

By: Representative Pierce

To: Education;
Appropriations

HOUSE BILL NO. 1312

1 AN ACT TO BRING FORWARD SECTIONS 37-61-33, 37-61-35, 27-65-75
2 AND 27-67-31, MISSISSIPPI CODE OF 1972, WHICH RELATE TO THE
3 EDUCATION ENHANCEMENT FUND, FOR THE PURPOSES OF AMENDMENT; AND FOR
4 RELATED PURPOSES.

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

6 SECTION 1. Section 37-61-33, Mississippi Code of 1972, is
7 brought forward as follows:

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

9 37-61-33. (1) There is created within the State Treasury a
10 special fund to be designated the "Education Enhancement Fund"
11 into which shall be deposited all the revenues collected pursuant
12 to Sections 27-65-75(7) and (8) and 27-67-31(a) and (b).

13 (2) Of the amount deposited into the Education Enhancement
14 Fund, Sixteen Million Dollars (\$16,000,000.00) shall be
15 appropriated each fiscal year to the State Department of Education
16 to be distributed to all school districts. Such money shall be
17 distributed to all school districts in the proportion that the
18 average daily attendance of each school district bears to the
19 average daily attendance of all school districts within the state
20 for the following purposes:

21 (a) Purchasing, erecting, repairing, equipping,
22 remodeling and enlarging school buildings and related facilities,
23 including gymnasiums, auditoriums, lunchrooms, vocational training
24 buildings, libraries, teachers' homes, school barns,
25 transportation vehicles (which shall include new and used
26 transportation vehicles) and garages for transportation vehicles,
27 and purchasing land therefor.

28 (b) Establishing and equipping school athletic fields
29 and necessary facilities connected therewith, and purchasing land
30 therefor.

31 (c) Providing necessary water, light, heating, air
32 conditioning and sewerage facilities for school buildings, and
33 purchasing land therefor.

34 (d) As a pledge to pay all or a portion of the debt
35 service on debt issued by the school district under Sections
36 37-59-1 through 37-59-45, 37-59-101 through 37-59-115, 37-7-351
37 through 37-7-359, 37-41-89 through 37-41-99, 37-7-301, 37-7-302
38 and 37-41-81, or debt issued by boards of supervisors for
39 agricultural high schools pursuant to Section 37-27-65, if such
40 pledge is accomplished pursuant to a written contract or
41 resolution approved and spread upon the minutes of an official
42 meeting of the district's school board or board of supervisors.
43 The annual grant to such district in any subsequent year during
44 the term of the resolution or contract shall not be reduced below
45 an amount equal to the district's grant amount for the year in
46 which the contract or resolution was adopted. The intent of this
47 provision is to allow school districts to irrevocably pledge a
48 certain, constant stream of revenue as security for long-term
49 obligations issued under the code sections enumerated in this
50 paragraph or as otherwise allowed by law. It is the intent of the
51 Legislature that the provisions of this paragraph shall be
52 cumulative and supplemental to any existing funding programs or
53 other authority conferred upon school districts or school boards.
54 Debt of a district secured by a pledge of sales tax revenue
55 pursuant to this paragraph shall not be subject to any debt
56 limitation contained in the foregoing enumerated code sections.

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

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

60 (i) Sixteen and sixty-one one-hundredths percent
61 (16.61%) to the cost of the adequate education program determined
62 under Section 37-151-7; of the funds generated by the percentage
63 set forth in this section for the support of the adequate
64 education program, one and one hundred seventy-eight
65 one-thousandths percent (1.178%) of the funds shall be
66 appropriated to be used by the State Department of Education for
67 the purchase of textbooks to be loaned under Sections 37-43-1
68 through 37-43-59 to approved nonpublic schools, as described in
69 Section 37-43-1. The funds to be distributed to each nonpublic
70 school shall be in the proportion that the average daily
71 attendance of each nonpublic school bears to the total average
72 daily attendance of all nonpublic schools;

73 (ii) Seven and ninety-seven one-hundredths percent
74 (7.97%) to assist the funding of transportation operations and
75 maintenance pursuant to Section 37-19-23; and

76 (iii) The revenue generated from nine and
77 sixty-one one-hundredths percent (9.61%) that exceeds Fifteen
78 Million Nine Hundred Thousand Dollars (\$15,900,000.00), for
79 classroom supplies, instructional materials and equipment,
80 including computers and computer software, to be distributed to
81 all school districts in the proportion that the average daily
82 attendance of each school district bears to the average daily
83 attendance of all school districts within the state. Classroom
84 supply funds shall not be expended for administrative purposes.
85 Local school districts shall allocate classroom supply funds
86 equally among all classroom teachers in the school district. For
87 purposes of this subparagraph, "teacher" means any employee of the
88 school board of a school district who is required by law to obtain
89 a teacher's license from the State Department of Education and who
90 is assigned to an instructional area of work as defined by the
91 department, but shall not include a federally funded teacher. Two
92 (2) or more teachers may agree to pool their classroom supply

93 funds for the benefit of a school within the district. It is the
94 intent of the Legislature that all classroom teachers shall be
95 involved in the development of a spending plan that addresses
96 individual classroom needs and supports the overall goals of the
97 school regarding supplies, instructional materials, equipment,
98 computers or computer software under the provisions of this
99 subparagraph, including the type, quantity and quality of such
100 supplies, materials and equipment. This plan shall be submitted
101 in writing to the school principal for approval. Classroom supply
102 funds allocated under this subparagraph shall supplement, not
103 replace, other local and state funds available for the same
104 purposes. School districts need not fully expend the funds
105 received under this subparagraph in the year in which they are
106 received, but such funds may be carried forward for expenditure in
107 any succeeding school year. The State Board of Education shall
108 develop and promulgate rules and regulations for the
109 administration of this subparagraph consistent with the above
110 criteria, with particular emphasis on allowing the individual
111 teachers to expend funds as they deem appropriate. The revenue
112 generated from the percentage under this subparagraph that does
113 not exceed Fifteen Million Nine Hundred Thousand Dollars
114 (\$15,900,000.00) shall be appropriated to the State Department of
115 Education for the support of educational programs authorized by
116 law;

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

120 (c) Fourteen and forty-one one-hundredths percent
121 (14.41%) to the State Board for Community and Junior Colleges for
122 the purpose of providing support to community and junior colleges.

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

126 (a) Twenty-five Million Dollars (\$25,000,000.00) shall
127 be deposited into the Working Cash-Stabilization Reserve Fund
128 created pursuant to Section 27-103-203(1), until the balance in
129 such fund reaches the maximum balance of seven and one-half
130 percent (7-1/2%) of the General Fund appropriations in the
131 appropriate fiscal year. After the maximum balance in the Working
132 Cash-Stabilization Reserve Fund is reached, such money shall
133 remain in the Education Enhancement Fund to be appropriated in the
134 manner provided for in paragraph (b) of this subsection.

135 (b) The remainder shall be appropriated for other
136 educational needs.

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

141 (a) For subsection (3)(a)(ii) of this section,
142 Thirty-six Million Seven Hundred Thousand Dollars
143 (\$36,700,000.00);

144 (b) For the aggregate of minimum program allotments in
145 the 1997 fiscal year, formerly provided for in Chapter 19, Title
146 37, Mississippi Code of 1972, as amended, excluding those funds
147 for transportation as provided for in subsection (5)(a) in this
148 section.

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

150 37-61-33. (1) There is created within the State Treasury a
151 special fund to be designated the "Education Enhancement Fund"
152 into which shall be deposited all the revenues collected pursuant
153 to Sections 27-65-75(7) and (8) and 27-67-31(a) and (b).

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

159 average daily attendance of each school district bears to the
160 average daily attendance of all school districts within the state
161 for the following purposes:

162 (a) Purchasing, erecting, repairing, equipping,
163 remodeling and enlarging school buildings and related facilities,
164 including gymnasiums, auditoriums, lunchrooms, vocational training
165 buildings, libraries, teachers' homes, school barns,
166 transportation vehicles (which shall include new and used
167 transportation vehicles) and garages for transportation vehicles,
168 and purchasing land therefor.

169 (b) Establishing and equipping school athletic fields
170 and necessary facilities connected therewith, and purchasing land
171 therefor.

172 (c) Providing necessary water, light, heating, air
173 conditioning and sewerage facilities for school buildings, and
174 purchasing land therefor.

175 (d) As a pledge to pay all or a portion of the debt
176 service on debt issued by the school district under Sections
177 37-59-1 through 37-59-45, 37-59-101 through 37-59-115, 37-7-351
178 through 37-7-359, 37-41-89 through 37-41-99, 37-7-301, 37-7-302
179 and 37-41-81, or debt issued by boards of supervisors for
180 agricultural high schools pursuant to Section 37-27-65, if such
181 pledge is accomplished pursuant to a written contract or
182 resolution approved and spread upon the minutes of an official
183 meeting of the district's school board or board of supervisors.
184 The annual grant to such district in any subsequent year during
185 the term of the resolution or contract shall not be reduced below
186 an amount equal to the district's grant amount for the year in
187 which the contract or resolution was adopted. The intent of this
188 provision is to allow school districts to irrevocably pledge a
189 certain, constant stream of revenue as security for long-term
190 obligations issued under the code sections enumerated in this
191 paragraph or as otherwise allowed by law. It is the intent of the

192 Legislature that the provisions of this paragraph shall be
193 cumulative and supplemental to any existing funding programs or
194 other authority conferred upon school districts or school boards.
195 Debt of a district secured by a pledge of sales tax revenue
196 pursuant to this paragraph shall not be subject to any debt
197 limitation contained in the foregoing enumerated code sections.

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

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

201 (i) Sixteen and sixty-one one-hundredths percent
202 (16.61%) to the cost of the adequate education program determined
203 under Section 37-151-7; of the funds generated by the percentage
204 set forth in this section for the support of the adequate
205 education program, one and one hundred seventy-eight
206 one-thousandths percent (1.178%) of the funds shall be
207 appropriated to be used by the State Department of Education for
208 the purchase of textbooks to be loaned under Sections 37-43-1
209 through 37-43-59 to approved nonpublic schools, as described in
210 Section 37-43-1. The funds to be distributed to each nonpublic
211 school shall be in the proportion that the average daily
212 attendance of each nonpublic school bears to the total average
213 daily attendance of all nonpublic schools;

214 (ii) Seven and ninety-seven one-hundredths percent
215 (7.97%) to assist the funding of transportation operations and
216 maintenance pursuant to Section 37-19-23; and

217 (iii) Nine and sixty-one one-hundredths percent
218 (9.61%) for classroom supplies, instructional materials and
219 equipment, including computers and computer software, to be
220 distributed to all school districts in the proportion that the
221 average daily attendance of each school district bears to the
222 average daily attendance of all school districts within the state.
223 Classroom supply funds shall not be expended for administrative
224 purposes. Local school districts shall allocate classroom supply

225 funds equally among all classroom teachers in the school district.
226 For purposes of this subparagraph, "teacher" means any employee of
227 the school board of a school district who is required by law to
228 obtain a teacher's license from the State Department of Education
229 and who is assigned to an instructional area of work as defined by
230 the department, but shall not include a federally funded teacher.
231 Two (2) or more teachers may agree to pool their classroom supply
232 funds for the benefit of a school within the district. It is the
233 intent of the Legislature that all classroom teachers shall be
234 involved in the development of a spending plan that addresses
235 individual classroom needs and supports the overall goals of the
236 school regarding supplies, instructional materials, equipment,
237 computers or computer software under the provisions of this
238 subparagraph, including the type, quantity and quality of such
239 supplies, materials and equipment. This plan shall be submitted
240 in writing to the school principal for approval. Classroom supply
241 funds allocated under this subparagraph shall supplement, not
242 replace, other local and state funds available for the same
243 purposes. School districts need not fully expend the funds
244 received under this subparagraph in the year in which they are
245 received, but such funds may be carried forward for expenditure in
246 any succeeding school year. The State Board of Education shall
247 develop and promulgate rules and regulations for the
248 administration of this subparagraph consistent with the above
249 criteria, with particular emphasis on allowing the individual
250 teachers to expend funds as they deem appropriate;

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

254 (c) Fourteen and forty-one one-hundredths percent
255 (14.41%) to the State Board for Community and Junior Colleges for
256 the purpose of providing support to community and junior colleges.

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

260 (a) Twenty-five Million Dollars (\$25,000,000.00) shall
261 be deposited into the Working Cash-Stabilization Reserve Fund
262 created pursuant to Section 27-103-203(1), until the balance in
263 such fund reaches the maximum balance of seven and one-half
264 percent (7-1/2%) of the General Fund appropriations in the
265 appropriate fiscal year. After the maximum balance in the Working
266 Cash-Stabilization Reserve Fund is reached, such money shall
267 remain in the Education Enhancement Fund to be appropriated in the
268 manner provided for in paragraph (b) of this subsection.

269 (b) The remainder shall be appropriated for other
270 educational needs.

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

275 (a) For subsection (3)(a)(ii) of this section,
276 Thirty-six Million Seven Hundred Thousand Dollars
277 (\$36,700,000.00);

278 (b) For the aggregate of minimum program allotments in
279 the 1997 fiscal year, formerly provided for in Chapter 19, Title
280 37, Mississippi Code of 1972, as amended, excluding those funds
281 for transportation as provided for in subsection (5)(a) in this
282 section.

283 **SECTION 2.** Section 37-61-35, Mississippi Code of 1972, is
284 brought forward as follows:

285 37-61-35. There is hereby created a special fund in the
286 State Treasury to be designated School Ad Valorem Tax Reduction
287 Fund into which proceeds collected pursuant to Sections
288 27-65-75(7) and 27-67-31(a) shall be deposited. Beginning with
289 the 1994 state fiscal year, the entire amount of monies in such

290 special fund shall be appropriated annually to the State
291 Department of Education which shall distribute the appropriated
292 amount to the various school districts in the proportion that the
293 average daily attendance of each school district bears to the
294 average daily attendance of all school districts within the state.
295 On or before June 1, 1993, and on or before June 1 of each
296 succeeding year, the State Department of Education shall notify
297 each school district of the amount to which such district is
298 entitled pursuant to this section.

299 **SECTION 3.** Section 27-65-75, Mississippi Code of 1972, is
300 brought forward as follows:

301 27-65-75. On or before the fifteenth day of each month, the
302 revenue collected under the provisions of this chapter during the
303 preceding month shall be paid and distributed as follows:

304 (1) On or before August 15, 1992, and each succeeding month
305 thereafter through July 15, 1993, eighteen percent (18%) of the
306 total sales tax revenue collected during the preceding month under
307 the provisions of this chapter, except that collected under the
308 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
309 business activities within a municipal corporation shall be
310 allocated for distribution to the municipality and paid to the
311 municipal corporation. On or before August 15, 1993, and each
312 succeeding month thereafter, eighteen and one-half percent
313 (18-1/2%) of the total sales tax revenue collected during the
314 preceding month under the provisions of this chapter, except that
315 collected under the provisions of Sections 27-65-15, 27-65-19(3)
316 and 27-65-21, on business activities within a municipal
317 corporation shall be allocated for distribution to the
318 municipality and paid to the municipal corporation.

319 A municipal corporation, for the purpose of distributing the
320 tax under this subsection, shall mean and include all incorporated
321 cities, towns and villages.

322 Monies allocated for distribution and credited to a municipal
323 corporation under this subsection may be pledged as security for
324 any loan received by the municipal corporation for the purpose of
325 capital improvements as authorized under Section 57-1-303, or
326 loans as authorized under Section 57-44-7, or water systems
327 improvements as authorized under Section 41-3-16.

328 In any county having a county seat that is not an
329 incorporated municipality, the distribution provided under this
330 subsection shall be made as though the county seat was an
331 incorporated municipality; however, the distribution to the
332 municipality shall be paid to the county treasury in which the
333 municipality is located, and those funds shall be used for road,
334 bridge and street construction or maintenance in the county.

335 (2) On or before September 15, 1987, and each succeeding
336 month thereafter, from the revenue collected under this chapter
337 during the preceding month One Million One Hundred Twenty-five
338 Thousand Dollars (\$1,125,000.00) shall be allocated for
339 distribution to municipal corporations as defined under subsection
340 (1) of this section in the proportion that the number of gallons
341 of gasoline and diesel fuel sold by distributors to consumers and
342 retailers in each such municipality during the preceding fiscal
343 year bears to the total gallons of gasoline and diesel fuel sold
344 by distributors to consumers and retailers in municipalities
345 statewide during the preceding fiscal year. The State Tax
346 Commission shall require all distributors of gasoline and diesel
347 fuel to report to the commission monthly the total number of
348 gallons of gasoline and diesel fuel sold by them to consumers and
349 retailers in each municipality during the preceding month. The
350 State Tax Commission shall have the authority to promulgate such
351 rules and regulations as is necessary to determine the number of
352 gallons of gasoline and diesel fuel sold by distributors to
353 consumers and retailers in each municipality. In determining the
354 percentage allocation of funds under this subsection for the

355 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
356 State Tax Commission may consider gallons of gasoline and diesel
357 fuel sold for a period of less than one (1) fiscal year. For the
358 purposes of this subsection, the term "fiscal year" means the
359 fiscal year beginning July 1 of a year.

360 (3) On or before September 15, 1987, and on or before the
361 fifteenth day of each succeeding month, until the date specified
362 in Section 65-39-35, the proceeds derived from contractors' taxes
363 levied under Section 27-65-21 on contracts for the construction or
364 reconstruction of highways designated under the highway program
365 created under Section 65-3-97 shall, except as otherwise provided
366 in Section 31-17-127, be deposited into the State Treasury to the
367 credit of the State Highway Fund to be used to fund that highway
368 program. The Mississippi Department of Transportation shall
369 provide to the State Tax Commission such information as is
370 necessary to determine the amount of proceeds to be distributed
371 under this subsection.

372 (4) On or before August 15, 1994, and on or before the
373 fifteenth day of each succeeding month through July 15, 1999, from
374 the proceeds of gasoline, diesel fuel or kerosene taxes as
375 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
376 (\$4,000,000.00) shall be deposited in the State Treasury to the
377 credit of a special fund designated as the "State Aid Road Fund,"
378 created by Section 65-9-17. On or before August 15, 1999, and on
379 or before the fifteenth day of each succeeding month, from the
380 total amount of the proceeds of gasoline, diesel fuel or kerosene
381 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
382 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
383 one-fourth percent (23.25%) of those funds, whichever is the
384 greater amount, shall be deposited in the State Treasury to the
385 credit of the "State Aid Road Fund," created by Section 65-9-17.
386 Those funds shall be pledged to pay the principal of and interest
387 on state aid road bonds heretofore issued under Sections 19-9-51

388 through 19-9-77, in lieu of and in substitution for the funds
389 previously allocated to counties under this section. Those funds
390 may not be pledged for the payment of any state aid road bonds
391 issued after April 1, 1981; however, this prohibition against the
392 pledging of any such funds for the payment of bonds shall not
393 apply to any bonds for which intent to issue those bonds has been
394 published, for the first time, as provided by law before March 29,
395 1981. From the amount of taxes paid into the special fund under
396 this subsection and subsection (9) of this section, there shall be
397 first deducted and paid the amount necessary to pay the expenses
398 of the Office of State Aid Road Construction, as authorized by the
399 Legislature for all other general and special fund agencies. The
400 remainder of the fund shall be allocated monthly to the several
401 counties in accordance with the following formula:

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

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

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

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

415 The amount of funds allocated to any county under this
416 subsection for any fiscal year after fiscal year 1994 shall not be
417 less than the amount allocated to the county for fiscal year 1994.
418 Monies allocated to a county from the State Aid Road Fund for
419 fiscal year 1995 or any fiscal year thereafter that exceed the
420 amount of funds allocated to that county from the State Aid Road

421 Fund for fiscal year 1994, first must be expended by the county
422 for replacement or rehabilitation of bridges on the state aid road
423 system that have a sufficiency rating of less than twenty-five
424 (25), according to National Bridge Inspection standards before
425 the monies may be approved for expenditure by the State Aid Road
426 Engineer on other projects that qualify for the use of state aid
427 road funds.

428 Any reference in the general laws of this state or the
429 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
430 construed to refer and apply to subsection (4) of Section
431 27-65-75.

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

438 (6) An amount each month beginning August 15, 1983, through
439 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
440 of 1983, shall be paid into the special fund known as the
441 Correctional Facilities Construction Fund created in Section 6 of
442 Chapter 542, Laws of 1983.

443 (7) On or before August 15, 1992, and each succeeding month
444 thereafter through July 15, 2000, two and two hundred sixty-six
445 one-thousandths percent (2.266%) of the total sales tax revenue
446 collected during the preceding month under the provisions of this
447 chapter, except that collected under the provisions of Section
448 27-65-17(2) shall be deposited by the commission into the School
449 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
450 or before August 15, 2000, and each succeeding month thereafter,
451 two and two hundred sixty-six one-thousandths percent (2.266%) of
452 the total sales tax revenue collected during the preceding month
453 under the provisions of this chapter, except that collected under

454 the provisions of Section 27-65-17(2), shall be deposited into the
455 School Ad Valorem Tax Reduction Fund created under Section
456 37-61-35 until such time that the total amount deposited into the
457 fund during a fiscal year equals Forty-two Million Dollars
458 (\$42,000,000.00). Thereafter, the amounts diverted under this
459 subsection (7) during the fiscal year in excess of Forty-two
460 Million Dollars (\$42,000,000.00) shall be deposited into the
461 Education Enhancement Fund created under Section 37-61-33 for
462 appropriation by the Legislature as other education needs and
463 shall not be subject to the percentage appropriation requirements
464 set forth in Section 37-61-33.

465 (8) On or before August 15, 1992, and each succeeding month
466 thereafter, nine and seventy-three one-thousandths percent
467 (9.073%) of the total sales tax revenue collected during the
468 preceding month under the provisions of this chapter, except that
469 collected under the provisions of Section 27-65-17(2), shall be
470 deposited into the Education Enhancement Fund created under
471 Section 37-61-33.

472 (9) On or before August 15, 1994, and each succeeding month
473 thereafter, from the revenue collected under this chapter during
474 the preceding month, Two Hundred Fifty Thousand Dollars
475 (\$250,000.00) shall be paid into the State Aid Road Fund.

476 (10) On or before August 15, 1994, and each succeeding month
477 thereafter through August 15, 1995, from the revenue collected
478 under this chapter during the preceding month, Two Million Dollars
479 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
480 Valorem Tax Reduction Fund established in Section 27-51-105.

481 (11) Notwithstanding any other provision of this section to
482 the contrary, on or before February 15, 1995, and each succeeding
483 month thereafter, the sales tax revenue collected during the
484 preceding month under the provisions of Section 27-65-17(2) and
485 the corresponding levy in Section 27-65-23 on the rental or lease
486 of private carriers of passengers and light carriers of property

487 as defined in Section 27-51-101 shall be deposited, without
488 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
489 established in Section 27-51-105.

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

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

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

514 (15) Notwithstanding any other provision of this section to
515 the contrary, on or before September 15, 2000, and each succeeding
516 month thereafter, the sales tax revenue collected during the
517 preceding month under the provisions of Section 27-65-19(1)(f) and
518 (g)(i)2, shall be deposited, without diversion, into the

519 Telecommunications Ad Valorem Tax Reduction Fund established in
520 Section 27-38-7.

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

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

535 (18) On or before August 15, 2005, and each succeeding month
536 thereafter through July 15, 2006, from the sales tax revenue
537 collected during the preceding month under the provisions of this
538 chapter, Two Million Five Hundred Thousand Dollars (\$2,500,000.00)
539 shall be deposited into the Special Funds Transfer Fund created in
540 Section 4 of Chapter 556, Laws of 2003.

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

544 (20) It shall be the duty of the municipal officials of any
545 municipality that expands its limits, or of any community that
546 incorporates as a municipality, to notify the commissioner of
547 that action thirty (30) days before the effective date. Failure
548 to so notify the commissioner shall cause the municipality to
549 forfeit the revenue that it would have been entitled to receive
550 during this period of time when the commissioner had no knowledge
551 of the action. If any funds have been erroneously disbursed to

552 any municipality or any overpayment of tax is recovered by the
553 taxpayer, the commissioner may make correction and adjust the
554 error or overpayment with the municipality by withholding the
555 necessary funds from any later payment to be made to the
556 municipality.

557 **SECTION 4.** Section 27-67-31, Mississippi Code of 1972, is
558 brought forward as follows:

559 27-67-31. All administrative provisions of the sales tax
560 law, and amendments thereto, including those which fix damages,
561 penalties and interest for failure to comply with the provisions
562 of said sales tax law, and all other requirements and duties
563 imposed upon taxpayer, shall apply to all persons liable for use
564 taxes under the provisions of this article. The commissioner
565 shall exercise all power and authority and perform all duties with
566 respect to taxpayers under this article as are provided in said
567 sales tax law, except where there is conflict, then the provisions
568 of this article shall control.

569 The commissioner may require transportation companies to
570 permit the examination of waybills, freight bills, or other
571 documents covering shipments of tangible personal property into
572 this state.

573 On or before the fifteenth day of each month, the amount
574 received from taxes, damages and interest under the provisions of
575 this article during the preceding month shall be paid and
576 distributed as follows:

577 (a) On or before July 15, 1994, through July 15, 2000,
578 and each succeeding month thereafter, two and two hundred
579 sixty-six one-thousandths percent (2.266%) of the total use tax
580 revenue collected during the preceding month under the provisions
581 of this article shall be deposited in the School Ad Valorem Tax
582 Reduction Fund created pursuant to Section 37-61-35. On or before
583 August 15, 2000, and each succeeding month thereafter, two and two
584 hundred sixty-six one-thousandths percent (2.266%) of the total

585 use tax revenue collected during the preceding month under the
586 provisions of this chapter shall be deposited into the School Ad
587 Valorem Tax Reduction Fund created under Section 37-61-35 until
588 such time that the total amount deposited into the fund during a
589 fiscal year equals Four Million Dollars (\$4,000,000.00).
590 Thereafter, the amounts diverted under this paragraph (a) during
591 the fiscal year in excess of Four Million Dollars (\$4,000,000.00)
592 shall be deposited into the Education Enhancement Fund created
593 under Section 37-61-33 for appropriation by the Legislature as
594 other education needs and shall not be subject to the percentage
595 appropriation requirements set forth in Section 37-61-33.

596 (b) On or before July 15, 1994, and each succeeding
597 month thereafter, nine and seventy-three one-thousandths percent
598 (9.073%) of the total use tax revenue collected during the
599 preceding month under the provisions of this article shall be
600 deposited into the Education Enhancement Fund created pursuant to
601 Section 37-61-33.

602 (c) On or before July 15, 1997, and on or before the
603 fifteenth day of each succeeding month thereafter, the revenue
604 collected under the provisions of this article imposed and levied
605 as a result of Section 27-65-17(2) and the corresponding levy in
606 Section 27-65-23 on the rental or lease of private carriers of
607 passengers and light carriers of property as defined in Section
608 27-51-101 shall be deposited into the Motor Vehicle Ad Valorem Tax
609 Reduction Fund created pursuant to Section 27-51-105.

610 (d) On or before July 15, 1997, and on or before the
611 fifteenth day of each succeeding month thereafter and after the
612 deposits required by paragraphs (a) and (b) of this section are
613 made, the remaining revenue collected under the provisions of this
614 article imposed and levied as a result of Section 27-65-17(1) and
615 the corresponding levy in Section 27-65-23 on the rental or lease
616 of private carriers of passengers and light carriers of property
617 as defined in Section 27-51-101 shall be deposited into the Motor

618 Vehicle Ad Valorem Tax Reduction Fund created pursuant to Section
619 27-51-105.

620 (e) The remainder of the amount received from taxes,
621 damages and interest under the provisions of this article shall be
622 paid into the General Fund of the State Treasury by the
623 commissioner.

624 **SECTION 5.** This act shall take effect and be in force from
625 and after July 1, 2005.