

By: Senator(s) Morgan, Michel, Posey, King,
Lee (35th), Carmichael, Walley, Tollison,
White, Wilemon, Davis, Flowers, Brown,
Albritton, Pickering, Jackson (15th), Thames

To: Fees, Salaries and
Administration

SENATE BILL NO. 2464

1 AN ACT TO AMEND SECTION 31-7-10, MISSISSIPPI CODE OF 1972, TO
2 AUTHORIZE THE DEPARTMENT OF FINANCE AND ADMINISTRATION TO DEVELOP
3 A MASTER LEASE-PURCHASE PROGRAM FOR COUNTIES AND MUNICIPALITIES
4 AND, PURSUANT TO THAT PROGRAM, EXECUTE ON BEHALF OF COUNTIES AND
5 MUNICIPALITIES MASTER LEASE-PURCHASE AGREEMENTS FOR EQUIPMENT TO
6 BE USED BY THE COUNTIES AND MUNICIPALITIES; TO AMEND SECTION
7 27-33-77, MISSISSIPPI CODE OF 1972, TO AUTHORIZE COUNTIES AND
8 MUNICIPALITIES TO PLEDGE AMOUNTS APPROPRIATED FOR HOMESTEAD
9 EXEMPTION REIMBURSEMENT AS SECURITY FOR SUMS DUE UNDER THE MASTER
10 LEASE-PURCHASE PROGRAM; TO AMEND SECTION 27-51-107, MISSISSIPPI
11 CODE OF 1972, TO AUTHORIZE A COUNTY TO PLEDGE FUNDS DUE TO BE PAID
12 TO IT FROM THE MOTOR VEHICLE AD VALOREM TAX REDUCTION FUND AS
13 SECURITY FOR SUMS DUE UNDER THE MASTER LEASE-PURCHASE PROGRAM; TO
14 PROVIDE THAT UPON NOTIFICATION BY THE EXECUTIVE DIRECTOR OF THE
15 DEPARTMENT OF FINANCE AND ADMINISTRATION OF A COUNTY'S DELINQUENCY
16 UNDER THE MASTER LEASE-PURCHASE PROGRAM, THE STATE TAX COMMISSION
17 SHALL HALT SUCH PAYMENTS TO THE COUNTY AND PAY THE COUNTY'S SHARE
18 OF SUCH PAYMENTS TO THE DEPARTMENT OF FINANCE AND ADMINISTRATION
19 UNTIL SUCH TIME AS THE AMOUNT DUE UNDER THE MASTER LEASE-PURCHASE
20 PROGRAM IS SATISFIED; TO AMEND SECTION 27-65-75, MISSISSIPPI CODE
21 OF 1972, TO AUTHORIZE A MUNICIPALITY TO PLEDGE SALES TAX REVENUE
22 ALLOCATED TO IT AS SECURITY FOR SUMS DUE UNDER THE MASTER
23 LEASE-PURCHASE PROGRAM AND TO PROVIDE THAT UPON NOTIFICATION BY
24 THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF FINANCE AND
25 ADMINISTRATION OF A MUNICIPALITY'S DELINQUENCY UNDER THE MASTER
26 LEASE-PURCHASE PROGRAM, THE STATE TAX COMMISSION SHALL HALT SUCH
27 PAYMENTS TO THE MUNICIPALITY AND MAKE SUCH PAYMENTS TO THE
28 DEPARTMENT OF FINANCE AND ADMINISTRATION UNTIL SUCH TIME AS THE
29 AMOUNT DUE UNDER THE MASTER LEASE-PURCHASE PROGRAM IS SATISFIED;
30 AND FOR RELATED PURPOSES.

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

32 **SECTION 1.** Section 31-7-10, Mississippi Code of 1972, is
33 amended as follows:

34 31-7-10. (1) For the purposes of this section, the term
35 "equipment" shall mean equipment, furniture, and if applicable,
36 associated software and other applicable direct costs associated
37 with the acquisition. In addition to its other powers and duties,
38 the Department of Finance and Administration shall have the
39 authority to develop a master lease-purchase program and, pursuant
40 to that program, shall have the authority to execute on behalf of
41 the state master lease-purchase agreements for equipment to be

42 used by an agency, as provided in this section. Each agency
43 electing to acquire equipment by a lease-purchase agreement shall
44 participate in the Department of Finance and Administration's
45 master lease-purchase program, unless the Department of Finance
46 and Administration makes a determination that such equipment
47 cannot be obtained under the program or unless the equipment can
48 be obtained elsewhere at an overall cost lower than that for which
49 the equipment can be obtained under the program. Such
50 lease-purchase agreements may include the refinancing or
51 consolidation, or both, of any state agency lease-purchase
52 agreements entered into after June 30, 1990.

53 (2) All funds designated by agencies for procurement of
54 equipment and financing thereof under the master lease-purchase
55 program shall be paid into a special fund created in the State
56 Treasury known as the "Master Lease-Purchase Program Fund," which
57 shall be used by the Department of Finance and Administration for
58 payment to the lessors for equipment acquired under master
59 lease-purchase agreements.

60 (3) Upon final approval of an appropriation bill, each
61 agency shall submit to the Public Procurement Review Board a
62 schedule of proposed equipment acquisitions for the master
63 lease-purchase program. Upon approval of an equipment schedule by
64 the Public Procurement Review Board with the advice of the
65 Department of Information Technology Services, the Office of
66 Purchasing and Travel, and the Division of Energy and
67 Transportation of the Mississippi Development Authority as it
68 pertains to energy efficient climate control systems, the Public
69 Procurement Review Board shall forward a copy of the equipment
70 schedule to the Department of Finance and Administration.

71 (4) The level of lease-purchase debt recommended by the
72 Department of Finance and Administration shall be subject to
73 approval by the State Bond Commission. After such approval, the
74 Department of Finance and Administration shall be authorized to

75 advertise and solicit written competitive proposals for a lessor,
76 who will purchase the equipment pursuant to bid awards made by the
77 using agency under a given category and then transfer the
78 equipment to the Department of Finance and Administration as
79 lessee, pursuant to a master lease-purchase agreement.

80 The Department of Finance and Administration shall select the
81 successful proposer for the financing of equipment under the
82 master lease-purchase program with the approval of the State Bond
83 Commission.

84 (5) Each master lease-purchase agreement, and any subsequent
85 amendments, shall include such terms and conditions as the State
86 Bond Commission shall determine to be appropriate and in the
87 public interest, and may include any covenants deemed necessary or
88 desirable to protect the interests of the lessor, including, but
89 not limited to, provisions setting forth the interest rate (or
90 method for computing interest rates) for financing pursuant to
91 such agreement, covenants concerning application of payments and
92 funds held in the Master Lease-Purchase Program Fund, covenants to
93 maintain casualty insurance with respect to equipment subject to
94 the master lease-purchase agreement (and all state agencies are
95 specifically authorized to purchase any insurance required by a
96 master lease-purchase agreement) and covenants precluding or
97 limiting the right of the lessee or user to acquire equipment
98 within a specified time (not to exceed five (5) years) after
99 cancellation on the basis of a failure to appropriate funds for
100 payment of amounts due under a lease-purchase agreement covering
101 comparable equipment. The State Bond Commission shall transmit
102 copies of each such master lease-purchase agreement and each such
103 amendment to the Joint Legislative Budget Committee. To the
104 extent provided in any master lease-purchase agreement, title to
105 equipment leased pursuant thereto shall be deemed to be vested in
106 the state or the user of the equipment (as specified in such

107 master lease-purchase agreement), subject to default under or
108 termination of such master lease-purchase agreement.

109 A master lease-purchase agreement may provide for payment by
110 the lessor to the lessee of the purchase price of the equipment to
111 be acquired pursuant thereto prior to the date on which payment is
112 due to the vendor for such equipment and that the lease payments
113 by the lessee shall commence as though the equipment had been
114 provided on the date of payment. If the lessee, or lessee's
115 escrow agent, has sufficient funds for payment of equipment
116 purchases prior to payment due date to vendor of equipment, such
117 funds shall be held or utilized on an as-needed basis for payment
118 of equipment purchases either by the State Treasurer (in which
119 event the master lease-purchase agreement may include provisions
120 concerning the holding of such funds, the creation of a security
121 interest for the benefit of the lessor in such funds until
122 disbursed and other appropriate provisions approved by the Bond
123 Commission) or by a corporate trustee selected by the Department
124 of Finance and Administration (in which event the Department of
125 Finance and Administration shall have the authority to enter into
126 an agreement with such a corporate trustee containing terms and
127 conditions approved by the Bond Commission). Earnings on any
128 amount paid by the lessor prior to the acquisition of the
129 equipment may be used to make lease payments under the master
130 lease-purchase agreement or applied to pay costs and expenses
131 incurred in connection with such lease-purchase agreement. In
132 such event, the equipment use agreements with the user agency may
133 provide for lease payments to commence upon the date of payment by
134 the lessor and may also provide for a credit against such payments
135 to the extent that investment receipts from investment of the
136 purchase price are to be used to make lease-purchase payments.

137 (6) The annual rate of interest paid under any
138 lease-purchase agreement authorized under this section shall not

139 exceed the maximum interest rate to maturity on general obligation
140 indebtedness permitted under Section 75-17-101.

141 (7) The Department of Finance and Administration shall
142 furnish the equipment to the various agencies, also known as the
143 user, pursuant to an equipment-use agreement developed by the
144 Department of Finance and Administration. Such agreements shall
145 require that all monthly payments due from such agency be paid,
146 transferred or allocated into the Master Lease-Purchase Program
147 Fund pursuant to a schedule established by the Department of
148 Finance and Administration. In the event such sums are not paid
149 by the defined payment period, the Executive Director of the
150 Department of Finance and Administration shall issue a requisition
151 for a warrant to draw such amount as may be due from any funds
152 appropriated for the use of the agency which has failed to make
153 the payment as agreed.

154 (8) All master lease-purchase agreements executed under the
155 authority of this section shall contain the following annual
156 allocation dependency clause or an annual allocation dependency
157 clause which is substantially equivalent thereto: "The
158 continuation of each equipment schedule to this agreement is
159 contingent in whole or in part upon the appropriation of funds by
160 the Legislature to make the lease-purchase payments required under
161 such equipment schedule. If the Legislature fails to appropriate
162 sufficient funds to provide for the continuation of the
163 lease-purchase payments under any such equipment schedule, then
164 the obligations of the lessee and of the agency to make such
165 lease-purchase payments and the corresponding provisions of any
166 such equipment schedule to this agreement shall terminate on the
167 last day of the fiscal year for which appropriations were made."

168 (9) The maximum lease term for any equipment acquired under
169 the master lease-purchase program shall not exceed the useful life
170 of such equipment as determined according to the upper limit of
171 the asset depreciation range (ADR) guidelines for the Class Life

172 Asset Depreciation Range System established by the Internal
173 Revenue Service pursuant to the United States Internal Revenue
174 Code and Regulations thereunder as in effect on December 31, 1980,
175 or comparable depreciation guidelines with respect to any
176 equipment not covered by ADR guidelines. The Department of
177 Finance and Administration shall be deemed to have met the
178 requirements of this subsection if the term of a master
179 lease-purchase agreement does not exceed the weighted average
180 useful life of all equipment covered by such agreement and the
181 schedules thereto as determined by the Department of Finance and
182 Administration. For purposes of this subsection, the "term of a
183 master lease-purchase agreement" shall be the weighted average
184 maturity of all principal payments to be made under such master
185 lease-purchase agreement and all schedules thereto.

186 (10) Interest paid on any master lease-purchase agreement
187 under this section shall be exempt from State of Mississippi
188 income taxation. All equipment, and the purchase thereof by any
189 lessor, acquired under the master lease-purchase program and all
190 lease-purchase payments with respect thereto shall be exempt from
191 all Mississippi sales, use and ad valorem taxes.

192 (11) The Governor, in his annual executive budget to the
193 Legislature, shall recommend appropriations sufficient to provide
194 funds to pay all amounts due and payable during the applicable
195 fiscal year under master lease-purchase agreements entered into
196 pursuant to this section.

197 (12) Any master lease-purchase agreement reciting in
198 substance that such agreement has been entered into pursuant to
199 this section shall be conclusively deemed to have been entered
200 into in accordance with all of the provisions and conditions set
201 forth in this section. Any defect or irregularity arising with
202 respect to procedures applicable to the acquisition of any
203 equipment shall not invalidate or otherwise limit the obligation
204 of the Department of Finance and Administration, or the state or

205 any agency of the state, under any master lease-purchase agreement
206 or any equipment-use agreement.

207 (13) There shall be maintained by the Department of Finance
208 and Administration, with respect to each master lease-purchase
209 agreement, an itemized statement of the cash price, interest
210 rates, interest costs, commissions, debt service schedules and all
211 other costs and expenses paid by the state incident to the
212 lease-purchase of equipment under such agreement.

213 (14) Lease-purchase agreements entered into by the Board of
214 Trustees of State Institutions of Higher Learning pursuant to the
215 authority of Section 37-101-413 or by any other agency which has
216 specific statutory authority other than pursuant to Section
217 31-7-13(e) to acquire equipment by lease-purchase shall not be
218 made pursuant to the master lease-purchase program under this
219 section, unless the Board of Trustees of State Institutions of
220 Higher Learning or such other agency elects to participate as to
221 part or all of its lease-purchase acquisitions in the master
222 lease-purchase program pursuant to this section.

223 (15) The Department of Finance and Administration may
224 develop a master lease-purchase program for school districts and,
225 pursuant to that program, may execute on behalf of the school
226 districts master lease-purchase agreements for equipment to be
227 used by the school districts. The form and structure of this
228 program shall be substantially the same as set forth in this
229 section for the master lease-purchase program for state agencies.
230 If sums due from a school district under the master lease-purchase
231 program are not paid by the expiration of the defined payment
232 period, the Executive Director of the Department of Finance and
233 Administration may withhold such amount that is due from the
234 school district's minimum education or adequate education program
235 fund allotments.

236 (16) The Department of Finance and Administration may
237 develop a master lease-purchase program for community and junior

238 college districts and, pursuant to that program, may execute on
239 behalf of the community and junior college districts master
240 lease-purchase agreements for equipment to be used by the
241 community and junior college districts. The form and structure of
242 this program must be substantially the same as set forth in this
243 section for the master lease-purchase program for state agencies.
244 If sums due from a community or junior college district under the
245 master lease-purchase program are not paid by the expiration of
246 the defined payment period, the Executive Director of the
247 Department of Finance and Administration may withhold an amount
248 equal to the amount due under the program from any funds allocated
249 for that community or junior college district in the state
250 appropriations for the use and support of the community and junior
251 colleges.

252 (17) The Department of Finance and Administration may
253 develop a master lease-purchase program for counties and, pursuant
254 to that program, may execute on behalf of counties master
255 lease-purchase agreements for equipment to be used by the
256 counties. The form and structure of this program must be
257 substantially the same as set forth in this section for the master
258 lease-purchase program for state agencies. If sums due from a
259 county under the master lease-purchase program are not paid by the
260 expiration of the defined payment period, the Executive Director
261 of the Department of Finance and Administration may:

262 (a) Withhold an amount equal to the amount due under
263 the program from the county's portion of funds in the state
264 appropriations for homestead reimbursement; or

265 (b) Intercept, as provided in Section 27-51-107,
266 payments of the county's share of reimbursement for motor vehicle
267 ad valorem taxes that are lost as a result of the ad valorem tax
268 credit provided for in Section 27-51-103.

269 (18) The Department of Finance and Administration may
270 develop a master lease-purchase program for municipalities and,

271 pursuant to that program, may execute on behalf of municipalities
272 master lease-purchase agreements for equipment to be used by the
273 municipalities. The form and structure of this program must be
274 substantially the same as set forth in this section for the master
275 lease-purchase program for state agencies. If sums due from a
276 municipality under the master lease-purchase program are not paid
277 by the expiration of the defined payment period, the Executive
278 Director of the Department of Finance and Administration may:

279 (a) Withhold an amount equal to the amount due under
280 the program from the municipality's portion of funds in the state
281 appropriations for homestead reimbursement; or

282 (c) Intercept, as provided in Section 27-65-75, the
283 sales tax revenue allocated and paid to the municipality pursuant
284 to Section 27-65-75.

285 **SECTION 2.** Section 27-33-77, Mississippi Code of 1972, is
286 amended as follows:

287 27-33-77. (1) (a) Beginning with the 1985 supplemental
288 roll, and for each succeeding year's roll thereafter, the amount
289 of tax loss to be reimbursed because of exemptions provided for in
290 this article shall be Fifty Dollars (\$50.00) each for county taxes
291 exempted and school taxes exempted for a total of One Hundred
292 Dollars (\$100.00) per applicant qualifying for homestead exemption
293 under this article.

294 (b) The reimbursement received by the county shall be
295 distributed by the county treasurer to the general fund. The
296 reimbursement may be pledged as security for any loan received by
297 the county for the purpose of capital improvements as authorized
298 under Section 57-1-303, or for the purpose of loans as authorized
299 under Section 57-44-7, or for the purpose of water systems
300 improvements as authorized under Section 41-3-16.

301 (c) The reimbursement due to be paid to the county may
302 be pledged as security for sums due under the master
303 lease-purchase program authorized under Section 31-7-10.

304 (2) (a) * * * Tax losses sustained by municipalities
305 because of exemptions granted to homeowners described in
306 subsection (2) of Section 27-33-67 shall be reimbursed up to the
307 amount of the actual exemption allowed, not to exceed Two Hundred
308 Dollars (\$200.00) per qualified applicant.

309 (b) The reimbursement due to be paid to the
310 municipality may be pledged as security for sums due under the
311 master lease-purchase program authorized under Section 31-7-10.

312 **SECTION 3.** Section 27-51-107, Mississippi Code of 1972, is
313 amended as follows:

314 27-51-107. (1) On or before February 10, 1995, and the
315 tenth day of each succeeding month thereafter, the State Tax
316 Commission shall make payments from the Motor Vehicle Ad Valorem
317 Tax Reduction Fund established in Section 27-51-105 to the county
318 tax collectors for distribution to the local taxing districts as
319 reimbursement for motor vehicle ad valorem taxes that are lost
320 during the preceding month as a result of the ad valorem tax
321 credit for private carriers of passengers and light carriers of
322 property that is provided for by Section 27-51-103. The amount
323 that each local taxing district will receive for each month under
324 this subsection shall be determined by the State Tax Commission
325 based on documentation provided by the tax collectors under
326 guidelines established by the commission.

327 (2) On or before the twentieth day of the month that the
328 payments from the commission under subsection (1) of this section
329 are received, the county tax collectors shall remit the
330 appropriate amount of such payments to the local taxing districts
331 for which the county tax collector collects motor vehicle ad
332 valorem taxes. When an ad valorem tax credit that is allowed to a
333 taxpayer is not paid by the commission in the payment for the
334 month in which such credit is allowed, the tax collector shall
335 remit the payment for such credit to the local taxing authority on

336 or before the twentieth day of the month that payment for such
337 credit is received from the commission.

338 (3) Funds received by local taxing districts from the
339 payments under subsection (1) of this section shall be considered
340 to be, and shall be used in the same manner as, the proceeds of
341 motor vehicle ad valorem taxes.

342 (4) (a) Funds due to be paid to the county for its share of
343 the payments required to be made by the State Tax Commission under
344 this section may be pledged as security for sums due under the
345 master lease-purchase program authorized under Section 31-7-10.

346 (b) If sums due from a county under the master
347 lease-purchase program authorized in Section 31-7-10 are not paid
348 by the expiration of the defined payment period and the county has
349 pledged payments made under this section as security for such
350 payments, the Executive Director of the Department of Finance and
351 Administration shall notify the State Tax Commission of the
352 delinquency and the State Tax Commission shall halt payments to
353 the county and pay the county's share of the payment to the
354 Department of Finance and Administration until such time as the
355 amount due under the master lease-purchase program is satisfied.

356 **SECTION 4.** Section 27-65-75, Mississippi Code of 1972, is
357 amended as follows:

358 27-65-75. On or before the fifteenth day of each month, the
359 revenue collected under the provisions of this chapter during the
360 preceding month shall be paid and distributed as follows:

361 (1) (a) On or before August 15, 1992, and each succeeding
362 month thereafter through July 15, 1993, eighteen percent (18%) of
363 the total sales tax revenue collected during the preceding month
364 under the provisions of this chapter, except that collected under
365 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
366 business activities within a municipal corporation shall be
367 allocated for distribution to the municipality and paid to the
368 municipal corporation. On or before August 15, 1993, and each

369 succeeding month thereafter, eighteen and one-half percent
370 (18-1/2%) of the total sales tax revenue collected during the
371 preceding month under the provisions of this chapter, except that
372 collected under the provisions of Sections 27-65-15, 27-65-19(3)
373 and 27-65-21, on business activities within a municipal
374 corporation shall be allocated for distribution to the
375 municipality and paid to the municipal corporation.

376 (b) A municipal corporation, for the purpose of
377 distributing the tax under this subsection, shall mean and include
378 all incorporated cities, towns and villages.

379 (c) Monies allocated for distribution and credited to a
380 municipal corporation under this subsection may be pledged as
381 security for any loan received by the municipal corporation for
382 the purpose of capital improvements as authorized under Section
383 57-1-303, or loans as authorized under Section 57-44-7, or water
384 systems improvements as authorized under Section 41-3-16.

385 (d) (i) Monies allocated for distribution and credited
386 to a municipal corporation under this subsection may be pledged as
387 security for sums due under the master lease-purchase program
388 authorized under Section 31-7-10.

389 (ii) If sums due from a municipality under the
390 master lease-purchase program authorized in Section 31-7-10 are
391 not paid by the expiration of the defined payment period and the
392 municipality has pledged monies allocated for distribution and
393 credited to it under this subsection as security for such
394 payments, the Executive Director of the Department of Finance and
395 Administration shall notify the State Tax Commission of the
396 delinquency and the State Tax Commission shall halt distributions
397 to the municipality and pay the monies allocated to the
398 municipality to the Department of Finance and Administration until
399 such time as the amount due under the master lease-purchase
400 program is satisfied.

401 (e) In any county having a county seat that is not an
402 incorporated municipality, the distribution provided under this
403 subsection shall be made as though the county seat was an
404 incorporated municipality; however, the distribution to the
405 municipality shall be paid to the county treasury in which the
406 municipality is located, and those funds shall be used for road,
407 bridge and street construction or maintenance in the county.

408 (2) On or before September 15, 1987, and each succeeding
409 month thereafter, from the revenue collected under this chapter
410 during the preceding month One Million One Hundred Twenty-five
411 Thousand Dollars (\$1,125,000.00) shall be allocated for
412 distribution to municipal corporations as defined under subsection
413 (1) of this section in the proportion that the number of gallons
414 of gasoline and diesel fuel sold by distributors to consumers and
415 retailers in each such municipality during the preceding fiscal
416 year bears to the total gallons of gasoline and diesel fuel sold
417 by distributors to consumers and retailers in municipalities
418 statewide during the preceding fiscal year. The State Tax
419 Commission shall require all distributors of gasoline and diesel
420 fuel to report to the commission monthly the total number of
421 gallons of gasoline and diesel fuel sold by them to consumers and
422 retailers in each municipality during the preceding month. The
423 State Tax Commission shall have the authority to promulgate such
424 rules and regulations as is necessary to determine the number of
425 gallons of gasoline and diesel fuel sold by distributors to
426 consumers and retailers in each municipality. In determining the
427 percentage allocation of funds under this subsection for the
428 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
429 State Tax Commission may consider gallons of gasoline and diesel
430 fuel sold for a period of less than one (1) fiscal year. For the
431 purposes of this subsection, the term "fiscal year" means the
432 fiscal year beginning July 1 of a year.

433 (3) On or before September 15, 1987, and on or before the
434 fifteenth day of each succeeding month, until the date specified
435 in Section 65-39-35, the proceeds derived from contractors' taxes
436 levied under Section 27-65-21 on contracts for the construction or
437 reconstruction of highways designated under the highway program
438 created under Section 65-3-97 shall, except as otherwise provided
439 in Section 31-17-127, be deposited into the State Treasury to the
440 credit of the State Highway Fund to be used to fund that highway
441 program. The Mississippi Department of Transportation shall
442 provide to the State Tax Commission such information as is
443 necessary to determine the amount of proceeds to be distributed
444 under this subsection.

445 (4) On or before August 15, 1994, and on or before the
446 fifteenth day of each succeeding month through July 15, 1999, from
447 the proceeds of gasoline, diesel fuel or kerosene taxes as
448 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
449 (\$4,000,000.00) shall be deposited in the State Treasury to the
450 credit of a special fund designated as the "State Aid Road Fund,"
451 created by Section 65-9-17. On or before August 15, 1999, and on
452 or before the fifteenth day of each succeeding month, from the
453 total amount of the proceeds of gasoline, diesel fuel or kerosene
454 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
455 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
456 one-fourth percent (23.25%) of those funds, whichever is the
457 greater amount, shall be deposited in the State Treasury to the
458 credit of the "State Aid Road Fund," created by Section 65-9-17.
459 Those funds shall be pledged to pay the principal of and interest
460 on state aid road bonds heretofore issued under Sections 19-9-51
461 through 19-9-77, in lieu of and in substitution for the funds
462 previously allocated to counties under this section. Those funds
463 may not be pledged for the payment of any state aid road bonds
464 issued after April 1, 1981; however, this prohibition against the
465 pledging of any such funds for the payment of bonds shall not

466 apply to any bonds for which intent to issue those bonds has been
467 published, for the first time, as provided by law before March 29,
468 1981. From the amount of taxes paid into the special fund under
469 this subsection and subsection (9) of this section, there shall be
470 first deducted and paid the amount necessary to pay the expenses
471 of the Office of State Aid Road Construction, as authorized by the
472 Legislature for all other general and special fund agencies. The
473 remainder of the fund shall be allocated monthly to the several
474 counties in accordance with the following formula:

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

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

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

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

488 The amount of funds allocated to any county under this
489 subsection for any fiscal year after fiscal year 1994 shall not be
490 less than the amount allocated to the county for fiscal year 1994.
491 Monies allocated to a county from the State Aid Road Fund for
492 fiscal year 1995 or any fiscal year thereafter that exceed the
493 amount of funds allocated to that county from the State Aid Road
494 Fund for fiscal year 1994, first must be expended by the county
495 for replacement or rehabilitation of bridges on the state aid road
496 system that have a sufficiency rating of less than twenty-five
497 (25), according to National Bridge Inspection standards before
498 the monies may be approved for expenditure by the State Aid Road

499 Engineer on other projects that qualify for the use of state aid
500 road funds.

501 Any reference in the general laws of this state or the
502 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
503 construed to refer and apply to subsection (4) of Section
504 27-65-75.

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

511 (6) An amount each month beginning August 15, 1983, through
512 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
513 of 1983, shall be paid into the special fund known as the
514 Correctional Facilities Construction Fund created in Section 6 of
515 Chapter 542, Laws of 1983.

516 (7) On or before August 15, 1992, and each succeeding month
517 thereafter through July 15, 2000, two and two hundred sixty-six
518 one-thousandths percent (2.266%) of the total sales tax revenue
519 collected during the preceding month under the provisions of this
520 chapter, except that collected under the provisions of Section
521 27-65-17(2) shall be deposited by the commission into the School
522 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
523 or before August 15, 2000, and each succeeding month thereafter,
524 two and two hundred sixty-six one-thousandths percent (2.266%) of
525 the total sales tax revenue collected during the preceding month
526 under the provisions of this chapter, except that collected under
527 the provisions of Section 27-65-17(2), shall be deposited into the
528 School Ad Valorem Tax Reduction Fund created under Section
529 37-61-35 until such time that the total amount deposited into the
530 fund during a fiscal year equals Forty-two Million Dollars
531 (\$42,000,000.00). Thereafter, the amounts diverted under this

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

538 (8) On or before August 15, 1992, and each succeeding month
539 thereafter, nine and seventy-three one-thousandths percent
540 (9.073%) of the total sales tax revenue collected during the
541 preceding month under the provisions of this chapter, except that
542 collected under the provisions of Section 27-65-17(2), shall be
543 deposited into the Education Enhancement Fund created under
544 Section 37-61-33.

545 (9) On or before August 15, 1994, and each succeeding month
546 thereafter, from the revenue collected under this chapter during
547 the preceding month, Two Hundred Fifty Thousand Dollars
548 (\$250,000.00) shall be paid into the State Aid Road Fund.

549 (10) On or before August 15, 1994, and each succeeding month
550 thereafter through August 15, 1995, from the revenue collected
551 under this chapter during the preceding month, Two Million Dollars
552 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
553 Valorem Tax Reduction Fund established in Section 27-51-105.

554 (11) Notwithstanding any other provision of this section to
555 the contrary, on or before February 15, 1995, and each succeeding
556 month thereafter, the sales tax revenue collected during the
557 preceding month under the provisions of Section 27-65-17(2) and
558 the corresponding levy in Section 27-65-23 on the rental or lease
559 of private carriers of passengers and light carriers of property
560 as defined in Section 27-51-101 shall be deposited, without
561 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
562 established in Section 27-51-105.

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

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

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

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

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

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

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

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

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

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

617 (20) It shall be the duty of the municipal officials of any
618 municipality that expands its limits, or of any community that
619 incorporates as a municipality, to notify the commissioner of
620 that action thirty (30) days before the effective date. Failure
621 to so notify the commissioner shall cause the municipality to
622 forfeit the revenue that it would have been entitled to receive
623 during this period of time when the commissioner had no knowledge
624 of the action. If any funds have been erroneously disbursed to
625 any municipality or any overpayment of tax is recovered by the
626 taxpayer, the commissioner may make correction and adjust the
627 error or overpayment with the municipality by withholding the
628 necessary funds from any later payment to be made to the
629 municipality.

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