

By: Senator(s) Gordon, Little,
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To: Appropriations

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 2018

1 AN ACT TO ESTABLISH AN EMERGENCY AID TO LOCAL GOVERNMENTS
2 LOAN PROGRAM FOR THE PURPOSE OF ASSISTING COUNTIES, INCORPORATED
3 MUNICIPALITIES AND PUBLIC SCHOOL DISTRICTS THAT SUFFER REVENUE
4 LOSSES AS A RESULT OF A NATURAL DISASTER FOR WHICH A STATE OF
5 EMERGENCY HAS BEEN DULY PROCLAIMED; TO PROVIDE THAT THE PROGRAM
6 SHALL BE ADMINISTERED BY THE DEPARTMENT OF FINANCE AND
7 ADMINISTRATION; TO CREATE THE EMERGENCY AID TO LOCAL GOVERNMENTS
8 LOAN FUND; TO ESTABLISH THE MAXIMUM AMOUNT OF ANY LOAN UNDER THIS
9 PROGRAM; TO PROVIDE THAT A COUNTY OR SCHOOL DISTRICT THAT RECEIVES
10 A LOAN FROM THE FUND SHALL PLEDGE FOR REPAYMENT OF THE LOAN ANY
11 PART OF THE HOMESTEAD EXEMPTION ANNUAL TAX LOSS REIMBURSEMENT TO
12 WHICH IT MAY BE ENTITLED; TO PROVIDE THAT AN INCORPORATED
13 MUNICIPALITY THAT RECEIVES A LOAN FROM THE FUND OR THE EMERGENCY
14 FUND SHALL PLEDGE FOR REPAYMENT OF THE LOAN ANY PART OF THE SALES
15 TAX REVENUE DISTRIBUTION TO WHICH IT MAY BE ENTITLED; TO MAKE IT
16 CLEAR THAT EVIDENCES OF INDEBTEDNESS WHICH ARE ISSUED PURSUANT TO
17 THIS ACT SHALL NOT BE DEEMED INDEBTEDNESS WITHIN THE MEANING OF
18 CERTAIN DEBT LIMITATIONS; TO GRANT TO THE DEPARTMENT OF FINANCE
19 AND ADMINISTRATION CERTAIN POWERS AND DUTIES WITH REGARD TO THIS
20 ACT; TO AUTHORIZE THE STATE BOND COMMISSION TO DECLARE THE
21 NECESSITY FOR SPECIAL FUNDS TO FUND THE LOANS UNDER THIS PROGRAM;
22 TO AUTHORIZE THE DEPARTMENT OF FINANCE AND ADMINISTRATION TO MAKE
23 TRANSFERS FROM THE DISASTER RECOVERY FUND FOR THE PURPOSE OF
24 FUNDING THE LOANS UNDER THIS PROGRAM; TO AUTHORIZE THE DEPARTMENT
25 OF FINANCE AND ADMINISTRATION TO ISSUE WARRANTS TO MAKE LOANS
26 UNDER THIS PROGRAM; TO PROVIDE FOR THE DISPOSITION OF ANY UNNEEDED
27 STATE FUNDS IN THE LOAN FUND; TO AMEND SECTIONS 27-33-77 AND
28 27-65-75, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND FOR
29 RELATED PURPOSES.

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

31 **SECTION 1.** (1) (a) There is established an emergency aid
32 to local governments loan program to be administered by the
33 Department of Finance and Administration, referred to in this
34 section as "department," for the purpose of assisting counties,
35 incorporated municipalities and public school districts that
36 suffer revenue losses as a result of a natural disaster for which
37 a state of emergency has been duly proclaimed. Loan proceeds
38 distributed to counties, incorporated municipalities and public
39 school districts shall be considered to be, and shall be utilized
40 by recipient in the same manner as, governmental, enterprise or

41 internal service fund type revenues, specifically for essential
42 government services.

43 (b) The department may contract for facilities and
44 staff needed to administer this section, including routine
45 management, as it deems necessary. The department may advertise
46 for or solicit proposals from public or private sources, or both,
47 for administration of this section or any services required for
48 administration of this section or any portion thereof. It is the
49 intent of the Legislature that the department endeavor to ensure
50 that the costs of administration of this section are as low as
51 possible.

52 (2) (a) There is created a special fund in the State
53 Treasury to be designated as the "Emergency Aid to Local
54 Governments Fund," referred to in this section as "fund," which
55 fund shall consist of money transferred from the Disaster Recovery
56 Fund created in Section 31-17-123 and money designated for deposit
57 therein from any other source, public or private, including, but
58 not limited to, appropriations, bond proceeds, grants, gifts or
59 donations. The fund shall be credited with all repayments of
60 principal and interest derived from loans made from the fund.
61 Unexpended amounts remaining in the fund at the end of a fiscal
62 year shall not lapse into the State General Fund, and any interest
63 earned on amounts in the fund shall be deposited to the credit of
64 the State General Fund. Monies in the fund may not be used or
65 expended for any purpose except as authorized under this section.

66 (b) The department shall establish a loan program by
67 which loans may be made available to counties, incorporated
68 municipalities and public school districts, to assist those
69 counties, incorporated municipalities and public school districts.
70 Any governmental entity in the current fiscal year that
71 demonstrates a projected revenue loss equal to or exceeding
72 one-half (1/2) of its governmental fund type revenues in the
73 fiscal year prior to the occurrence of the natural disaster

74 eligible under this section may qualify for a loan. The interest
75 rate on loans made under this section may vary from time to time
76 and from loan to loan, and shall be at or below market interest
77 rates as determined by the department. The department shall act
78 as quickly as is practicable and prudent in deciding on any loan
79 request that it receives. No loan shall be granted under this
80 section unless the county, municipality or public school district
81 requesting the loan has exhausted all other available public or
82 private programs to obtain funds for the revenue loss that it is
83 projected to suffer. Such public or private programs shall
84 include, but not be limited to, loans, grants and donations.

85 (c) The aggregate amount of any loans received under
86 this section by a county, incorporated municipality or public
87 school district shall not exceed one hundred percent (100%) of the
88 difference between the revenue received by a county, incorporated
89 municipality or public school district from governmental fund type
90 revenues that are used to fund essential services in the fiscal
91 year prior to the occurrence of the natural disaster and the
92 estimated revenue from such sources after the occurrence of the
93 natural disaster plus available cash reserves or fund balances at
94 the fiscal year end, as determined by the department. The State
95 Bond Commission shall set the maximum amount of any loan made
96 under this section at an amount that will ensure the equitable
97 distribution of the amounts available for loans to the eligible
98 governmental entities affected by the natural disaster.

99 (d) A county or public school district that receives a
100 loan from the fund shall pledge for repayment of the loan any part
101 of the homestead exemption annual tax loss reimbursement to which
102 it may be entitled under Section 27-33-77, as may be required by
103 the department. An incorporated municipality that receives a loan
104 from the fund or the emergency fund shall pledge for repayment of
105 the loan any part of the sales tax revenue distribution to which
106 it may be entitled under Section 27-65-75 or any part of the

107 homestead exemption annual tax loss reimbursement to which it may
108 be entitled under Section 27-33-77, as may be required by the
109 department. All recipients of such loans shall establish a
110 dedicated source of revenue for repayment of the loan. Before any
111 county, incorporated municipality or public school district shall
112 receive any loan, it shall have executed with the department a
113 loan agreement evidencing that loan, a copy of which shall be
114 filed by the department with the State Tax Commission. The loan
115 agreement shall not be construed to prohibit any recipient from
116 prepaying any part or all of the funds received. The repayment
117 schedule in each loan agreement shall provide for (i) monthly
118 payments, (ii) semiannual payments or (iii) other periodic
119 payments. The loan agreement shall provide for the repayment of
120 all funds received from the fund within not more than three (3)
121 years. The State Tax Commission shall, at the direction of the
122 department, withhold semiannually from counties, incorporated
123 municipalities and public school districts and monthly from
124 incorporated municipalities, from the amount to be remitted to the
125 county, municipality or public school district, the sum necessary
126 to pay all or a portion of the periodic payments for the loan.

127 (e) Any county, incorporated municipality or public
128 school district which receives a loan from the state for that
129 purpose but which is not eligible to pledge for repayment under
130 the provisions of paragraph (d) of this subsection, shall repay
131 that loan by making payments each month to the State Treasurer
132 through the Department of Finance and Administration for and on
133 behalf of the department according to Section 7-7-15, to be
134 credited to the fund in lieu of pledging homestead exemption
135 annual tax loss reimbursement or sales tax revenue distribution.

136 Loan repayments shall be according to a repayment schedule
137 contained in each loan agreement as provided in paragraph (d) of
138 this subsection.

139 (f) Evidences of indebtedness which are issued pursuant
140 to this act shall not be deemed indebtedness within the meaning
141 specified in Section 21-33-303 with regard to cities and
142 incorporated towns, in Section 19-9-5 with regard to counties and
143 in Section 37-59-5 with regard to public school districts.

144 (g) The State Auditor, upon request of the department,
145 shall audit the receipts and expenditures of a county, an
146 incorporated municipality or a public school district if loan
147 repayments appear to be in arrears, and if the Auditor finds that
148 the county, incorporated municipality or public school district is
149 in arrears in those repayments, the Auditor shall immediately
150 notify the executive director of the department who may take any
151 action as may be necessary to enforce the terms of the loan
152 agreement, including liquidation and enforcement of the security
153 given for repayment of the loan, and the executive director of the
154 department may, in his discretion, notify the State Tax Commission
155 to withhold all future payments to the county, incorporated
156 municipality or school district of homestead exemption annual tax
157 loss reimbursements under Section 27-33-77 and/or all sums
158 allocated to the incorporated municipality under Section 27-65-75,
159 until such time as the county, incorporated municipality or public
160 school district is again current in its loan repayments as
161 certified by the department.

162 (h) All monies deposited in the fund shall be used only
163 for providing the loans authorized under this section. In
164 addition, any amounts in the fund may be used to defray the
165 reasonable costs of administering the fund. The department is
166 authorized to use amounts available to it from the fund to
167 contract for those facilities and staff needed to administer and
168 provide routine management for the funds and loan program.

169 (3) In administering this section the department shall have
170 the following powers and duties:

171 (a) To supervise the use of all funds made available
172 under this section;

173 (b) To promulgate rules and regulations, to make
174 variances and exceptions thereto, and to establish procedures in
175 accordance with this section for the implementation of the loan
176 program;

177 (c) To requisition monies in the fund and distribute
178 those monies in accordance with this section;

179 (d) To maintain, in accordance with generally accepted
180 government accounting standards, an accurate record of all monies
181 in the fund made available to counties, incorporated
182 municipalities and public school districts under this section;

183 (e) To file annually with the Legislature a report
184 detailing how monies in the fund were distributed during the
185 preceding fiscal year to each county, incorporated municipality
186 and public school district.

187 (4) The State Bond Commission, at one time, or from time to
188 time, may declare the necessity for funds for the purposes
189 provided in this section, including the costs incident to the
190 administration of the loan program. Upon approval by the State
191 Bond Commission, the department is authorized to transfer the
192 necessary amount from the Disaster Recovery Fund created in
193 Section 31-17-123 to the fund in ample time to discharge such
194 loans and incidental costs.

195 (5) The department is authorized, without further process of
196 law, to certify the necessity for warrants and is authorized and
197 directed to issue such warrants, in such amounts as may be
198 necessary to make loans under the program authorized by this
199 section.

200 (6) After any state funds in the fund are no longer needed
201 for the particular purpose for which they were appropriated,
202 deposited or transferred into the fund, the department shall
203 transfer those state funds back to the particular fund or funds in

204 the State Treasury from which they were appropriated or
205 transferred into the fund, upon certification of the State Fiscal
206 Officer that the state funds are not currently needed.

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

209 27-33-77. Beginning with the 1985 supplemental roll, and for
210 each succeeding year's roll thereafter, the amount of tax loss to
211 be reimbursed because of exemptions provided for in this article
212 shall be Fifty Dollars (\$50.00) each for county taxes exempted and
213 school taxes exempted for a total of One Hundred Dollars (\$100.00)
214 per applicant qualifying for homestead exemption under this
215 article.

216 The reimbursement received by the county shall be distributed
217 by the county treasurer to the general fund.

218 Provided further, that tax losses sustained by municipalities
219 because of exemptions granted to homeowners described in
220 subsection (2) of Section 27-33-67 shall be reimbursed up to the
221 amount of the actual exemption allowed, not to exceed Two Hundred
222 Dollars (\$200.00) per qualified applicant.

223 The reimbursement received by a county, municipality or
224 school district may be pledged as security for a loan if the
225 reimbursement to the county or school district is otherwise
226 authorized or required by law to be pledged as security for such a
227 loan.

228 **SECTION 3.** Section 27-65-75, Mississippi Code of 1972, is
229 amended as follows:

230 27-65-75. On or before the fifteenth day of each month, the
231 revenue collected under the provisions of this chapter during the
232 preceding month shall be paid and distributed as follows:

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

237 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
238 business activities within a municipal corporation shall be
239 allocated for distribution to the municipality and paid to the
240 municipal corporation. On or before August 15, 1993, and each
241 succeeding month thereafter, eighteen and one-half percent
242 (18-1/2%) of the total sales tax revenue collected during the
243 preceding month under the provisions of this chapter, except that
244 collected under the provisions of Sections 27-65-15, 27-65-19(3)
245 and 27-65-21, on business activities within a municipal
246 corporation shall be allocated for distribution to the
247 municipality and paid to the municipal corporation.

248 A municipal corporation, for the purpose of distributing the
249 tax under this subsection, shall mean and include all incorporated
250 cities, towns and villages.

251 Monies allocated for distribution and credited to a municipal
252 corporation under this subsection may be pledged as security for
253 a loan if the distribution received by the municipal corporation
254 is otherwise authorized or required by law to be pledged as
255 security for such a loan.

256 In any county having a county seat that is not an
257 incorporated municipality, the distribution provided under this
258 subsection shall be made as though the county seat was an
259 incorporated municipality; however, the distribution to the
260 municipality shall be paid to the county treasury in which the
261 municipality is located, and those funds shall be used for road,
262 bridge and street construction or maintenance in the county.

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

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

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

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

303 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
304 (\$4,000,000.00) shall be deposited in the State Treasury to the
305 credit of a special fund designated as the "State Aid Road Fund,"
306 created by Section 65-9-17. On or before August 15, 1999, and on
307 or before the fifteenth day of each succeeding month, from the
308 total amount of the proceeds of gasoline, diesel fuel or kerosene
309 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
310 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
311 one-fourth percent (23-1/4%) of those funds, whichever is the
312 greater amount, shall be deposited in the State Treasury to the
313 credit of the "State Aid Road Fund," created by Section 65-9-17.
314 Those funds shall be pledged to pay the principal of and interest
315 on state aid road bonds heretofore issued under Sections 19-9-51
316 through 19-9-77, in lieu of and in substitution for the funds
317 previously allocated to counties under this section. Those funds
318 may not be pledged for the payment of any state aid road bonds
319 issued after April 1, 1981; however, this prohibition against the
320 pledging of any such funds for the payment of bonds shall not
321 apply to any bonds for which intent to issue those bonds has been
322 published, for the first time, as provided by law before March 29,
323 1981. From the amount of taxes paid into the special fund under
324 this subsection and subsection (9) of this section, there shall be
325 first deducted and paid the amount necessary to pay the expenses
326 of the Office of State Aid Road Construction, as authorized by the
327 Legislature for all other general and special fund agencies. The
328 remainder of the fund shall be allocated monthly to the several
329 counties in accordance with the following formula:

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

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

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

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

343 The amount of funds allocated to any county under this
344 subsection for any fiscal year after fiscal year 1994 shall not be
345 less than the amount allocated to the county for fiscal year
346 1994.

347 Any reference in the general laws of this state or the
348 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
349 construed to refer and apply to subsection (4) of Section
350 27-65-75.

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

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

362 (7) On or before August 15, 1992, and each succeeding month
363 thereafter through July 15, 2000, two and two hundred sixty-six
364 one-thousandths percent (2.266%) of the total sales tax revenue
365 collected during the preceding month under the provisions of this
366 chapter, except that collected under the provisions of Section
367 27-65-17(2) shall be deposited by the commission into the School
368 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On

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

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

391 (9) On or before August 15, 1994, and each succeeding month
392 thereafter, from the revenue collected under this chapter during
393 the preceding month, Two Hundred Fifty Thousand Dollars
394 (\$250,000.00) shall be paid into the State Aid Road Fund.

395 (10) On or before August 15, 1994, and each succeeding month
396 thereafter through August 15, 1995, from the revenue collected
397 under this chapter during the preceding month, Two Million Dollars
398 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
399 Valorem Tax Reduction Fund established in Section 27-51-105.

400 (11) Notwithstanding any other provision of this section to
401 the contrary, on or before February 15, 1995, and each succeeding

402 month thereafter, the sales tax revenue collected during the
403 preceding month under the provisions of Section 27-65-17(2) and
404 the corresponding levy in Section 27-65-23 on the rental or lease
405 of private carriers of passengers and light carriers of property
406 as defined in Section 27-51-101 shall be deposited, without
407 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
408 established in Section 27-51-105.

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

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

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

433 (15) Notwithstanding any other provision of this section to
434 the contrary, on or before September 15, 2000, and each succeeding

435 month thereafter, the sales tax revenue collected during the
436 preceding month under the provisions of Section 27-65-19(1)(f) and
437 (g)(i)2, shall be deposited, without diversion, into the
438 Telecommunications Ad Valorem Tax Reduction Fund established in
439 Section 27-38-7.

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

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

454 (18) On or before August 15, 2007, and each succeeding month
455 thereafter through July 15, 2008, from the sales tax revenue
456 collected during the preceding month under the provisions of this
457 chapter, Two Million Five Hundred Thousand Dollars (\$2,500,000.00)
458 shall be deposited into the Special Funds Transfer Fund created in
459 Section 4 of Chapter 556, Laws of 2003.

460 (19) (a) On or before August 15, 2005, and each succeeding
461 month thereafter, the sales tax revenue collected during the
462 preceding month under the provisions of this chapter on the gross
463 proceeds of sales of a business enterprise located within a
464 redevelopment project area under the provisions of Sections
465 57-91-1 through 57-91-11, and the revenue collected on the gross
466 proceeds of sales from sales made to a business enterprise located
467 in a redevelopment project area under the provisions of Sections

468 57-91-1 through 57-91-11 (provided that such sales made to a
469 business enterprise are made on the premises of the business
470 enterprise), shall, except as otherwise provided in this
471 subsection (19), be deposited, after all diversions, into the
472 Redevelopment Project Incentive Fund as created in Section
473 57-91-9.

474 (b) For a municipality participating in the Economic
475 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
476 the diversion provided for in subsection (1) of this section
477 attributable to the gross proceeds of sales of a business
478 enterprise located within a redevelopment project area under the
479 provisions of Sections 57-91-1 through 57-91-11, and attributable
480 to the gross proceeds of sales from sales made to a business
481 enterprise located in a redevelopment project area under the
482 provisions of Sections 57-91-1 through 57-91-11 (provided that
483 such sales made to a business enterprise are made on the premises
484 of the business enterprise), shall be deposited into the
485 Redevelopment Project Incentive Fund as created in Section
486 57-91-9, as follows:

487 (i) For the first six (6) years in which payments
488 are made to a developer from the Redevelopment Project Incentive
489 Fund, one hundred percent (100%) of the diversion shall be
490 deposited into the fund;

491 (ii) For the seventh year in which such payments
492 are made to a developer from the Redevelopment Project Incentive
493 Fund, eighty percent (80%) of the diversion shall be deposited
494 into the fund;

495 (iii) For the eighth year in which such payments
496 are made to a developer from the Redevelopment Project Incentive
497 Fund, seventy percent (70%) of the diversion shall be deposited
498 into the fund;

499 (iv) For the ninth year in which such payments are
500 made to a developer from the Redevelopment Project Incentive Fund,

501 sixty percent (60%) of the diversion shall be deposited into the
502 fund; and

503 (v) For the tenth year in which such payments are
504 made to a developer from the Redevelopment Project Incentive Fund,
505 fifty percent (50%) of the funds shall be deposited into the fund.

506 (20) The remainder of the amounts collected under the
507 provisions of this chapter shall be paid into the State Treasury
508 to the credit of the General Fund.

509 (21) It shall be the duty of the municipal officials of any
510 municipality that expands its limits, or of any community that
511 incorporates as a municipality, to notify the commissioner of
512 that action thirty (30) days before the effective date. Failure
513 to so notify the commissioner shall cause the municipality to
514 forfeit the revenue that it would have been entitled to receive
515 during this period of time when the commissioner had no knowledge
516 of the action. If any funds have been erroneously disbursed to
517 any municipality or any overpayment of tax is recovered by the
518 taxpayer, the commissioner may make correction and adjust the
519 error or overpayment with the municipality by withholding the
520 necessary funds from any later payment to be made to the
521 municipality.

522 **SECTION 4.** This act shall take effect and be in force from
523 and after its passage.