corrections regarding
741 employees at the central offices of the department, the State
742 Penitentiary at Parchman and the Central Correctional Facility in
743 Rankin County shall be exempt from State Personnel Board
744 procedures. However, all new employees of the Department of
745 Corrections at those locations shall meet the criteria of the
746 State Personnel Board that presently exists for employment.
747 Whenever an employee at any of those locations is dismissed or
748 involuntarily terminated under the authority of this section
749 during that period of time, that employee's position shall be
750 eliminated.

751 (2) The Department of Corrections shall consult with the
752 Office of the Attorney General before taking personnel actions

753 permitted by this section to review those actions for compliance
754 with applicable state and federal law.

755 **SECTION 14.** Section 27-3-79, Mississippi Code of 1972, as
756 amended by House Bill No. 611, 2004 Regular Session, is amended as
757 follows:

758 27-3-79. (1) The State Tax Commission shall develop and
759 implement a tax amnesty program in accordance with the provisions
760 of this section. The program shall begin on September 1, 2004,
761 and end on December 31, 2004. The program shall apply to all
762 taxes that are required to be collected by the State Tax
763 Commission or commissioner and that were first due and payable for
764 the year 1999 and after. Tax amnesty shall be available to any
765 individuals or corporations who are liable for those taxes and who
766 have failed to pay all or any portion of their taxes, failed to
767 file returns or filed inaccurate returns; however, tax amnesty
768 shall not be available to individuals or corporations subject to
769 tax-related criminal investigations or prosecution, or where the
770 taxes have been previously assessed by the commission, or to
771 estimated tax payments required to be made under Section 27-7-319.
772 All civil and criminal penalties for nonpayment of taxes,
773 including the penalties set forth in subsection (2) of this
774 section, shall be waived for any eligible individual or
775 corporation who, during the tax amnesty period, makes total
776 payment of the taxes due. The State Tax Commission is authorized
777 to do all things necessary to carry out the tax amnesty programs
778 that are not inconsistent with this section.

779 (2) Any person eligible for the tax amnesty program and who
780 fails to make total payment of the taxes due during the tax
781 amnesty period, or any person who willfully attempts in any manner
782 to evade or defeat any tax imposed by the State Tax Commission, or
783 assists in the evading of that tax or the payment thereof,
784 including violations determined under Section 1 of House Bill No.
785 611, 2004 Regular Session, shall, in addition to other penalties

786 provided by law, be guilty of a felony and, upon conviction
787 thereof, shall be fined not more than One Hundred Thousand Dollars
788 (\$100,000.00) and, in the case of a corporation, not more than
789 Five Hundred Thousand Dollars (\$500,000.00), or imprisoned not
790 more than five (5) years, or both.

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

794 **SECTION 15.** During the period beginning upon July 1, 2004,
795 and through June 30, 2005, any interest earned on state-source
796 special funds to the credit of the Mississippi Department of
797 Transportation shall be deposited by the State Treasurer into the
798 State General Fund.

799 **SECTION 16.** Section 65-1-111, Mississippi Code of 1972, is
800 amended as follows:

801 65-1-111. All monies from any source provided by law shall
802 be covered and paid into the State Treasury as other public funds
803 are paid, and it shall be the duty of the Department of Finance
804 and Administration to advise the Mississippi Transportation
805 Commission of the amount of money allotted to the commission on
806 hand from time to time. It shall be the duty of the Department of
807 Finance and Administration to place and allocate those funds so
808 covered into the State Treasury in the State Highway Fund. The
809 interest earned on the investment of any highway funds shall be
810 paid into the State Highway Fund, except as otherwise provided in
811 Section 15 of this act. If any highway bonds or notes are issued,
812 the Transportation Commission will adopt a resolution requesting
813 the Bond Commission to issue such bonds or notes as may be
814 authorized and a "bond and interest sinking fund" and "note fund"
815 shall * * * be kept separate from the highway fund by the State
816 Treasurer pursuant to the bond resolution adopted by the State of
817 Mississippi Bond Commission.

818 **SECTION 17.** Section 41-29-107, Mississippi Code of 1972, is
819 amended as follows:

820 41-29-107. (1) There is * * * created within the
821 Mississippi Department of Public Safety an office to be known as
822 the Mississippi Bureau of Narcotics * * *. The office shall
823 have * * * a director who shall be appointed by the Commissioner
824 of Public Safety. The commissioner may assign to the appropriate
825 offices of the department such powers and duties deemed
826 appropriate to carry out the lawful functions of the Mississippi
827 Bureau of Narcotics.

828 (2) The Commissioner of Public Safety is empowered to employ
829 or appoint necessary agents. The commissioner may also employ
830 such secretarial, clerical and administrative personnel, including
831 a duly licensed attorney, as necessary for the operation of the
832 bureau, and shall have such quarters, equipment and facilities as
833 needed. The salary and qualifications of the attorney authorized
834 by this section shall be fixed by the director, but the salary
835 shall not exceed the salary authorized for an assistant attorney
836 general who performs similar duties.

837 (3) The director and agents so appointed shall be citizens
838 of the United States and of the State of Mississippi, and of good
839 moral character. The agents shall be not less than twenty-one
840 (21) nor shall have attained the age of thirty-six (36) years of
841 age at the time of such appointment. In addition thereto, those
842 appointed shall have satisfactorily completed at least two (2)
843 years of college studies. However, two (2) years of satisfactory
844 service as a law enforcement officer and the completion of the
845 prescribed course of study at a school operated by the Bureau of
846 Narcotics and Dangerous Drugs, United States Justice Department,
847 shall satisfy one (1) year of such college studies, and four (4)
848 years of satisfactory service as a law enforcement officer and the
849 completion of the prescribed course of study at such federal
850 bureau school as stated heretofore shall fully satisfy the two (2)

851 years of college requirement. The director shall also be required
852 to complete a prescribed course of study at a school operated by
853 the Bureau of Narcotics and Dangerous Drugs, United States Justice
854 Department.

855 During the period of the first twelve (12) months after
856 appointment, any employee of the bureau shall be subject to
857 dismissal at the will of the director. After twelve (12) months'
858 service, no employee of the bureau shall be subject to dismissal
859 unless charges have been filed with the director, showing cause
860 for dismissal of the employee of the bureau. A date shall be set
861 for hearing before the director and the employee notified in
862 writing of the date of such hearing and of the charges filed. The
863 hearing shall be held not less than ten (10) days after
864 notification to the employee. After the hearing, at which the
865 employee shall be entitled to legal counsel, a written order of
866 the director shall be necessary for dismissal and the decision
867 shall be final. Any such order of the director shall be a public
868 record and subject to inspection as such.

869 (4) The Commissioner of Public Safety may assign members of
870 the Mississippi Highway Safety Patrol, regardless of age, to the
871 bureau * * *; however, when any highway patrolman or other
872 employee, agent or official of the Mississippi Department of
873 Public Safety is assigned to duty with, or is employed by, the
874 bureau, he shall not be subject to assignment or transfer to any
875 other office or department within the Mississippi Department of
876 Public Safety except by the commissioner. Any highway patrolman
877 assigned to duty with the bureau shall retain his status as a
878 highway patrolman, but shall be under the supervision of the
879 director. For purposes of seniority within the Highway Safety
880 Patrol and for purposes of retirement under the Mississippi
881 Highway Safety Patrol Retirement System, highway patrolmen
882 assigned to the bureau will be credited as if performing duty with
883 the Highway Safety Patrol. The commissioner may assign employees

884 of the Highway Safety Patrol to the Mississippi Bureau of
885 Narcotics and may assign agents of the bureau to the Highway
886 Safety Patrol; however, any employees so assigned must meet all
887 established requirements for the duties to which they are
888 assigned.

889 (5) The Commissioner of Public Safety may enter into
890 contracts or agreements with the State Board of Health for
891 purposes of recruitment and screening of applicants through the
892 merit system.

893 (6) The Commissioner of Public Safety may enter into
894 agreements with bureaus or departments of other states or of the
895 United States for the exchange or temporary assignment of agents
896 for special undercover assignments and for performance of specific
897 duties.

898 (7) The Commissioner of Public Safety may assign agents of
899 the bureau to such duty and to request and accept agents from such
900 other bureaus or departments for such duty.

901 (8) (a) All funds, property and/or PINs belonging to the
902 Mississippi Bureau of Narcotics are transferred to the Department
903 of Public Safety on July 1, 2004. Any funds, property or PINs
904 that are appropriated to or otherwise received by the bureau, or
905 appropriated to, transferred to or otherwise received by the
906 Department of Public Safety for the use of the bureau, shall be
907 budgeted and maintained by the department as funds of the
908 department. Personnel occupying PINs transferred from the bureau
909 to the department shall serve on a probationary basis during the
910 twelve (12) months after July 1, 2004.

911 (b) In transferring the responsibilities of the
912 Mississippi Bureau of Narcotics to the Department of Public
913 Safety, the commissioner and the director of the bureau shall
914 develop and implement written security precautions that shall be
915 observed by all affected employees. The commissioner and the
916 director shall review, modify and approve the plan before the

917 effective date of the merger of responsibilities of the bureau and
918 the department.

919 **SECTION 18.** Section 41-29-108, Mississippi Code of 1972, is
920 amended as follows:

921 41-29-108. (1) The Commissioner of Public Safety is * * *
922 authorized to accept vehicles which may be available from the
923 federal government for use in enforcement of this article. The
924 commissioner is further authorized to expend reasonable funds from
925 any funds appropriated for the bureau for the delivery, repair and
926 maintenance of such automobiles.

927 (2) The commissioner is further authorized to rent or lease
928 motor vehicles for undercover missions. Such vehicles shall be
929 used only on specified missions and not as additions to the
930 regularly authorized and budgeted vehicles of the bureau.

931 **SECTION 19.** Section 41-29-111, Mississippi Code of 1972, is
932 amended as follows:

933 41-29-111. The Commissioner of Public Safety shall
934 administer this article and shall work in conjunction and
935 cooperation with the State Board of Pharmacy, county and municipal
936 law enforcement agencies, the district and county attorneys, the
937 Office of the Attorney General and the Mississippi Highway Safety
938 Patrol. The State Board of Health shall work with the bureau in
939 an advisory capacity and shall be responsible for recommending to
940 the Legislature the appropriate schedule for all substances to be
941 scheduled or rescheduled in Sections 41-29-113 through 41-29-121.
942 In making a recommendation regarding a substance, the board shall
943 consider the following:

944 (a) (i) The actual or relative potential for abuse;

945 (ii) The scientific evidence of its
946 pharmacological effect, if known;

947 (iii) The state of current scientific knowledge
948 regarding the substance;

949 (iv) The history and current pattern of abuse;

950 (v) The scope, duration and significance of abuse;
951 (vi) The risk to the public health;
952 (vii) The potential of the substance to produce
953 psychic or physiological dependence liability; and
954 (viii) Whether the substance is an immediate
955 precursor of a substance already controlled under this article.

956 (b) After considering the factors enumerated in
957 paragraph (a), the board shall make findings with respect thereto
958 and issue a recommendation to control the substance if it finds
959 the substance has a potential for abuse.

960 (c) If the board designates a substance as an immediate
961 precursor, substances that are precursors of the controlled
962 precursor shall not be recommended for control solely because they
963 are precursors of the controlled precursor.

964 (d) If any substance is designated, rescheduled, or
965 deleted as a controlled substance under federal law and notice
966 thereof is given to the board, it shall recommend the control of
967 the substance under this article at the next session of the
968 Legislature.

969 (e) Authority to control under this article does not
970 extend to distilled spirits, wine, malt beverages, or tobacco as
971 those terms are defined or used in the Local Option Alcoholic
972 Beverage Control Law, being Sections 67-1-1 through 67-1-91, and
973 the Tobacco Tax Law of 1934, being Sections 27-69-1 through
974 27-69-77. It is the intent of the Legislature of the State of
975 Mississippi that the bureau shall concentrate its efforts and
976 resources on the enforcement of the Uniform Controlled Substances
977 Law with respect to illicit narcotic and drug traffic in the
978 state.

979 The controlled substances listed in the schedules in Sections
980 41-29-113 through 41-29-121 are included by whatever official,
981 common, usual, chemical or trade name designated.

982 (f) The board shall recommend the exclusion of any
983 nonnarcotic substance from a schedule if such substance may, under
984 the Federal Food, Drug and Cosmetic Act and the laws of this
985 state, be lawfully sold over the counter without a prescription.

986 **SECTION 20.** Section 45-1-2, Mississippi Code of 1972, is
987 amended as follows:

988 45-1-2. (1) The Executive Director of the Department of
989 Public Safety shall be the Commissioner of Public Safety.

990 (2) The Commissioner of Public Safety shall establish the
991 organizational structure of the Department of Public Safety, which
992 shall include the creation of any units necessary to implement the
993 duties assigned to the department and consistent with specific
994 requirements of law, including, but not limited to:

995 (a) Office of Public Safety Planning;

996 (b) Office of Medical Examiner;

997 (c) Office of Mississippi Highway Safety Patrol;

998 (d) Office of Crime Laboratories;

999 (e) Office of Law Enforcement Officers' Training
1000 Academy;

1001 (f) Office of Support Services;

1002 (g) Office of Narcotics, which shall be known as the
1003 Bureau of Narcotics; and

1004 (h) Office of Homeland Security.

1005 (3) The department shall be headed by a commissioner, who
1006 shall be appointed by and serve at the pleasure of the Governor.
1007 The appointment of the commissioner shall be made with the advice
1008 and consent of the Senate. The commissioner may assign to the
1009 appropriate offices such powers and duties as deemed appropriate
1010 to carry out the department's lawful functions.

1011 (4) The commissioner of the department shall appoint heads
1012 of offices, who shall serve at the pleasure of the commissioner.
1013 The commissioner shall have the authority to organize the offices
1014 established by subsection (2) of this section as deemed

1015 appropriate to carry out the responsibilities of the department.
1016 The organization charts of the department shall be presented
1017 annually with the budget request of the Governor for review by the
1018 Legislature.

1019 (5) The commissioner of the department shall appoint, from
1020 within the Department of Public Safety, a statewide safety
1021 training officer who shall serve at the pleasure of the
1022 commissioner and whose duty it shall be to perform public training
1023 for both law enforcement and private persons throughout the state
1024 concerning proper emergency response to the mentally ill,
1025 terroristic threats or acts, domestic conflict, other conflict
1026 resolution, and such other matters as the commissioner may direct.

1027 **SECTION 21.** Section 1, Chapter 520, Laws of 1972, which
1028 provides that funds appropriated to the Bureau of Narcotics shall
1029 be kept separate from the funds of the Department of Public
1030 Safety, is repealed.

1031 **SECTION 22.** Section 77-1-21, Mississippi Code of 1972, is
1032 amended as follows:

1033 77-1-21. (1) For the purpose of enforcing the provisions of
1034 the Mississippi Motor Carrier Regulatory Law of 1938, the
1035 Mississippi Department of Transportation is * * * authorized to
1036 employ, in addition to personnel already employed by the
1037 department, one (1) chief enforcement officer and twenty-one (21)
1038 inspectors, who shall be under the management of the department.

1039 The chief enforcement officer and the inspectors shall devote
1040 their full time to the performance of their duties and shall take
1041 an oath faithfully to perform the duties of their position. The
1042 department shall require bonds to be carried on such employees as
1043 the department may deem necessary, the cost thereof to be paid by
1044 the department. The chief enforcement officer and inspectors
1045 shall be qualified by experience and training in law enforcement
1046 or investigative work, and shall attend and satisfactorily
1047 complete an appropriate course of instruction established by the

1048 Commissioner of Public Safety at the Law Enforcement Officers
1049 Training Academy. The chief enforcement officer and the
1050 inspectors * * * referred to in this section shall be selected
1051 after an examination as to physical and mental fitness. Such
1052 employees shall be citizens of the United States and the State of
1053 Mississippi, and of good moral character. All such members of
1054 staff shall be appointed by the Mississippi Department of
1055 Transportation and shall be subject to removal at any time by the
1056 department.

1057 (2) The Public Service Commission shall transfer all
1058 employees, equipment, inventory and resources of the commission
1059 employed and used to enforce the Motor Carrier Regulatory Law of
1060 1938 to the Mississippi Department of Transportation on July 1,
1061 2004. The transfer of personnel shall be commensurate with the
1062 number and classification of positions allocated to that law
1063 enforcement. The transfer also shall include direct support,
1064 clerical, data processing and communications positions allocated
1065 to that law enforcement.

1066 (3) The Public Service Commission shall transfer to the
1067 Mississippi Department of Transportation each year the amount of
1068 funds necessary to support the law enforcement functions being
1069 performed for the commission by the department, as specified in
1070 the appropriation bill for the Public Service Commission.

1071 (4) Any reference in any statute, rule or regulation to law
1072 enforcement duties being performed by the Public Service
1073 Commission shall be construed to mean law enforcement duties being
1074 performed for the commission by the Mississippi Department of
1075 Transportation.

1076 **SECTION 23.** Section 75-76-129, Mississippi Code of 1972, is
1077 amended as follows:

1078 **[Through June 30, 2022, this section shall read as follows:]**

1079 75-76-129. On or before the last day of each month all
1080 taxes, fees, interest, penalties, damages, fines or other monies

1081 collected by the State Tax Commission during that month under the
1082 provisions of this chapter, with the exception of (a) the local
1083 government fees imposed under Section 75-76-195, and (b) an amount
1084 equal to Three Million Dollars (\$3,000,000.00) of the revenue
1085 collected pursuant to the fee imposed under Section
1086 75-76-177(1)(c), or an amount equal to twenty-five percent (25%)
1087 of the revenue collected pursuant to the fee imposed under Section
1088 75-76-177(1)(c), whichever is the greater amount, shall be paid by
1089 the State Tax Commission to the State Treasurer to be deposited in
1090 the State General Fund. The local government fees shall be
1091 distributed by the State Tax Commission pursuant to Section
1092 75-76-197. Except for the period beginning on July 1, 2004, and
1093 through June 30, 2005, an amount equal to Three Million Dollars
1094 (\$3,000,000.00) of the revenue collected during that month
1095 pursuant to the fee imposed under Section 75-76-177(1)(c) shall be
1096 deposited by the State Tax Commission into the bond sinking fund
1097 created in Section 65-39-3. Except for the period beginning on
1098 July 1, 2004, and through June 30, 2005, the revenue collected
1099 during that month pursuant to the fee imposed under Section
1100 75-76-177(1)(c) that is in excess of Three Million Dollars
1101 (\$3,000,000.00), but is less than twenty-five percent (25%) of the
1102 amount of revenue collected during that month, shall be deposited
1103 into the State Highway Fund to be used exclusively for the
1104 reconstruction and maintenance of highways of the State of
1105 Mississippi.

1106 For the period beginning on July 1, 2004, and through June
1107 30, 2005, twenty-five percent (25%) of the amount of revenue
1108 collected during each month pursuant to the fee imposed under
1109 Section 75-76-177(1)(c) shall be deposited into the Budget
1110 Contingency Fund created in Section 27-103-301.

1111 **[From and after July 1, 2022, this section shall read as**
1112 **follows:]**

1113 75-76-129. On or before the last day of each month, all
1114 taxes, fees, interest, penalties, damages, fines or other monies
1115 collected by the State Tax Commission during that month under the
1116 provisions of this chapter, with the exception of the local
1117 government fees imposed under Section 75-76-195, shall be paid by
1118 the State Tax Commission to the State Treasurer to be deposited in
1119 the State General Fund. The local government fees shall be
1120 distributed by the State Tax Commission pursuant to Section
1121 75-76-197.

1122 **SECTION 24.** Section 37-61-33, Mississippi Code of 1972, is
1123 amended as follows:

1124 **[Until July 1, 2005, this section shall read as follows:]**

1125 37-61-33. (1) There is created within the State Treasury a
1126 special fund to be designated the "Education Enhancement Fund"
1127 into which shall be deposited all the revenues collected pursuant
1128 to Sections 27-65-75(7) and (8) and 27-67-31(a) and (b).

1129 (2) Of the amount deposited into the Education Enhancement
1130 Fund, Sixteen Million Dollars (\$16,000,000.00) shall be
1131 appropriated each fiscal year to the State Department of Education
1132 to be distributed to all school districts. Such money shall be
1133 distributed to all school districts in the proportion that the
1134 average daily attendance of each school district bears to the
1135 average daily attendance of all school districts within the state
1136 for the following purposes:

1137 (a) Purchasing, erecting, repairing, equipping,
1138 remodeling and enlarging school buildings and related facilities,
1139 including gymnasiums, auditoriums, lunchrooms, vocational training
1140 buildings, libraries, teachers' homes, school barns,
1141 transportation vehicles (which shall include new and used
1142 transportation vehicles) and garages for transportation vehicles,
1143 and purchasing land therefor.

1144 (b) Establishing and equipping school athletic fields
1145 and necessary facilities connected therewith, and purchasing land
1146 therefor.

1147 (c) Providing necessary water, light, heating, air
1148 conditioning and sewerage facilities for school buildings, and
1149 purchasing land therefor.

1150 (d) As a pledge to pay all or a portion of the debt
1151 service on debt issued by the school district under Sections
1152 37-59-1 through 37-59-45, 37-59-101 through 37-59-115, 37-7-351
1153 through 37-7-359, 37-41-89 through 37-41-99, 37-7-301, 37-7-302
1154 and 37-41-81, or debt issued by boards of supervisors for
1155 agricultural high schools pursuant to Section 37-27-65, if such
1156 pledge is accomplished pursuant to a written contract or
1157 resolution approved and spread upon the minutes of an official
1158 meeting of the district's school board or board of supervisors.
1159 The annual grant to such district in any subsequent year during
1160 the term of the resolution or contract shall not be reduced below
1161 an amount equal to the district's grant amount for the year in
1162 which the contract or resolution was adopted. The intent of this
1163 provision is to allow school districts to irrevocably pledge a
1164 certain, constant stream of revenue as security for long-term
1165 obligations issued under the code sections enumerated in this
1166 paragraph or as otherwise allowed by law. It is the intent of the
1167 Legislature that the provisions of this paragraph shall be
1168 cumulative and supplemental to any existing funding programs or
1169 other authority conferred upon school districts or school boards.
1170 Debt of a district secured by a pledge of sales tax revenue
1171 pursuant to this paragraph shall not be subject to any debt
1172 limitation contained in the foregoing enumerated code sections.

1173 (3) The remainder of the money deposited into the Education
1174 Enhancement Fund shall be appropriated as follows:

1175 (a) To the State Department of Education as follows:

1176 (i) Sixteen and sixty-one one-hundredths percent
1177 (16.61%) to the cost of the adequate education program determined
1178 under Section 37-151-7; of the funds generated by the percentage
1179 set forth in this section for the support of the adequate
1180 education program, one and one hundred seventy-eight
1181 one-thousandths percent (1.178%) of the funds shall be
1182 appropriated to be used by the State Department of Education for
1183 the purchase of textbooks to be loaned under Sections 37-43-1
1184 through 37-43-59 to approved nonpublic schools, as described in
1185 Section 37-43-1. The funds to be distributed to each nonpublic
1186 school shall be in the proportion that the average daily
1187 attendance of each nonpublic school bears to the total average
1188 daily attendance of all nonpublic schools;

1189 (ii) Seven and ninety-seven one-hundredths percent
1190 (7.97%) to assist the funding of transportation operations and
1191 maintenance pursuant to Section 37-19-23; and

1192 (iii) The revenue generated from nine and
1193 sixty-one one-hundredths percent (9.61%) that exceeds Fifteen
1194 Million Nine Hundred Thousand Dollars (\$15,900,000.00), for
1195 classroom supplies, instructional materials and equipment,
1196 including computers and computer software, to be distributed to
1197 all school districts in the proportion that the average daily
1198 attendance of each school district bears to the average daily
1199 attendance of all school districts within the state. Classroom
1200 supply funds shall not be expended for administrative purposes.
1201 Local school districts shall allocate classroom supply funds
1202 equally among all classroom teachers in the school district. For
1203 purposes of this subparagraph, "teacher" means any employee of the
1204 school board of a school district who is required by law to obtain
1205 a teacher's license from the State Department of Education and who
1206 is assigned to an instructional area of work as defined by the
1207 department, but shall not include a federally funded teacher. Two
1208 (2) or more teachers may agree to pool their classroom supply

1209 funds for the benefit of a school within the district. It is the
1210 intent of the Legislature that all classroom teachers shall be
1211 involved in the development of a spending plan that addresses
1212 individual classroom needs and supports the overall goals of the
1213 school regarding supplies, instructional materials, equipment,
1214 computers or computer software under the provisions of this
1215 subparagraph, including the type, quantity and quality of such
1216 supplies, materials and equipment. This plan shall be submitted
1217 in writing to the school principal for approval. Classroom supply
1218 funds allocated under this subparagraph shall supplement, not
1219 replace, other local and state funds available for the same
1220 purposes. School districts need not fully expend the funds
1221 received under this subparagraph in the year in which they are
1222 received, but such funds may be carried forward for expenditure in
1223 any succeeding school year. The State Board of Education shall
1224 develop and promulgate rules and regulations for the
1225 administration of this subparagraph consistent with the above
1226 criteria, with particular emphasis on allowing the individual
1227 teachers to expend funds as they deem appropriate. The revenue
1228 generated from the percentage under this subparagraph that does
1229 not exceed Fifteen Million Nine Hundred Thousand Dollars
1230 (\$15,900,000.00) shall be appropriated to the State Department of
1231 Education for the support of educational programs authorized by
1232 law;

1233 (b) Twenty-two and nine one-hundredths percent (22.09%)
1234 to the Board of Trustees of State Institutions of Higher Learning
1235 for the purpose of supporting institutions of higher learning; and

1236 (c) Fourteen and forty-one one-hundredths percent
1237 (14.41%) to the State Board for Community and Junior Colleges for
1238 the purpose of providing support to community and junior colleges.

1239 (4) The amount remaining in the Education Enhancement Fund
1240 after funds are distributed as provided in subsections (2) and (3)
1241 of this section shall be disbursed as follows:

1242 (a) Twenty-five Million Dollars (\$25,000,000.00) shall
1243 be deposited into the Working Cash-Stabilization Reserve Fund
1244 created pursuant to Section 27-103-203(1), until the balance in
1245 such fund reaches the maximum balance of seven and one-half
1246 percent (7-1/2%) of the General Fund appropriations in the
1247 appropriate fiscal year. After the maximum balance in the Working
1248 Cash-Stabilization Reserve Fund is reached, such money shall
1249 remain in the Education Enhancement Fund to be appropriated in the
1250 manner provided for in paragraph (b) of this subsection.

1251 (b) The remainder shall be appropriated for other
1252 educational needs.

1253 (5) None of the funds appropriated pursuant to subsection
1254 (3)(a) of this section shall be used to reduce the state's General
1255 Fund appropriation for the categories listed in an amount below
1256 the following amounts:

1257 (a) For subsection (3)(a)(ii) of this section,
1258 Thirty-six Million Seven Hundred Thousand Dollars
1259 (\$36,700,000.00);

1260 (b) For the aggregate of minimum program allotments in
1261 the 1997 fiscal year, formerly provided for in Chapter 19, Title
1262 37, Mississippi Code of 1972, as amended, excluding those funds
1263 for transportation as provided for in subsection (5)(a) in this
1264 section.

1265 **[From and after July 1, 2005, this section reads as follows:]**

1266 37-61-33. (1) There is created within the State Treasury a
1267 special fund to be designated the "Education Enhancement Fund"
1268 into which shall be deposited all the revenues collected pursuant
1269 to Sections 27-65-75(7) and (8) and 27-67-31(a) and (b).

1270 (2) Of the amount deposited into the Education Enhancement
1271 Fund, Sixteen Million Dollars (\$16,000,000.00) shall be
1272 appropriated each fiscal year to the State Department of Education
1273 to be distributed to all school districts. Such money shall be
1274 distributed to all school districts in the proportion that the

1275 average daily attendance of each school district bears to the
1276 average daily attendance of all school districts within the state
1277 for the following purposes:

1278 (a) Purchasing, erecting, repairing, equipping,
1279 remodeling and enlarging school buildings and related facilities,
1280 including gymnasiums, auditoriums, lunchrooms, vocational training
1281 buildings, libraries, teachers' homes, school barns,
1282 transportation vehicles (which shall include new and used
1283 transportation vehicles) and garages for transportation vehicles,
1284 and purchasing land therefor.

1285 (b) Establishing and equipping school athletic fields
1286 and necessary facilities connected therewith, and purchasing land
1287 therefor.

1288 (c) Providing necessary water, light, heating, air
1289 conditioning and sewerage facilities for school buildings, and
1290 purchasing land therefor.

1291 (d) As a pledge to pay all or a portion of the debt
1292 service on debt issued by the school district under Sections
1293 37-59-1 through 37-59-45, 37-59-101 through 37-59-115, 37-7-351
1294 through 37-7-359, 37-41-89 through 37-41-99, 37-7-301, 37-7-302
1295 and 37-41-81, or debt issued by boards of supervisors for
1296 agricultural high schools pursuant to Section 37-27-65, if such
1297 pledge is accomplished pursuant to a written contract or
1298 resolution approved and spread upon the minutes of an official
1299 meeting of the district's school board or board of supervisors.
1300 The annual grant to such district in any subsequent year during
1301 the term of the resolution or contract shall not be reduced below
1302 an amount equal to the district's grant amount for the year in
1303 which the contract or resolution was adopted. The intent of this
1304 provision is to allow school districts to irrevocably pledge a
1305 certain, constant stream of revenue as security for long-term
1306 obligations issued under the code sections enumerated in this
1307 paragraph or as otherwise allowed by law. It is the intent of the

1308 Legislature that the provisions of this paragraph shall be
1309 cumulative and supplemental to any existing funding programs or
1310 other authority conferred upon school districts or school boards.
1311 Debt of a district secured by a pledge of sales tax revenue
1312 pursuant to this paragraph shall not be subject to any debt
1313 limitation contained in the foregoing enumerated code sections.

1314 (3) The remainder of the money deposited into the Education
1315 Enhancement Fund shall be appropriated as follows:

1316 (a) To the State Department of Education as follows:

1317 (i) Sixteen and sixty-one one-hundredths percent
1318 (16.61%) to the cost of the adequate education program determined
1319 under Section 37-151-7; of the funds generated by the percentage
1320 set forth in this section for the support of the adequate
1321 education program, one and one hundred seventy-eight
1322 one-thousandths percent (1.178%) of the funds shall be
1323 appropriated to be used by the State Department of Education for
1324 the purchase of textbooks to be loaned under Sections 37-43-1
1325 through 37-43-59 to approved nonpublic schools, as described in
1326 Section 37-43-1. The funds to be distributed to each nonpublic
1327 school shall be in the proportion that the average daily
1328 attendance of each nonpublic school bears to the total average
1329 daily attendance of all nonpublic schools;

1330 (ii) Seven and ninety-seven one-hundredths percent
1331 (7.97%) to assist the funding of transportation operations and
1332 maintenance pursuant to Section 37-19-23; and

1333 (iii) Nine and sixty-one one-hundredths percent
1334 (9.61%) for classroom supplies, instructional materials and
1335 equipment, including computers and computer software, to be
1336 distributed to all school districts in the proportion that the
1337 average daily attendance of each school district bears to the
1338 average daily attendance of all school districts within the state.
1339 Classroom supply funds shall not be expended for administrative
1340 purposes. Local school districts shall allocate classroom supply

1341 funds equally among all classroom teachers in the school district.
1342 For purposes of this subparagraph, "teacher" means any employee of
1343 the school board of a school district who is required by law to
1344 obtain a teacher's license from the State Department of Education
1345 and who is assigned to an instructional area of work as defined by
1346 the department, but shall not include a federally funded teacher.
1347 Two (2) or more teachers may agree to pool their classroom supply
1348 funds for the benefit of a school within the district. It is the
1349 intent of the Legislature that all classroom teachers shall be
1350 involved in the development of a spending plan that addresses
1351 individual classroom needs and supports the overall goals of the
1352 school regarding supplies, instructional materials, equipment,
1353 computers or computer software under the provisions of this
1354 subparagraph, including the type, quantity and quality of such
1355 supplies, materials and equipment. This plan shall be submitted
1356 in writing to the school principal for approval. Classroom supply
1357 funds allocated under this subparagraph shall supplement, not
1358 replace, other local and state funds available for the same
1359 purposes. School districts need not fully expend the funds
1360 received under this subparagraph in the year in which they are
1361 received, but such funds may be carried forward for expenditure in
1362 any succeeding school year. The State Board of Education shall
1363 develop and promulgate rules and regulations for the
1364 administration of this subparagraph consistent with the above
1365 criteria, with particular emphasis on allowing the individual
1366 teachers to expend funds as they deem appropriate;

1367 (b) Twenty-two and nine one-hundredths percent (22.09%)
1368 to the Board of Trustees of State Institutions of Higher Learning
1369 for the purpose of supporting institutions of higher learning; and

1370 (c) Fourteen and forty-one one-hundredths percent
1371 (14.41%) to the State Board for Community and Junior Colleges for
1372 the purpose of providing support to community and junior colleges.

1373 (4) The amount remaining in the Education Enhancement Fund
1374 after funds are distributed as provided in subsections (2) and (3)
1375 of this section shall be disbursed as follows:

1376 (a) Twenty-five Million Dollars (\$25,000,000.00) shall
1377 be deposited into the Working Cash-Stabilization Reserve Fund
1378 created pursuant to Section 27-103-203(1), until the balance in
1379 such fund reaches the maximum balance of seven and one-half
1380 percent (7-1/2%) of the General Fund appropriations in the
1381 appropriate fiscal year. After the maximum balance in the Working
1382 Cash-Stabilization Reserve Fund is reached, such money shall
1383 remain in the Education Enhancement Fund to be appropriated in the
1384 manner provided for in paragraph (b) of this subsection.

1385 (b) The remainder shall be appropriated for other
1386 educational needs.

1387 (5) None of the funds appropriated pursuant to subsection
1388 (3)(a) of this section shall be used to reduce the state's General
1389 Fund appropriation for the categories listed in an amount below
1390 the following amounts:

1391 (a) For subsection (3)(a)(ii) of this section,
1392 Thirty-six Million Seven Hundred Thousand Dollars
1393 (\$36,700,000.00);

1394 (b) For the aggregate of minimum program allotments in
1395 the 1997 fiscal year, formerly provided for in Chapter 19, Title
1396 37, Mississippi Code of 1972, as amended, excluding those funds
1397 for transportation as provided for in subsection (5)(a) in this
1398 section.

1399 **SECTION 25.** Section 49-6-3, Mississippi Code of 1972, is
1400 amended as follows:

1401 49-6-3. (1) There is * * * created in the State Treasury a
1402 special fund to be known as the "Wildlife, Fisheries and Parks
1403 Motor Vehicle Fund." * * * All funds derived from the sale of
1404 used motor vehicles, funds transferred from the "Game and Fish
1405 Protection Fund" and any other funds which may be needed for the

1406 purchase of motor vehicles, boats and outboard motors shall be
1407 deposited into this special fund. Other funds as needed may be
1408 transferred by the commission from the department's regular
1409 support appropriation. The commission may transfer funds from the
1410 motor vehicle fund to the game and fish protection fund as needed
1411 for the operation of the department. The motor vehicle fund is a
1412 special trust fund and the interest earned thereon shall be
1413 credited to the fund.

1414 (2) The commission shall adopt regulations for the
1415 administration of the fund. The executive director shall
1416 administer the fund and expenditures may be made from the fund
1417 upon requisition by the executive director. The department shall
1418 spend monies in the fund by an annual appropriation approved by
1419 the Legislature.

1420 **SECTION 26.** This act shall take effect and be in force from
1421 and after July 1, 2004, except for Sections 6 and 13, which shall
1422 take effect and be in force from and after the passage of this
1423 act.