

By: Senator(s) Dawkins, Williamson

To: County Affairs; Finance

SENATE BILL NO. 2433

1 AN ACT TO AUTHORIZE COUNTIES TO ISSUE BONDS FOR THE PURPOSE
2 OF CONSTRUCTING STATE AID ROADS; TO PROVIDE THAT COUNTIES SHALL
3 NOT ISSUE BONDS UNDER THE PROVISIONS OF THIS ACT IN AN AMOUNT
4 WHICH CANNOT BE RETIRED IN 20 YEARS FROM THE DATE OF ISSUE OUT OF
5 25% OF THE STATE AID ROAD FUNDS ALLOCATED TO THE COUNTY FOR THE
6 PRECEDING FISCAL YEAR; TO PROVIDE THAT THE BONDS ISSUED UNDER THIS
7 ACT SHALL BE PAYABLE FROM STATE AID ROAD FUNDS ALLOCATED TO THE
8 COUNTY; TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972, IN
9 CONFORMITY THERETO; AND FOR RELATED PURPOSES.

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

11 **SECTION 1.** The board of supervisors of any county is
12 authorized, from time to time, to issue negotiable bonds of the
13 county to raise money for the purpose of constructing state aid
14 roads in the county as now or hereafter designated by law. No
15 part of the proceeds of any bonds issued under this act shall be
16 expended for the purchase of machinery or equipment, or for the
17 maintenance of state aid roads

18 **SECTION 2.** No county shall issue bonds under the provisions
19 of this act in an amount which cannot be retired in annual
20 installments over a term of not exceeding twenty (20) years from
21 the date of issue, out of twenty-five percent (25%) of the funds
22 allocated to the county for state aid roads during the preceding
23 fiscal year under the provisions of Section 27-65-75.

24 **SECTION 3.** (1) All bonds issued under this act shall be
25 lithographed or engraved, and printed in two (2) or more colors,
26 to prevent counterfeiting, and shall be in sums not less than One
27 Hundred Dollars (\$100.00) nor more than Five Thousand Dollars
28 (\$5,000.00) each, and shall be registered as issued, be numbered
29 in a regular series from one (1) upward, and every bond shall
30 specify on its face the purpose for which it was issued and the

31 total amount authorized to be issued, and each shall be made
32 payable to bearer, and interest shall be evidenced by proper
33 coupons thereto attached.

34 (2) Notwithstanding the provisions of subsection (1) of this
35 section, bonds issued pursuant to this act may be issued pursuant
36 to the supplemental powers and authorizations conferred by the
37 provisions of the Registered Bond Act (Sections 31-21-1 through
38 31-21-7).

39 **SECTION 4.** All bonds issued under the provisions of this act
40 shall be payable from the state aid road funds allocated to the
41 county under Section 27-65-75, and no amendment to Section
42 27-65-75 shall be effective if, as a result of the amendment, the
43 allocation to any county having outstanding bonds issued under the
44 provisions of this act would be reduced, unless at the time of the
45 amendment provision is made by the Legislature for the
46 establishment of a sinking fund sufficient in amount to pay the
47 principal and interest due or to become due on the then
48 outstanding bonds of the county. Any sinking fund established
49 pursuant to this section shall be applied exclusively for the
50 payment of principal and interest due or to become due on the then
51 outstanding bonds of the county and shall be in all respects
52 equivalent to the funds for which it is substituted. The board of
53 supervisors of any county is authorized to pledge irrevocably the
54 state aid road funds allocated to the county under the provisions
55 of Section 27-65-75, or equivalent funds as may be substituted for
56 them pursuant to the provisions of this section, for the payment
57 of the bonds so long as any remain outstanding.

58 **SECTION 5.** Before issuing any bonds under this act, the
59 board of supervisors shall adopt a resolution declaring its
60 intention so to do, stating the amount of bonds proposed to be
61 issued and the purpose for which the bonds are to be issued, and
62 the date upon which the board proposes to direct the issuance of
63 the bonds. The resolution shall be published once a week for at

64 least three (3) consecutive weeks in at least one (1) newspaper
65 published in the county. The first publication of the resolution
66 shall be made not less than twenty-one (21) days prior to the date
67 fixed in the resolution for the issuance of the bonds, and the
68 last publication shall be made not more than seven (7) days prior
69 to such date. If no newspaper be published in the county, then
70 the notice shall be given by publishing the resolution for the
71 required time in some newspaper having a general circulation in
72 the county and, in addition, by posting a copy of the resolution
73 for at least twenty-one (21) days next preceding the date fixed
74 therein at three (3) public places in the county. If twenty
75 percent (20%), or fifteen hundred (1500), whichever is less, of
76 the qualified electors of the county shall file a written protest
77 against the issuance of the bonds on or before the date specified
78 in the resolution, then an election on the question of the
79 issuance of the bonds shall be called and held as is provided in
80 this act. If no protest is filed, then the bonds may be issued
81 without an election on the question of the issuance thereof, at
82 any time within a period of two (2) years after the date specified
83 in the resolution. However, the board of supervisors, in its
84 discretion, may nevertheless call an election on the question, in
85 which event it shall not be necessary to publish the resolution
86 declaring its intention to issue the bonds as provided in this
87 section.

88 **SECTION 6.** Where an election is to be called, as provided in
89 Section 5 of this act, notice of the election shall be signed by
90 the clerk of the board of supervisors and shall be published once
91 a week for at least three (3) consecutive weeks, in at least one
92 (1) newspaper published in the county. The first publication of
93 the notice shall be made not less than twenty-one (21) days prior
94 to the date fixed for the election, and the last publication shall
95 be made not more than seven (7) days prior to such date. If no
96 newspaper is published in the county, then the notice shall be

97 given by publishing the notice for the required time in some
98 newspaper having a general circulation in the county and, in
99 addition, by posting a copy of the notice for at least twenty-one
100 (21) days next preceding the election at three (3) public places
101 in the county.

102 **SECTION 7.** The election shall be held, as far as is
103 practicable, in the same manner as other elections are held in
104 counties. At the election, all qualified electors of the county
105 may vote, and the ballots used at the election shall have printed
106 thereon a brief statement of the amount and purpose of the
107 proposed bond issue and the words "FOR THE BOND ISSUE" and
108 "AGAINST THE BOND ISSUE," and the voter shall vote by placing a
109 cross (X) or check mark (√) opposite his choice on the
110 proposition.

111 **SECTION 8.** When the results of the election on the question
112 of the issuance of the bonds shall have been canvassed by the
113 election commissioners of the county and certified by them to the
114 board of supervisors of the county, it shall be the duty of the
115 board of supervisors to determine and adjudicate whether or not a
116 majority of the qualified electors who voted in the election voted
117 in favor of the issuance of the bonds. Unless a majority of the
118 qualified electors who voted in the election shall have voted in
119 favor of the issuance of the bonds, then the bonds shall not be
120 issued. Should a majority of the qualified electors who vote in
121 the election vote in favor of the issuance of the bonds, then the
122 board of supervisors of the county may issue the bonds, either in
123 whole or in part, within two (2) years from the date of the
124 election or within two (2) years after the final favorable
125 termination of any litigation affecting the issuance of the bonds,
126 as the board of supervisors shall deem best.

127 **SECTION 9.** All bonds issued under this act shall mature
128 annually, with all maturities not longer than twenty (20) years,
129 with not less than one-fiftieth (1/50) of the total issue to

130 mature each year during the first five (5) years of the life of
131 the bonds, not less than one-twenty-fifth (1/25) of the total
132 issue to mature each year during the succeeding ten-year period of
133 the life of the bonds, and the remainder to be amortized, as to
134 principal and interest, into approximately equal annual payments,
135 one (1) payment to mature each year for the remaining life of the
136 bonds, but in no case shall any annual installment of principal
137 and interest exceed the limit established in Section 2 of this
138 act. The bonds shall not bear a greater overall maximum interest
139 rate to maturity than that allowed in Section 75-17-101,
140 Mississippi Code of 1972. No bond shall bear more than one (1)
141 rate of interest; each bond shall bear interest from its date to
142 its stated maturity date at the interest rate specified in the
143 bid; all bonds of the same maturity shall bear the same rate of
144 interest from date to maturity; all interest accruing on the bonds
145 so issued shall be payable semiannually or annually, except that
146 the first interest coupon attached to any such bond may be for any
147 period not exceeding one (1) year.

148 No interest payment shall be evidenced by more than one (1)
149 coupon and neither cancelled nor supplemental coupons shall be
150 permitted; the lowest interest rate specified for any bonds issued
151 shall not be less than seventy percent (70%) of the highest
152 interest rate specified for the same bond issue. The interest
153 rate of any one (1) interest coupon shall not exceed the maximum
154 interest rate allowed on the bonds.

155 The denomination, form, and place, or places, of payment of
156 the bonds shall be fixed in the resolution or order of the board
157 of supervisors issuing the bonds. The bonds shall be executed by
158 the manual or facsimile signature of the president of the board of
159 supervisors, or the vice president in the absence or disability of
160 the president, and countersigned by the manual or facsimile
161 signature of the clerk of the board of supervisors, with the
162 official seal of the county affixed thereto. At least one (1)

163 signature on each bond shall be a manual signature, as specified
164 in the issuing resolution. The coupons may bear only the
165 facsimile signatures of the president, or vice president and
166 clerk. No bonds shall be issued and sold under the provisions of
167 this act for less than par and accrued interest.

168 **SECTION 10.** The principal proceeds received upon sale and
169 delivery of any bonds issued under this act shall be paid in the
170 State Treasury for the credit of the county by which the bonds
171 were issued and shall be expended in like manner as provided by
172 law for the expenditure of state aid road construction funds. The
173 accrued interest, if any, shall be paid into the State Treasury to
174 the credit of the county by which the bonds were issued and shall
175 be applied to the payment of the first interest accruing on the
176 bonds.

177 **SECTION 11.** (1) It shall be the duty of the clerk of the
178 board of supervisors of any county issuing bonds under this act to
179 file with the State Treasurer, immediately upon the issuance of
180 the bonds, a certified copy of the resolution of the board of
181 supervisors authorizing and directing the issuance of the bonds,
182 together with a schedule showing the dates upon which interest and
183 principal payments are to be made under the terms of the bond
184 issue and the amount or amounts due on each date. It shall be the
185 duty of the State Treasurer to keep and preserve the certified
186 copy of the resolution and to remit to the paying agent named in
187 the bonds, five (5) days in advance of each interest payment date
188 and each principal payment date, the amount or amounts then due
189 for the payment of the principal of and the interest on the bonds,
190 and to include in each remittance the usual and customary fee of
191 the paying agents. The State Treasurer shall charge each
192 remittance against the current allocation of funds due the county
193 under the provisions of Section 27-65-75, and remittances for the
194 payment of the bonds and the interest thereon shall have
195 preference and priority over any and all other claims upon the

196 funds. It shall be the duty of the State Treasurer to disregard
197 any subsequent amendment to Section 27-65-75 which reduces the
198 allocation to any county having bonds issued under this act
199 outstanding, unless at the time of the amendment provision is made
200 by the Legislature for the establishment of a sinking fund
201 sufficient in amount to pay the principal and interest due or to
202 become due on the then outstanding bond of the county.

203 (2) If, pursuant to Section 4 of this act, a sinking fund
204 shall be established for the payment of principal and interest due
205 or to become due on the then outstanding bonds of any county, the
206 State Treasurer shall remit to the paying agent named in the bonds
207 the amount due for the payment of the principal of and the
208 interest on the bonds, together with the usual and customary fee
209 of the paying agents, in the manner and at the times provided for
210 in subsection (1) of this section.

211 **SECTION 12.** Any bonds issued under the provision of this act
212 shall not be subject to any limitation as to the amount of
213 indebtedness which a county may incur and shall not be included in
214 computing the future debt-incurring power of the county.

215 **SECTION 13.** Any bonds issued under this act may be refunded
216 under the terms and provisions of Section 31-15-1 et seq., subject
217 to the provision that any refunding bonds shall be secured in like
218 manner and shall be payable from the same source or sources as the
219 bonds that are refunded.

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

222 27-65-75. On or before the fifteenth day of each month, the
223 revenue collected under the provisions of this chapter during the
224 preceding month shall be paid and distributed as follows:

225 (1) On or before August 15, 1992, and each succeeding month
226 thereafter through July 15, 1993, eighteen percent (18%) of the
227 total sales tax revenue collected during the preceding month under
228 the provisions of this chapter, except that collected under the

229 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
230 business activities within a municipal corporation shall be
231 allocated for distribution to the municipality and paid to the
232 municipal corporation. On or before August 15, 1993, and each
233 succeeding month thereafter, eighteen and one-half percent
234 (18-1/2%) of the total sales tax revenue collected during the
235 preceding month under the provisions of this chapter, except that
236 collected under the provisions of Sections 27-65-15, 27-65-19(3)
237 and 27-65-21, on business activities within a municipal
238 corporation shall be allocated for distribution to the
239 municipality and paid to the municipal corporation.

240 A municipal corporation, for the purpose of distributing the
241 tax under this subsection, shall mean and include all incorporated
242 cities, towns and villages.

243 Monies allocated for distribution and credited to a municipal
244 corporation under this subsection may be pledged as security for
245 any loan received by the municipal corporation for the purpose of
246 capital improvements as authorized under Section 57-1-303, or
247 loans as authorized under Section 57-44-7, or water systems
248 improvements as authorized under Section 41-3-16.

249 In any county having a county seat that is not an
250 incorporated municipality, the distribution provided under this
251 subsection shall be made as though the county seat was an
252 incorporated municipality; however, the distribution to the
253 municipality shall be paid to the county treasury in which the
254 municipality is located, and those funds shall be used for road,
255 bridge and street construction or maintenance in the county.

256 (2) On or before September 15, 1987, and each succeeding
257 month thereafter, from the revenue collected under this chapter
258 during the preceding month One Million One Hundred Twenty-five
259 Thousand Dollars (\$1,125,000.00) shall be allocated for
260 distribution to municipal corporations as defined under subsection
261 (1) of this section in the proportion that the number of gallons

262 of gasoline and diesel fuel sold by distributors to consumers and
263 retailers in each such municipality during the preceding fiscal
264 year bears to the total gallons of gasoline and diesel fuel sold
265 by distributors to consumers and retailers in municipalities
266 statewide during the preceding fiscal year. The State Tax
267 Commission shall require all distributors of gasoline and diesel
268 fuel to report to the commission monthly the total number of
269 gallons of gasoline and diesel fuel sold by them to consumers and
270 retailers in each municipality during the preceding month. The
271 State Tax Commission shall have the authority to promulgate such
272 rules and regulations as is necessary to determine the number of
273 gallons of gasoline and diesel fuel sold by distributors to
274 consumers and retailers in each municipality. In determining the
275 percentage allocation of funds under this subsection for the
276 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
277 State Tax Commission may consider gallons of gasoline and diesel
278 fuel sold for a period of less than one (1) fiscal year. For the
279 purposes of this subsection, the term "fiscal year" means the
280 fiscal year beginning July 1 of a year.

281 (3) On or before September 15, 1987, and on or before the
282 fifteenth day of each succeeding month, until the date specified
283 in Section 65-39-35, the proceeds derived from contractors' taxes
284 levied under Section 27-65-21 on contracts for the construction or
285 reconstruction of highways designated under the highway program
286 created under Section 65-3-97 shall, except as otherwise provided
287 in Section 31-17-127, be deposited into the State Treasury to the
288 credit of the State Highway Fund to be used to fund that highway
289 program. The Mississippi Department of Transportation shall
290 provide to the State Tax Commission such information as is
291 necessary to determine the amount of proceeds to be distributed
292 under this subsection.

293 (4) On or before August 15, 1994, and on or before the
294 fifteenth day of each succeeding month through July 15, 1999, from

295 the proceeds of gasoline, diesel fuel or kerosene taxes as
296 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
297 (\$4,000,000.00) shall be deposited in the State Treasury to the
298 credit of a special fund designated as the "State Aid Road Fund,"
299 created by Section 65-9-17. On or before August 15, 1999, and on
300 or before the fifteenth day of each succeeding month, from the
301 total amount of the proceeds of gasoline, diesel fuel or kerosene
302 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
303 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
304 one-fourth percent (23.25%) of those funds, whichever is the
305 greater amount, shall be deposited in the State Treasury to the
306 credit of the "State Aid Road Fund," created by Section 65-9-17.
307 Those funds may be pledged to pay the principal of and interest on
308 state aid road bonds * * * issued under Sections 1 through 13 of
309 Senate Bill No. 2433, 2005 Regular Session * * *. From the amount
310 of taxes paid into the special fund under this subsection and
311 subsection (9) of this section, there shall be first deducted and
312 paid the amount necessary to pay the expenses of the Office of
313 State Aid Road Construction, as authorized by the Legislature for
314 all other general and special fund agencies. The remainder of the
315 fund shall be allocated monthly to the several counties in
316 accordance with the following formula:

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

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

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

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

330 The amount of funds allocated to any county under this
331 subsection for any fiscal year after fiscal year 1994 shall not be
332 less than the amount allocated to the county for fiscal year 1994.
333 Monies allocated to a county from the State Aid Road Fund for
334 fiscal year 1995 or any fiscal year thereafter that exceed the
335 amount of funds allocated to that county from the State Aid Road
336 Fund for fiscal year 1994, first must be expended by the county
337 for replacement or rehabilitation of bridges on the state aid road
338 system that have a sufficiency rating of less than twenty-five
339 (25), according to National Bridge Inspection standards before the
340 monies may be approved for expenditure by the State Aid Road
341 Engineer on other projects that qualify for the use of state aid
342 road funds.

343 Any reference in the general laws of this state or the
344 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
345 construed to refer and apply to subsection (4) of Section
346 27-65-75.

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

353 (6) An amount each month beginning August 15, 1983, through
354 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
355 of 1983, shall be paid into the special fund known as the
356 Correctional Facilities Construction Fund created in Section 6 of
357 Chapter 542, Laws of 1983.

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

360 one-thousandths percent (2.266%) of the total sales tax revenue
361 collected during the preceding month under the provisions of this
362 chapter, except that collected under the provisions of Section
363 27-65-17(2) shall be deposited by the commission into the School
364 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
365 or before August 15, 2000, and each succeeding month thereafter,
366 two and two hundred sixty-six one-thousandths percent (2.266%) of
367 the total sales tax revenue collected during the preceding month
368 under the provisions of this chapter, except that collected under
369 the provisions of Section 27-65-17(2), shall be deposited into the
370 School Ad Valorem Tax Reduction Fund created under Section
371 37-61-35 until such time that the total amount deposited into the
372 fund during a fiscal year equals Forty-two Million Dollars
373 (\$42,000,000.00). Thereafter, the amounts diverted under this
374 subsection (7) during the fiscal year in excess of Forty-two
375 Million Dollars (\$42,000,000.00) shall be deposited into the
376 Education Enhancement Fund created under Section 37-61-33 for
377 appropriation by the Legislature as other education needs and
378 shall not be subject to the percentage appropriation requirements
379 set forth in Section 37-61-33.

380 (8) On or before August 15, 1992, and each succeeding month
381 thereafter, nine and seventy-three one-thousandths percent
382 (9.073%) of the total sales tax revenue collected during the
383 preceding month under the provisions of this chapter, except that
384 collected under the provisions of Section 27-65-17(2), shall be
385 deposited into the Education Enhancement Fund created under
386 Section 37-61-33.

387 (9) On or before August 15, 1994, and each succeeding month
388 thereafter, from the revenue collected under this chapter during
389 the preceding month, Two Hundred Fifty Thousand Dollars
390 (\$250,000.00) shall be paid into the State Aid Road Fund.

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

393 under this chapter during the preceding month, Two Million Dollars
394 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
395 Valorem Tax Reduction Fund established in Section 27-51-105.

396 (11) Notwithstanding any other provision of this section to
397 the contrary, on or before February 15, 1995, and each succeeding
398 month thereafter, the sales tax revenue collected during the
399 preceding month under the provisions of Section 27-65-17(2) and
400 the corresponding levy in Section 27-65-23 on the rental or lease
401 of private carriers of passengers and light carriers of property
402 as defined in Section 27-51-101 shall be deposited, without
403 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
404 established in Section 27-51-105.

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

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

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

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

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

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

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

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

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

459 (20) It shall be the duty of the municipal officials of any
460 municipality that expands its limits, or of any community that
461 incorporates as a municipality, to notify the commissioner of that
462 action thirty (30) days before the effective date. Failure to so
463 notify the commissioner shall cause the municipality to forfeit
464 the revenue that it would have been entitled to receive during
465 this period of time when the commissioner had no knowledge of the
466 action. If any funds have been erroneously disbursed to any
467 municipality or any overpayment of tax is recovered by the
468 taxpayer, the commissioner may make correction and adjust the
469 error or overpayment with the municipality by withholding the
470 necessary funds from any later payment to be made to the
471 municipality.

472 **SECTION 15.** This act shall take effect and be in force from
473 and after July 1, 2005.