

By: Representative Fleming

To: Ways and Means

## HOUSE BILL NO. 1611

1 AN ACT TO CREATE A STUDY COMMITTEE TO STUDY THE TAX SYSTEM OF  
2 THIS STATE AND TO MAKE RECOMMENDATIONS THEREON TO THE LEGISLATURE;  
3 TO REQUIRE THE BUDGET OF STATE AGENCIES BE REDUCED BY FIVE PERCENT  
4 IN FISCAL YEAR 2007; TO AMEND SECTION 27-7-5, MISSISSIPPI CODE OF  
5 1972, TO REVISE THE TAX BRACKETS UNDER THE INCOME TAX LAW; TO  
6 AMEND SECTIONS 27-7-901 AND 27-7-903, MISSISSIPPI CODE OF 1972, TO  
7 INCREASE THE TAX LEVIED UPON AMOUNTS THAT ARE PAID OR CREDITED BY  
8 GAMING ESTABLISHMENTS TO THEIR PATRONS; TO AMEND SECTIONS 27-13-5  
9 AND 27-13-7, MISSISSIPPI CODE OF 1972, TO INCREASE THE FRANCHISE  
10 TAX LEVY; TO AMEND SECTIONS 27-15-103 AND 27-15-109, MISSISSIPPI  
11 CODE OF 1972, TO INCREASE THE INSURANCE PREMIUM TAX; TO AMEND  
12 SECTION 27-19-43, MISSISSIPPI CODE OF 1972, TO INCREASE THE  
13 REGISTRATION FEE ON MOTOR VEHICLES; TO AMEND SECTION 27-65-17,  
14 MISSISSIPPI CODE OF 1972, TO INCREASE THE SALES TAX ON RETAIL  
15 SALES OF PRIVATE CARRIERS OF PASSENGERS AND LIGHT CARRIERS OF  
16 PROPERTY; TO REDUCE THE SALES TAX RATE ON RETAIL SALES OF FOOD FOR  
17 HUMAN CONSUMPTION NOT PURCHASED WITH FOOD STAMPS, BUT WHICH WOULD  
18 BE EXEMPT FROM SALES TAX IF SUCH FOOD WERE PURCHASED WITH FOOD  
19 STAMPS, TO TWO PERCENT; TO AMEND SECTION 27-65-19, MISSISSIPPI  
20 CODE OF 1972, TO INCREASE THE SALES TAX ON SALES OF ELECTRICITY  
21 AND OTHER FUELS TO MANUFACTURERS, CUSTOM PROCESSORS OR PUBLIC  
22 SERVICE COMPANIES FOR INDUSTRIAL PURPOSES; TO AMEND SECTION  
23 27-65-21, MISSISSIPPI CODE OF 1972, TO INCREASE THE CONTRACTOR'S  
24 TAX; TO AMEND SECTION 27-65-33, MISSISSIPPI CODE OF 1972, TO  
25 REMOVE THE DISCOUNT GIVEN FOR TIMELY FILING AND PAYING SALES  
26 TAXES; TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972, TO  
27 INCREASE THE AMOUNT OF THE SALES TAX DIVERSION TO CITIES AND TO  
28 PROVIDE THAT THE ADDITIONAL SALES TAX ON MOTOR VEHICLES SHALL NOT  
29 BE DEPOSITED INTO THE MOTOR VEHICLE AD VALOREM TAX REDUCTION FUND;  
30 TO PROVIDE THAT ALL OF THE SALES TAX REVENUE COLLECTED ON RETAIL  
31 SALES OF FOOD FOR HUMAN CONSUMPTION NOT PURCHASED WITH FOOD  
32 STAMPS, BUT WHICH WOULD BE EXEMPT FROM SALES TAX IF SUCH FOOD WERE  
33 PURCHASED WITH FOOD STAMPS, WITHIN A MUNICIPALITY SHALL BE  
34 ALLOCATED FOR DISTRIBUTION AND PAID TO SUCH MUNICIPALITY; TO  
35 INCREASE THE AMOUNT OF THE SALES TAX DIVERSIONS TO THE SCHOOL AD  
36 VALOREM TAX REDUCTION FUND AND THE EDUCATION ENHANCEMENT FUND; TO  
37 PROVIDE FOR THE PAYMENT OF A PERCENTAGE OF SALES TAX REVENUES  
38 GENERATED FROM BUSINESS ACTIVITIES OUTSIDE MUNICIPALITIES TO THE  
39 COUNTIES IN WHICH SUCH BUSINESS ACTIVITIES OCCURRED; TO AMEND  
40 SECTION 27-65-111, MISSISSIPPI CODE OF 1972, TO REMOVE THE SALES  
41 TAX EXEMPTION ON SALES OF MOTOR FUEL AND TO EXEMPT RETAIL SALES OF  
42 CERTAIN GROCERIES FROM SALES TAXATION; TO AMEND SECTION 27-67-5,  
43 MISSISSIPPI CODE OF 1972, TO INCREASE THE USE TAX; TO AMEND  
44 SECTION 27-67-31, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE  
45 ADDITIONAL USE TAX ON MOTOR VEHICLES SHALL NOT BE DEPOSITED INTO  
46 THE MOTOR VEHICLE AD VALOREM TAX REDUCTION FUND; TO AMEND SECTION  
47 27-69-13, MISSISSIPPI CODE OF 1972, TO INCREASE THE EXCISE TAX  
48 LEVIED ON CIGARETTES; TO ELIMINATE THE DISCOUNT OR COMPENSATION  
49 PROVIDED TO DEALERS AS CONSIDERATION FOR THEIR SERVICES IN  
50 AFFIXING TOBACCO TAX STAMPS REQUIRED UNDER THE STATE TOBACCO TAX  
51 LAW; TO PROHIBIT ANY STATE AGENCY FROM PURCHASING EQUIPMENT,  
52 HIRING NEW EMPLOYEES, OR PROMOTING, RECLASSIFYING, REALLOCATING OR

53 REALIGNING PAY GRADES WITH REGARD TO ANY OF ITS EMPLOYEES OR JOB  
54 POSITIONS DURING THE CURRENT FISCAL YEAR; TO ESTABLISH AN APPEAL  
55 PROCEDURE TO THE STATE FISCAL OFFICER FOR AGENCIES SEEKING TO TAKE  
56 ANY ACTION THAT OTHERWISE WOULD BE PROHIBITED BY THIS ACT; TO SET  
57 FORTH THE DEMONSTRATION OF THE EMERGENCY THAT MUST BE MADE BY THE  
58 AGENCY IN ITS APPEAL; TO PROVIDE THAT THE JOINT LEGISLATIVE BUDGET  
59 COMMITTEE SHALL BE NOTIFIED OF SUCH AN APPEAL AND THAT COMMITTEE  
60 MEMBERS MAY ATTEND THE HEARING ON SUCH AN APPEAL; TO ALLOW THE  
61 STATE FISCAL OFFICER, IN HIS DISCRETION, TO AUTHORIZE THE ACTION  
62 SOUGHT IN THE APPEAL; TO AMEND SECTION 25-9-116, MISSISSIPPI CODE  
63 OF 1972, IN CONFORMITY TO THE PRECEDING PROVISIONS; TO PROVIDE  
64 THAT DURING FISCAL YEAR 2007, STATE AGENCIES ARE NOT AUTHORIZED TO  
65 EXPEND FUNDS TO DO CERTAIN THINGS UNLESS SPECIFICALLY AUTHORIZED  
66 IN THE AGENCY'S APPROPRIATION BILL; TO AMEND SECTIONS 7-7-211 AND  
67 7-7-213, MISSISSIPPI CODE OF 1972, TO INCREASE THE FEE CHARGED BY  
68 THE DEPARTMENT OF AUDIT FOR CONDUCTING A POSTAUDIT, PREAUDIT OR  
69 INVESTIGATION OF THE FINANCIAL AFFAIRS OF CERTAIN GOVERNMENTAL  
70 ENTITIES; TO BRING FORWARD SECTION 27-15-83, MISSISSIPPI CODE OF  
71 1972, WHICH PROVIDES FOR CERTAIN PRIVILEGE TAXES TO BE LEVIED ON  
72 INSURANCE COMPANIES; TO BRING FORWARD SECTION 27-15-85,  
73 MISSISSIPPI CODE OF 1972, WHICH PROVIDES FOR PRIVILEGE TAXES TO BE  
74 LEVIED ON CERTAIN INCORPORATED INSURANCE AGENCIES AND INCORPORATED  
75 GENERAL AGENTS AND INCORPORATED SUPERVISING GENERAL AGENTS; TO  
76 BRING FORWARD SECTION 27-15-87, MISSISSIPPI CODE OF 1972, WHICH  
77 PROVIDES FOR PRIVILEGE TAXES TO BE LEVIED ON CERTAIN FIRE,  
78 CASUALTY, LIABILITY, FIDELITY, SURETY, GUARANTY AND INLAND MARINE  
79 INSURANCE AGENTS AND INSURANCE SOLICITORS; TO BRING FORWARD  
80 SECTION 27-15-93, MISSISSIPPI CODE OF 1972, WHICH PROVIDES CERTAIN  
81 PRIVILEGE TAXES TO BE LEVIED ON INCORPORATED LIFE, HEALTH OR  
82 ACCIDENT INSURANCE AGENCIES, SUPERVISING GENERAL AGENTS AND LIFE  
83 INSURANCE AGENTS; TO BRING FORWARD SECTION 27-15-95, MISSISSIPPI  
84 CODE OF 1972, WHICH PROVIDES FOR A PRIVILEGE TAX TO BE LEVIED ON  
85 CERTAIN PERSONS, OTHER THAN AN INCORPORATED INSURANCE AGENCY,  
86 WRITING HEALTH AND ACCIDENT OR INDUSTRIAL LIFE INSURANCE; TO BRING  
87 FORWARD SECTION 83-49-47, MISSISSIPPI CODE OF 1972, WHICH PROVIDES  
88 FOR CERTAIN LICENSE FEES ON PERSONS ACTING AS AGENTS OR  
89 REPRESENTATIVES OF INSURERS WHO ESTABLISH PREPAID LEGAL SERVICES;  
90 TO BRING FORWARD SECTION 83-11-237, MISSISSIPPI CODE OF 1972,  
91 WHICH REQUIRES CERTAIN REGISTRATION FEES FOR AGENTS OF AUTOMOBILE  
92 CLUBS OPERATING IN THE STATE OF MISSISSIPPI; TO AMEND SECTION  
93 27-19-44.4, MISSISSIPPI CODE OF 1972, TO IMPOSE AN ADDITIONAL FEE  
94 ON THE ISSUANCE OF PERSONALIZED MOTOR VEHICLE LICENSE TAGS AND  
95 CERTAIN DISTINCTIVE OR SPECIAL MOTOR VEHICLE LICENSE TAGS; TO  
96 BRING FORWARD SECTION 27-19-89, MISSISSIPPI CODE OF 1972, WHICH  
97 PROVIDES FOR FINES FOR OVERWEIGHT VEHICLES UPON THE PUBLIC  
98 HIGHWAYS; TO BRING FORWARD SECTION 27-65-27, MISSISSIPPI CODE OF  
99 1972, WHICH PROVIDES FOR THE ISSUANCE OF PERMITS TO ENGAGE IN  
100 BUSINESS; TO AMEND SECTION 27-69-13, MISSISSIPPI CODE OF 1972, AND  
101 TO AMEND SECTION 27-69-31, MISSISSIPPI CODE OF 1972, TO ELIMINATE  
102 THE DISCOUNT OR COMPENSATION PROVIDED TO DEALERS AS COMPENSATION  
103 FOR THEIR SERVICES IN AFFIXING TOBACCO TAX STAMPS REQUIRED UNDER  
104 THE STATE TOBACCO TAX LAW; TO AMEND SECTION 27-69-75, MISSISSIPPI  
105 CODE OF 1972, IN CONFORMITY TO THE PRECEDING PROVISIONS; TO AMEND  
106 SECTION 27-71-11, MISSISSIPPI CODE OF 1972, TO INCREASE THE MARKUP  
107 ON THE COST OF ALCOHOLIC BEVERAGES; TO AMEND SECTION 27-71-303,  
108 MISSISSIPPI CODE OF 1972, TO INCREASE THE ANNUAL PRIVILEGE TAX ON  
109 RETAIL AND WHOLESALE SELLERS OF BEER AND LIGHT WINES; TO AMEND  
110 SECTION 39-5-5, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE  
111 DEPARTMENT OF ARCHIVES AND HISTORY TO CHARGE FEES FOR THE  
112 DEPARTMENT TO PERFORM RESEARCH ON BEHALF OF PERSONS OR ENTITIES;  
113 TO AMEND SECTION 41-3-18, MISSISSIPPI CODE OF 1972, TO PROVIDE  
114 THAT THE STATE BOARD OF HEALTH SHALL CHARGE AN ADDITIONAL FEE FOR  
115 FOOD ESTABLISHMENT PERMITS AND PRIVATE WATER SUPPLY APPROVALS; TO  
116 AMEND SECTION 41-4-7, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE  
117 STATE BOARD OF MENTAL HEALTH TO CHARGE COUNTIES FOR SERVICES  
118 PROVIDED TO PATIENTS IN MENTAL HEALTH CRISIS INTERVENTION CENTERS;

119 TO BRING FORWARD SECTIONS 41-7-71, 41-71-73 AND 41-71-79,  
120 MISSISSIPPI CODE OF 1972, WHICH PROVIDE FOR CHARGING THE COSTS OF  
121 PROVIDING CARE AND TREATMENT TO PERSONS AT STATE MENTAL  
122 INSTITUTIONS; TO AMEND SECTION 45-1-29, MISSISSIPPI CODE OF 1972,  
123 TO REQUIRE THE DEPARTMENT OF PUBLIC SAFETY TO SET AND COLLECT FEES  
124 FOR SERVICES RENDERED BY THE MISSISSIPPI CRIME LABORATORY IN  
125 AMOUNTS THAT WILL RECOVER THE COSTS TO THE CRIME LABORATORY; TO  
126 BRING FORWARD SECTION 49-17-30, MISSISSIPPI CODE OF 1972, WHICH  
127 PROVIDES FOR THE ISSUANCE OF AN AIR OPERATING PERMIT UNDER THE  
128 FEDERAL CLEAN AIR ACT BY THE DEPARTMENT OF ENVIRONMENTAL QUALITY;  
129 TO AMEND SECTION 49-17-421, MISSISSIPPI CODE OF 1972, TO PROVIDE  
130 THAT THE DEPARTMENT OF ENVIRONMENTAL QUALITY SHALL CHARGE AN  
131 ADDITIONAL FEE FOR UNDERGROUND STORAGE TANKS; TO PROVIDE THAT  
132 WHERE A FEE IS NOT SET BY LAW, THE DEPARTMENT OF ENVIRONMENTAL  
133 QUALITY SHALL CHARGE FEES FOR GENERAL PERMITS, OTHER PERMITS AND  
134 MONITORING ACTIVITIES; TO AMEND SECTIONS 51-3-31, 53-7-7, 53-7-21,  
135 53-7-25, 53-7-27 AND 53-7-69, MISSISSIPPI CODE OF 1972, TO PROVIDE  
136 THAT THE DEPARTMENT OF ENVIRONMENTAL QUALITY SHALL CHARGE FEES FOR  
137 CERTAIN ACTIVITIES UNDER ITS JURISDICTION; TO BRING FORWARD  
138 SECTION 55-3-33, MISSISSIPPI CODE OF 1972, WHICH PROVIDES FOR  
139 CERTAIN POWERS AND DUTIES OF THE DEPARTMENT OF WILDLIFE, FISHERIES  
140 AND PARKS REGARDING PARKS OPERATED BY THE DEPARTMENT; TO AMEND  
141 SECTION 45-35-7, MISSISSIPPI CODE OF 1972, TO INCREASE THE FEE FOR  
142 IDENTIFICATION CARDS ISSUED BY THE DEPARTMENT OF PUBLIC SAFETY; TO  
143 AMEND SECTION 45-35-9, MISSISSIPPI CODE OF 1972, TO INCREASE THE  
144 FEE FOR THE ISSUANCE OF DUPLICATE IDENTIFICATION CARDS BY THE  
145 DEPARTMENT; TO AMEND SECTION 63-1-43, MISSISSIPPI CODE OF 1972, TO  
146 INCREASE THE FEES FOR REGULAR DRIVER'S LICENSES AND CLASS D  
147 COMMERCIAL DRIVER'S LICENSES; TO AMEND SECTIONS 63-1-21, 63-1-37,  
148 63-1-46 AND 63-1-82, MISSISSIPPI CODE OF 1972, TO INCREASE THE  
149 FEES FOR THE ISSUANCE OF TEMPORARY DRIVING PERMITS, DUPLICATE  
150 COPIES OF DRIVERS' LICENSES OR TEMPORARY DRIVING PERMITS,  
151 REINSTATEMENT OF SUSPENDED DRIVERS' LICENSES, AND CLASS A, CLASS B  
152 AND CLASS C COMMERCIAL DRIVERS' LICENSES; TO BRING FORWARD SECTION  
153 63-1-81, MISSISSIPPI CODE OF 1972, WHICH PROVIDES FOR APPLICATION  
154 FEES FOR COMMERCIAL DRIVER'S LICENSES; TO BRING FORWARD SECTION  
155 63-15-4, MISSISSIPPI CODE OF 1972, WHICH REQUIRES MOTOR VEHICLE  
156 OWNERS OR OPERATORS TO HAVE INSURANCE CARDS IN THEIR MOTOR  
157 VEHICLES; TO AMEND SECTION 63-21-63, MISSISSIPPI CODE OF 1972, TO  
158 INCREASE THE FEES FOR ISSUING AND PROCESSING MOTOR VEHICLE  
159 CERTIFICATES OF TITLE AND RELATED DOCUMENTS; TO CODIFY NEW SECTION  
160 7-3-30, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE SECRETARY OF  
161 STATE SHALL PROVIDE FOR THE ANNUAL PUBLICATION OF A JUDICIARY  
162 DIRECTORY AND COURT CALENDAR, WHICH SHALL BE MADE AVAILABLE FOR  
163 SALE FOR NOT LESS THAN A SPECIFIED PRICE PER COPY; TO AMEND  
164 SECTION 25-7-81, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE  
165 SECRETARY OF STATE SHALL CHARGE AN ADDITIONAL FEE FOR THE  
166 COMMISSIONING OF NOTARIES PUBLIC; TO AMEND SECTION 79-4-1.22,  
167 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE SECRETARY OF STATE  
168 SHALL CHARGE ADDITIONAL FEES FOR FILING CERTAIN DOCUMENTS; TO  
169 AMEND SECTION 75-9-525, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT  
170 THE SECRETARY OF STATE SHALL CHARGE ADDITIONAL FILING FEES FOR  
171 SECURED TRANSACTIONS UNDER THE UNIFORM COMMERCIAL CODE; TO AMEND  
172 SECTION 75-63-65, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE  
173 SECRETARY OF STATE SHALL CHARGE FEES FOR CERTAIN ACTIONS RELATING  
174 TO SALES OF PRENEED CONTRACTS; TO AMEND SECTION 75-71-409,  
175 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE SECRETARY OF STATE  
176 SHALL CHARGE FEES FOR CERTAIN ACTIONS RELATING TO SECURITIES; TO  
177 AMEND SECTION 79-11-109, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT  
178 THE SECRETARY OF STATE SHALL CHARGE ADDITIONAL FEES FOR FILING  
179 CERTAIN DOCUMENTS; TO AMEND SECTION 79-11-504, MISSISSIPPI CODE OF  
180 1972, TO PROVIDE THAT THE SECRETARY OF STATE SHALL CHARGE  
181 ADDITIONAL FEES FOR CERTAIN ACTIONS RELATING TO CHARITABLE  
182 SOLICITATIONS; TO AMEND SECTION 79-29-1203, MISSISSIPPI CODE OF  
183 1972, TO PROVIDE THAT THE SECRETARY OF STATE SHALL CHARGE  
184 ADDITIONAL FEES FOR CERTAIN ACTIONS RELATING TO LIMITED LIABILITY

185 COMPANIES; TO BRING FORWARD SECTION 75-76-131, MISSISSIPPI CODE OF  
186 1972, WHICH PROVIDES FOR THE ISSUANCE OF WORK PERMITS BY THE  
187 MISSISSIPPI GAMING COMMISSION BEFORE A PERSON MAY BE EMPLOYED AS A  
188 GAMING EMPLOYEE; TO AMEND SECTION 27-7-15, MISSISSIPPI CODE OF  
189 1972, TO EXCLUDE OVERTIME COMPENSATION FROM THE DEFINITION OF  
190 'GROSS INCOME' FOR PURPOSES OF THE STATE INCOME TAX LAW; TO AMEND  
191 SECTION 27-7-17, MISSISSIPPI CODE OF 1972, TO AUTHORIZE AN INCOME  
192 TAX DEDUCTION FOR TAXPAYERS WHO INCUR EXPENSES FOR MEDICAL CARE OR  
193 PRESCRIBED DRUGS, OR BOTH, FOR THE TAXPAYER, THE TAXPAYER'S SPOUSE  
194 OR DEPENDENTS, REGARDLESS OF THE AMOUNT OF SUCH EXPENSES INCURRED  
195 DURING A TAXABLE YEAR; TO AMEND SECTION 27-55-11, MISSISSIPPI CODE  
196 OF 1972, TO INCREASE THE GASOLINE EXCISE TAX BY TWO CENTS PER  
197 GALLON; TO AMEND SECTION 27-5-101, MISSISSIPPI CODE OF 1972, TO  
198 PROVIDE THAT THE PROCEEDS OF SUCH INCREASE SHALL BE DEPOSITED INTO  
199 THE MISSISSIPPI HIGHWAY-RAILROAD GRADE CROSSING SAFETY ACCOUNT; TO  
200 AMEND SECTION 57-43-15, MISSISSIPPI CODE OF 1972, IN CONFORMITY  
201 THERETO; TO PROVIDE A STATE INCOME TAX CREDIT FOR CERTAIN  
202 HOUSEHOLD AND DEPENDENT CARE SERVICE EXPENSES NECESSARY FOR  
203 EMPLOYMENT WHICH ARE CLAIMED BY A TAXPAYER AS A FEDERAL DEPENDENT  
204 CARE INCOME TAX CREDIT; TO PROVIDE AN INCOME TAX CREDIT FOR  
205 TAXPAYERS WHO PAY TUITION TO A NONPUBLIC SCHOOL; TO PROVIDE AN  
206 INCOME TAX CREDIT FOR TAXPAYERS THAT INCUR COSTS FOR HOME SCHOOL  
207 PURPOSES; TO PROVIDE AN INCOME TAX CREDIT FOR TAXPAYERS WHO INCUR  
208 EXPENSES FOR TUTORIAL SERVICES FOR DEPENDENTS ENROLLED AS  
209 STUDENTS IN MISSISSIPPI PUBLIC SCHOOLS; TO LIMIT THE AMOUNT OF THE  
210 INCOME TAX CREDIT THAT MAY BE CLAIMED BY A TAXPAYER; TO PROVIDE  
211 THAT THE STATE TAX COMMISSION SHALL DEVELOP A LIST OF TUTORIAL  
212 SERVICE EXPENSES FOR WHICH THE CREDIT MAY BE CLAIMED AND SHALL  
213 DEVELOP GUIDELINES FOR ADMINISTERING THE CREDIT AND HOW IT MAY BE  
214 OBTAINED; TO PROVIDE THAT A TAXPAYER MUST PROVIDE CERTAIN  
215 INFORMATION TO THE STATE TAX COMMISSION IN ORDER TO RECEIVE THE  
216 INCOME TAX CREDIT; TO PROVIDE A ONE PERCENT TAX UPON PROFESSIONAL  
217 SERVICE TRANSACTIONS WHICH ARE FOR MORE THAN \$10,000.00; TO  
218 PROVIDE CERTAIN EXEMPTIONS FROM SUCH TAX; TO IMPOSE A TAX ON THE  
219 AMOUNT OF ANY FEES CHARGED TO USERS OF AUTOMATED TELLER MACHINES  
220 (ATM) AS TRANSACTION FEES FOR THE USE OF THE ATM; TO AMEND  
221 SECTIONS 27-103-125, 27-103-139, 27-103-211 AND 31-17-123,  
222 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT DURING EACH OF THE NEXT  
223 TEN FISCAL YEARS, THE GENERAL FUND REVENUE ESTIMATES THAT ARE USED  
224 FOR DETERMINING THE PROPOSED STATE BUDGET, LEGISLATIVE  
225 APPROPRIATIONS AND STATE AGENCY BUDGET REDUCTIONS SHALL NOT EXCEED  
226 THREE PERCENT OF THE AMOUNT OF THE GENERAL FUND REVENUES RECEIVED  
227 BY THE STATE FOR THE PRECEDING FISCAL YEAR; TO CREATE THE STATE  
228 POLICE IN THE DEPARTMENT OF PUBLIC SAFETY; TO PROVIDE FOR THE  
229 CHIEF OF THE STATE POLICE; TO PROVIDE THE JURISDICTION AND  
230 AUTHORITY OF THE STATE POLICE; TO PROVIDE FOR THE APPOINTMENT,  
231 TRAINING AND SALARY OF OFFICERS OF THE STATE POLICE; TO AMEND  
232 SECTIONS 27-3-13, 29-5-77, 37-101-15, 41-29-107, 49-1-12, 49-1-16,  
233 49-1-44, 65-1-131, 69-29-1, 75-76-17 AND 77-1-21, MISSISSIPPI CODE  
234 OF 1972, IN CONFORMITY TO THE PRECEDING PROVISIONS; TO REPEAL  
235 SECTIONS 49-1-9, 49-1-13 AND 49-1-15, MISSISSIPPI CODE OF 1972,  
236 WHICH PROVIDE FOR CONSERVATION OFFICERS OF THE DEPARTMENT OF  
237 WILDLIFE, FISHERIES AND PARKS; TO AMEND SECTIONS 49-2-5 AND  
238 49-2-7, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT IN ANY STATE  
239 FISCAL YEAR IN WHICH THE LEGISLATURE DOES NOT APPROPRIATE  
240 SUFFICIENT FUNDS TO THE COMMISSION ON ENVIRONMENTAL QUALITY OR  
241 DEPARTMENT OF ENVIRONMENTAL QUALITY TO OPERATE A PROGRAM OR  
242 PROGRAMS THE COMMISSION OR DEPARTMENT CURRENTLY OPERATES, THEN THE  
243 COMMISSION OR DEPARTMENT SHALL NO LONGER OPERATE THAT PROGRAM OR  
244 PROGRAMS AND THE OPERATION OF SUCH PROGRAM OR PROGRAMS SHALL BE  
245 TRANSFERRED TO THE FEDERAL GOVERNMENT; AND FOR RELATED PURPOSES.

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

247           **SECTION 1.** The Legislature finds that tax revenues are not  
248 sufficient to fund essential functions of state government and  
249 without additional revenues to fund these functions, the health,  
250 safety, welfare and future of the citizens of the State of  
251 Mississippi will be compromised. It is the intent of the  
252 Legislature that the additional General Fund revenue that is  
253 generated as a result of the passage of this act shall be utilized  
254 to:

255           (a) Maintain the current eligibility standards under  
256 the Medicaid program;

257           (b) Fund the Medicaid Poverty Level Aged and Disabled  
258 Group;

259           (c) Fund seven hundred fifty (750) slots under the  
260 Medicaid Assisted Living Waiver Program;

261           (d) Fund the Children's Health Insurance Program  
262 administered by the Department of Medicaid;

263           (e) Fund the Mississippi Adequate Education Program and  
264 teacher salaries as provided by law;

265           (f) Fund State Institutions of Higher Learning and  
266 Community and Junior Colleges;

267           (g) Fund the State and School Employees' Health  
268 Insurance Plan;

269           (h) Fund a six percent (6%) increase in state employee  
270 compensation;

271           (i) Fund mental health crisis centers; and

272           (j) Fund additional patrolmen for the Highway Safety  
273 Patrol.

274           **SECTION 2.** (1) There is created a study committee on the  
275 tax system of Mississippi. The committee shall make a report of  
276 its findings and recommendations to the Legislature during the  
277 2007 Regular Legislative Session, including any recommended  
278 legislation.

279           (2) The committee shall be composed of the following  
280 members:

281           (a) The President Pro Tempore of the Mississippi  
282 Senate;

283           (b) The Speaker Pro Tempore of the Mississippi House of  
284 Representatives;

285           (c) The Chairman of the Senate Appropriations  
286 Committee;

287           (d) The Chairman of the House Appropriations Committee;

288           (e) The Chairman of the Senate Finance Committee;

289           (f) The Chairman of the House Ways and Means Committee;

290           (g) The State Treasurer, or his designee;

291           (h) The Executive Director of the Department of Finance  
292 and Administration;

293           (i) The State Auditor, or his designee;

294           (j) One (1) member designated by the State Tax  
295 Commission;

296           (k) One (1) member designated by the State Board of  
297 Public Accountancy;

298           (l) One (1) member designated by the President of The  
299 Mississippi Bar from the Taxation Section of The Mississippi Bar;

300           (m) One (1) member designated by the Mississippi  
301 Supervisors Association;

302           (n) One (1) member designated by the Mississippi  
303 Municipal Association; and

304           (o) Three (3) representatives of the general public,  
305 one (1) designated by the Governor, one (1) by the Lieutenant  
306 Governor and one (1) by the Speaker of the House of  
307 Representatives.

308           Appointments shall be made within thirty (30) days after the  
309 effective date of this act, and, within fifteen (15) days  
310 thereafter on a day to be designated jointly by the Lieutenant  
311 Governor and the Speaker of the House, the committee shall meet

312 and organize by selecting from its membership a chairman and a  
313 vice chairman. The vice chairman shall also serve as secretary  
314 and shall be responsible for keeping all records of the committee.  
315 A majority of the members of the committee shall constitute a  
316 quorum. In the selection of its officers and the adoption of  
317 rules, resolutions and reports, an affirmative vote of a majority  
318 of the committee shall be required. All members shall be notified  
319 in writing of all meetings, such notices to be mailed at least  
320 five (5) days before the date on which a meeting is to be held.

321 (3) The committee shall study and make recommendations with  
322 respect to the imposition of state taxes and the granting of tax  
323 exemptions in all areas of taxation including, but not limited to,  
324 sales taxes, income taxes, privilege taxes, fuel taxes, diversions  
325 of taxes and the relationship between state and local taxes.

326 (4) Members of the committee who are not legislators, state  
327 officials or state employees shall be compensated at the per diem  
328 rate authorized by Section 25-3-69, and shall be reimbursed in  
329 accordance with Section 25-3-41 for mileage and actual expenses  
330 incurred in the performance of their duties. Legislative members  
331 of the committee shall be paid from the contingent expense funds  
332 of their respective houses in the same manner as provided for  
333 committee meetings when the Legislature is not in session;  
334 however, no per diem or expense for attending meetings of the  
335 committee will be paid while the Legislature is in session. No  
336 committee member may incur per diem, travel or other expenses  
337 unless previously authorized by vote, at a meeting of the  
338 committee, which action shall be recorded in the official minutes  
339 of the meeting. Nonlegislative members shall be paid from any  
340 funds made available to the committee for that purpose.

341 (5) The committee shall utilize clerical and legal staff  
342 already employed by the Legislature and any other staff assistance  
343 made available to it. To effectuate the purpose of this  
344 resolution, any department, division, board, bureau, commission or

345 agency of the state or of any political subdivision thereof shall,  
346 at the request of the chairman of the committee, provide to the  
347 committee such facilities, assistance and data as will enable the  
348 committee properly to carry out its task.

349 (6) Upon presentation of its report to the 2007 Regular  
350 Legislative Session, the committee shall be dissolved.

351 **SECTION 3.** In fiscal year 2007, the budget of each state  
352 agency, as defined in Section 27-103-103, shall be reduced by five  
353 percent (5%) from the level it was funded in fiscal year 2006.

354 **SECTION 4.** Section 27-7-5, Mississippi Code of 1972, is  
355 amended as follows:

356 27-7-5. (1) There is \* \* \* assessed and levied, to be  
357 collected and paid as hereinafter provided, for the calendar year  
358 1983 and fiscal years ending during the calendar year 1983 and all  
359 taxable years thereafter, upon the entire net income of every  
360 resident individual, corporation, association, trust or estate, in  
361 excess of the credits provided, a tax at the following rates:

362 On the first Five Thousand Dollars (\$5,000.00) of taxable  
363 income, or any part thereof, at the rate of four percent (4%);

364 On the next Five Thousand Dollars (\$5,000.00) of taxable  
365 income, or any part thereof, at the rate of five percent (5%); and

366 On all taxable income in excess of Ten Thousand Dollars  
367 (\$10,000.00), at the rate of six percent (6%).

368 (2) An S corporation, as defined in Section 27-8-3(1)(g),  
369 shall not be subject to the income tax imposed under this section.

370 (3) A like tax is \* \* \* imposed to be assessed, collected  
371 and paid annually, except as hereinafter provided, at the rate  
372 specified in this section and as hereinafter provided, upon and  
373 with respect to the entire net income, from all property owned or  
374 sold, and from every business, trade or occupation carried on in  
375 this state by individuals, corporations, partnerships, trusts or  
376 estates, not residents of the State of Mississippi.



377 (4) In the case of taxpayers having a fiscal year beginning  
378 in the calendar year 1982 and ending after the first day of  
379 January 1983, the tax due for that taxable year shall be  
380 determined by:

381 (a) Computing for the full fiscal year the amount of  
382 tax that would be due under the rates in effect for the calendar  
383 year 1982; and

384 (b) Computing for the full fiscal year the amount of  
385 tax that would be due under the rates in effect for the calendar  
386 year 1983; and

387 (c) Applying to the tax computed under paragraph (a)  
388 the ratio that the number of months falling within the earlier  
389 calendar year bears to the total number of months in the fiscal  
390 year; and

391 (d) Applying to the tax computed under paragraph (b)  
392 the ratio that the number of months falling within the later  
393 calendar year bears to the total number of months within the  
394 fiscal year; and

395 (e) Adding to the tax determined under paragraph (c)  
396 the tax determined under paragraph (d) the sum of which shall be  
397 the amount of tax due for the fiscal year.

398 **SECTION 5.** Section 27-7-901, Mississippi Code of 1972, is  
399 amended as follows:

400 27-7-901. (1) There is \* \* \* levied, assessed and shall be  
401 collected a tax of five percent (5%) upon amounts that are paid or  
402 credited by gaming establishments licensed under the provisions of  
403 the Mississippi Gaming Control Act to their patrons. The tax  
404 shall be collected by licensed gaming establishments and remitted  
405 to the State Tax Commission in the manner provided for by  
406 regulations promulgated by the Chairman of the State Tax  
407 Commission.

408 (2) As used in this section, "amounts that are paid or  
409 credited" means amounts or credits that are subject to the

410 withholding or reporting requirements of the Internal Revenue  
411 Code.

412 (3) No credit shall be allowed under the Income Tax Law of  
413 1952 for the tax collected by licensed gaming establishments under  
414 this section.

415 **SECTION 6.** Section 27-7-903, Mississippi Code of 1972, is  
416 amended as follows:

417 27-7-903. (1) There is \* \* \* levied and assessed upon  
418 patrons of gaming establishments located in this state that are  
419 not licensed under the provisions of the Mississippi Gaming  
420 Control Act, a tax of five percent (5%) of the amounts that are  
421 paid or credited to those patrons by the gaming establishment,  
422 which tax is the same in kind and rate as has heretofore been  
423 imposed under Section 27-7-901 upon the patrons of gaming  
424 establishments that are licensed under the Mississippi Gaming  
425 Control Act. The legal incidence and duty to pay those taxes  
426 shall fall upon the patron. The assessment of the tax is subject  
427 to any exemptions as may exist under federal or state law. The  
428 State Tax Commission may enter into tax collection agreements  
429 regarding this tax.

430 (2) As used in this section, "amounts that are paid or  
431 credited" means amounts or credits that are subject to the  
432 withholding or reporting requirements of the Internal Revenue  
433 Code.

434 (3) No credit shall be allowed under the Income Tax Law of  
435 1952 for the tax collected by gaming establishments under this  
436 section.

437 **SECTION 7.** Section 27-13-5, Mississippi Code of 1972, is  
438 amended as follows:

439 27-13-5. (1) **Franchise tax levy.** Except as otherwise  
440 provided in subsections (3), (4) and (5) of this section, there is  
441 hereby imposed, to be paid and collected as hereinafter provided,  
442 a franchise or excise tax upon every corporation, association or

443 joint-stock company or partnership treated as a corporation under  
444 the income tax laws or regulations, organized or created for  
445 pecuniary gain, having privileges not possessed by individuals,  
446 and having authorized capital stock now existing in this state, or  
447 hereafter organized, created or established, under and by virtue  
448 of the laws of the State of Mississippi, equal to Five Dollars  
449 (\$5.00) for each One Thousand Dollars (\$1,000.00), or fraction  
450 thereof, of the value of the capital used, invested or employed in  
451 the exercise of any power, privilege or right enjoyed by such  
452 organization within this state, except as hereinafter provided.  
453 In no case shall the franchise tax due for the accounting period  
454 be less than Twenty-five Dollars (\$25.00). It is the purpose of  
455 this section to require the payment to the State of Mississippi of  
456 this tax for the right granted by the laws of this state to exist  
457 as such organization, and to enjoy, under the protection of the  
458 laws of this state, the powers, rights, privileges and immunities  
459 derived from the state by the form of such existence.

460 (2) **Annual report of domestic corporations.** Each domestic  
461 corporation shall file, within the time prescribed by Section  
462 79-3-251, an annual report as required by the provisions of  
463 Section 79-3-249.

464 (3) A corporation that has negotiated a fee-in-lieu as  
465 defined in Section 57-75-5 shall not be subject to the tax levied  
466 by this section on such project; provided, however, that the  
467 fee-in-lieu payment shall be otherwise treated in the same manner  
468 as the payment of franchise taxes.

469 (4) An approved business enterprise as defined in the Growth  
470 and Prosperity Act shall not be subject to the tax levied by this  
471 section on the value of capital used, invested or employed by the  
472 approved business enterprise in a growth and prosperity county or  
473 supervisors district as provided in the Growth and Prosperity Act.

474 (5) A business enterprise operating a project as defined in  
475 Section 57-64-33, in a county that is a member of a regional

476 economic development alliance created under the Regional Economic  
477 Development Act shall not be subject to the tax levied by this  
478 section on the value of capital used, invested or employed by the  
479 business enterprise in such a county as provided in Section  
480 57-64-33.

481 (6) The tax levied by this chapter and paid by a business  
482 enterprise located in a redevelopment project area under Sections  
483 57-91-1 through 57-91-11 shall be deposited into the Redevelopment  
484 Project Incentive Fund created in Section 57-91-9.

485 **SECTION 8.** Section 27-13-7, Mississippi Code of 1972, is  
486 amended as follows:

487 27-13-7. (1) **Franchise tax levy.** Except as otherwise  
488 provided in subsections (3), (4) and (5) of this section, there is  
489 hereby imposed, levied and assessed upon every corporation,  
490 association or joint-stock company, or partnership treated as a  
491 corporation under the Income Tax Laws or regulations as  
492 hereinbefore defined, organized and existing under and by virtue  
493 of the laws of some other state, territory or country, or  
494 organized and existing without any specific statutory authority,  
495 now or hereafter doing business or exercising any power, privilege  
496 or right within this state, as hereinbefore defined, a franchise  
497 or excise tax equal to Five Dollars (\$5.00) of each One Thousand  
498 Dollars (\$1,000.00), or fraction thereof, of the value of capital  
499 used, invested or employed within this state, except as  
500 hereinafter provided. In no case shall the franchise tax due for  
501 the accounting period be less than Twenty-five Dollars (\$25.00).  
502 It is the purpose of this section to require the payment of a tax  
503 by all organizations not organized under the laws of this state,  
504 measured by the amount of capital or its equivalent, for which  
505 such organization receives the benefit and protection of the  
506 government and laws of the state.

507 (2) **Annual report of foreign corporations.** Each foreign  
508 corporation authorized to transact business in this state shall

509 file, within the time prescribed by Section 79-3-251, an annual  
510 report as required by the provisions of Section 79-3-249.

511 (3) A corporation that has negotiated a fee-in-lieu as  
512 defined in Section 57-75-5 shall not be subject to the tax levied  
513 by this section on such project; provided, however, that the  
514 fee-in-lieu payment shall be otherwise treated in the same manner  
515 as the payment of franchise taxes.

516 (4) An approved business enterprise as defined in the Growth  
517 and Prosperity Act shall not be subject to the tax levied by this  
518 section on the value of capital used, invested or employed by the  
519 approved business enterprise in a growth and prosperity county or  
520 supervisors district as provided in the Growth and Prosperity Act.

521 (5) A business enterprise operating a project as defined in  
522 Section 57-64-33, in a county that is a member of a regional  
523 economic development alliance created under the Regional Economic  
524 Development Act shall not be subject to the tax levied by this  
525 section on the value of capital used, invested or employed by the  
526 business enterprise in such a county as provided in Section  
527 57-64-33.

528 (6) The tax levied by this chapter and paid by a business  
529 enterprise located in a redevelopment project area under Sections  
530 57-91-1 through 57-91-11 shall be deposited into the Redevelopment  
531 Project Incentive Fund created in Section 57-91-9.

532 **SECTION 9.** Section 27-15-103, Mississippi Code of 1972, is  
533 amended as follows:

534 27-15-103. (1) Except as otherwise provided in Section  
535 83-61-11, in addition to the license tax now or hereafter provided  
536 by law, which tax shall be paid when the company enters or is  
537 admitted to do business in this state, there is \* \* \* levied and  
538 imposed upon all foreign insurance companies and associations,  
539 including life insurance companies and associations, health,  
540 accident and industrial insurance companies and associations, fire  
541 and casualty insurance companies and associations, and all other

542 foreign insurance companies and associations of every kind and  
543 description, an additional annual license or privilege tax of four  
544 percent (4%) of the gross amount of premium receipts received  
545 from, and on insurance policies and contracts written in, or  
546 covering risks located in this state, except for premiums received  
547 on policies issued to fund a deferred compensation plan qualified  
548 under Section 457 of the Federal Tax Code for federal tax  
549 exemption. In determining the amount of premiums, there shall be  
550 deducted therefrom premiums received for reinsurance from  
551 companies authorized to do business in this state, cash dividends  
552 paid under policy contracts in this state, and premiums returned  
553 to policyholders and cancellations on accounts of policies not  
554 taken, and, in the case of mutual insurance companies (including  
555 interinsurance and reciprocal exchanges, but not including mutual  
556 life, accident, health or industrial insurance companies) any  
557 refund made or credited to the policyholder other than for losses.  
558 The term "premium" as used in this section shall also include  
559 policy fees, membership fees, and all other fees collected by the  
560 companies. No credit or deduction from gross premium receipts  
561 shall be allowed for any commission, fee or compensation paid to  
562 any agent, solicitor or representative. \* \* \* However, \* \* \* any  
563 foreign insurance carrier selected to furnish service to the State  
564 of Mississippi under the State Employees Life and Health Insurance  
565 Plan shall not be required to pay the annual license or privilege  
566 tax on the premiums collected for coverage under the \* \* \* plan.

567 \* \* \*

568 (2) The taxes \* \* \* levied and imposed in this section for  
569 the calendar year 1982 and all calendar years thereafter shall be  
570 reduced by the net amount of income tax paid to this state for the  
571 preceding calendar year, provided, in no event may the credit be  
572 taken more than once. The credit \* \* \* authorized in this  
573 subsection shall, in no event, be greater than the premium tax due  
574 under this section; it being the purpose and intent of this

575 paragraph that whichever of the annual insurance premium tax or  
576 the income tax is greater in amount shall be paid.

577 **SECTION 10.** Section 27-15-109, Mississippi Code of 1972, is  
578 amended as follows:

579 27-15-109. (1) Except as otherwise provided in Section  
580 83-61-11, there is \* \* \* levied and imposed upon each domestic  
581 company doing business in this state an annual tax of four percent  
582 (4%) of the gross amount of premiums collected by the domestic  
583 company on insurance policies and contracts written in, or  
584 covering risks located in this state, except for premiums received  
585 on policies issued to fund a retirement, thrift or deferred  
586 compensation plan qualified under Section 401, Section 403 or  
587 Section 457 of the Federal Tax Code for federal tax  
588 exemption. \* \* \* However, \* \* \* a domestic insurance company  
589 against which is levied additional premium tax under retaliatory  
590 laws of other states in which it does business, as a result of the  
591 tax increase provided by Sections 27-15-103 through 27-15-117, may  
592 deduct the total of the additional retaliatory tax from the state  
593 income tax due by it to the State of Mississippi. The insurance  
594 carriers selected to furnish service to the State of Mississippi,  
595 under the State Employees Life and Health Insurance Plan, shall  
596 not be required to pay the premium tax levied against insurance  
597 companies under this section on the premiums collected for  
598 coverage under the state employees plan.

599 (2) Except as expressly provided by subsection (1) of this  
600 section, all of the provisions of Sections 27-15-103 through  
601 27-15-117 shall be applicable to the domestic insurance companies.  
602 However, the statement filed with the State Tax Commission by  
603 domestic insurance companies as provided in Section 27-15-107  
604 shall include therein a sworn statement of all additional  
605 retaliatory premium taxes paid by them to other states as a result  
606 of the increase in premium taxes imposed by Sections 27-15-103  
607 through 27-15-117, itemized by states to which paid.

608 \* \* \*

609 **SECTION 11.** Section 27-19-43, Mississippi Code of 1972, is  
610 amended as follows:

611 27-19-43. (1) License tags, substitute tags and decals for  
612 individual fleets and for private carriers of passengers, school  
613 buses (excluding school buses owned by a school district in the  
614 state), church buses, taxicabs, ambulances, hearses, motorcycles  
615 and private carriers of property, and private commercial carriers  
616 of property of a gross weight of ten thousand (10,000) pounds and  
617 less, shall be sold and issued by the tax collectors of the  
618 several counties.

619 (2) Applications for license tags for motor vehicles in a  
620 corporate fleet registered under Section 27-19-66, and  
621 applications for all other license tags, substitute tags and  
622 decals shall be filed with the commission or the local tax  
623 collector of the respective counties and forwarded to the  
624 commission for issuance to the applicant. All tags and decals for  
625 vehicles owned by the state or any agency or instrumentality  
626 thereof, and vehicles owned by a fire protection district, school  
627 district or a county or municipality, and all vehicles owned by a  
628 road, drainage or levee district shall be issued by the  
629 commission.

630 (3) In addition to the privilege taxes levied in this  
631 section, there shall be collected the following registration or  
632 tag fee:

633 (a) For the issuance of both a license tag and two (2)  
634 decals, a fee of Five Dollars (\$5.00).

635 (b) For the issuance of up to two (2) decals only, a  
636 fee of Three Dollars and Seventy-five Cents (\$3.75).

637 No tag or decal shall be issued either by a tax collector or  
638 by the commission without the collection of the registration fee  
639 except substitute tags and decals and license tags for vehicles  
640 owned by the State of Mississippi.



641 Beginning July 1, 1987, and until the date specified in  
642 Section 65-39-35, there shall be levied a registration fee of Five  
643 Dollars (\$5.00) in addition to the regular registration fee  
644 imposed in paragraphs (a) and (b) of this subsection. The  
645 additional registration fee shall be levied in the same manner as  
646 the regular registration fee.

647 (4) Beginning July 1, 2006, there shall be levied a  
648 registration fee of Ten Dollars (\$10.00) in addition to the  
649 regular registration fee imposed in subsection (3) of this  
650 section. The additional registration fee shall be levied in the  
651 same manner as the regular registration fee.

652 **SECTION 12.** Section 27-65-17, Mississippi Code of 1972, is  
653 amended as follows:

654 27-65-17. (1) (a) Except as otherwise provided in this  
655 section, upon every person engaging or continuing within this  
656 state in the business of selling any tangible personal property  
657 whatsoever there is hereby levied, assessed and shall be collected  
658 a tax equal to seven percent (7%) of the gross proceeds of the  
659 retail sales of the business.

660 (b) Retail sales of farm tractors shall be taxed at the  
661 rate of one percent (1%) when made to farmers for agricultural  
662 purposes.

663 (c) Retail sales of farm implements sold to farmers and  
664 used directly in the production of poultry, ratite, domesticated  
665 fish as defined in Section 69-7-501, livestock, livestock  
666 products, agricultural crops or ornamental plant crops or used for  
667 other agricultural purposes shall be taxed at the rate of three  
668 percent (3%) when used on the farm. The three percent (3%) rate  
669 shall also apply to all equipment used in logging, pulpwood  
670 operations or tree farming which is either:

671 (i) Self-propelled, or

672                   (ii) Mounted so that it is permanently attached to  
673 other equipment which is self-propelled or permanently attached to  
674 other equipment drawn by a vehicle which is self-propelled.

675                   (d) Except as otherwise provided in subsection (3) of  
676 this section, retail sales of aircraft, automobiles, trucks,  
677 truck-tractors, semitrailers and mobile homes shall be taxed at  
678 the rate of three percent (3%).

679                   (e) Sales of manufacturing machinery or manufacturing  
680 machine parts when made to a manufacturer or custom processor for  
681 plant use only when the machinery and machine parts will be used  
682 exclusively and directly within this state in manufacturing a  
683 commodity for sale, rental or in processing for a fee shall be  
684 taxed at the rate of one and one-half percent (1-1/2%).

685                   (f) Sales of machinery and machine parts when made to a  
686 technology intensive enterprise for plant use only when the  
687 machinery and machine parts will be used exclusively and directly  
688 within this state for industrial purposes, including, but not  
689 limited to, manufacturing or research and development activities,  
690 shall be taxed at the rate of one and one-half percent (1-1/2%).  
691 In order to be considered a technology intensive enterprise for  
692 purposes of this paragraph:

693                   (i) The enterprise shall meet minimum criteria  
694 established by the Mississippi Development Authority;

695                   (ii) The enterprise shall employ at least ten (10)  
696 persons in full-time jobs;

697                   (iii) At least ten percent (10%) of the workforce  
698 in the facility operated by the enterprise shall be scientists,  
699 engineers or computer specialists;

700                   (iv) The enterprise shall manufacture plastics,  
701 chemicals, automobiles, aircraft, computers or electronics; or  
702 shall be a research and development facility, a computer design or  
703 related facility, or a software publishing facility or other

704 technology intensive facility or enterprise as determined by the  
705 Mississippi Development Authority;

706 (v) The average wage of all workers employed by  
707 the enterprise at the facility shall be at least one hundred fifty  
708 percent (150%) of the state average annual wage; and

709 (vi) The enterprise must provide a basic health  
710 care plan to all employees at the facility.

711 (g) Sales of materials for use in track and track  
712 structures to a railroad whose rates are fixed by the Interstate  
713 Commerce Commission or the Mississippi Public Service Commission  
714 shall be taxed at the rate of three percent (3%).

715 (h) Sales of tangible personal property to electric  
716 power associations for use in the ordinary and necessary operation  
717 of their generating or distribution systems shall be taxed at the  
718 rate of one percent (1%).

719 (i) Wholesale sales of beer shall be taxed at the rate  
720 of seven percent (7%), and the retailer shall file a return and  
721 compute the retail tax on retail sales but may take credit for the  
722 amount of the tax paid to the wholesaler on said return covering  
723 the subsequent sales of same property, provided adequate invoices  
724 and records are maintained to substantiate the credit.

725 (j) Wholesale sales of food and drink for human  
726 consumption to full service vending machine operators to be sold  
727 through vending machines located apart from and not connected with  
728 other taxable businesses shall be taxed at the rate of eight  
729 percent (8%).

730 (k) Sales of equipment used or designed for the purpose  
731 of assisting disabled persons, such as wheelchair equipment and  
732 lifts, that is mounted or attached to or installed on a private  
733 carrier of passengers or light carrier of property, as defined in  
734 Section 27-51-101, at the time when the private carrier of  
735 passengers or light carrier of property is sold shall be taxed at  
736 the same rate as the sale of such vehicles under this section.

737           (2) (a) From and after January 1, 1995, retail sales of  
738 private carriers of passengers and light carriers of property, as  
739 defined in Section 27-51-101, shall be taxed an additional two  
740 percent (2%).

741           (b) From and after July 1, 2006, retail sales of  
742 private carriers of passengers and light carriers of property, as  
743 defined in Section 27-51-101, shall be taxed an additional one  
744 percent (1%).

745           (3) In lieu of the tax levied in subsection (1) of this  
746 section, there is levied on retail sales of truck-tractors and  
747 semitrailers used in interstate commerce and registered under the  
748 International Registration Plan (IRP) or any similar reciprocity  
749 agreement or compact relating to the proportional registration of  
750 commercial vehicles entered into as provided for in Section  
751 27-19-143, a tax at the rate of three percent (3%) of the portion  
752 of the sale that is attributable to the usage of such  
753 truck-tractor or semitrailer in Mississippi. The portion of the  
754 retail sale that is attributable to the usage of such  
755 truck-tractor or semitrailer in Mississippi is the retail sales  
756 price of the truck-tractor or semitrailer multiplied by the  
757 percentage of the total miles traveled by the vehicle that are  
758 traveled in Mississippi. The tax levied pursuant to this  
759 subsection (3) shall be collected by the State Tax Commission from  
760 the purchaser of such truck-tractor or semitrailer at the time of  
761 registration of such truck-tractor or semitrailer.

762           (4) A manufacturer selling at retail in this state shall be  
763 required to make returns of the gross proceeds of such sales and  
764 pay the tax imposed in this section.

765           (5) Any person exercising any privilege taxable under  
766 Section 27-65-15 and selling his natural resource products at  
767 wholesale or to exempt persons shall pay the tax levied by said  
768 section in lieu of the tax levied by this section.

769       (6) From and after July 1, 2008, through June 30, 2019, in  
770 lieu of the tax levied in subsection (1) of this section, retail  
771 sales of food for human consumption not purchased with food stamps  
772 issued by the United States Department of Agriculture, or other  
773 federal agency, but which would be exempt under Section  
774 27-75-111(o) from the taxes imposed by this chapter if the food  
775 were purchased with food stamps, shall be taxed at the rate of two  
776 percent (2%).

777       **SECTION 13.** Section 27-65-19, Mississippi Code of 1972, is  
778 amended as follows:

779       27-65-19. (1) (a) Except as otherwise provided in this  
780 subsection, upon every person selling to consumers, electricity,  
781 current, power, potable water, steam, coal, natural gas, liquefied  
782 petroleum gas or other fuel, there is \* \* \* levied, assessed and  
783 shall be collected a tax equal to seven percent (7%) of the gross  
784 income of the business. However, gross income from sales to  
785 consumers of electricity, current, power, natural gas, liquefied  
786 petroleum gas or other fuel for residential heating, lighting or  
787 other residential noncommercial or nonagricultural use, and sales  
788 of potable water for residential, noncommercial or nonagricultural  
789 use shall be excluded from taxable gross income of the  
790 business. \* \* \* Upon every such seller using electricity,  
791 current, power, potable water, steam, coal, natural gas, liquefied  
792 petroleum gas or other fuel for nonindustrial purposes, there  
793 is \* \* \* levied, assessed and shall be collected a tax equal to  
794 seven percent (7%) of the cost or value of the product or service  
795 used.

796       \* \* \*

797       (b) Upon every person operating a telegraph or  
798 telephone business for the transmission of messages or  
799 conversations between points within this state, there is \* \* \*  
800 levied, assessed and shall be collected a tax equal to seven  
801 percent (7%) of the gross income of such business, with no

802 deduction or allowance for any part of an intrastate rate charge  
803 because of routing across a state line. Charges by one  
804 telecommunications provider to another telecommunications provider  
805 holding a permit issued under Section 27-65-27 for services that  
806 are resold by the other telecommunications provider, including,  
807 but not limited to, access charges, shall not be subject to the  
808 tax levied under this paragraph (b). However, any sale of a  
809 prepaid telephone calling card or prepaid authorization number, or  
810 both, shall be deemed to be the sale of tangible personal property  
811 subject only to those taxes imposed by law on the sale of tangible  
812 personal property. If the sale of a prepaid telephone calling  
813 card or prepaid authorization number does not take place at the  
814 vendor's place of business, it shall be conclusively determined to  
815 take place at the customer's shipping address. The  
816 reauthorization of a prepaid telephone calling card or a prepaid  
817 authorization number shall be conclusively determined to take  
818 place at the customer's billing address. Except for the  
819 provisions governing the sale of a prepaid telephone calling card  
820 or prepaid authorization number, this paragraph (b) shall not  
821 apply to persons providing mobile telecommunications services that  
822 are taxed under paragraph (d) of this section.

823         (c) Upon every person operating a telegraph or  
824 telecommunications business for the transmission of messages or  
825 conversations originating in this state or terminating in this  
826 state via interstate telecommunications, which are charged to the  
827 customer's service address in this state, regardless of where the  
828 amount is billed or paid, there is \* \* \* levied, assessed and  
829 shall be collected a tax equal to seven percent (7%) of the gross  
830 income received by the business from those interstate  
831 telecommunications. However, a person, upon proof that he has  
832 paid a tax in another state on that event, shall be allowed a  
833 credit against the tax imposed in this paragraph (c) on interstate  
834 telecommunications charges to the extent that the amount of the

835 tax is properly due and actually paid in the other state and to  
836 the extent that the rate of sales tax imposed by and paid to the  
837 other state does not exceed the rate of sales tax imposed by this  
838 paragraph (c). Charges by one telecommunications provider to  
839 another telecommunications provider holding a permit issued under  
840 Section 27-65-27 for services that are resold by the other  
841 telecommunications provider, including, but not limited to, access  
842 charges, shall not be subject to the tax levied under this  
843 paragraph (c). This paragraph (c) shall not apply to persons  
844 providing mobile telecommunications services that are taxed  
845 pursuant to paragraph (d) of this subsection.

846 (d) (i) Upon every person providing mobile  
847 telecommunications services in this state, there is \* \* \* levied,  
848 assessed and shall be collected:

849 1. A tax equal to seven percent (7%) of the  
850 gross income received on those services from all charges for  
851 transmission of messages or conversations between points within  
852 any single state as they shall be construed to be within this  
853 state; and

854 2. A tax equal to seven percent (7%) on the  
855 gross income received from all charges for services that originate  
856 in one state and terminate in any other state.

857 Charges by one telecommunications provider to another  
858 telecommunications provider holding a permit issued under Section  
859 27-65-27 for services that are resold by the other  
860 telecommunications provider, including, but not limited to, access  
861 charges, shall not be subject to the tax levied under this  
862 paragraph (d).

863 (ii) Subject to the provisions of 4 USCS 116(c),  
864 the tax levied by this paragraph (d) shall apply only to those  
865 charges for mobile telecommunications services subject to tax that  
866 are deemed to be provided to a customer by a home service provider

867 under 4 USCS 117(a), if the customer's place of primary use is  
868 located within this state.

869 (iii) A home service provider shall be responsible  
870 for obtaining and maintaining the customer's place of primary use.  
871 The home service provider shall be entitled to rely on the  
872 applicable residential or business street address supplied by the  
873 customer, if the home service provider's reliance is in good  
874 faith; and the home service provider shall be held harmless from  
875 liability for any additional taxes based on a different  
876 determination of the place of primary use for taxes that are  
877 customarily passed on to the customer as a separate itemized  
878 charge. A home service provider shall be allowed to treat the  
879 address used for purposes of the tax levied by this chapter for  
880 any customer under a service contract in effect on August 1, 2002,  
881 as that customer's place of primary use for the remaining term of  
882 the service contract or agreement, excluding any extension or  
883 renewal of the service contract or agreement. Month-to-month  
884 services provided after the expiration of a contract shall be  
885 treated as an extension or renewal of the contract or agreement.

886 If the commissioner determines that the address used by a  
887 home service provider as a customer's place of primary use does  
888 not meet the definition of the term "place of primary use" as  
889 defined in this paragraph, the commissioner shall give binding  
890 notice to the home service provider to change the place of primary  
891 use on a prospective basis from the date of notice of  
892 determination; however, the customer shall have the opportunity,  
893 before that notice of determination, to demonstrate that the  
894 address satisfies that definition.

895 The commission has the right to collect any taxes due  
896 directly from the home service provider's customer that has failed  
897 to provide an address that meets the definition of the term "place  
898 of primary use" that resulted in a failure of tax otherwise due  
899 being remitted.



900 (iv) For purposes of this paragraph (d):

901 1. "Place of primary use" means the street  
902 address representative of where the customer's use of mobile  
903 telecommunications services primarily occurs, which shall be  
904 either the residential street address of the customer or the  
905 primary business street address of the customer.

906 2. "Customer" means the person or entity that  
907 contracts with the home service provider for mobile  
908 telecommunications services. For determining the place of primary  
909 use, in those instances in which the end user of mobile  
910 telecommunications services is not the contracting party, the end  
911 user of the mobile telecommunications services shall be deemed the  
912 customer. The term "customer" shall not include a reseller of  
913 mobile telecommunications service, or a serving carrier under an  
914 arrangement to serve the customer outside the home service  
915 provider's licensed service area.

916 3. "Home service provider" means the  
917 facilities-based carrier or reseller with which the customer  
918 contracts for the provision of mobile telecommunications services.

919 (e) (i) For purposes of this paragraph (e), "bundled  
920 transaction" means a transaction that consists of distinct and  
921 identifiable properties or services that are sold for a single  
922 nonitemized price but that are treated differently for tax  
923 purposes.

924 (ii) In the case of a bundled transaction that  
925 includes telecommunications services taxed under this section in  
926 which the price of the bundled transaction is attributable to  
927 properties or services that are taxable and nontaxable, the  
928 portion of the price that is attributable to any nontaxable  
929 property or service shall be subject to the tax unless the  
930 provider can reasonably identify that portion from its books and  
931 records kept in the regular course of business.

932                   (iii) In the case of a bundled transaction that  
933 includes telecommunications services subject to tax under this  
934 section in which the price is attributable to properties or  
935 services that are subject to the tax but the tax revenue from the  
936 different properties or services are dedicated to different funds  
937 or purposes, the provider shall allocate the price among the  
938 properties or services:

939                   1. By reasonably identifying the portion of  
940 the price attributable to each of the properties and services from  
941 its books and records kept in the regular course of business; or

942                   2. Based on a reasonable allocation  
943 methodology approved by the commission.

944                   (iv) This paragraph (e) shall not create a right  
945 of action for a customer to require that the provider or the  
946 commission, for purposes of determining the amount of tax  
947 applicable to a bundled transaction, allocate the price to the  
948 different portions of the transaction in order to minimize the  
949 amount of tax charged to the customer. A customer shall not be  
950 entitled to rely on the fact that a portion of the price is  
951 attributable to properties or services not subject to tax unless  
952 the provider elects, after receiving a written request from the  
953 customer in the form required by the provider, to provide  
954 verifiable data based upon the provider's books and records that  
955 are kept in the regular course of business that reasonably  
956 identifies the portion of the price attributable to the properties  
957 or services not subject to the tax.

958                   (2) Persons making sales to consumers of electricity,  
959 current, power, natural gas, liquefied petroleum gas or other fuel  
960 for residential heating, lighting or other residential  
961 noncommercial or nonagricultural use or sales of potable water for  
962 residential, noncommercial or nonagricultural use shall indicate  
963 on each statement rendered to customers that those charges are  
964 exempt from sales taxes.

965 (3) There is \* \* \* levied, assessed and shall be paid on  
966 transportation charges on shipments moving between points within  
967 this state when paid directly by the consumer, a tax equal to the  
968 rate applicable to the sale of the property being transported.  
969 The tax shall be reported and paid directly to the State Tax  
970 Commission by the consumer.

971 **SECTION 14.** Section 27-65-21, Mississippi Code of 1972, is  
972 amended as follows:

973 27-65-21. (1) (a) (i) Upon every person engaging or  
974 continuing in this state in the business of contracting or  
975 performing a contract or engaging in any of the activities, or  
976 similar activities, listed below for a price, commission, fee or  
977 wage, there is hereby levied, assessed and shall be collected a  
978 tax equal to four and one-half percent (4-1/2%) of the total  
979 contract price or compensation received, including all charges  
980 related to the contract such as finance charges and late charges,  
981 from constructing, building, erecting, repairing, grading,  
982 excavating, drilling, exploring, testing or adding to any  
983 building, highway, street, sidewalk, bridge, culvert, sewer,  
984 irrigation or water system, drainage or dredging system, levee or  
985 levee system or any part thereof, railway, reservoir, dam, power  
986 plant, electrical system, air conditioning system, heating system,  
987 transmission line, pipeline, tower, dock, storage tank, wharf,  
988 excavation, grading, water well, any other improvement or  
989 structure or any part thereof when the compensation received  
990 exceeds Ten Thousand Dollars (\$10,000.00). Such activities shall  
991 not include constructing, repairing or adding to property which  
992 retains its identity as personal property. The tax imposed in  
993 this section is levied upon the prime contractor and shall be paid  
994 by him.

995 (ii) Amounts included in the contract price or  
996 compensation received representing the sale of manufacturing or  
997 processing machinery for a manufacturer or custom processor shall

998 be taxed at the rate of one and one-half percent (1-1/2%) in lieu  
999 of the three and one-half percent (3-1/2%).

1000 (b) The following shall be excluded from the tax levied  
1001 by this section:

1002 (i) The contract price or compensation received  
1003 for constructing, building, erecting, repairing or adding to any  
1004 building, electrical system, air conditioning system, heating  
1005 system or any other improvement or structure which is used for or  
1006 primarily in connection with a residence or dwelling place for  
1007 human beings. Such residences shall include homes, apartment  
1008 buildings, condominiums, mobile homes, summer cottages, fishing  
1009 and hunting camp buildings and similar buildings, but shall not  
1010 include hotels, motels, hospitals, nursing or retirement homes,  
1011 tourist cottages or other commercial establishments.

1012 (ii) The portion of the total contract price  
1013 attributable to design or engineering services if the total  
1014 contract price for the project exceeds the sum of One Hundred  
1015 Million Dollars (\$100,000,000.00).

1016 (iii) The contract price or compensation received  
1017 to restore, repair or replace a utility distribution or  
1018 transmission system that has been damaged due to ice storm,  
1019 hurricane, flood, tornado, wind, earthquake or other natural  
1020 disaster if such restoration, repair or replacement is performed  
1021 by the entity providing the service at its cost.

1022 (c) Sales of materials and services for use in the  
1023 activities hereby excluded from taxes imposed by this section,  
1024 except services used in activities excluded pursuant to paragraph  
1025 (b)(iii) of this subsection, shall be subject to taxes imposed by  
1026 other sections in this chapter.

1027 (2) Upon every person engaging or continuing in this state  
1028 in the business of contracting or performing a contract of  
1029 redrilling, or working over, or of drilling an oil well or a gas  
1030 well, regardless of whether such well is productive or

1031 nonproductive, for any valuable consideration, there is hereby  
1032 levied, assessed and shall be collected a tax equal to three and  
1033 one-half percent (3-1/2%) of the total contract price or  
1034 compensation received when such compensation exceeds Ten Thousand  
1035 Dollars (\$10,000.00).

1036         The words, terms and phrases as used in this subsection shall  
1037 have the meaning ascribed to them as follows:

1038         "Operator" -- One who holds all or a fraction of the working  
1039 or operating rights in an oil or gas lease, and is obligated for  
1040 the costs of production either as a fee owner or under a lease or  
1041 any other form of contract creating working or operating rights.

1042         "Bottom-hole contribution" -- Money or property given to an  
1043 operator for his use in the drilling of a well on property in  
1044 which the payor has no interest. The contribution is payable  
1045 whether the well is productive or nonproductive.

1046         "Dry-hole contribution" -- Money or property given to an  
1047 operator for his use in the drilling of a well on property in  
1048 which the payor has no interest. Such contribution is payable  
1049 only in the event the well is found to be nonproductive.

1050         "Turnkey drilling contract" -- A contract for the drilling of  
1051 a well which requires the driller to drill a well and, if  
1052 commercial production is obtained, to equip the well to such stage  
1053 that the lessee or operator may turn a valve and the oil will flow  
1054 into a tank.

1055         "Total contract price or compensation received" -- As related  
1056 to oil and gas well contractors, shall include amounts received as  
1057 compensation for all costs of performing a turnkey drilling  
1058 contract; amounts received or to be received under assignment as  
1059 dry-hole money or bottom-hole money; and shall mean and include  
1060 anything of value received by the contractor as remuneration for  
1061 services taxable hereunder. When the kind and amount of  
1062 compensation received by the contractor is contingent upon  
1063 production, the taxable amount shall be the total compensation

1064 receivable in the event the well is a dry hole. The taxable  
1065 amount in the event of production when the contractor receives a  
1066 production interest of an undetermined value in lieu of a fixed  
1067 compensation shall be an amount equal to the compensation to the  
1068 contractor if the well had been a dry hole.

1069 (3) When the work to be performed under any contract is  
1070 sublet by the prime contractor to different persons, or in  
1071 separate contracts to the same persons, each such subcontractor  
1072 performing any part of said work shall be liable for the amount of  
1073 the tax which accrues on account of the work performed by such  
1074 person when the tax heretofore imposed has not been paid upon the  
1075 whole contract by the prime contractor.

1076 When a person engaged in any business on which a tax is  
1077 levied in Section 27-65-23, also qualifies as a contractor, and  
1078 contracts with the owner of any project to perform any services in  
1079 excess of Ten Thousand Dollars (\$10,000.00) herein taxed, such  
1080 person shall pay the tax imposed by this section in lieu of the  
1081 tax imposed by Section 27-65-23.

1082 Any person entering into any contract over Seventy-five  
1083 Thousand Dollars (\$75,000.00) as defined in this section shall,  
1084 before beginning the performance of such contract or contracts,  
1085 either pay the contractors' tax in advance, together with any use  
1086 taxes due under Section 27-67-5, or execute and file with the  
1087 Chairman of the State Tax Commission a good and valid bond in a  
1088 surety company authorized to do business in this state, or with  
1089 sufficient sureties to be approved by the commissioner conditioned  
1090 that all taxes which may accrue to the State of Mississippi under  
1091 this chapter, or under Section 27-67-5 and Section 27-7-5, will be  
1092 paid when due. Such bonds shall be either (a) "job bonds" which  
1093 guarantee payment when due of the aforesaid taxes resulting from  
1094 performance of a specified job or activity regardless of date of  
1095 completion; or (b) "blanket bonds" which guarantee payment when  
1096 due of the aforesaid taxes resulting from performance of all jobs

1097 or activities taxable under this section begun during the period  
1098 specified therein, regardless of date of completion. The payments  
1099 of the taxes due or the execution and filing of a surety bond  
1100 shall be a condition precedent to the commencing work on any  
1101 contract taxed hereunder. Provided, that when any bond is filed  
1102 in lieu of the prepayment of the tax under this section, that the  
1103 tax shall be payable monthly on the amount received during the  
1104 previous month, and any use taxes due shall be payable on or  
1105 before the twentieth day of the month following the month in which  
1106 the property is brought into Mississippi.

1107 Any person failing either to execute any bond herein  
1108 provided, or to pay the taxes in advance, before beginning the  
1109 performance of any contract shall be denied the right to perform  
1110 such contract until he complies with such requirements, and the  
1111 commissioner is hereby authorized to proceed either under Section  
1112 27-65-59, under Section 27-65-61 or by injunction to prevent any  
1113 activity in the performance of such contract until either a  
1114 satisfactory bond is executed and filed, or all taxes are paid in  
1115 advance, and a temporary injunction enjoining the execution of  
1116 such contract shall be granted without notice by any judge or  
1117 chancellor now authorized by law to grant injunctions.

1118 Any person liable for a tax under this section may apply for  
1119 and obtain a material purchase certificate from the commissioner  
1120 which may entitle the holder to purchase materials and services  
1121 that are to become a component part of the structure to be erected  
1122 or repaired with no tax due. Provided, that the contractor  
1123 applying for the contractor's material purchase certificate shall  
1124 furnish the State Tax Commission a list of all work sublet to  
1125 others, indicating the amount of work to be performed, and the  
1126 names and addresses of each subcontractor.

1127 **SECTION 15.** Section 27-65-33, Mississippi Code of 1972, is  
1128 amended as follows:

1129           27-65-33. (1) Except as otherwise provided in this section,  
1130 the taxes levied by this chapter shall be due and payable on or  
1131 before the twentieth day of the month next succeeding the month in  
1132 which the tax accrues, except as otherwise provided. Returns and  
1133 payments placed in the mail must be postmarked by the due date in  
1134 order to be considered timely filed, except when the due date  
1135 falls on a weekend or holiday, returns and payments placed in the  
1136 mail must be postmarked by the first working day following the due  
1137 date in order to be considered timely filed. The taxpayer shall  
1138 make a return showing the gross proceeds of sales or the gross  
1139 income of the business, and any and all allowable deductions, or  
1140 exempt sales, and compute the tax due for the period covered.

1141       \* \* \*

1142           (2) A taxpayer required to collect sales taxes under this  
1143 chapter and having an average monthly sales tax liability of at  
1144 least Twenty Thousand Dollars (\$20,000.00) for the preceding  
1145 calendar year shall pay to the State Tax Commission on or before  
1146 June 25, 2003, and on or before the twenty-fifth day of June of  
1147 each succeeding year thereafter, an amount equal to at least  
1148 seventy-five percent (75%) of such taxpayer's estimated sales tax  
1149 liability for the month of June of the current calendar year, or  
1150 an amount equal to at least seventy-five percent (75%) of the  
1151 taxpayer's sales tax liability for the month of June of the  
1152 preceding calendar year. Payments required to be made under this  
1153 subsection must be received by the State Tax Commission no later  
1154 than June 25 in order to be considered timely made. A taxpayer  
1155 that fails to comply with the requirements of this subsection may  
1156 be assessed a penalty in an amount equal to ten percent (10%) of  
1157 the difference between any amount the taxpayer pays pursuant to  
1158 this subsection and the taxpayer's actual sales tax liability for  
1159 the month of June for which the estimated payment was required to  
1160 be made. Payments made by a taxpayer under this subsection shall  
1161 not be considered to be collected for the purposes of any sales



1162 tax diversions required by law until the taxpayer files a return  
1163 for the actual sales taxes collected during the month of June.  
1164 This subsection shall not apply to any agency, department or  
1165 instrumentality of the United States, any agency, department,  
1166 institution, instrumentality or political subdivision of the State  
1167 of Mississippi, or any agency, department, institution or  
1168 instrumentality of any political subdivision of the State of  
1169 Mississippi. Payments made pursuant to this subsection for the  
1170 month of June 2003, shall be deposited by the State Tax Commission  
1171 into the Budget Contingency Fund created under Section 27-103-301,  
1172 and payments made pursuant to this subsection for the month of  
1173 June of 2004, and each succeeding year thereafter, shall be  
1174 deposited by the State Tax Commission into the State General Fund.

1175 (3) All returns shall be sworn to by the taxpayer, if made  
1176 by an individual, or by the president, vice president, secretary  
1177 or treasurer of a corporation, or authorized agent, if made on  
1178 behalf of a corporation. If made on behalf of a partnership,  
1179 joint venture, association, trust, estate, or in any other group  
1180 or combination acting as a unit, any individual delegated by such  
1181 firm shall swear to the return on behalf of the taxpayer. The  
1182 commissioner may prescribe methods by which the taxpayer may swear  
1183 to his return.

1184 (4) The commissioner may promulgate rules and regulations to  
1185 require or permit filing periods of any duration, in lieu of  
1186 monthly filing periods, for any taxpayer or group thereof.

1187 (5) The commissioner may require the execution and filing by  
1188 the taxpayer with the commissioner of a good and solvent bond with  
1189 some surety company authorized to do business in Mississippi as  
1190 surety thereon in an amount double the aggregate tax liability by  
1191 such taxpayer for any previous three-month period within the last  
1192 calendar year or estimated three (3) months' tax liability. Said  
1193 bond is to be conditioned for the prompt payment of such taxes as  
1194 may be due for each such return.

1195           (6) The commissioner, for good cause, may grant such  
1196 reasonable additional time within which to make any return  
1197 required under the provisions of this chapter as he may deem  
1198 proper, but the time for filing any return shall not be extended  
1199 beyond the twentieth of the month next succeeding the regular due  
1200 date of the return without the imposition of interest at the rate  
1201 of one percent (1%) per month or fractional part of a month from  
1202 the time the return was due until the tax is paid.

1203           (7) For persistent, willful or recurring failure to make any  
1204 return and pay the tax shown thereby to be due by the time  
1205 specified, there shall be added to the amount of tax shown to be  
1206 due ten percent (10%) damages, or interest at the rate of one  
1207 percent (1%) per month, or both.

1208           (8) Any taxpayer may, upon making application therefor,  
1209 obtain from the commissioner an extension of time for the payment  
1210 of taxes due on credit sales until collections thereon have been  
1211 made. When such extension is granted, the taxpayer shall  
1212 thereafter include in each monthly or quarterly report all  
1213 collections made during the preceding month or quarter, and shall  
1214 pay the taxes due thereon at the time of filing such report. Such  
1215 permission may be revoked or denied at the discretion of the  
1216 commissioner when, in his opinion, a total sales basis will best  
1217 reflect the taxable income or expedite examination of the  
1218 taxpayer's records.

1219           (9) Any taxpayer reporting credit sales before collection  
1220 thereof has been made may take credit on subsequent returns or  
1221 reports for bad debts actually charged off, if such amounts  
1222 charged off have previously been included in taxable gross income  
1223 or taxable gross proceeds of sales, as the case may be, and the  
1224 tax paid thereon. However, any amounts subsequently collected on  
1225 accounts that have been charged off as bad debts shall be included  
1226 in subsequent reports and the tax shall be paid thereon.

1227           (10) In cases where an extension of time has been granted by  
1228 the commissioner for payment of taxes due on credit sales and the  
1229 taxpayer thereafter discontinues the business, such taxpayer shall  
1230 be required to file with the commissioner within ten (10) days, or  
1231 such further time as the commissioner may direct, from the date of  
1232 the discontinuance of such business, a special report showing the  
1233 amounts of any credit sales which have not been included in  
1234 determining the measure of the tax previously paid and any other  
1235 information with reference to credit sales as the commissioner may  
1236 require. The commissioner shall thereupon investigate the facts  
1237 with reference to credit sales and the condition of the accounts,  
1238 and shall determine, from the best evidence available, the value  
1239 of all open accounts, notes or other evidence of debt arising from  
1240 credit sales. The value of all notes, open accounts and other  
1241 evidence of debt, as thus determined by the commissioner, shall be  
1242 used in determining the amount of the tax for which such taxpayer  
1243 shall be liable. When the amount of the tax shall have been  
1244 ascertained, the taxpayer shall be required to pay the same within  
1245 ten (10) days or such further time as the commissioner may allow,  
1246 notwithstanding the fact that such note or accounts may still  
1247 remain uncollected.

1248           **SECTION 16.** Section 27-65-75, Mississippi Code of 1972, is  
1249 amended as follows:

1250           27-65-75. On or before the fifteenth day of each month, the  
1251 revenue collected under the provisions of this chapter during the  
1252 preceding month shall be paid and distributed as follows:

1253           (1) On or before August 15, 1992, and each succeeding month  
1254 thereafter through July 15, 1993, eighteen percent (18%) of the  
1255 total sales tax revenue collected during the preceding month under  
1256 the provisions of this chapter, except that collected under the  
1257 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
1258 business activities within a municipal corporation shall be  
1259 allocated for distribution to the municipality and paid to the

1260 municipal corporation. On or before August 15, 1993, and each  
1261 succeeding month thereafter through July 15, 2008, eighteen and  
1262 one-half percent (18-1/2%) of the total sales tax revenue  
1263 collected during the preceding month under the provisions of this  
1264 chapter, except that collected under the provisions of Sections  
1265 27-65-15, 27-65-19(3) and 27-65-21, on business activities within  
1266 a municipal corporation shall be allocated for distribution to the  
1267 municipality and paid to the municipal corporation. On or before  
1268 August 15, 2008, and each succeeding month thereafter through July  
1269 15, 2019, eighteen and one-half percent (18-1/2%) of the total  
1270 sales tax revenue collected during the preceding month under the  
1271 provisions of this chapter, except that collected under the  
1272 provisions of Sections 27-65-15, 27-65-17(6), 27-65-19(3) and  
1273 27-65-21, on business activities within a municipal corporation  
1274 and all of the sales tax revenue collected during the preceding  
1275 month under the provisions of Section 27-65-17(6) on business  
1276 activities within a municipal corporation shall be allocated for  
1277 distribution to the municipality and paid to the municipal  
1278 corporation. On or before August 15, 2019, and each succeeding  
1279 month thereafter, eighteen and one-half percent (18-1/2%) of the  
1280 total sales tax revenue collected during the preceding month under  
1281 the provisions of this chapter, except that collected under the  
1282 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
1283 business activities within a municipal corporation shall be  
1284 allocated for distribution to the municipality and paid to the  
1285 municipal corporation.

1286 A municipal corporation, for the purpose of distributing the  
1287 tax under this subsection, shall mean and include all incorporated  
1288 cities, towns and villages.

1289 Monies allocated for distribution and credited to a municipal  
1290 corporation under this subsection may be pledged as security for a  
1291 loan if the distribution received by the municipal corporation is

1292 otherwise authorized or required by law to be pledged as security  
1293 for such a loan.

1294 In any county having a county seat that is not an  
1295 incorporated municipality, the distribution provided under this  
1296 subsection shall be made as though the county seat was an  
1297 incorporated municipality; however, the distribution to the  
1298 municipality shall be paid to the county treasury in which the  
1299 municipality is located, and those funds shall be used for road,  
1300 bridge and street construction or maintenance in the county.

1301 (2) On or before September 15, 1987, and each succeeding  
1302 month thereafter, from the revenue collected under this chapter  
1303 during the preceding month, One Million One Hundred Twenty-five  
1304 Thousand Dollars (\$1,125,000.00) shall be allocated for  
1305 distribution to municipal corporations as defined under subsection  
1306 (1) of this section in the proportion that the number of gallons  
1307 of gasoline and diesel fuel sold by distributors to consumers and  
1308 retailers in each such municipality during the preceding fiscal  
1309 year bears to the total gallons of gasoline and diesel fuel sold  
1310 by distributors to consumers and retailers in municipalities  
1311 statewide during the preceding fiscal year. The State Tax  
1312 Commission shall require all distributors of gasoline and diesel  
1313 fuel to report to the commission monthly the total number of  
1314 gallons of gasoline and diesel fuel sold by them to consumers and  
1315 retailers in each municipality during the preceding month. The  
1316 State Tax Commission shall have the authority to promulgate such  
1317 rules and regulations as is necessary to determine the number of  
1318 gallons of gasoline and diesel fuel sold by distributors to  
1319 consumers and retailers in each municipality. In determining the  
1320 percentage allocation of funds under this subsection for the  
1321 fiscal year beginning July 1, 1987, and ending June 30, 1988, the  
1322 State Tax Commission may consider gallons of gasoline and diesel  
1323 fuel sold for a period of less than one (1) fiscal year. For the

1324 purposes of this subsection, the term "fiscal year" means the  
1325 fiscal year beginning July 1 of a year.

1326 (3) On or before September 15, 1987, and on or before the  
1327 fifteenth day of each succeeding month, until the date specified  
1328 in Section 65-39-35, the proceeds derived from contractors' taxes  
1329 levied under Section 27-65-21 on contracts for the construction or  
1330 reconstruction of highways designated under the highway program  
1331 created under Section 65-3-97 shall, except as otherwise provided  
1332 in Section 31-17-127, be deposited into the State Treasury to the  
1333 credit of the State Highway Fund to be used to fund that highway  
1334 program. The Mississippi Department of Transportation shall  
1335 provide to the State Tax Commission such information as is  
1336 necessary to determine the amount of proceeds to be distributed  
1337 under this subsection.

1338 (4) On or before August 15, 1994, and on or before the  
1339 fifteenth day of each succeeding month through July 15, 1999, from  
1340 the proceeds of gasoline, diesel fuel or kerosene taxes as  
1341 provided in Section 27-5-101(a)(ii)1, Four Million Dollars  
1342 (\$4,000,000.00) shall be deposited in the State Treasury to the  
1343 credit of a special fund designated as the "State Aid Road Fund,"  
1344 created by Section 65-9-17. On or before August 15, 1999, and on  
1345 or before the fifteenth day of each succeeding month, from the  
1346 total amount of the proceeds of gasoline, diesel fuel or kerosene  
1347 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million  
1348 Dollars (\$4,000,000.00) or an amount equal to twenty-three and  
1349 one-fourth percent (23-1/4%) of those funds, whichever is the  
1350 greater amount, shall be deposited in the State Treasury to the  
1351 credit of the "State Aid Road Fund," created by Section 65-9-17.  
1352 Those funds shall be pledged to pay the principal of and interest  
1353 on state aid road bonds heretofore issued under Sections 19-9-51  
1354 through 19-9-77, in lieu of and in substitution for the funds  
1355 previously allocated to counties under this section. Those funds  
1356 may not be pledged for the payment of any state aid road bonds

1357 issued after April 1, 1981; however, this prohibition against the  
1358 pledging of any such funds for the payment of bonds shall not  
1359 apply to any bonds for which intent to issue those bonds has been  
1360 published, for the first time, as provided by law before March 29,  
1361 1981. From the amount of taxes paid into the special fund under  
1362 this subsection and subsection (9) of this section, there shall be  
1363 first deducted and paid the amount necessary to pay the expenses  
1364 of the Office of State Aid Road Construction, as authorized by the  
1365 Legislature for all other general and special fund agencies. The  
1366 remainder of the fund shall be allocated monthly to the several  
1367 counties in accordance with the following formula:

1368           (a) One-third (1/3) shall be allocated to all counties  
1369 in equal shares;

1370           (b) One-third (1/3) shall be allocated to counties  
1371 based on the proportion that the total number of rural road miles  
1372 in a county bears to the total number of rural road miles in all  
1373 counties of the state; and

1374           (c) One-third (1/3) shall be allocated to counties  
1375 based on the proportion that the rural population of the county  
1376 bears to the total rural population in all counties of the state,  
1377 according to the latest federal decennial census.

1378           For the purposes of this subsection, the term "gasoline,  
1379 diesel fuel or kerosene taxes" means such taxes as defined in  
1380 paragraph (f) of Section 27-5-101.

1381           The amount of funds allocated to any county under this  
1382 subsection for any fiscal year after fiscal year 1994 shall not be  
1383 less than the amount allocated to the county for fiscal year 1994.

1384           Any reference in the general laws of this state or the  
1385 Mississippi Code of 1972 to Section 27-5-105 shall mean and be  
1386 construed to refer and apply to subsection (4) of Section  
1387 27-65-75.

1388           (5) One Million Six Hundred Sixty-six Thousand Six Hundred  
1389 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into

1390 the special fund known as the "State Public School Building Fund"  
1391 created and existing under the provisions of Sections 37-47-1  
1392 through 37-47-67. Those payments into that fund are to be made on  
1393 the last day of each succeeding month hereafter.

1394 (6) An amount each month beginning August 15, 1983, through  
1395 November 15, 1986, as specified in Section 6 of Chapter 542, Laws  
1396 of 1983, shall be paid into the special fund known as the  
1397 Correctional Facilities Construction Fund created in Section 6 of  
1398 Chapter 542, Laws of 1983.

1399 (7) On or before August 15, 1992, and each succeeding month  
1400 thereafter through July 15, 2000, two and two hundred sixty-six  
1401 one-thousandths percent (2.266%) of the total sales tax revenue  
1402 collected during the preceding month under the provisions of this  
1403 chapter, except that collected under the provisions of Section  
1404 27-65-17(2) shall be deposited by the commission into the School  
1405 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On  
1406 or before August 15, 2000, and each succeeding month thereafter  
1407 through July 15, 2008, two and two hundred sixty-six  
1408 one-thousandths percent (2.266%) of the total sales tax revenue  
1409 collected during the preceding month under the provisions of this  
1410 chapter, except that collected under the provisions of Section  
1411 27-65-17(2), shall be deposited into the School Ad Valorem Tax  
1412 Reduction Fund created under Section 37-61-35 until such time that  
1413 the total amount deposited into the fund during a fiscal year  
1414 equals Forty-two Million Dollars (\$42,000,000.00). Thereafter,  
1415 the amounts diverted under this subsection (7) during the fiscal  
1416 year in excess of Forty-two Million Dollars (\$42,000,000.00) shall  
1417 be deposited into the Education Enhancement Fund created under  
1418 Section 37-61-33 for appropriation by the Legislature as other  
1419 education needs and shall not be subject to the percentage  
1420 appropriation requirements set forth in Section 37-61-33. On or  
1421 before August 15, 2008, and each succeeding month thereafter  
1422 through July 15, 2019, two and six-tenths percent (2.6%) of the



1423 total sales tax revenue collected during the preceding month under  
1424 the provisions of this chapter, except that collected under the  
1425 provisions of Section 27-65-17(2) and 27-65-17(6), shall be  
1426 deposited into the School Ad Valorem Tax Reduction Fund created  
1427 under Section 37-61-35 until such time that the total amount  
1428 deposited into the fund during a fiscal year equals Forty-two  
1429 Million Dollars (\$42,000,000.00). Thereafter, the amounts  
1430 diverted under this subsection (7) during the fiscal year in  
1431 excess of Forty-two Million Dollars (\$42,000,000.00) shall be  
1432 deposited into the Education Enhancement Fund created under  
1433 Section 37-61-33 for appropriation by the Legislature as other  
1434 education needs and shall not be subject to the percentage  
1435 appropriation requirements set forth in Section 37-61-33. On or  
1436 before August 15, 2019, and each succeeding month thereafter, two  
1437 and two hundred sixty-six one-thousandths percent (2.266%) of the  
1438 total sales tax revenue collected during the preceding month under  
1439 the provisions of this chapter, except that collected under the  
1440 provisions of Section 27-65-17(2), shall be deposited into the  
1441 School Ad Valorem Tax Reduction Fund created under Section  
1442 37-61-35 until such time that the total amount deposited into the  
1443 fund during a fiscal year equals Forty-two Million Dollars  
1444 (\$42,000,000.00). Thereafter, the amounts diverted under this  
1445 subsection (7) during the fiscal year in excess of Forty-two  
1446 Million Dollars (\$42,000,000.00) shall be deposited into the  
1447 Education Enhancement Fund created under Section 37-61-33 for  
1448 appropriation by the Legislature as other education needs and  
1449 shall not be subject to the percentage appropriation requirements  
1450 set forth in Section 37-61-33.

1451 (8) On or before August 15, 1992, and each succeeding month  
1452 thereafter through July 15, 2008, nine and seventy-three  
1453 one-thousandths percent (9.073%) of the total sales tax revenue  
1454 collected during the preceding month under the provisions of this  
1455 chapter, except that collected under the provisions of Section

1456 27-65-17(2), shall be deposited into the Education Enhancement  
1457 Fund created under Section 37-61-33. On or before August 15,  
1458 2008, and each succeeding month thereafter through July 15, 2019,  
1459 ten and one-half percent (10.5%) of the total sales tax revenue  
1460 collected during the preceding month under the provisions of this  
1461 chapter, except that collected under the provisions of Sections  
1462 27-65-17(2) and 27-65-17(6), shall be deposited into the Education  
1463 Enhancement Fund created under Section 37-61-33. On or before  
1464 August 15, 2019, and each succeeding month thereafter, nine and  
1465 seventy-three one-thousandths percent (9.073%) of the total sales  
1466 tax revenue collected during the preceding month under the  
1467 provisions of this chapter, except that collected under the  
1468 provisions of Section 27-65-17(2), shall be deposited into the  
1469 Education Enhancement Fund created under Section 37-61-33.

1470 (9) On or before August 15, 1994, and each succeeding month  
1471 thereafter, from the revenue collected under this chapter during  
1472 the preceding month, Two Hundred Fifty Thousand Dollars  
1473 (\$250,000.00) shall be paid into the State Aid Road Fund.

1474 (10) On or before August 15, 1994, and each succeeding month  
1475 thereafter through August 15, 1995, from the revenue collected  
1476 under this chapter during the preceding month, Two Million Dollars  
1477 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad  
1478 Valorem Tax Reduction Fund established in Section 27-51-105.

1479 (11) Notwithstanding any other provision of this section to  
1480 the contrary, on or before February 15, 1995, and each succeeding  
1481 month thereafter, the sales tax revenue collected during the  
1482 preceding month under the provisions of Section 27-65-17(2)(a) and  
1483 the corresponding levy in Section 27-65-23 on the rental or lease  
1484 of private carriers of passengers and light carriers of property  
1485 as defined in Section 27-51-101 shall be deposited, without  
1486 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund  
1487 established in Section 27-51-105.

1488           (12) Notwithstanding any other provision of this section to  
1489 the contrary, on or before August 15, 1995, and each succeeding  
1490 month thereafter, the sales tax revenue collected during the  
1491 preceding month under the provisions of Section 27-65-17(1) on  
1492 retail sales of private carriers of passengers and light carriers  
1493 of property, as defined in Section 27-51-101 and the corresponding  
1494 levy in Section 27-65-23 on the rental or lease of these vehicles,  
1495 shall be deposited, after diversion, into the Motor Vehicle Ad  
1496 Valorem Tax Reduction Fund established in Section 27-51-105.

1497           (13) On or before July 15, 1994, and on or before the  
1498 fifteenth day of each succeeding month thereafter, that portion of  
1499 the avails of the tax imposed in Section 27-65-22 that is derived  
1500 from activities held on the Mississippi state fairgrounds complex,  
1501 shall be paid into a special fund that is created in the State  
1502 Treasury and shall be expended upon legislative appropriation  
1503 solely to defray the costs of repairs and renovation at the Trade  
1504 Mart and Coliseum.

1505           (14) On or before August 15, 1998, and each succeeding month  
1506 thereafter through July 15, 2005, that portion of the avails of  
1507 the tax imposed in Section 27-65-23 that is derived from sales by  
1508 cotton compresses or cotton warehouses and that would otherwise be  
1509 paid into the General Fund, shall be deposited in an amount not to  
1510 exceed Two Million Dollars (\$2,000,000.00) into the special fund  
1511 created under Section 69-37-39.

1512           (15) Notwithstanding any other provision of this section to  
1513 the contrary, on or before September 15, 2000, and each succeeding  
1514 month thereafter, the sales tax revenue collected during the  
1515 preceding month under the provisions of Section 27-65-19(1)(f) and  
1516 (g)(i)2, shall be deposited, without diversion, into the  
1517 Telecommunications Ad Valorem Tax Reduction Fund established in  
1518 Section 27-38-7.

1519           (16) On or before August 15, 2000, and each succeeding month  
1520 thereafter, the sales tax revenue collected during the preceding

1521 month under the provisions of this chapter on the gross proceeds  
1522 of sales of a project as defined in Section 57-30-1 shall be  
1523 deposited, after all diversions except the diversion provided for  
1524 in subsection (1) of this section, into the Sales Tax Incentive  
1525 Fund created in Section 57-30-3.

1526 (17) Notwithstanding any other provision of this section to  
1527 the contrary, on or before April 15, 2002, and each succeeding  
1528 month thereafter, the sales tax revenue collected during the  
1529 preceding month under Section 27-65-23 on sales of parking  
1530 services of parking garages and lots at airports shall be  
1531 deposited, without diversion, into the special fund created under  
1532 Section 27-5-101(d).

1533 (18) On or before August 15, 2007, and each succeeding month  
1534 thereafter through July 15, 2008, from the sales tax revenue  
1535 collected during the preceding month under the provisions of this  
1536 chapter, Two Million Five Hundred Thousand Dollars (\$2,500,000.00)  
1537 shall be deposited into the Special Funds Transfer Fund created in  
1538 Section 4 of Chapter 556, Laws of 2003.

1539 (19) (a) On or before August 15, 2005, and each succeeding  
1540 month thereafter, the sales tax revenue collected during the  
1541 preceding month under the provisions of this chapter on the gross  
1542 proceeds of sales of a business enterprise located within a  
1543 redevelopment project area under the provisions of Sections  
1544 57-91-1 through 57-91-11, and the revenue collected on the gross  
1545 proceeds of sales from sales made to a business enterprise located  
1546 in a redevelopment project area under the provisions of Sections  
1547 57-91-1 through 57-91-11 (provided that such sales made to a  
1548 business enterprise are made on the premises of the business  
1549 enterprise), shall, except as otherwise provided in this  
1550 subsection (19), be deposited, after all diversions, into the  
1551 Redevelopment Project Incentive Fund as created in Section  
1552 57-91-9.

1553           (b) For a municipality participating in the Economic  
1554 Redevelopment Act created in Sections 57-91-1 through 57-91-11,  
1555 the diversion provided for in subsection (1) of this section  
1556 attributable to the gross proceeds of sales of a business  
1557 enterprise located within a redevelopment project area under the  
1558 provisions of Sections 57-91-1 through 57-91-11, and attributable  
1559 to the gross proceeds of sales from sales made to a business  
1560 enterprise located in a redevelopment project area under the  
1561 provisions of Sections 57-91-1 through 57-91-11 (provided that  
1562 such sales made to a business enterprise are made on the premises  
1563 of the business enterprise), shall be deposited into the  
1564 Redevelopment Project Incentive Fund as created in Section  
1565 57-91-9, as follows:

1566           (i) For the first six (6) years in which payments  
1567 are made to a developer from the Redevelopment Project Incentive  
1568 Fund, one hundred percent (100%) of the diversion shall be  
1569 deposited into the fund;

1570           (ii) For the seventh year in which such payments  
1571 are made to a developer from the Redevelopment Project Incentive  
1572 Fund, eighty percent (80%) of the diversion shall be deposited  
1573 into the fund;

1574           (iii) For the eighth year in which such payments  
1575 are made to a developer from the Redevelopment Project Incentive  
1576 Fund, seventy percent (70%) of the diversion shall be deposited  
1577 into the fund;

1578           (iv) For the ninth year in which such payments are  
1579 made to a developer from the Redevelopment Project Incentive Fund,  
1580 sixty percent (60%) of the diversion shall be deposited into the  
1581 fund; and

1582           (v) For the tenth year in which such payments are  
1583 made to a developer from the Redevelopment Project Incentive Fund,  
1584 fifty percent (50%) of the funds shall be deposited into the fund.

1585           (20) On or before August 15, 2008, and each succeeding month  
1586 thereafter through July 15, 2019, six and two-tenths percent  
1587 (6.2%) of the total sales tax revenue collected during the  
1588 preceding month under the provisions of this chapter, except that  
1589 collected under the provisions of Sections 27-65-15, 27-65-17(6),  
1590 27-65-19(3) and 27-65-21, on business activities within a county  
1591 but outside any municipal corporation, as defined in subsection  
1592 (1) of this section, shall be allocated for distribution to and  
1593 paid to the county in which the business activity occurred. The  
1594 amount paid to each county under this subsection (19) shall be in  
1595 addition to any other funds allocated for distribution to the  
1596 various counties under this section.

1597           (21) The remainder of the amounts collected under the  
1598 provisions of this chapter shall be paid into the State Treasury  
1599 to the credit of the General Fund.

1600           (22) It shall be the duty of the municipal officials of any  
1601 municipality that expands its limits, or of any community that  
1602 incorporates as a municipality, to notify the commissioner of that  
1603 action thirty (30) days before the effective date. Failure to so  
1604 notify the commissioner shall cause the municipality to forfeit  
1605 the revenue that it would have been entitled to receive during  
1606 this period of time when the commissioner had no knowledge of the  
1607 action. If any funds have been erroneously disbursed to any  
1608 municipality or any overpayment of tax is recovered by the  
1609 taxpayer, the commissioner may make correction and adjust the  
1610 error or overpayment with the municipality by withholding the  
1611 necessary funds from any later payment to be made to the  
1612 municipality.

1613           **SECTION 17.** Section 27-65-111, Mississippi Code of 1972, is  
1614 amended as follows:

1615           [Through June 30, 2007, this section shall read as follows]

1616           27-65-111. The exemptions from the provisions of this  
1617 chapter that are not industrial, agricultural or governmental, or

1618 that do not relate to utilities or taxes, or that are not properly  
1619 classified as one of the exemption classifications of this  
1620 chapter, shall be confined to persons or property exempted by this  
1621 section or by the Constitution of the United States or the State  
1622 of Mississippi. No exemptions as now provided by any other  
1623 section, except the classified exemption sections of this chapter  
1624 set forth herein, shall be valid as against the tax herein levied.  
1625 Any later exemption from the tax levied hereunder, except as  
1626 indicated above, shall be provided by amendments to this section.

1627 No exemption provided in this section shall apply to taxes  
1628 levied by Section 27-65-15 or 27-65-21.

1629 The tax levied by this chapter shall not apply to the  
1630 following:

1631 (a) Sales of tangible personal property and services to  
1632 hospitals or infirmaries owned and operated by a corporation or  
1633 association in which no part of the net earnings inures to the  
1634 benefit of any private shareholder, group or individual, and which  
1635 are subject to and governed by Sections 41-7-123 through 41-7-127.

1636 Only sales of tangible personal property or services that are  
1637 ordinary and necessary to the operation of those hospitals and  
1638 infirmaries are exempted from tax.

1639 (b) Sales of daily or weekly newspapers, and  
1640 periodicals or publications of scientific, literary or educational  
1641 organizations exempt from federal income taxation under Section  
1642 501(c)(3) of the Internal Revenue Code of 1954, as it exists as of  
1643 March 31, 1975, and subscription sales of all magazines.

1644 (c) Sales of coffins, caskets and other materials used  
1645 in the preparation of human bodies for burial.

1646 (d) Sales of tangible personal property for immediate  
1647 export to a foreign country.

1648 (e) Sales of tangible personal property to an  
1649 orphanage, old men's or ladies' home, supported wholly or in part

1650 by a religious denomination, fraternal nonprofit organization or  
1651 other nonprofit organization.

1652 (f) Sales of tangible personal property, labor or  
1653 services taxable under Sections 27-65-17, 27-65-19 and 27-65-23,  
1654 to a YMCA, YWCA, a Boys' or Girls' Club owned and operated by a  
1655 corporation or association in which no part of the net earnings  
1656 inures to the benefit of any private shareholder, group or  
1657 individual.

1658 (g) Sales to elementary and secondary grade schools,  
1659 junior and senior colleges owned and operated by a corporation or  
1660 association in which no part of the net earnings inures to the  
1661 benefit of any private shareholder, group or individual, and that  
1662 are exempt from state income taxation, provided that this  
1663 exemption does not apply to sales of property or services that are  
1664 not to be used in the ordinary operation of the school, or that  
1665 are to be resold to the students or the public.

1666 (h) The gross proceeds of retail sales and the use or  
1667 consumption in this state of drugs and medicines:

1668 (i) Prescribed for the treatment of a human being  
1669 by a person authorized to prescribe the medicines, and dispensed  
1670 or prescription filled by a registered pharmacist in accordance  
1671 with law; or

1672 (ii) Furnished by a licensed physician, surgeon,  
1673 dentist or podiatrist to his own patient for treatment of the  
1674 patient; or

1675 (iii) Furnished by a hospital for treatment of any  
1676 person under the order of a licensed physician, surgeon, dentist  
1677 or podiatrist; or

1678 (iv) Sold to a licensed physician, surgeon,  
1679 podiatrist, dentist or hospital for the treatment of a human  
1680 being; or

1681 (v) Sold to this state or any political  
1682 subdivision or municipal corporation thereof, for use in the



1683 treatment of a human being or furnished for the treatment of a  
1684 human being by a medical facility or clinic maintained by this  
1685 state or any political subdivision or municipal corporation  
1686 thereof.

1687 "Medicines," as used in this paragraph (h), shall mean and  
1688 include any substance or preparation intended for use by external  
1689 or internal application to the human body in the diagnosis, cure,  
1690 mitigation, treatment or prevention of disease and that is  
1691 commonly recognized as a substance or preparation intended for  
1692 that use; however, "medicines" do not include any auditory,  
1693 prosthetic, ophthalmic or ocular device or appliance, any dentures  
1694 or parts thereof or any artificial limbs or their replacement  
1695 parts, articles that are in the nature of splints, bandages, pads,  
1696 compresses, supports, dressings, instruments, apparatus,  
1697 contrivances, appliances, devices or other mechanical, electronic,  
1698 optical or physical equipment or article or the component parts  
1699 and accessories thereof, or any alcoholic beverage or any other  
1700 drug or medicine not commonly referred to as a prescription drug.

1701 Notwithstanding the preceding sentence of this paragraph (h),  
1702 "medicines" as used in this paragraph (h), shall mean and include  
1703 sutures, whether or not permanently implanted, bone screws, bone  
1704 pins, pacemakers and other articles permanently implanted in the  
1705 human body to assist the functioning of any natural organ, artery,  
1706 vein or limb and which remain or dissolve in the body.

1707 "Hospital," as used in this paragraph (h), shall have the  
1708 meaning ascribed to it in Section 41-9-3.

1709 Insulin furnished by a registered pharmacist to a person for  
1710 treatment of diabetes as directed by a physician shall be deemed  
1711 to be dispensed on prescription within the meaning of this  
1712 paragraph (h).

1713 (i) Retail sales of automobiles, trucks and  
1714 truck-tractors if exported from this state within forty-eight (48)  
1715 hours and registered and first used in another state.

1716 (j) Sales of tangible personal property or services to  
1717 the Salvation Army and the Muscular Dystrophy Association, Inc.

1718 (k) From July 1, 1985, through December 31, 1992,  
1719 retail sales of "alcohol blended fuel" as that term is defined in  
1720 Section 75-55-5. The gasoline-alcohol blend or the straight  
1721 alcohol eligible for this exemption shall not contain alcohol  
1722 distilled outside the State of Mississippi.

1723 (l) Sales of tangible personal property or services to  
1724 the Institute for Technology Development.

1725 (m) The gross proceeds of retail sales of food and  
1726 drink for human consumption made through vending machines serviced  
1727 by full line vendors from and not connected with other taxable  
1728 businesses.

1729 \* \* \*

1730 (n) Retail sales of food for human consumption  
1731 purchased with food stamps issued by the United States Department  
1732 of Agriculture, or other federal agency, from and after October 1,  
1733 1987, or from and after the expiration of any waiver granted under  
1734 federal law, the effect of which waiver is to permit the  
1735 collection by the state of tax on those retail sales of food for  
1736 human consumption purchased with food stamps.

1737 (o) Sales of cookies for human consumption by the Girl  
1738 Scouts of America no part of the net earnings from which sales  
1739 inures to the benefit of any private group or individual.

1740 (p) Gifts or sales of tangible personal property or  
1741 services to public or private nonprofit museums of art.

1742 (q) Sales of tangible personal property or services to  
1743 alumni associations of state-supported colleges or universities.

1744 (r) Sales of tangible personal property or services to  
1745 chapters of the National Association of Junior Auxiliaries, Inc.

1746 (s) Sales of tangible personal property or services to  
1747 domestic violence shelters that qualify for state funding under  
1748 Sections 93-21-101 through 93-21-113.

1749           (t) Sales of tangible personal property or services to  
1750 the National Multiple Sclerosis Society, Mississippi Chapter.

1751           (u) Retail sales of food for human consumption  
1752 purchased with food instruments issued the Mississippi Band of  
1753 Choctaw Indians under the Women, Infants and Children Program  
1754 (WIC) funded by the United States Department of Agriculture.

1755           (v) Sales of tangible personal property or services to  
1756 a private company, as defined in Section 57-61-5, that is making  
1757 those purchases with proceeds of bonds issued under Section  
1758 57-61-1 et seq., the Mississippi Business Investment Act.

1759           (w) The gross collections from the operation of  
1760 self-service, coin-operated car washing equipment and sales of the  
1761 service of washing motor vehicles with portable high-pressure  
1762 washing equipment on the premises of the customer.

1763           (x) Sales of tangible personal property or services to  
1764 the Mississippi Technology Alliance.

1765           **[From and after July 1, 2007, this section shall read as**  
1766 **follows:]**

1767           27-65-111. The exemptions from the provisions of this  
1768 chapter that are not industrial, agricultural or governmental, or  
1769 that do not relate to utilities or taxes, or that are not properly  
1770 classified as one of the exemption classifications of this  
1771 chapter, shall be confined to persons or property exempted by this  
1772 section or by the Constitution of the United States or the State  
1773 of Mississippi. No exemptions as now provided by any other  
1774 section, except the classified exemption sections of this chapter  
1775 set forth herein, shall be valid as against the tax herein levied.  
1776 Any later exemption from the tax levied hereunder, except as  
1777 indicated above, shall be provided by amendments to this section.

1778           No exemption provided in this section shall apply to taxes  
1779 levied by Section 27-65-15 or 27-65-21.

1780           The tax levied by this chapter shall not apply to the  
1781 following:

1782           (a) Sales of tangible personal property and services to  
1783 hospitals or infirmaries owned and operated by a corporation or  
1784 association in which no part of the net earnings inures to the  
1785 benefit of any private shareholder, group or individual, and which  
1786 are subject to and governed by Sections 41-7-123 through 41-7-127.

1787           Only sales of tangible personal property or services that are  
1788 ordinary and necessary to the operation of those hospitals and  
1789 infirmaries are exempted from tax.

1790           (b) Sales of daily or weekly newspapers, and  
1791 periodicals or publications of scientific, literary or educational  
1792 organizations exempt from federal income taxation under Section  
1793 501(c)(3) of the Internal Revenue Code of 1954, as it exists as of  
1794 March 31, 1975, and subscription sales of all magazines.

1795           (c) Sales of coffins, caskets and other materials used  
1796 in the preparation of human bodies for burial.

1797           (d) Sales of tangible personal property for immediate  
1798 export to a foreign country.

1799           (e) Sales of tangible personal property to an  
1800 orphanage, old men's or ladies' home, supported wholly or in part  
1801 by a religious denomination, fraternal nonprofit organization or  
1802 other nonprofit organization.

1803           (f) Sales of tangible personal property, labor or  
1804 services taxable under Sections 27-65-17, 27-65-19 and 27-65-23,  
1805 to a YMCA, YWCA, a Boys' or Girls' Club owned and operated by a  
1806 corporation or association in which no part of the net earnings  
1807 inures to the benefit of any private shareholder, group or  
1808 individual.

1809           (g) Sales to elementary and secondary grade schools,  
1810 junior and senior colleges owned and operated by a corporation or  
1811 association in which no part of the net earnings inures to the  
1812 benefit of any private shareholder, group or individual, and which  
1813 are exempt from state income taxation, provided that this  
1814 exemption does not apply to sales of property or services that are

1815 not to be used in the ordinary operation of the school, or that  
1816 are to be resold to the students or the public.

1817 (h) The gross proceeds of retail sales and the use or  
1818 consumption in this state of drugs and medicines:

1819 (i) Prescribed for the treatment of a human being  
1820 by a person authorized to prescribe the medicines, and dispensed  
1821 or prescription filled by a registered pharmacist in accordance  
1822 with law; or

1823 (ii) Furnished by a licensed physician, surgeon,  
1824 dentist or podiatrist to his own patient for treatment of the  
1825 patient; or

1826 (iii) Furnished by a hospital for treatment of any  
1827 person under the order of a licensed physician, surgeon, dentist  
1828 or podiatrist; or

1829 (iv) Sold to a licensed physician, surgeon,  
1830 podiatrist, dentist or hospital for the treatment of a human  
1831 being; or

1832 (v) Sold to this state or any political  
1833 subdivision or municipal corporation thereof, for use in the  
1834 treatment of a human being or furnished for the treatment of a  
1835 human being by a medical facility or clinic maintained by this  
1836 state or any political subdivision or municipal corporation  
1837 thereof.

1838 "Medicines," as used in this paragraph (h), shall mean and  
1839 include any substance or preparation intended for use by external  
1840 or internal application to the human body in the diagnosis, cure,  
1841 mitigation, treatment or prevention of disease and that is  
1842 commonly recognized as a substance or preparation intended for  
1843 that use; however, "medicines" do not include any auditory,  
1844 prosthetic, ophthalmic or ocular device or appliance, any dentures  
1845 or parts thereof or any artificial limbs or their replacement  
1846 parts, articles that are in the nature of splints, bandages, pads,  
1847 compresses, supports, dressings, instruments, apparatus,

1848 contrivances, appliances, devices or other mechanical, electronic,  
1849 optical or physical equipment or article or the component parts  
1850 and accessories thereof, or any alcoholic beverage or any other  
1851 drug or medicine not commonly referred to as a prescription drug.

1852 Notwithstanding the preceding sentence of this paragraph (h),  
1853 "medicines" as used in this paragraph (h), shall mean and include  
1854 sutures, whether or not permanently implanted, bone screws, bone  
1855 pins, pacemakers and other articles permanently implanted in the  
1856 human body to assist the functioning of any natural organ, artery,  
1857 vein or limb and which remain or dissolve in the body.

1858 "Hospital," as used in this paragraph (h), shall have the  
1859 meaning ascribed to it in Section 41-9-3.

1860 Insulin furnished by a registered pharmacist to a person for  
1861 treatment of diabetes as directed by a physician shall be deemed  
1862 to be dispensed on prescription within the meaning of this  
1863 paragraph (h).

1864 (i) Retail sales of automobiles, trucks and  
1865 truck-tractors if exported from this state within forty-eight (48)  
1866 hours and registered and first used in another state.

1867 (j) Sales of tangible personal property or services to  
1868 the Salvation Army and the Muscular Dystrophy Association, Inc.

1869 (k) From July 1, 1985, through December 31, 1992,  
1870 retail sales of "alcohol blended fuel" as that term is defined in  
1871 Section 75-55-5. The gasoline-alcohol blend or the straight  
1872 alcohol eligible for this exemption shall not contain alcohol  
1873 distilled outside the State of Mississippi.

1874 (l) Sales of tangible personal property or services to  
1875 the Institute for Technology Development.

1876 (m) The gross proceeds of retail sales of food and  
1877 drink for human consumption made through vending machines serviced  
1878 by full line vendors from and not connected with other taxable  
1879 businesses.

1880 (n) The gross proceeds of sales of motor fuel.

1881           (o) Retail sales of food for human consumption  
1882 purchased with food stamps issued by the United States Department  
1883 of Agriculture, or other federal agency, from and after October 1,  
1884 1987, or from and after the expiration of any waiver granted under  
1885 federal law, the effect of which waiver is to permit the  
1886 collection by the state of tax on those retail sales of food for  
1887 human consumption purchased with food stamps.

1888           (p) Sales of cookies for human consumption by the Girl  
1889 Scouts of America no part of the net earnings from which sales  
1890 inures to the benefit of any private group or individual.

1891           (q) Gifts or sales of tangible personal property or  
1892 services to public or private nonprofit museums of art.

1893           (r) Sales of tangible personal property or services to  
1894 alumni associations of state-supported colleges or universities.

1895           (s) Sales of tangible personal property or services to  
1896 chapters of the National Association of Junior Auxiliaries, Inc.

1897           (t) Sales of tangible personal property or services to  
1898 domestic violence shelters that qualify for state funding under  
1899 Sections 93-21-101 through 93-21-113.

1900           (u) Sales of tangible personal property or services to  
1901 the National Multiple Sclerosis Society, Mississippi Chapter.

1902           (v) Retail sales of food for human consumption  
1903 purchased with food instruments issued the Mississippi Band of  
1904 Choctaw Indians under the Women, Infants and Children Program  
1905 (WIC) funded by the United States Department of Agriculture.

1906           (w) Sales of tangible personal property or services to  
1907 a private company, as defined in Section 57-61-5, that is making  
1908 those purchases with proceeds of bonds issued under Section  
1909 57-61-1 et seq., the Mississippi Business Investment Act.

1910           (x) The gross collections from the operation of  
1911 self-service, coin-operated car washing equipment and sales of the  
1912 service of washing motor vehicles with portable high-pressure  
1913 washing equipment on the premises of the customer.

1914           (y) Sales of tangible personal property or services to  
1915 the Mississippi Technology Alliance.

1916           **SECTION 18.** Section 27-67-5, Mississippi Code of 1972, is  
1917 amended as follows:

1918           27-67-5. There is \* \* \* levied, assessed and shall be  
1919 collected from every person a tax for the privilege of using,  
1920 storing or consuming, within this state, any tangible personal  
1921 property possession of which is acquired in any manner.

1922           (a) The use tax \* \* \* imposed and levied by this  
1923 section shall be collected at the same rates as imposed under  
1924 Section 27-65-24, and Sections 27-65-17, 27-65-18, 27-65-19 and  
1925 27-65-25 computed on the purchase or sales price, or value, as  
1926 defined in this article.

1927           (b) From and after July 1, 2006, items taxed in  
1928 paragraph (a) of this section shall be taxed an additional one  
1929 percent (1%); however, this additional tax shall not apply to  
1930 private carriers of passengers and light carriers of property, as  
1931 defined in Section 27-51-101.

1932           (c) It shall be the duty of the tax collectors of the  
1933 several counties, or the State Tax Commissioner, as the case may  
1934 be, to collect, remit and account for the tax on the use of all  
1935 vehicles licensed or registered by the State of Mississippi for  
1936 the first time, except when the Mississippi use tax was collected  
1937 by an authorized out-of-state dealer at the time of purchase, or  
1938 when the use thereof was exempt by Section 27-67-7. The tax  
1939 collector or the State Tax Commissioner shall give to the person  
1940 registering the vehicle a receipt in a form prescribed and  
1941 furnished by the State Tax Commission for the amount of tax  
1942 collected.

1943           The tax collector or State Tax Commissioner is expressly  
1944 prohibited from issuing a license tag to any applicant without  
1945 collecting the tax levied by this article, unless positive proof  
1946 is filed, together with the application for the license tag, that



1947 the Mississippi tax has been paid, or that the sale was exempt by  
1948 Section 27-67-7.

1949 Persons not engaging and continuing in business so as to be  
1950 registered for payment of sales and/or use tax may pay use tax due  
1951 on the first use of boats, airplanes, equipment or other tangible  
1952 personal property to county tax collectors who are \* \* \*  
1953 authorized to accept those payments on behalf of the commissioner.  
1954 Receipts for all those payments shall be given to taxpayers in a  
1955 form prescribed and furnished by the State Tax Commission.

1956 County tax collectors and the State Tax Commissioner shall be  
1957 liable for the tax they are required \* \* \* to collect, and taxes  
1958 that are in fact collected under authority of this section; and  
1959 failure to properly collect or maintain proper records shall not  
1960 relieve them of liability for payment to the commissioner.  
1961 Deficiencies in collection or payment shall be assessed against  
1962 the tax collector or State Tax Commissioner in the same manner and  
1963 subject to the same penalties and provisions for appeal as are  
1964 deficiencies assessed against taxpayers.

1965 A dealer authorized to collect and remit the tax to the State  
1966 Tax Commission shall give to the purchaser a receipt for the  
1967 payment of the tax, in a form prescribed and furnished by the  
1968 commissioner, which shall serve as proof of payment to the tax  
1969 collector of the county in which the license is to be issued.

1970 Each tax collector of the several counties shall, on or  
1971 before the twentieth day of each month, file a report with and pay  
1972 to the commissioner all funds collected under the provisions of  
1973 this article, less a commission of five percent (5%), which shall  
1974 be retained by the tax collector as a commission for collecting  
1975 that tax and be deposited in the county general fund. The report  
1976 required to be filed shall cover all collections made during the  
1977 calendar month next preceding the date on which the report is due  
1978 and filed.

1979           Any error in the report and remittance to the commissioner  
1980 may be adjusted on a subsequent report. If the error was in the  
1981 collection by the tax collector, it shall be adjusted through the  
1982 tax collector with the taxpayer before credit is allowed by the  
1983 commissioner.

1984           All information relating to the collection of use tax by tax  
1985 collectors and such records as the commissioner may require shall  
1986 be preserved in the tax collector's office for a period of three  
1987 (3) years for audit by the commissioner.

1988           **SECTION 19.** Section 27-67-31, Mississippi Code of 1972, is  
1989 amended as follows:

1990           27-67-31. All administrative provisions of the sales tax  
1991 law, and amendments thereto, including those that fix damages,  
1992 penalties and interest for failure to comply with the provisions  
1993 of the sales tax law, and all other requirements and duties  
1994 imposed upon the taxpayer, shall apply to all persons liable for  
1995 use taxes under the provisions of this article. The commissioner  
1996 shall exercise all power and authority and perform all duties with  
1997 respect to taxpayers under this article as are provided in the  
1998 sales tax law, except where there is conflict, then the provisions  
1999 of this article shall control.

2000           The commissioner may require transportation companies to  
2001 permit the examination of waybills, freight bills, or other  
2002 documents covering shipments of tangible personal property into  
2003 this state.

2004           On or before the fifteenth day of each month, the amount  
2005 received from taxes, damages and interest under the provisions of  
2006 this article during the preceding month shall be paid and  
2007 distributed as follows:

2008           (a) On or before July 15, 1994, through July 15, 2000,  
2009 and each succeeding month thereafter, two and two hundred  
2010 sixty-six one-thousandths percent (2.266%) of the total use tax  
2011 revenue collected during the preceding month under the provisions

2012 of this article shall be deposited in the School Ad Valorem Tax  
2013 Reduction Fund created under Section 37-61-35. On or before  
2014 August 15, 2000, and each succeeding month thereafter, two and two  
2015 hundred sixty-six one-thousandths percent (2.266%) of the total  
2016 use tax revenue collected during the preceding month under the  
2017 provisions of this chapter shall be deposited into the School Ad  
2018 Valorem Tax Reduction Fund created under Section 37-61-35 until  
2019 such time that the total amount deposited into the fund during a  
2020 fiscal year equals Four Million Dollars (\$4,000,000.00).

2021 Thereafter, the amounts diverted under this paragraph (a) during  
2022 the fiscal year in excess of Four Million Dollars (\$4,000,000.00)  
2023 shall be deposited into the Education Enhancement Fund created  
2024 under Section 37-61-33 for appropriation by the Legislature as  
2025 other education needs and shall not be subject to the percentage  
2026 appropriation requirements set forth in Section 37-61-33.

2027 (b) On or before July 15, 1994, and each succeeding  
2028 month thereafter, nine and seventy-three one-thousandths percent  
2029 (9.073%) of the total use tax revenue collected during the  
2030 preceding month under the provisions of this article shall be  
2031 deposited into the Education Enhancement Fund created under  
2032 Section 37-61-33.

2033 (c) On or before July 15, 1997, and on or before the  
2034 fifteenth day of each succeeding month thereafter, the revenue  
2035 collected under the provisions of this article imposed and levied  
2036 as a result of Section 27-65-17(2)(a) and the corresponding levy  
2037 in Section 27-65-23 on the rental or lease of private carriers of  
2038 passengers and light carriers of property as defined in Section  
2039 27-51-101 shall be deposited into the Motor Vehicle Ad Valorem Tax  
2040 Reduction Fund created under Section 27-51-105.

2041 (d) On or before July 15, 1997, and on or before the  
2042 fifteenth day of each succeeding month thereafter and after the  
2043 deposits required by paragraphs (a) and (b) of this section are  
2044 made, the remaining revenue collected under the provisions of this

2045 article imposed and levied as a result of Section 27-65-17(1) and  
2046 the corresponding levy in Section 27-65-23 on the rental or lease  
2047 of private carriers of passengers and light carriers of property  
2048 as defined in Section 27-51-101 shall be deposited into the Motor  
2049 Vehicle Ad Valorem Tax Reduction Fund created under Section  
2050 27-51-105.

2051 (e) The remainder of the amount received from taxes,  
2052 damages and interest under the provisions of this article shall be  
2053 paid into the General Fund of the State Treasury by the  
2054 commissioner.

2055 **SECTION 20.** Section 27-69-13, Mississippi Code of 1972, is  
2056 amended as follows:

2057 27-69-13. There is \* \* \* imposed, levied and assessed, to be  
2058 collected and paid as hereinafter provided in this chapter, an  
2059 excise tax on each person or dealer in cigarettes, cigars,  
2060 stogies, snuff, chewing tobacco, and smoking tobacco, or  
2061 substitutes therefor, upon the sale, use, consumption, handling or  
2062 distribution in the State of Mississippi, as follows:

2063 (a) (i) On cigarettes, the rate of tax shall be  
2064 Eighteen-twentieths of One Cent (18/20 of 1¢) on each cigarette  
2065 sold with a maximum length of one hundred twenty (120)  
2066 millimeters; any cigarette in excess of this length shall be taxed  
2067 as if it were two (2) or more cigarettes. \* \* \* However, if the  
2068 federal tax rate on cigarettes in effect on June 1, 1985, is  
2069 reduced, then the rate as provided in this section shall be  
2070 increased by the amount of the federal tax reduction. Such tax  
2071 increase shall take effect on the first day of the month following  
2072 the effective date of such reduction in the federal tax rate.

2073 (ii) In addition to the excise tax levied by  
2074 paragraph (a)(i) of this subsection, there is levied, imposed and  
2075 assessed an excise tax of Eighteen-twentieths of One Cent (18/20  
2076 of 1¢) on each cigarette sold with a maximum length of one hundred

2077 twenty (120) millimeters; any cigarette in excess of this length  
2078 shall be taxed as if it were two (2) or more cigarettes.

2079 (b) On cigars, cheroots, stogies, snuff, chewing and  
2080 smoking tobacco and all other tobacco products except cigarettes,  
2081 the rate of tax shall be fifteen percent (15%) of the  
2082 manufacturer's list price.

2083 No stamp evidencing the tax \* \* \* levied by this section on  
2084 cigarettes shall be of a denomination of less than One Cent (1¢),  
2085 and whenever the tax computed at the rates \* \* \* prescribed in  
2086 this section on cigarettes shall be a specified amount, plus a  
2087 fractional part of One Cent (1¢), the package shall be stamped for  
2088 the next full cent \* \* \*.

2089 Every wholesaler shall purchase stamps as provided in this  
2090 chapter, and affix the same to all packages of cigarettes handled  
2091 by him as \* \* \* provided in this section.

2092 The \* \* \* tax levied by this section is levied upon the sale,  
2093 use, gift, possession or consumption of tobacco within the State  
2094 of Mississippi, and the impact of the tax levied by this chapter  
2095 is \* \* \* declared to be on the vendee, user, consumer or possessor  
2096 of tobacco in this state; and when the tax is paid by any other  
2097 person, the payment shall be considered as an advance payment and  
2098 shall thereafter be added to the price of the tobacco and  
2099 recovered from the ultimate consumer or user.

2100 **SECTION 21.** (1) Except as otherwise provided in this  
2101 section, due to the severe budget concerns during the current  
2102 fiscal year, the following provisions shall apply through June 30,  
2103 2006:

2104 (a) No state agency is authorized to purchase any  
2105 equipment as defined in Section 31-7-1.

2106 (b) No state agency is authorized to hire any new  
2107 employees, or promote, reclassify, reallocate or realign a pay  
2108 grade with regard to any of its employees or job positions. The  
2109 State Personnel Board shall immediately suspend all hirings,

2110 promotions, reclassifications, reallocations and pay grade  
2111 realignments of employees or job positions.

2112 (2) If a state agency determines that it is necessary to  
2113 take any action that otherwise would be prohibited under  
2114 subsection (1) of this section before July 1, 2006, the agency may  
2115 appeal to the State Fiscal Officer. The State Fiscal Officer  
2116 shall immediately notify the Joint Legislative Budget Committee of  
2117 the state agency's appeal and the date upon which the State Fiscal  
2118 Officer will hold a hearing on the appeal. The State Fiscal  
2119 Officer shall grant a hearing to the state agency on its appeal  
2120 within fifteen (15) days after notice of the appeal is given to  
2121 the State Fiscal Officer; however, if the Department of Mental  
2122 Health or the State Veterans Affairs Board is seeking to hire new  
2123 professional or paraprofessional employees who work directly with  
2124 patients or clients involved with department or board facilities  
2125 and programs as replacements for professional or paraprofessional  
2126 employees who leave employment with the department or board, then  
2127 the State Fiscal Officer shall grant a hearing to the department  
2128 or board on its appeal within three (3) days after notice of the  
2129 appeal is given to the State Fiscal Officer. The hearing shall  
2130 not be a public meeting; however, any member of the Joint  
2131 Legislative Budget Committee may attend the hearing. At the  
2132 hearing, the state agency must demonstrate to the satisfaction of  
2133 the State Fiscal Officer that a serious emergency exists of such  
2134 magnitude that the essential mission of the agency cannot be  
2135 carried out without taking an action that otherwise would be  
2136 prohibited under subsection (1) of this section. In making his  
2137 decision, the State Fiscal Officer may consider the source of  
2138 funds to be used by the state agency in taking that action. If  
2139 the state agency makes the demonstration required by this  
2140 subsection, the State Fiscal Officer, in his discretion, may  
2141 authorize the agency to take the action sought by the agency that

2142 otherwise would be prohibited under subsection (1) of this  
2143 section.

2144 (3) A state agency may take any action that otherwise would  
2145 be prohibited under subsection (1)(b) of this section if all of  
2146 the funds to be expended to fund that action are federal funds.

2147 (4) For purposes of this section, the term "state agency"  
2148 means any agency, board, commission or department of the State of  
2149 Mississippi.

2150 **SECTION 22.** Section 25-9-116, Mississippi Code of 1972, is  
2151 amended as follows:

2152 **[Through June 30, 2006, this section will read as follows:]**

2153 25-9-116. \* \* \* The State Personnel Board shall institute  
2154 an immediate suspension of all hirings, promotions,  
2155 reclassifications, reallocations and pay grade realignments, as  
2156 provided in Section 1 of this act.

2157 **[From and after July 1, 2006, this section will read as**  
2158 **follows:]**

2159 25-9-116. Upon recommendation of the State Fiscal Officer,  
2160 after a determination that the state revenue and expenditure  
2161 requires such action the State Personnel Board may institute an  
2162 immediate suspension of all hirings, promotions,  
2163 reclassifications, reallocations and pay grade realignments until  
2164 such time as the State Fiscal Officer shall recommend that such  
2165 action is no longer required.

2166 **SECTION 23.** (1) For the purposes of this section, the term  
2167 "state agency" means an agency, board, commission or department of  
2168 the State of Mississippi.

2169 (2) For the period beginning on July 1, 2006, and through  
2170 June 30, 2007, unless specifically authorized in the appropriation  
2171 bill for a state agency, the state agency is not authorized to  
2172 expend funds to do any of the following:

2173           (a) Hire any new employees, or promote, reclassify,  
2174 reallocate or realign a pay grade with regard to any of its  
2175 employees or job positions;

2176           (b) Purchase any equipment or furniture as defined in  
2177 Section 31-7-1, or any computer or telecommunications equipment;  
2178 and even if authorized in the appropriation bill, a state agency  
2179 is not authorized to expend funds to purchase any sports-utility  
2180 vehicle unless the purchase is approved by the Department of  
2181 Finance and Administration;

2182           (c) Contract with any person or entity for professional  
2183 services or consulting services, or make payments under any such  
2184 contract;

2185           (d) Travel outside of the State of Mississippi;

2186           (e) Publish or distribute any annual reports or other  
2187 publications;

2188           (f) Conduct public relations activities regarding the  
2189 functions, programs or services of the state agency;

2190           (g) Advertise the functions, programs or services of  
2191 the state agency; however, the Mississippi Development Authority  
2192 is authorized to expend funds for advertising to carry out the  
2193 purposes of key programs administered by the authority; or

2194           (h) Purchase cellular telephones for use of employees  
2195 of the state agency, contract or enter an agreement with any  
2196 person or entity to provide cellular telephone service for  
2197 employees of the state agency, or make payments under any such  
2198 contract or agreement; however, the prohibition in this paragraph  
2199 (h) shall not apply to the Governor's Office, the Mississippi  
2200 Development Authority or the law enforcement personnel of any  
2201 state agency.

2202           **SECTION 24.** Section 7-7-211, Mississippi Code of 1972, is  
2203 amended as follows:

2204           7-7-211. The department shall have the power and it shall be  
2205 its duty:



2206           (a) To identify and define for all public offices of  
2207 the state and its subdivisions generally accepted accounting  
2208 principles as promulgated by nationally recognized professional  
2209 organizations and to consult with the State Fiscal Officer in the  
2210 prescription and implementation of accounting rules and  
2211 regulations;

2212           (b) To prescribe, for all public offices of regional  
2213 and local subdivisions of the state, systems of accounting,  
2214 budgeting and reporting financial facts relating to those offices  
2215 in conformity with legal requirements and with generally accepted  
2216 accounting principles as promulgated by nationally recognized  
2217 professional organizations; to assist such subdivisions in need of  
2218 assistance in the installation of such systems; to revise such  
2219 systems when deemed necessary, and to report to the Legislature at  
2220 periodic times the extent to which each office is maintaining such  
2221 systems, along with such recommendations to the Legislature for  
2222 improvement as seem desirable;

2223           (c) To study and analyze existing managerial policies,  
2224 methods, procedures, duties and services of the various state  
2225 departments and institutions upon written request of the Governor,  
2226 the Legislature or any committee or other body empowered by the  
2227 Legislature to make such request to determine whether and where  
2228 operations can be eliminated, combined, simplified and improved;

2229           (d) To postaudit each year and, when deemed necessary,  
2230 preaudit and investigate the financial affairs of each and every  
2231 department, institution, board, commission or other agency of each  
2232 branch of state government, as part of the publication of a  
2233 comprehensive annual financial report for the State of  
2234 Mississippi. In complying with the requirements of this  
2235 subsection, the department shall have the authority to conduct all  
2236 necessary audit procedures on an interim and year-end basis;

2237           (e) To postaudit and, when deemed necessary, preaudit  
2238 and investigate separately the financial affairs of (i) the

2239 offices, boards and commissions of county governments and any  
2240 departments and institutions thereof and therein; (ii) public  
2241 school districts, departments of education and junior college  
2242 districts; and (iii) any other local offices or agencies which  
2243 share revenues derived from taxes or fees imposed by the State  
2244 Legislature or receive grants from revenues collected by  
2245 governmental divisions of the state; the cost of such audits,  
2246 investigations or other services to be paid as follows: Such part  
2247 shall be paid by the state from appropriations made by the  
2248 Legislature for the operation of the State Department of Audit as  
2249 may exceed the sum of Thirty-two Dollars and Fifty Cents (\$32.50)  
2250 per hour for the services of each staff person engaged in  
2251 performing the audit or other service, which sum shall be paid by  
2252 the county, district, department, institution or other agency  
2253 audited out of its general fund or any other available funds from  
2254 which such payment is not prohibited by law;

2255           (f) To postaudit and, when deemed necessary, preaudit  
2256 and investigate the financial affairs of the levee boards;  
2257 agencies created by the Legislature or by executive order of the  
2258 Governor; profit or nonprofit business entities administering  
2259 programs financed by funds flowing through the State Treasury or  
2260 through any of the agencies of the state, or its subdivisions; and  
2261 all other public bodies supported by funds derived in part or  
2262 wholly from public funds, except municipalities which annually  
2263 submit an audit prepared by a qualified certified public  
2264 accountant using methods and procedures prescribed by the  
2265 department;

2266           (g) To make written demand, when necessary, for the  
2267 recovery of any amounts representing public funds improperly  
2268 withheld, misappropriated and/or otherwise illegally expended by  
2269 an officer, employee or administrative body of any state, county  
2270 or other public office, and/or for the recovery of the value of  
2271 any public property disposed of in an unlawful manner by a public

2272 officer, employee or administrative body, such demands to be made  
2273 (i) upon the person or persons liable for such amounts and upon  
2274 the surety on official bond thereof, and/or (ii) upon any  
2275 individual, partnership, corporation or association to whom the  
2276 illegal expenditure was made or with whom the unlawful disposition  
2277 of public property was made, if such individual, partnership,  
2278 corporation or association knew or had reason to know through the  
2279 exercising of reasonable diligence that the expenditure was  
2280 illegal or the disposition unlawful. Such demand shall be  
2281 premised on competent evidence, which shall include at least one  
2282 (1) of the following: (i) sworn statements, (ii) written  
2283 documentation, (iii) physical evidence, or (iv) reports and  
2284 findings of government or other law enforcement agencies. Other  
2285 provisions notwithstanding, a demand letter issued pursuant to  
2286 this subsection shall remain confidential by the State Auditor  
2287 until the individual against whom the demand letter is being filed  
2288 has been served with a copy of such demand letter. If, however,  
2289 such individual cannot be notified within fifteen (15) days using  
2290 reasonable means and due diligence, such notification shall be  
2291 made to the individual's bonding company, if he or she is bonded.  
2292 Each such demand shall be paid into the proper treasury of the  
2293 state, county or other public body through the office of the  
2294 department in the amount demanded within thirty (30) days from the  
2295 date thereof, together with interest thereon in the sum of one  
2296 percent (1%) per month from the date such amount or amounts were  
2297 improperly withheld, misappropriated and/or otherwise illegally  
2298 expended. In the event, however, such person or persons or such  
2299 surety shall refuse, neglect or otherwise fail to pay the amount  
2300 demanded and the interest due thereon within the allotted thirty  
2301 (30) days, the State Auditor shall have the authority and it shall  
2302 be his duty to institute suit, and the Attorney General shall  
2303 prosecute the same in any court of the state to the end that there  
2304 shall be recovered the total of such amounts from the person or

2305 persons and surety on official bond named therein; and the amounts  
2306 so recovered shall be paid into the proper treasury of the state,  
2307 county or other public body through the State Auditor. In any  
2308 case where written demand is issued to a surety on the official  
2309 bond of such person or persons and the surety refuses, neglects or  
2310 otherwise fails within one hundred twenty (120) days to either pay  
2311 the amount demanded and the interest due thereon or to give the  
2312 State Auditor a written response with specific reasons for  
2313 nonpayment, then the surety shall be subject to a civil penalty in  
2314 an amount of twelve percent (12%) of the bond, not to exceed Ten  
2315 Thousand Dollars (\$10,000.00), to be deposited into the State  
2316 General Fund;

2317           (h) To investigate any alleged or suspected violation  
2318 of the laws of the state by any officer or employee of the state,  
2319 county or other public office in the purchase, sale or the use of  
2320 any supplies, services, equipment or other property belonging  
2321 thereto; and in such investigation to do any and all things  
2322 necessary to procure evidence sufficient either to prove or  
2323 disprove the existence of such alleged or suspected violations.  
2324 The Department of Investigation of the State Department of Audit  
2325 may investigate, for the purpose of prosecution, any suspected  
2326 criminal violation of the provisions of this chapter. For the  
2327 purpose of administration and enforcement of this chapter, the  
2328 enforcement employees of the Department of Investigation of the  
2329 State Department of Audit shall be employees of the State Police  
2330 and from and after July 1, 2006, shall have the powers of a law  
2331 enforcement officer of this state, and shall be empowered to make  
2332 arrests and to serve and execute search warrants and other valid  
2333 legal process anywhere within the State of Mississippi. All  
2334 enforcement employees of the Department of Investigation of the  
2335 State Department of Audit hired on or after July 1, 1993, shall be  
2336 required to complete the Law Enforcement Officers Training Program  
2337 and shall meet the standards of the program;

2338           (i) To issue subpoenas, with the approval of, and  
2339 returnable to, a judge of a chancery or circuit court, in termtime  
2340 or in vacation, to examine the records, documents or other  
2341 evidence of persons, firms, corporations or any other entities  
2342 insofar as such records, documents or other evidence relate to  
2343 dealings with any state, county or other public entity. The  
2344 circuit or chancery judge must serve the county in which the  
2345 records, documents or other evidence is located; or where all or  
2346 part of the transaction or transactions occurred which are the  
2347 subject of the subpoena;

2348           (j) In any instances in which the State Auditor is or  
2349 shall be authorized or required to examine or audit, whether  
2350 preaudit or postaudit, any books, ledgers, accounts or other  
2351 records of the affairs of any public hospital owned or owned and  
2352 operated by one or more political subdivisions or parts thereof or  
2353 any combination thereof, or any school district, including  
2354 activity funds thereof, it shall be sufficient compliance  
2355 therewith, in the discretion of the State Auditor, that such  
2356 examination or audit be made from the report of any audit or other  
2357 examination certified by a certified public accountant and  
2358 prepared by or under the supervision of such certified public  
2359 accountant. Such audits shall be made in accordance with  
2360 generally accepted standards of auditing, with the use of an audit  
2361 program prepared by the State Auditor, and final reports of such  
2362 audits shall conform to the format prescribed by the State  
2363 Auditor. All files, working papers, notes, correspondence and all  
2364 other data compiled during the course of the audit shall be  
2365 available, without cost, to the State Auditor for examination and  
2366 abstracting during the normal business hours of any business day.  
2367 The expense of such certified reports shall be borne by the  
2368 respective hospital, or any available school district funds other  
2369 than minimum program funds, subject to examination or audit. The  
2370 State Auditor shall not be bound by such certified reports and

2371 may, in his or their discretion, conduct such examination or audit  
2372 from the books, ledgers, accounts or other records involved as may  
2373 be appropriate and authorized by law;

2374           (k) The State Auditor shall have the authority to  
2375 contract with qualified public accounting firms to perform  
2376 selected audits required in subsections (d), (e) and (f) of this  
2377 section, if funds are made available for such contracts by the  
2378 Legislature, or if funds are available from the governmental  
2379 entity covered by subsections (d), (e) and (f). Such audits shall  
2380 be made in accordance with generally accepted standards of  
2381 auditing, with the use of an audit program prepared by the State  
2382 Auditor, and final reports of such audits shall conform to the  
2383 format prescribed by the State Auditor. All files, working  
2384 papers, notes, correspondence and all other data compiled during  
2385 the course of the audit shall be available, without cost, to the  
2386 State Auditor for examination and abstracting during the normal  
2387 business hours of any business day;

2388           (l) The State Auditor shall have the authority to  
2389 establish training courses and programs for the personnel of the  
2390 various state and local governmental entities under the  
2391 jurisdiction of the Office of the State Auditor. The training  
2392 courses and programs shall include, but not be limited to, topics  
2393 on internal control of funds, property and equipment control and  
2394 inventory, governmental accounting and financial reporting, and  
2395 internal auditing. The State Auditor is authorized to charge a  
2396 fee from the participants of these courses and programs, which fee  
2397 shall be deposited into the Department of Audit Special Fund.  
2398 State and local governmental entities are authorized to pay such  
2399 fee and any travel expenses out of their general funds or any  
2400 other available funds from which such payment is not prohibited by  
2401 law;

2402           (m) Upon written request by the Governor or any member  
2403 of the State Legislature, the State Auditor may audit any state

2404 funds and/or state and federal funds received by any nonprofit  
2405 corporation incorporated under the laws of this state;

2406 (n) To conduct performance audits of personal or  
2407 professional service contracts by state agencies on a random  
2408 sampling basis, or upon request of the State Personal Service  
2409 Contract Review Board under Section 25-9-120(3);

2410 (o) To annually postaudit the Chickasawhay Natural Gas  
2411 District. The Department of Audit shall charge the Chickasawhay  
2412 Natural Gas District, audited by the authority of this paragraph,  
2413 the sum of Thirty-two Dollars and Fifty Cents (\$32.50) per hour  
2414 for each hour of staff time devoted to the auditing of the  
2415 district. The Chickasawhay Natural Gas District shall pay for the  
2416 audit fees from any sums available to the district for its general  
2417 operations.

2418 **SECTION 25.** Section 7-7-213, Mississippi Code of 1972, is  
2419 amended as follows:

2420 7-7-213. The costs of audits and other services required by  
2421 Sections 7-7-201 through 7-7-215, except for those audits and  
2422 services authorized by Section 7-7-211(k) which shall be funded by  
2423 appropriations made by the Legislature from such funds as it deems  
2424 appropriate, shall be paid from a special fund that is created in  
2425 the State Treasury, to be known as the State Department of Audit  
2426 Fund, into which will be paid each year the amounts received for  
2427 performing audits required by law. Except as provided in Section  
2428 7-7-211(d) \* \* \*, the amounts to be charged for performing audits  
2429 and other services shall be the actual cost, not to exceed  
2430 Thirty-two Dollars and Fifty Cents (\$32.50) per hour for the  
2431 services of each staff person engaged in performing the audit or  
2432 other service. In the event of failure by any unit of government  
2433 to pay the charges authorized herein, the Department of Audit  
2434 shall notify the State Fiscal Officer, and upon a determination  
2435 that the charges are substantially correct, the State Fiscal  
2436 Officer shall notify the defaulting unit of his determination. If

2437 payment is not made within thirty (30) days after such  
2438 notification, the State Fiscal Officer shall notify the State  
2439 Treasurer and Department of Public Accounts that no further  
2440 warrants are to be issued to the defaulting unit until the  
2441 deficiency is paid.

2442 The cost of any service by the department not required of it  
2443 under the provisions of the cited sections but made necessary by  
2444 the willful fault or negligence of an officer or employee of any  
2445 public office of the state shall be recovered (i) from such  
2446 officer or employee and/or surety on official bond thereof and/or  
2447 (ii) from the individual, partnership, corporation or association  
2448 involved, in the same manner and under the same terms, when  
2449 necessary, as provided the department for recovering public funds  
2450 in Section 7-7-211.

2451 The State Auditor shall deliver a copy of any audit of the  
2452 fiscal and financial affairs of a county to the chancery clerk of  
2453 such county and shall deliver a notice stating that a copy of such  
2454 audit is on file in the chancery clerk's office to some newspaper  
2455 published in the county to be published. If no newspaper is  
2456 published in the county, a copy of such notice shall be delivered  
2457 to a newspaper having a general circulation therein.

2458 **SECTION 26.** Section 27-15-83, Mississippi Code of 1972, is  
2459 brought forward as follows:

2460 27-15-83. (1) Upon each foreign insurance company licensed  
2461 as a single line company defined under Section 83-19-1, the  
2462 privilege tax is as follows:

- 2463 (a) Fire and Allied Lines and/or
- 2464 Industrial Fire..... \$200.00
- 2465 (b) Casualty/Liability..... \$200.00
- 2466 (c) Fidelity and/or Surety..... \$200.00
- 2467 (d) Workers' Compensation..... \$200.00
- 2468 (e) Boiler and Machinery..... \$200.00
- 2469 (f) Plate Glass..... \$200.00



2470	(g)	Aircraft.....	\$200.00
2471	(h)	Inland Marine and/or Ocean Marine.....	\$200.00
2472	(i)	Automobile Physical Damage/Automobile	
2473		Liability.....	\$200.00
2474	(j)	Homeowners/Farmowners.....	\$200.00
2475	(k)	Guaranty/Mortgage Guaranty.....	\$200.00
2476	(l)	Trip Accident and Baggage.....	\$200.00
2477	(m)	Legal.....	\$200.00
2478	(n)	Life and/or Accident and Health;	
2479		Credit Life, Accident and Health;	
2480		Industrial Life, Accident and Health;	
2481		and Variable Contracts.....	\$200.00
2482	(o)	Title.....	\$200.00
2483	(p)	Fraternal.....	\$ 50.00

2484 (2) For any combination of classifications of a foreign  
2485 insurance company, the privilege tax for a multiple line company  
2486 shall be Three Hundred Fifty Dollars (\$350.00).

2487 (3) Any stock, mutual, reciprocal or reinsurance company  
2488 shall pay the appropriate privilege tax for each line of insurance  
2489 the company is licensed to underwrite.

2490 (4) For each domestic insurance which has its home office  
2491 located in Mississippi, the privilege tax shall be one-half (1/2)  
2492 of the fees listed in this section.

2493 (5) Each insurance company or association which amends its  
2494 privilege license shall pay a fee of Twenty-five Dollars (\$25.00).

2495 **SECTION 27.** Section 27-15-85, Mississippi Code of 1972, is  
2496 brought forward as follows:

2497 27-15-85. (1) Upon each incorporated insurance agency  
2498 licensed to represent fire, casualty, liability, fidelity, surety,  
2499 guaranty and inland marine insurance companies in municipalities  
2500 of Classes 1, 2, 3 and 4..... \$100.00.

2501 Upon each such incorporated insurance agency in  
2502 municipalities of Classes 5, 6, 7 and elsewhere in the

2503 state..... \$ 50.00.

2504 The license issued to such incorporated agency shall specify  
2505 the type, types or kinds of insurance that such incorporated  
2506 agency is licensed and qualified to transact. Every person acting  
2507 as agent or solicitor for any such agency shall qualify under the  
2508 provisions of Laws, 2001, Chapter 510; and no person shall be  
2509 exempt from the privilege tax placed on insurance agents by this  
2510 section by reason of the fact that he is a stockholder or officer  
2511 in any such incorporated agency, or by reason of the fact that he  
2512 represents such an agency, but every agent or solicitor, except  
2513 two (2) executive officers of such agency, shall pay the privilege  
2514 tax herein imposed.

2515 (2) Upon each incorporated general agent, as defined in  
2516 Section 83-17-1..... \$100.00.

2517 (3) Upon each incorporated "supervising general agent" for  
2518 life, health and accident insurers as defined in Section  
2519 83-17-1..... \$100.00.

2520 The privilege licenses issued under this section to  
2521 "supervising general agents" shall not constitute authority to  
2522 solicit business within the State of Mississippi, and shall be  
2523 renewed annually at the time and in the manner prescribed by  
2524 Section 83-17-25 on application forms which shall be furnished by  
2525 the Commissioner of Insurance and shall show the name of the  
2526 insurance company or companies such "supervising general agent"  
2527 represents, and other additional information as may be required by  
2528 the Commissioner of Insurance.

2529 **SECTION 28.** Section 27-15-87, Mississippi Code of 1972, is  
2530 brought forward as follows:

2531 27-15-87. Upon each fire, casualty, liability, fidelity,  
2532 surety, guaranty and/or inland marine agent or solicitor when the  
2533 total commission of the agency is in excess of Three Thousand  
2534 Dollars (\$3,000.00) annually..... \$50.00.

2535           Upon each such agent or solicitor when the total commission  
2536 of the agency does not exceed Three Thousand Dollars (\$3,000.00)  
2537 annually..... \$25.00.

2538           Every agent or insurance solicitor for an agent, connected  
2539 with any insurance agent, firm or corporation who solicits the  
2540 sale of any of the above-named insurance, whether stock, mutual or  
2541 reciprocal insurance carriers, directly or indirectly, shall be  
2542 liable for the above tax.

2543           Whenever a solicitor is employed by any such agent or agency  
2544 to solicit business for its account, to be placed in the companies  
2545 represented by said agent or agency, such agent or agency shall  
2546 make application as provided for in Section 83-17-75(6), and  
2547 Section 83-17-217, Mississippi Code of 1972, and pay the above tax  
2548 on such solicitor and such license issued to him shall authorize  
2549 such solicitor to solicit insurance for the agency.

2550           At the time of the purchase of the license herein provided,  
2551 every person, firm, corporation or solicitor shall file an  
2552 affidavit with the Insurance Commissioner of the state stating the  
2553 amount of commissions earned by said agency (whether such agency  
2554 be conducted by a person, firm or corporation) during the past  
2555 year, and this affidavit shall be filed at least once each year,  
2556 and in the event that the commissioner has reason to believe that  
2557 such affidavit is incorrect, then in such event, said Insurance  
2558 Commissioner may refuse to accept said affidavit and demand  
2559 further proof as to the clarification of said person, firm or  
2560 corporation applying for said license. If the applicant for said  
2561 license was not engaged in the insurance business during the year  
2562 preceding the application for said license, then, in such event,  
2563 the affidavit shall show said fact, and the Insurance Commissioner  
2564 shall issue to said applicant a yearly license at and for the sum  
2565 of Twenty-five Dollars (\$25.00) as above provided.

2566           **SECTION 29.** Section 27-15-93, Mississippi Code of 1972, is  
2567 brought forward as follows:

2568           27-15-93. (1) Upon each incorporated insurance agency  
2569 licensed to represent life, health or accident insurance  
2570 companies..... \$ 25.00.

2571           The license issued to such incorporated agency shall specify  
2572 the type, types or kinds of insurance that such incorporated  
2573 agency is licensed and qualified to transact. Every person acting  
2574 as agent for any such agency shall qualify under the provisions of  
2575 Laws, 2001, Chapter 510; and no person shall be exempt from the  
2576 privilege tax placed on insurance agents by this section by reason  
2577 of the fact that he is a stockholder or officer in any such  
2578 incorporated agency, or by reason of the fact that he represents  
2579 such an agency, but every agent shall pay the privilege tax herein  
2580 imposed.

2581           (2) Upon each incorporated supervising general agent, as  
2582 defined in Section 83-17-1..... \$100.00.

2583           (3) Upon each life insurance agent engaged exclusively in  
2584 writing life insurance..... \$ 20.00.

2585           And any life insurance company that knowingly issues a policy  
2586 where the application has been submitted to it by an agent or  
2587 other person who has not paid all the taxes herein imposed upon  
2588 each agent or person shall be liable for and pay to the state the  
2589 sum of Fifty Dollars (\$50.00) for each policy written.

2590           Provided, that any insurance agent who has paid the tax  
2591 required as a life insurance agent, shall be permitted to write  
2592 health, accident and industrial insurance without the payment of  
2593 additional tax.

2594           **SECTION 30.** Section 27-15-95, Mississippi Code of 1972, is  
2595 brought forward as follows:

2596           27-15-95. Upon each person, other than an incorporated  
2597 insurance agency taxed under Section 27-15-93, writing health and  
2598 accident, or industrial life insurance..... \$20.00.

2599           **SECTION 31.** Section 83-49-47, Mississippi Code of 1972, is  
2600 brought forward as follows:

2601           83-49-47. (1) No person shall act as a representative of a  
2602 sponsor or agent of a sponsor as defined in Section 83-17-1,  
2603 Mississippi Code of 1972, without first having obtained a license  
2604 from the commissioner to act as an agent or representative of a  
2605 sponsor of prepaid legal services in this state.

2606           (2) The annual license fee shall be Ten Dollars (\$10.00).  
2607 The fee for said license shall be paid to the commissioner on or  
2608 before March 1 of each year.

2609           (3) Before any licensee changes his address, he shall return  
2610 his license to the commissioner, who shall endorse the license  
2611 indicating the change.

2612           (4) Each person to whom the license or the renewal thereof  
2613 may be issued shall file sworn answers, subject to the penalties  
2614 of perjury, to such interrogatories as the commissioner may  
2615 require. The commissioner shall have authority, at any time, to  
2616 require the applicant to disclose fully the identity of all  
2617 stockholders, partners, officers and employees, and he may, in his  
2618 discretion, refuse to issue or renew a license in the name of any  
2619 firm, partnership or corporation if he is not satisfied that any  
2620 officer, employee, stockholder or partner thereof who may  
2621 materially influence the applicant's conduct meets the standards  
2622 of this chapter.

2623           (5) Upon the filing of an application and the payment of the  
2624 license fee, the commissioner shall make an investigation of each  
2625 applicant and shall issue a license if he finds the applicant is  
2626 qualified in accordance with this chapter. If the commissioner  
2627 does not so find, he shall, within ninety (90) days after he has  
2628 received such application, so notify the applicant and, at the  
2629 request of the applicant, give the applicant a full hearing.

2630           (6) The commissioner shall issue or renew a license applied  
2631 for when he is satisfied that the person to be licensed:

2632 (a) Is competent and trustworthy and intends to act in  
2633 good faith as an agent or representative of a sponsor of prepaid  
2634 legal services plans in this state;

2635 (b) Has a good business reputation and has had  
2636 experience, training or education so as to be qualified to act as  
2637 an agent or representative of a sponsor of prepaid legal services  
2638 plans.

2639 **SECTION 32.** Section 83-11-237, Mississippi Code of 1972, is  
2640 brought forward as follows:

2641 83-11-237. (1) An automobile club operating in this state  
2642 pursuant to a certificate of authority issued hereunder shall,  
2643 within thirty (30) days of the date of appointment, file with the  
2644 commissioner a notice of appointment of a club agent by an  
2645 automobile club to sell memberships in the automobile club to the  
2646 public. This notification shall be upon such form as the  
2647 commissioner may prescribe, shall contain the name, address, age,  
2648 sex, and social security number of such club agent, and also  
2649 contain proof satisfactory to the commissioner that such applicant  
2650 is of good reputation and that he has received training from the  
2651 club or is otherwise qualified in the field of automobile club  
2652 service contracts and the laws of this state pertaining thereto.  
2653 Upon termination of any club agent's appointment by an automobile  
2654 club, such automobile club shall, within thirty (30) days  
2655 thereafter, notify the commissioner of such termination.

2656 (2) The registration fee for club agents shall be Five  
2657 Dollars (\$5.00) annually, and such registration shall be renewable  
2658 on April 1 of each year unless sooner revoked or suspended.

2659 **SECTION 33.** Section 27-19-44.4, Mississippi Code of 1972, is  
2660 amended as follows:

2661 27-19-44.4. (1) Notwithstanding any other provision of law  
2662 to the contrary, beginning with any registration year commencing  
2663 on or after January 1, 2004, an additional fee of One Dollar  
2664 (\$1.00) is imposed for any distinctive or special license tag or

2665 plate authorized under this chapter regardless of whether such a  
2666 distinctive or special license tag or plate was authorized before  
2667 or after July 1, 2003. The proceeds collected from the additional  
2668 fee imposed under this subsection shall be deposited into the  
2669 special fund created under Section 27-19-56.69(8).

2670 (2) Notwithstanding any other provision of law to the  
2671 contrary, beginning with any registration year beginning on or  
2672 after July 1, 2006, an additional fee of Twenty Dollars (\$20.00)  
2673 is imposed for any distinctive or special license tag or plate  
2674 authorized under this chapter, including personalized tags issued  
2675 under Section 27-19-48, regardless of whether the license tag or  
2676 plate was authorized before or after July 1, 2006. The proceeds  
2677 collected from the additional fee imposed under this subsection  
2678 shall be deposited into the State General Fund.

2679 (3) The fees imposed under this section shall be in addition  
2680 to any other fees imposed under this chapter for a distinctive,  
2681 special or personalized license tag or plate.

2682 (4) The provisions of this section shall not apply to  
2683 distinctive or special license tags or plates:

2684 (a) Which are issued under Section 27-19-46, 27-19-51,  
2685 27-19-53, 27-19-54, 27-19-56.5, 27-19-56.12, 27-19-56.13,  
2686 27-19-56.33, 27-19-56.36, 27-19-56.38, 27-19-56.42, 27-19-56.48,  
2687 27-19-56.49, 27-19-56.50, 27-19-56.51, 27-19-56.62, 27-19-56.79,  
2688 27-19-56.85 or 27-19-169; or

2689 (b) For which no additional fee is required to be paid.

2690 **SECTION 34.** Section 27-19-89, Mississippi Code of 1972, is  
2691 brought forward as follows:

2692 27-19-89. (a) If any nonresident owner or operator or other  
2693 nonresident person eligible for a temporary permit as provided in  
2694 Section 27-19-79, who has not elected to register and pay the  
2695 annual privilege taxes prescribed, shall enter or go upon the  
2696 public highways of the state and shall fail or refuse to obtain  
2697 the permit required by Section 27-19-79, such person shall be

2698 liable, for the first such offense, for the full amount of the  
2699 permit fee required, plus a penalty thereon of five hundred  
2700 percent (500%). For the second and all subsequent offenses, such  
2701 person who fails or refuses to obtain such permits shall be liable  
2702 for the pro rata part of the annual tax for the balance of the tag  
2703 year for the maximum legal gross weight of the vehicle plus a  
2704 penalty thereon of twenty-five percent (25%). Any weight in  
2705 excess of the maximum legal gross weight of the vehicle, or in  
2706 excess of the maximum highway weight limit, shall be penalized  
2707 according to subsection (c) of this section. In either case the  
2708 excess weight shall be removed by the operator before the vehicle  
2709 can be allowed to proceed. In order to constitute a "second or  
2710 subsequent offense" under the provisions hereof, it shall not be  
2711 necessary that the same or identical vehicle be involved, it being  
2712 the declared purpose hereof to provide that such penalties shall  
2713 run against the owner or operator rather than against the  
2714 specified vehicle. It is further provided that, in order for such  
2715 owner or operator to become liable for the penalties herein  
2716 provided, it shall not be necessary to show that such owner or  
2717 operator was guilty of willfulness, gross negligence or  
2718 wantonness, but the offense shall be complete upon the failure or  
2719 refusal to obtain the required permit.

2720 (b) If any person who has registered his vehicle in  
2721 Mississippi shall operate such vehicle upon the public highways,  
2722 having a gross weight greater than the licensed gross weight of  
2723 such vehicle, and shall fail or refuse to obtain a permit therefor  
2724 as required by Section 27-19-79, or if any person shall operate  
2725 any such registered vehicle upon the public highways in a higher  
2726 classification than that for which it is registered, and shall  
2727 fail or refuse to obtain a permit therefor as required by Section  
2728 27-19-79, then such person shall be liable for the pro rata part  
2729 of the annual tax for the balance of the tag year for the legal  
2730 gross weight of such vehicle and in the classification in which



2731 same is being operated, plus a penalty thereon of twenty-five  
2732 percent (25%), after having been given credit for the unexpired  
2733 part of the privilege tax paid, as provided in Section 27-19-75.  
2734 In order that such owner or operator shall become liable for the  
2735 penalties herein provided, it shall not be necessary to show that  
2736 such owner or operator was guilty of willfulness, gross negligence  
2737 or wantonness, but the offense shall be complete upon the failure  
2738 or refusal to obtain the required permit.

2739 (c) If any person shall operate upon a highway of this state  
2740 a vehicle which has a greater vehicle gross weight than the  
2741 maximum gross weight limit established by law for that highway and  
2742 shall have failed to obtain an overload permit as required by  
2743 Section 27-19-81, or if any person shall operate a vehicle with a  
2744 greater load on any axle or axle grouping than allowed by law,  
2745 then such person, owner or operator shall be assessed a penalty on  
2746 such axle load weight or vehicle gross weight as exceeds the legal  
2747 limit in accordance with the following schedule:

2748	AMOUNT IN EXCESS OF	
2749	LEGAL HIGHWAY WEIGHT	
2750	LIMITS IN POUNDS	PENALTY
2751	1 to 999	\$10.00 minimum penalty
2752	1,000 to 1,999	1¢ per pound in excess of legal limit
2753	2,000 to 2,999	2¢ per pound in excess of legal limit
2754	3,000 to 3,999	3¢ per pound in excess of legal limit
2755	4,000 to 4,999	4¢ per pound in excess of legal limit
2756	5,000 to 5,999	5¢ per pound in excess of legal limit
2757	6,000 to 6,999	6¢ per pound in excess of legal limit
2758	7,000 to 7,999	7¢ per pound in excess of legal limit
2759	8,000 to 8,999	8¢ per pound in excess of legal limit
2760	9,000 to 9,999	9¢ per pound in excess of legal limit
2761	10,000 to 10,999	10¢ per pound in excess of legal limit
2762	11,000 or more	11¢ per pound in excess of legal limit

2763 Any vehicle in violation of the tolerance allowed pursuant to  
2764 Section 63-5-33(3) shall be fined pursuant to Section 27-19-89(c)  
2765 for all weight in excess of the legal highway gross weight limit  
2766 authorized for such vehicle or for all weight in excess of the  
2767 legal tandem axle load weight limit of forty thousand (40,000)  
2768 pounds and the legal single axle load limit of twenty thousand  
2769 (20,000) pounds, whichever the case may be.

2770 The penalty to be assessed for operations of a vehicle with a  
2771 greater load on any axle or axle grouping than the legal axle load  
2772 weight limits shall be one-half (1/2) the penalty for operation in  
2773 excess of the legal gross weight limit.

2774 In instances where both the legal highway gross weight limit  
2775 and the legal axle load weight limit(s) are exceeded, the fine  
2776 that shall be levied shall be either the penalty amount for the  
2777 excess vehicle gross weight or the total of the penalty amounts of  
2778 all overloaded axles, whichever is the larger amount.

2779 Notwithstanding any other provisions of this section to the  
2780 contrary, the fine assessed against the holder of a harvest permit  
2781 for exceeding a gross vehicle weight of eighty-four thousand  
2782 (84,000) pounds shall be Five Cents (5¢) per pound and Fifteen  
2783 Cents (15¢) per pound for exceeding a gross vehicle weight of one  
2784 hundred thousand (100,000) pounds.

2785 Notwithstanding any other provision of this subsection (c) to  
2786 the contrary, upon an appeal to the Appeals Board of the  
2787 Mississippi Transportation Commission by an owner or operator of a  
2788 vehicle hauling without a harvest permit any of the products or  
2789 materials described in subsection (3) of Section 63-5-33 and upon  
2790 whom a penalty has been assessed under this subsection (c) for  
2791 exceeding the legal weight limit(s) on a highway having a legal  
2792 weight limit of eighty thousand (80,000) pounds or less, the  
2793 appeals board shall reduce the penalty assessed against such  
2794 owner/operator to an amount not to exceed ten percent (10%) of the  
2795 amount which would otherwise be due without the reduction

2796 authorized under this paragraph. A reduction shall not be  
2797 authorized under this paragraph if the gross weight of the vehicle  
2798 for which an owner/operator has been charged with a violation of  
2799 this section exceeds eighty-four thousand (84,000) pounds; and, in  
2800 any event, no reduction shall be authorized under this paragraph  
2801 unless a penalty assessed under this section is appealed to the  
2802 appeals board and unless the board determines, based upon its  
2803 records, that such owner/operator has not been granted a penalty  
2804 reduction under this paragraph within a period of twelve (12)  
2805 months immediately preceding the date of filing an appeal with the  
2806 board for a penalty reduction under this paragraph.

2807 (d) If any nonresident owner or operator who has not  
2808 registered his vehicle and paid the annual privilege taxes  
2809 prescribed shall operate his vehicle upon the highways of this  
2810 state when such vehicle has a greater gross weight than permitted  
2811 by law for the highway traveled upon, and for which such excess  
2812 gross weight a permit was not or could not be procured from the  
2813 transportation department as required by Section 27-19-81, such  
2814 person shall be liable upon his second and all subsequent offenses  
2815 for the pro rata part of the annual tax for the balance of the tag  
2816 year for the legal gross weight of the vehicle, and in addition  
2817 thereto the penalty fee on the excess weight as specified in  
2818 subsection (c) of this section. In order that such owner or  
2819 operator shall become liable for the penalties herein provided, it  
2820 shall not be necessary that the same or identical vehicle be  
2821 involved, it being the declared purpose hereof to provide that  
2822 such penalties shall run against the owner or operator rather than  
2823 against the specific vehicle.

2824 (e) All fines and penalties imposed and collected by the  
2825 Mississippi Department of Transportation for violations of the  
2826 maximum legal vehicle weight limits authorized on the highways of  
2827 this state shall be deposited into a special fund that is created  
2828 in the State Treasury. Monies in the fund shall be allocated and

2829 distributed quarterly, beginning September 30, 1994, to each  
2830 county of the state based on the amount of such fines and  
2831 penalties imposed and collected in the county during the  
2832 immediately preceding three (3) months. Monies distributed to the  
2833 counties under this subsection shall be deposited in each county's  
2834 road and bridge fund and may be expended, upon approval of the  
2835 board of supervisors, for any purpose for which county road and  
2836 bridge fund monies lawfully may be expended.

2837       **SECTION 35.** Section 27-65-27, Mississippi Code of 1972, is  
2838 brought forward as follows:

2839       27-65-27. (1) Any person who engages, or who intends to  
2840 engage, in any business or activity which will subject such person  
2841 to a privilege tax imposed by this chapter, shall apply to the  
2842 commissioner for a permit to engage in and to conduct any business  
2843 or activity upon the condition that he shall pay the tax accruing  
2844 to the State of Mississippi under the provisions of this chapter,  
2845 and shall keep adequate records of such business or activity as  
2846 required by this chapter. By making an application for a permit  
2847 issued pursuant to this section, a person agrees, regardless of  
2848 his presence in this state, to:

2849               (a) Be subject to the jurisdiction of this state for  
2850 purposes of taxation;

2851               (b) Collect and remit all taxes levied under this  
2852 chapter on the type of business or activity to be conducted by the  
2853 applicant;

2854               (c) Be subject to all the provisions of this chapter.

2855       (2) Upon receipt of the permit, the applicant shall be duly  
2856 licensed under this chapter to engage in and conduct the business  
2857 or activity. The permit shall continue in force so long as the  
2858 person to whom it is issued shall continue in the same business at  
2859 the same location, unless revoked by the commissioner for cause.

2860       (3) The commissioner shall require of every person desiring  
2861 to engage in business within this state who maintains no permanent

2862 place of business within this state, of every person desiring to  
2863 engage in the business of making sales of mobile homes, a cash  
2864 bond or an approved surety bond in an amount sufficient to cover  
2865 twice the estimated tax liability for a period of three (3)  
2866 months. However, the bond shall in no case be less than One  
2867 Hundred Dollars (\$100.00) and the tax may be prepaid in lieu of  
2868 filing bond if the amount is approved by the commissioner. This  
2869 bond shall be filed with the commissioner prior to the issuance of  
2870 a permit to do business and before any such person may engage in  
2871 business within this state. Failure to comply with the provision  
2872 will subject such person to the penalties provided by this  
2873 chapter.

2874 (4) The commissioner is authorized to deny the application  
2875 for a permit or revoke the permit of any person who has failed or  
2876 is failing to comply with any of the provisions of this chapter.  
2877 The commissioner may also deny the application for a permit or  
2878 revoke the permit of any person who has failed to satisfy all of  
2879 the finally determined tax liabilities owed by that person. As  
2880 used in this subsection, "finally determined tax liabilities"  
2881 means any state tax, fee, penalty and/or interest owed by a person  
2882 to the Mississippi State Tax Commission where the assessment of  
2883 the liability has been made against that person as provided by law  
2884 and such assessment is not subject to any further timely filed  
2885 administrative or judicial review. Revocation of such permit, or  
2886 engaging or continuing in business after such permit is revoked or  
2887 engaging in business without a permit, shall subject the person to  
2888 all the penalties imposed by this chapter.

2889 (5) Any person liable for the tax who fails to obtain a  
2890 permit from the commissioner, or who continues in business after  
2891 such permit has been revoked, or who fails to make his returns for  
2892 taxation as provided, or who fails to keep adequate records and  
2893 invoices provided by this chapter, or who fails or refuses to  
2894 permit inspection of such records, or who fails to pay any taxes

2895 due hereunder, shall forfeit his rights to do business in this  
2896 state until he complies with all the provisions of this chapter  
2897 and until he enters into a bond, with sureties, to be approved by  
2898 the commissioner, in an amount not to exceed twice the amount of  
2899 all taxes estimated to become due under this chapter by the person  
2900 for any period of three (3) months, conditioned to comply with the  
2901 provisions of this chapter, and pay all taxes legally due by him.

2902 (6) If any person is engaged in or continuing in this state  
2903 in any business or activity without obtaining a permit, or after  
2904 the permit has been revoked, or without filing a required bond, or  
2905 without keeping and allowing inspection of all records required by  
2906 this chapter, or without making a return, or returns, and without  
2907 paying all taxes due by him hereunder, it shall be the duty of the  
2908 commissioner to proceed by injunction to prevent the continuance  
2909 of the business. Any temporary injunction enjoining the  
2910 continuance of the business shall be granted without notice by a  
2911 judge or chancellor now authorized to grant injunctions.

2912 **SECTION 36.** Section 27-69-31, Mississippi Code of 1972, is  
2913 amended as follows:

2914 27-69-31. Except as otherwise provided in this section,  
2915 dealers subject to the provisions of this chapter shall be  
2916 allowed, as compensation for their services in affixing the stamps  
2917 herein required, a sum equal to eight percent (8%) of the face  
2918 value of the stamps purchased by them, provided that the  
2919 commission shall allow no discount on the purchase of stamps by  
2920 wholesalers of an aggregate amount of less than One Hundred  
2921 Dollars (\$100.00), and by retailers of an aggregate amount of less  
2922 than Fifty Dollars (\$50.00) in any one order.

2923 It is further provided that the commissioner may, in his  
2924 discretion, either reduce the compensation allowed, or disallow  
2925 any compensation for the affixing of stamps, for failure of such  
2926 dealer to comply with any provisions of the law or rules and  
2927 regulations promulgated by the commissioner.

2928           From and after July 1, 2006, there shall be no compensation  
2929 or discount allowed under this section.

2930           **SECTION 37.** Section 27-69-75, Mississippi Code of 1972, is  
2931 amended as follows:

2932           27-69-75. All taxes levied by this chapter shall be payable  
2933 to the commissioner in cash, or by personal check, cashier's  
2934 check, bank exchange, post office money order or express money  
2935 order, and shall be deposited by the commissioner in the State  
2936 Treasury on the same day collected. No remittance other than cash  
2937 shall be a final discharge of liability for the tax herein  
2938 assessed and levied, unless and until it has been paid in cash to  
2939 the commissioner.

2940           All tobacco taxes collected, including tobacco license taxes,  
2941 shall be deposited into the State Treasury to the credit of the  
2942 General Fund.

2943           Wholesalers who are entitled to purchase stamps \* \* \* may  
2944 have consigned to them, without advance payment, such stamps, if  
2945 and when such wholesaler shall give to the commissioner a good and  
2946 sufficient bond executed by some surety company authorized to do  
2947 business in this state, conditioned to secure the payment for the  
2948 stamps so consigned. The commissioner shall require payment for  
2949 such stamps not later than thirty (30) days from the date the  
2950 stamps were consigned.

2951           **SECTION 38.** Section 27-71-11, Mississippi Code of 1972, is  
2952 amended as follows:

2953           27-71-11. The commission shall from time to time by  
2954 resolution request the State Bond Commission to provide sufficient  
2955 funds required to maintain an adequate alcoholic beverage  
2956 inventory. Those funds shall be provided under the provisions of  
2957 Chapter 557, Laws of 1966.

2958           The commission shall add to the cost of all alcoholic  
2959 beverages a markup of thirty percent (30%), inclusive of the three  
2960 percent (3%) markup imposed by Section 27-71-7(2).

2961 The commission shall sell alcoholic beverages at uniform  
2962 prices throughout the state.

2963 **SECTION 39.** Section 27-71-303, Mississippi Code of 1972, is  
2964 amended as follows:

2965 27-71-303. Upon each person approved for a permit to engage  
2966 in the business of selling light wines or beer there is \* \* \*  
2967 imposed, levied and assessed, to be collected and paid as \* \* \*  
2968 provided in this section, annual privilege taxes in the following  
2969 amounts:

- 2970 (a) Retailers--for each place of  
2971 business..... \$ 100.00
- 2972 (b) Wholesalers or distributors--for each  
2973 county..... \$ 250.00
- 2974 (c) Manufacturers--for each place of  
2975 business..... \$1,000.00
- 2976 (d) Brewpubs--for each place of  
2977 business..... \$1,000.00

2978 Upon each person operating an airline, bus, boat or railroad  
2979 car upon which light wines or beer may be sold, there is \* \* \*  
2980 imposed, levied and assessed, to be collected and paid, annual  
2981 privilege taxes of One Hundred Dollars (\$100.00) for each  
2982 airplane, bus, boat or railroad car so operated in this state.

2983 \* \* \* However, the amount of the privilege tax to be paid  
2984 for a permit issued for a period of less than twelve (12) months  
2985 shall be that proportionate amount of the annual privilege tax  
2986 that the number of months, or part of a month, remaining until its  
2987 expiration date bears to twelve (12) months, but in no case shall  
2988 the privilege tax be less than Ten Dollars (\$10.00).

2989 **SECTION 40.** Section 39-5-5, Mississippi Code of 1972, is  
2990 amended as follows:

2991 39-5-5. The duties and powers of the Board of Trustees of  
2992 the Department of Archives and History shall include, in addition



2993 to other duties and powers granted or prescribed by law, the  
2994 following:

2995 (a) To determine the location of places of historical  
2996 interest within the state;

2997 (b) To make a survey of buildings of all types  
2998 throughout the state which are in danger of destruction, without  
2999 proper care, and which in the opinion of the board of trustees  
3000 should be preserved for historical purposes;

3001 (c) To contact the proper authorities of the United  
3002 States national cemeteries and military parks to determine whether  
3003 or not the record of Mississippi troops is adequately  
3004 commemorated;

3005 (d) To acquire, preserve, restore or operate any real  
3006 or personal property deemed significant for historical,  
3007 architectural, archaeological or cultural reasons, to expend funds  
3008 for such purposes, to enter into contracts or agreements with any  
3009 agency of the United States or any person, firm, corporation or  
3010 association for such purposes and to do any and all things which  
3011 may be necessary or desirable to carry out such purposes;

3012 (e) To participate with any agency of the United  
3013 States, any other governmental agency or any person, firm,  
3014 corporation, association or group in mutual or cooperative  
3015 programs or projects within the duties and powers of the board of  
3016 trustees;

3017 (f) To accept grants or donations of money or property,  
3018 real or personal, from any agency of the United States, any other  
3019 governmental agency or any person, firm, corporation, association  
3020 or group. However, the board of trustees shall not be required,  
3021 except by specific act of the Legislature, to accept any property  
3022 without its consent; \* \* \*

3023 (g) To provide suitable markers with adequate  
3024 descriptions of the historical sites to which they refer, for  
3025 places of historical interest and to provide suitable markers on

3026 the highways and roads of this state showing the direction and  
3027 distance to the historical sites; and

3028 (h) To charge reasonable fees for the department to  
3029 perform research on behalf of persons or entities. All fees  
3030 charged under the authority of this paragraph shall be deposited  
3031 into the State General Fund.

3032 **SECTION 41.** Section 41-3-18, Mississippi Code of 1972, is  
3033 amended as follows:

3034 41-3-18. (1) The board shall assess fees in the following  
3035 amounts and for the following purposes:

3036 (a) Food establishment annual permit fee, based on the  
3037 assessment factors of the establishment as follows:

3038	Assessment Category 1.....	\$ 15.00
3039	Assessment Category 2.....	30.00
3040	Assessment Category 3.....	70.00
3041	Assessment Category 4 .....	100.00
3042	Assessment Category 5 .....	150.00

3043 (b) Private water supply approval fee..... \$ 10.00

3044 The board may develop such reasonable standards, rules and  
3045 regulations to clearly define each assessment category.

3046 Assessment categories shall be based upon the factors to the  
3047 public health implications of the category and type of food  
3048 preparation being utilized by the food establishment, utilizing  
3049 the model Food Code of 1995, or as may be amended by the federal  
3050 Food and Drug Administration.

3051 The fee authorized under paragraph (a) of this section shall  
3052 not be assessed for food establishments operated by public  
3053 schools, public junior and community colleges, or state agencies  
3054 or institutions, including without limitation, the state  
3055 institutions of higher learning and the State Penitentiary.

3056 The fee authorized under paragraph (b) of this section shall  
3057 not be assessed for private water supplies used by foster homes  
3058 licensed by the Department of Human Services.

3059       (2) In addition to the fees charged under subsection (1) of  
3060 this section, the board shall charge a fee of Twenty-five Dollars  
3061 (\$25.00) for food establishment permits and private water supply  
3062 approvals. The fees collected under this subsection shall be  
3063 deposited into the State General Fund.

3064       **SECTION 42.** Section 41-4-7, Mississippi Code of 1972, is  
3065 amended as follows:

3066       41-4-7. The State Board of Mental Health shall have the  
3067 following powers and duties:

3068           (a) To appoint a full-time Executive Director of the  
3069 Department of Mental Health, who shall be employed by the board  
3070 and shall serve as executive secretary to the board. The first  
3071 director shall be a duly licensed physician with special interest  
3072 and competence in psychiatry, and shall possess a minimum of three  
3073 (3) years' experience in clinical and administrative psychiatry.  
3074 Subsequent directors shall possess at least a master's degree or  
3075 its equivalent, and shall possess at least ten (10) years'  
3076 administrative experience in the field of mental health. The  
3077 salary of the executive director shall be determined by the board;

3078           (b) To set up state plans for the purpose of  
3079 controlling and treating any and all forms of mental and emotional  
3080 illness, alcoholism, drug misuse and developmental disabilities;

3081           (c) To supervise, coordinate and establish standards  
3082 for all operations and activities of the state related to mental  
3083 health and providing mental health services, including, but not  
3084 limited to: the requirement that no person be approved for  
3085 treatment that is paid for by funds made available through the  
3086 department who has not had a treatment plan established as a  
3087 result of having been seen by a licensed physician, licensed  
3088 clinical psychologist or a psychiatric/mental health nurse  
3089 practitioner, and that physician, clinical psychologist or  
3090 psychiatric/mental health nurse practitioner in accordance with an  
3091 established nurse practitioner-physician protocol signing these

3092 plans stating that he/she has personally evaluated the client and  
3093 that the treatment plan is medically necessary. A physician,  
3094 clinical psychologist or psychiatric/mental health nurse  
3095 practitioner in accordance with an established nurse  
3096 practitioner-physician protocol shall recertify each client's  
3097 record at least semiannually (except for persons with a diagnosis  
3098 of mental retardation/developmental disability, which shall be  
3099 completed annually), and more often if medically indicated by  
3100 physically visiting the client and certifying same in the record.  
3101 The board shall have the authority to develop and implement all  
3102 standards and plans and shall have the authority to establish  
3103 appropriate actions, including financially punitive actions, to  
3104 ensure enforcement of these established standards, in accordance  
3105 with the Administrative Procedures Law (Section 25-43-1 et seq.);

3106 (d) To enter into contracts with any other state or  
3107 federal agency, or with any private person, organization or group  
3108 capable of contracting, if it finds such action to be in the  
3109 public interest;

3110 (e) To collect reasonable fees for its services;  
3111 however, if it is determined that a person receiving services is  
3112 unable to pay the total fee, the department shall collect any  
3113 amount such person is able to pay;

3114 (f) To certify, coordinate and establish minimum  
3115 standards and establish minimum required services for regional  
3116 mental health and mental retardation commissions and other  
3117 community service providers for community or regional programs and  
3118 services in mental health, mental retardation, alcoholism, drug  
3119 misuse, developmental disabilities, compulsive gambling, addictive  
3120 disorders and related programs throughout the state. Such  
3121 regional mental health and mental retardation commissions and  
3122 other community service providers shall submit an annual  
3123 operational plan to the State Department of Mental Health for  
3124 approval or disapproval based on the minimum standards and minimum

3125 required services established by the department for certification.  
3126 If the department finds deficiencies in the plan of any regional  
3127 commission or community service provider based on the minimum  
3128 standards and minimum required services established for  
3129 certification, the department shall give the regional commission  
3130 or community service provider a six-month probationary period to  
3131 bring its standards and services up to the established minimum  
3132 standards and minimum required services. After the six-month  
3133 probationary period, if the department determines that the  
3134 regional commission or community service provider still does not  
3135 meet the minimum standards and minimum required services  
3136 established for certification, the department may remove the  
3137 certification of the commission or provider. However, the  
3138 department shall not mandate a standard or service, or decertify a  
3139 regional commission or community service provider for not meeting  
3140 a standard or service, if the standard or service does not have  
3141 funding appropriated by the Legislature or have a funding source  
3142 from the State Department of Mental Health or a local funding  
3143 source. The State Board of Mental Health shall promulgate rules  
3144 and regulations necessary to implement the provisions of this  
3145 paragraph (f), in accordance with the Administrative Procedures  
3146 Law (Section 25-43-1 et seq.);

3147           (g) To establish and promulgate reasonable minimum  
3148 standards for the construction and operation of state and all  
3149 Department of Mental Health certified facilities, including  
3150 reasonable minimum standards for the admission, diagnosis, care,  
3151 treatment, transfer of patients and their records, and also  
3152 including reasonable minimum standards for providing day care,  
3153 outpatient care, emergency care, inpatient care and follow-up  
3154 care, when such care is provided for persons with mental or  
3155 emotional illness, mental retardation, alcoholism, drug misuse and  
3156 developmental disabilities;

3157           (h) To assist community or regional programs consistent  
3158 with the purposes of this chapter by making grants and contracts  
3159 from available funds;

3160           (i) To establish and collect reasonable fees for  
3161 necessary inspection services incidental to certification or  
3162 compliance;

3163           (j) To accept gifts, trusts, bequests, grants,  
3164 endowments or transfers of property of any kind;

3165           (k) To receive monies coming to it by way of fees for  
3166 services or by appropriations;

3167           (l) To serve as the single state agency in receiving  
3168 and administering any and all funds available from any source for  
3169 the purpose of service delivery, training, research and education  
3170 in regard to all forms of mental illness, mental retardation,  
3171 alcoholism, drug misuse and developmental disabilities, unless  
3172 such funds are specifically designated to a particular agency or  
3173 institution by the federal government, the Mississippi Legislature  
3174 or any other grantor;

3175           (m) To establish mental health holding centers for the  
3176 purpose of providing short-term emergency mental health treatment,  
3177 places for holding persons awaiting commitment proceedings or  
3178 awaiting placement in a state mental health facility following  
3179 commitment, and for diverting placement in a state mental health  
3180 facility. These mental health holding facilities shall be readily  
3181 accessible, available statewide, and be in compliance with  
3182 emergency services' minimum standards. They shall be  
3183 comprehensive and available to triage and make appropriate  
3184 clinical disposition, including the capability to access inpatient  
3185 services or less restrictive alternatives, as needed, as  
3186 determined by medical staff. Such facility shall have medical,  
3187 nursing and behavioral services available on a  
3188 twenty-four-hour-a-day basis. The board may provide for all or  
3189 part of the costs of establishing and operating the holding

3190 centers in each district from such funds as may be appropriated to  
3191 the board for such use, and may participate in any plan or  
3192 agreement with any public or private entity under which the entity  
3193 will provide all or part of the costs of establishing and  
3194 operating a holding center in any district. The board may charge  
3195 the county of residence of a patient in any of the facilities for  
3196 the services provided to the patient, not exceeding Twenty-five  
3197 Dollars (\$25.00) per day;

3198 (n) To certify/license case managers, mental health  
3199 therapists, mental retardation therapists, mental  
3200 health/retardation program administrators, addiction counselors  
3201 and others as deemed appropriate by the board. Persons already  
3202 professionally licensed by another state board or agency are not  
3203 required to be certified/licensed under this section by the  
3204 Department of Mental Health. The department shall not use  
3205 professional titles in its certification/licensure process for  
3206 which there is an independent licensing procedure. Such  
3207 certification/licensure shall be valid only in the state mental  
3208 health system, in programs funded and/or certified by the  
3209 Department of Mental Health, and/or in programs certified/licensed  
3210 by the State Department of Health that are operated by the state  
3211 mental health system serving the mentally ill, mentally retarded,  
3212 developmentally disabled or persons with addictions, and shall not  
3213 be transferable;

3214 (o) To develop formal mental health worker  
3215 qualifications for regional mental health and mental retardation  
3216 commissions and other community service providers. The State  
3217 Personnel Board shall develop and promulgate a recommended salary  
3218 scale and career ladder for all regional mental health/retardation  
3219 center therapists and case managers who work directly with  
3220 clients. The State Personnel Board shall also develop and  
3221 promulgate a career ladder for all direct care workers employed by  
3222 the State Department of Mental Health;

3223           (p) The employees of the department shall be governed  
3224 by personnel merit system rules and regulations, the same as other  
3225 employees in state services;

3226           (q) To establish such rules and regulations as may be  
3227 necessary in carrying out the provisions of this chapter,  
3228 including the establishment of a formal grievance procedure to  
3229 investigate and attempt to resolve consumer complaints;

3230           (r) To grant easements for roads, utilities and any  
3231 other purpose it finds to be in the public interest;

3232           (s) To survey statutory designations, building markers  
3233 and the names given to mental health/retardation facilities and  
3234 proceedings in order to recommend deletion of obsolete and  
3235 offensive terminology relative to the mental health/retardation  
3236 system;

3237           (t) To ensure an effective case management system  
3238 directed at persons who have been discharged from state and  
3239 private psychiatric hospitals to ensure their continued well-being  
3240 in the community;

3241           (u) To develop formal service delivery standards  
3242 designed to measure the quality of services delivered to community  
3243 clients, as well as the timeliness of services to community  
3244 clients provided by regional mental health/retardation commissions  
3245 and other community services providers;

3246           (v) To establish regional state offices to provide  
3247 mental health crisis intervention centers and services available  
3248 throughout the state to be utilized on a case-by-case emergency  
3249 basis. The regional services director, other staff and delivery  
3250 systems shall meet the minimum standards of the Department of  
3251 Mental Health;

3252           (w) To require performance contracts with community  
3253 mental health/mental retardation service providers to contain  
3254 performance indicators to measure successful outcomes, including  
3255 diversion of persons from inpatient psychiatric hospitals,



3256 rapid/timely response to emergency cases, client satisfaction with  
3257 services and other relevant performance measures;

3258           (x) To enter into interagency agreements with other  
3259 state agencies, school districts and other local entities as  
3260 determined necessary by the department to ensure that local mental  
3261 health service entities are fulfilling their responsibilities to  
3262 the overall state plan for behavioral services;

3263           (y) To establish and maintain a toll-free grievance  
3264 reporting telephone system for the receipt and referral for  
3265 investigation of all complaints by clients of state and community  
3266 mental health/retardation facilities;

3267           (z) To establish a peer review/quality assurance  
3268 evaluation system that assures that appropriate assessment,  
3269 diagnosis and treatment is provided according to established  
3270 professional criteria and guidelines;

3271           (aa) To develop and implement state plans for the  
3272 purpose of assisting with the care and treatment of persons with  
3273 Alzheimer's disease and other dementia. This plan shall include  
3274 education and training of service providers, care-givers in the  
3275 home setting and others who deal with persons with Alzheimer's  
3276 disease and other dementia, and development of adult day care,  
3277 family respite care and counseling programs to assist families who  
3278 maintain persons with Alzheimer's disease and other dementia in  
3279 the home setting. No agency shall be required to provide any  
3280 services under this section until such time as sufficient funds  
3281 have been appropriated or otherwise made available by the  
3282 Legislature specifically for the purposes of the treatment of  
3283 persons with Alzheimer's and other dementia;

3284           (bb) Working with the advice and consent of the  
3285 administration of Ellisville State School, to enter into  
3286 negotiations with the Economic Development Authority of Jones  
3287 County for the purpose of negotiating the possible exchange, lease  
3288 or sale of lands owned by Ellisville State School to the Economic

3289 Development Authority of Jones County. It is the intent of the  
3290 Mississippi Legislature that such negotiations shall ensure that  
3291 the financial interest of the persons with mental retardation  
3292 served by Ellisville State School will be held paramount in the  
3293 course of these negotiations. The Legislature also recognizes the  
3294 importance of economic development to the citizens of the State of  
3295 Mississippi and Jones County, and encourages fairness to the  
3296 Economic Development Authority of Jones County. Any negotiations  
3297 proposed which would result in the recommendation for exchange,  
3298 lease or sale of lands owned by Ellisville State School must have  
3299 the approval of the State Board of Mental Health. The State Board  
3300 of Mental Health may and has the final authority as to whether or  
3301 not these negotiations result in the exchange, lease or sale of  
3302 the properties it currently holds in trust for citizens with  
3303 mental retardation served at Ellisville State School.

3304 If the State Board of Mental Health authorizes the sale of  
3305 lands owned by Ellisville State School, as provided for under this  
3306 paragraph (bb), the monies derived from the sale shall be placed  
3307 into a special fund that is created in the State Treasury to be  
3308 known as the "Ellisville State School Client's Trust Fund." The  
3309 principal of the trust fund shall remain inviolate and shall never  
3310 be expended. Any interest earned on the principal may be expended  
3311 solely for the benefits of clients served at Ellisville State  
3312 School. The State Treasurer shall invest the monies of the trust  
3313 fund in any of the investments authorized for the Mississippi  
3314 Prepaid Affordable College Tuition Program under Section 37-155-9,  
3315 and those investments shall be subject to the limitations  
3316 prescribed by Section 37-155-9. Unexpended amounts remaining in  
3317 the trust fund at the end of a fiscal year shall not lapse into  
3318 the State General Fund, and any interest earned on amounts in the  
3319 trust fund shall be deposited to the credit of the trust fund.  
3320 The administration of Ellisville State School may use any interest  
3321 earned on the principal of the trust fund, upon appropriation by

3322 the Legislature, as needed for services or facilities by the  
3323 clients of Ellisville State School. Ellisville State School shall  
3324 make known to the Legislature, through the Legislative Budget  
3325 Committee and the respective Appropriations Committees of the  
3326 House and Senate, its proposed use of interest earned on the  
3327 principal of the trust fund for any fiscal year in which it  
3328 proposes to make expenditures thereof. The State Treasurer shall  
3329 provide Ellisville State School with an annual report on the  
3330 Ellisville State School Client's Trust Fund to indicate the total  
3331 monies in the trust fund, interest earned during the year,  
3332 expenses paid from the trust fund and such other related  
3333 information.

3334       Nothing in this section shall be construed as applying to or  
3335 affecting mental health/retardation services provided by hospitals  
3336 as defined in Section 41-9-3(a), and/or their subsidiaries and  
3337 divisions, which hospitals, subsidiaries and divisions are  
3338 licensed and regulated by the Mississippi State Department of  
3339 Health unless such hospitals, subsidiaries or divisions  
3340 voluntarily request certification by the Mississippi State  
3341 Department of Mental Health.

3342       All new programs authorized under this section shall be  
3343 subject to the availability of funds appropriated therefor by the  
3344 Legislature;

3345       (cc) Working with the advice and consent of the  
3346 administration of Boswell Regional Center, to enter into  
3347 negotiations with the Economic Development Authority of Simpson  
3348 County for the purpose of negotiating the possible exchange, lease  
3349 or sale of lands owned by Boswell Regional Center to the Economic  
3350 Development Authority of Simpson County. It is the intent of the  
3351 Mississippi Legislature that such negotiations shall ensure that  
3352 the financial interest of the persons with mental retardation  
3353 served by Boswell Regional Center will be held paramount in the  
3354 course of these negotiations. The Legislature also recognizes the

3355 importance of economic development to the citizens of the State of  
3356 Mississippi and Simpson County, and encourages fairness to the  
3357 Economic Development Authority of Simpson County. Any  
3358 negotiations proposed which would result in the recommendation for  
3359 exchange, lease or sale of lands owned by Boswell Regional Center  
3360 must have the approval of the State Board of Mental Health. The  
3361 State Board of Mental Health may and has the final authority as to  
3362 whether or not these negotiations result in the exchange, lease or  
3363 sale of the properties it currently holds in trust for citizens  
3364 with mental retardation served at Boswell Regional Center. In any  
3365 such exchange, lease or sale of such lands owned by Boswell  
3366 Regional Center, title to all minerals, oil and gas on such lands  
3367 shall be reserved, together with the right of ingress and egress  
3368 to remove same, whether such provisions be included in the terms  
3369 of any such exchange, lease or sale or not.

3370       If the State Board of Mental Health authorizes the sale of  
3371 lands owned by Boswell Regional Center, as provided for under this  
3372 paragraph (cc), the monies derived from the sale shall be placed  
3373 into a special fund that is created in the State Treasury to be  
3374 known as the "Boswell Regional Center Client's Trust Fund." The  
3375 principal of the trust fund shall remain inviolate and shall never  
3376 be expended. Any earnings on the principal may be expended solely  
3377 for the benefits of clients served at Boswell Regional Center.  
3378 The State Treasurer shall invest the monies of the trust fund in  
3379 any of the investments authorized for the Mississippi Prepaid  
3380 Affordable College Tuition Program under Section 37-155-9, and  
3381 those investments shall be subject to the limitations prescribed  
3382 by Section 37-155-9. Unexpended amounts remaining in the trust  
3383 fund at the end of a fiscal year shall not lapse into the State  
3384 General Fund, and any earnings on amounts in the trust fund shall  
3385 be deposited to the credit of the trust fund. The administration  
3386 of Boswell Regional Center may use any earnings on the principal  
3387 of the trust fund, upon appropriation by the Legislature, as

3388 needed for services or facilities by the clients of Boswell  
3389 Regional Center. Boswell Regional Center shall make known to the  
3390 Legislature, through the Legislative Budget Committee and the  
3391 respective Appropriations Committees of the House and Senate, its  
3392 proposed use of the earnings on the principal of the trust fund  
3393 for any fiscal year in which it proposes to make expenditures  
3394 thereof. The State Treasurer shall provide Boswell Regional  
3395 Center with an annual report on the Boswell Regional Center  
3396 Client's Trust Fund to indicate the total monies in the trust  
3397 fund, interest and other income earned during the year, expenses  
3398 paid from the trust fund and such other related information.

3399       Nothing in this section shall be construed as applying to or  
3400 affecting mental health/retardation services provided by hospitals  
3401 as defined in Section 41-9-3(a), and/or their subsidiaries and  
3402 divisions, which hospitals, subsidiaries and divisions are  
3403 licensed and regulated by the Mississippi State Department of  
3404 Health unless such hospitals, subsidiaries or divisions  
3405 voluntarily request certification by the Mississippi State  
3406 Department of Mental Health.

3407       All new programs authorized under this section shall be  
3408 subject to the availability of funds appropriated therefor by the  
3409 Legislature;

3410       (dd) Notwithstanding any other section of the code, the  
3411 Board of Mental Health shall be authorized to fingerprint and  
3412 perform a criminal history record check on every employee or  
3413 volunteer. Every employee and volunteer shall provide a valid  
3414 current social security number and/or driver's license number  
3415 which shall be furnished to conduct the criminal history record  
3416 check. If no disqualifying record is identified at the state  
3417 level, fingerprints shall be forwarded to the Federal Bureau of  
3418 Investigation for a national criminal history record check;

3419       (ee) The Department of Mental Health shall have the  
3420 authority for the development of a consumer friendly single point

3421 of intake and referral system within its service areas for persons  
3422 with mental illness, mental retardation, developmental  
3423 disabilities or alcohol or substance abuse who need assistance  
3424 identifying or accessing appropriate services. The department  
3425 will develop and implement a comprehensive evaluation procedure  
3426 ensuring that, where appropriate, the affected person or their  
3427 parent or legal guardian will be involved in the assessment and  
3428 planning process. The department, as the point of intake and as  
3429 service provider, shall have the authority to determine the  
3430 appropriate institutional, hospital or community care setting for  
3431 persons who have been diagnosed with mental illness, mental  
3432 retardation, developmental disabilities and/or alcohol or  
3433 substance abuse, and may provide for the least restrictive  
3434 placement if the treating professional believes such a setting is  
3435 appropriate, if the person affected or their parent or legal  
3436 guardian wants such services, and if the department can do so with  
3437 a reasonable modification of the program without creating a  
3438 fundamental alteration of the program. The least restrictive  
3439 setting could be an institution, hospital or community setting,  
3440 based upon the needs of the affected person or their parent or  
3441 legal guardian;

3442 (ff) To have the sole power and discretion to enter  
3443 into, sign, execute and deliver long-term or multiyear leases of  
3444 real and personal property owned by the Department of Mental  
3445 Health to and from other state and federal agencies and private  
3446 entities deemed to be in the public's best interest. Any monies  
3447 derived from such leases shall be deposited into the funds of the  
3448 Department of Mental Health for its exclusive use. Leases to  
3449 private entities shall be approved by the Department of Finance  
3450 and Administration and all leases shall be filed with the  
3451 Secretary of State.

3452 **SECTION 43.** Section 41-7-71, Mississippi Code of 1972, is  
3453 brought forward as follows:

3454           41-7-71. It is hereby declared to be the policy of the State  
3455 of Mississippi that a patient or resident in a state institution  
3456 whose estate is sufficient, or, if not, who has (a) a spouse; or  
3457 (b) one or more parent(s) if said patient or resident is under the  
3458 age of twenty-one (21) years and unmarried, who is(are)  
3459 financially able to pay all or any part of the cost of such  
3460 hospitalization or treatment, shall be required to pay for all or  
3461 part of his or her maintenance in such institution. No resident  
3462 of this state shall be refused admission to or treatment in any of  
3463 the institutions enumerated in Section 41-7-73 because of his  
3464 inability to pay all or any of said costs. It shall be the duty  
3465 of the director or the governing board, as appropriate, of the  
3466 admitting institution to ascertain the financial ability of the  
3467 patient or resident and to establish an amount to be paid monthly  
3468 based on current ability to pay, with a continuing claim for the  
3469 difference in the amount paid and the maximum charges assessed  
3470 that could be made as determined pursuant to Section 41-7-79.

3471           **SECTION 44.** Section 41-7-73, Mississippi Code of 1972, is  
3472 brought forward as follows:

3473           41-7-73. The term "state institution" or "state  
3474 institutions" as used in Sections 41-7-71 through 41-7-95 shall  
3475 include the following: Mississippi State Hospital at Whitfield,  
3476 Ellisville State School, East Mississippi State Hospital at  
3477 Meridian, Mississippi Children's Rehabilitation Center, North  
3478 Mississippi Regional Center, Hudspeth Regional Center, South  
3479 Mississippi Regional Center, North Mississippi State Hospital at  
3480 Tupelo, South Mississippi State Hospital at Purvis, University of  
3481 Mississippi Hospital, Boswell Regional Center, the Juvenile  
3482 Rehabilitation Center at Brookhaven, the Specialized Treatment  
3483 Facility for the Emotionally Disturbed in Harrison County, and the  
3484 Central Mississippi Residential Center at Newton.

3485           **SECTION 45.** Section 41-7-79, Mississippi Code of 1972, is  
3486 brought forward as follows:

3487           41-7-79. Each state institution shall have the power to  
3488 assess and collect charges from patients, patients' estates and  
3489 from all persons legally liable for the cost of care of such  
3490 patients in such state institution. The maximum charges which may  
3491 be made shall be based on the estimated cost of operating the  
3492 institution, and such costs shall include a reasonable amount for  
3493 depreciation. The director or the governing board of each  
3494 institution, as appropriate, shall investigate or cause to be  
3495 investigated the financial ability of each patient, his or her  
3496 estate, and all other persons legally liable for the cost or care  
3497 of the patient, and the charges assessed shall be in accordance  
3498 with the ability of the person assessed to pay.

3499           The Director of the Mississippi Children's Rehabilitation  
3500 Center or the governing board of the center, as appropriate, upon  
3501 conclusion of the investigation of the financial ability of each  
3502 patient and all other persons legally liable for the cost of care  
3503 of the patient, shall assess a fee against each patient based on  
3504 the financial ability of such patient or others legally liable for  
3505 such patient to pay. The fee shall be adjustable and commensurate  
3506 with the patient's financial ability to pay. In order to receive  
3507 the benefits of the sliding scale fee each patient is required to  
3508 provide for the Children's Rehabilitation Center sufficient  
3509 financial information in order to allow the center to make a  
3510 determination as to whether or not a reduced fee is appropriate.  
3511 The center shall not utilize such fee scale for any patient unless  
3512 the patient has a need for additional treatment, and has no  
3513 insurance covering his treatment or such insurance is exhausted.  
3514 The Children's Rehabilitation Center shall make every effort to  
3515 collect the total charges from a patient, the patient's estate and  
3516 from all persons legally liable for the cost of care of the  
3517 patient before it may utilize a sliding fee scale for the patient.

3518           After three (3) good faith attempts have been made to collect  
3519 a remaining balance of such charges, and upon the recommendation



3520 of the Children's Rehabilitation Center fiscal officer, said  
3521 balance may be declared uncollectible and worthless, and no longer  
3522 listed as an asset.

3523 In the determination of ability to pay, the director or  
3524 governing board shall not work an undue hardship on any patient or  
3525 person legally responsible for such a patient. The value of a  
3526 homestead shall not be considered in determining the ability to  
3527 pay. The number of dependents of a patient or the party legally  
3528 responsible for such patient shall be considered in determining  
3529 ability to pay. The value of real and/or personal property may  
3530 also be considered.

3531 The director or the governing board, as appropriate, shall  
3532 have authority to enter into agreements with the patients or  
3533 others legally liable whereby periodic payments can be made on  
3534 said accounts. The director or governing board may accept notes,  
3535 secured or open, or any other evidences of indebtedness.

3536 The director or the governing board, as appropriate, of each  
3537 state institution shall have the right to institute suits where  
3538 necessary or advisable, and it shall be the duty of the Attorney  
3539 General to institute such suits either in the name of the  
3540 institution or in the name of the State of Mississippi. Except in  
3541 matters involving the administration of estates, the probate of  
3542 wills or the appointment of guardians or conservators, venue for  
3543 such suits shall lie in the county in which the institution is  
3544 located, and the venue shall not be subject to change.

3545 **SECTION 46.** Section 45-1-29, Mississippi Code of 1972, is  
3546 amended as follows:

3547 45-1-29. (1) The Mississippi Crime Laboratory shall be  
3548 funded separately from the Department of Public Safety. Any  
3549 appropriated funds shall be maintained in an account separate from  
3550 any funds of the Department of Public Safety and shall never be  
3551 commingled with any funds of the department. However, nothing in  
3552 this section shall be construed to prohibit the utilization of the

3553 combined resources of the Mississippi Crime Laboratory, the  
3554 Division of Support Services of the Department of Public Safety or  
3555 the Mississippi Justice Information Center to efficiently carry  
3556 out the mission of the Department of Public Safety.

3557 (2) Grants and donations to the crime laboratory may be  
3558 accepted from individuals, the federal government, firms,  
3559 corporations, foundations and other interested organizations and  
3560 societies.

3561 (3) The Commissioner of Public Safety shall establish and  
3562 the Division of Support Services of the Department of Public  
3563 Safety shall collect for services rendered proper fees  
3564 commensurate with the services rendered by the crime laboratory,  
3565 which fees shall be in amounts that will recover the costs to the  
3566 crime laboratory of providing those services. Those fees shall be  
3567 deposited into a special fund in the State Treasury to the credit  
3568 of the crime laboratory and expended in accordance with applicable  
3569 rules and regulations of the Department of Finance and  
3570 Administration. Those fees may be used for any authorized  
3571 expenditure of the crime laboratory except expenditures for  
3572 salaries, wages and fringe benefits.

3573 **SECTION 47.** Section 49-17-30, Mississippi Code of 1972, is  
3574 brought forward as follows:

3575 49-17-30. (1) As a condition of any air operating permit  
3576 required under Title V of the federal Clean Air Act, the owner or  
3577 operator of any stationary source shall pay to the Department of  
3578 Environmental Quality an annual permit fee. The commission shall  
3579 establish the amount of each fee to cover the costs of the Title V  
3580 program as provided in Section 49-17-14.

3581 (2) To facilitate the proper administration of the Title V  
3582 program, the commission is authorized to assess and collect fees  
3583 from Title V program permittees. The commission is further  
3584 authorized to promulgate such rules and regulations as are

3585 necessary for the development and administration of the Title V  
3586 program and the assessment and collection of Title V program fees.

3587 (a) For purposes of fee assessment and collection, the  
3588 maximum emission rate of each pollutant used in the calculation of  
3589 fees shall be four thousand (4,000) tons per year per facility.

3590 (b) For purposes of fee assessment and collection, the  
3591 permit holder shall elect for actual or allowable emissions to be  
3592 used in determining the annual quantity of emissions unless the  
3593 commission determines by order that the method chosen by the  
3594 applicant for calculating actual emissions fails to reasonably  
3595 represent actual emissions. Such order of the commission shall be  
3596 subject to appeal in the manner provided in Section 49-17-41.

3597 Actual emissions shall be calculated using emission monitoring  
3598 data or direct emissions measurements for the pollutant(s); mass  
3599 balance calculations such as the amounts of the pollutant(s)  
3600 entering and leaving process equipment and where mass balance  
3601 calculations can be supported by direct measurement of process  
3602 parameters, such direct measurement data shall be supplied;  
3603 published emission factors such as those relating release  
3604 quantities to throughput or equipment type (e.g., air emission  
3605 factors); or other approaches such as engineering calculations  
3606 (e.g., estimating volatilization using published mathematical  
3607 formulas) or best engineering judgments where such judgments are  
3608 derived from process and/or emission data which supports the  
3609 estimates of maximum actual emissions.

3610 If the commission determines that there is not sufficient  
3611 information available on a facility's emissions, the determination  
3612 of the fee shall be based upon the permitted allowable emissions  
3613 until such time as an adequate determination of actual emissions  
3614 is made.

3615 (c) A minimum annual fee of Two Hundred Fifty Dollars  
3616 (\$250.00) shall be assessed to and collected from the owner or  
3617 operator of each facility that is required to hold a Title V

3618 permit. The maximum annual fee shall be Two Hundred Fifty  
3619 Thousand Dollars (\$250,000.00) per facility.

3620 (3) (a) Prior to the date of full implementation of the  
3621 Title V program in Mississippi, the fee assessed shall be Four  
3622 Dollars (\$4.00) per ton of emissions of each air pollutant for  
3623 which fees can be assessed under the Title V program, not to  
3624 exceed Fifty Thousand Dollars (\$50,000.00) per facility.

3625 (b) Following the date of full implementation of the  
3626 Title V program in Mississippi, the fee schedule for Title V  
3627 permit fees for any subsequent calendar year shall be set by order  
3628 of the commission in an amount sufficient to cover the reasonable  
3629 costs of development and administration of the Title V program.

3630 The commission's order shall follow:

3631 (i) Receipt of the report and recommendations of  
3632 the Advisory Council; and

3633 (ii) A public hearing to be held not earlier than  
3634 thirty (30) days following receipt by the commission of the report  
3635 and recommendations of the Advisory Council. The commission may  
3636 proceed with entry of the order on fees if the Advisory Council  
3637 fails to submit its report in a timely manner. The order of the  
3638 commission may be appealed in the manner set forth in Section  
3639 49-17-41. The determination of the fee shall be by order of the  
3640 commission and shall not be considered the promulgation of a  
3641 regulation by the commission. The record of the public hearing  
3642 shall be included in the record upon which the order is based and  
3643 shall become a part of the appellate records for all appeals taken  
3644 from the order of the commission establishing or modifying Title V  
3645 permit fees. Any undisputed amount due from an appellant must be  
3646 paid according to the appellant's payment schedule during the  
3647 pendency of the appeal.

3648 (4) Any person required to pay the Title V permit fee set  
3649 forth under this chapter who disagrees with the calculation or  
3650 applicability of the person's fee may petition the commission in

3651 writing for a hearing in accordance with Section 49-17-35. Such  
3652 hearing shall be in accordance with Section 49-17-33. Any  
3653 disputed portion of the fee for which a hearing has been requested  
3654 will not incur any penalty or interest from and after the receipt  
3655 by the commission of the hearing petition. The decision of the  
3656 commission may be appealed in the manner set forth in Section  
3657 49-17-41.

3658 (5) All fees collected pursuant to this section shall be  
3659 deposited into the "Air Operating Permit Program Fee Trust Fund"  
3660 established in Section 49-17-14.

3661 **SECTION 48.** Section 49-17-421, Mississippi Code of 1972, is  
3662 amended as follows:

3663 49-17-421. (1) The commission may assess and collect a tank  
3664 regulatory fee in an amount sufficient to administer Sections  
3665 49-17-401 through 49-17-435 but not to exceed One Hundred Dollars  
3666 (\$100.00) per tank per year from the owner of each underground  
3667 storage tank in use in Mississippi on July 1, 1988, or brought  
3668 into use after that date, as provided in the Mississippi  
3669 Underground Storage Tank Act of 1988 (Sections 49-17-401 through  
3670 49-17-435). The tank regulatory fee assessed under this section  
3671 is a debt due by the owner of each underground storage tank in use  
3672 in Mississippi on July 1, 1988, or brought into use after that  
3673 date. The tank regulatory fee shall be due July 1 of each year.  
3674 If any part of the tank regulatory fee is not paid within thirty  
3675 (30) days after the due date, a penalty of fifty percent (50%) of  
3676 the amount due shall accrue at once and be added to the fee,  
3677 unless the owner of the underground storage tank demonstrates to  
3678 the commission that the failure to make timely payment was  
3679 unavoidable due to financial hardship or otherwise beyond the  
3680 control of the owner. Monies collected under this section shall  
3681 be deposited in a special fund which is created in the State  
3682 Treasury. Unexpended amounts remaining in the special fund at the  
3683 end of the fiscal year shall not lapse into the General Fund and

3684 any interest earned on amounts in the special fund shall be  
3685 credited to the special fund by the Treasurer. The fund may  
3686 receive monies from any available public or private source,  
3687 including, but not limited to, collection of fees, interest,  
3688 grants, taxes, public or private donations and judicial actions.  
3689 Monies in this special fund shall be expended by annual  
3690 appropriation approved by the Legislature to administer Sections  
3691 49-17-401 through 49-17-435.

3692 (2) In addition to the fees imposed under subsection (1) of  
3693 this section, the department shall impose a fee of Fifty Dollars  
3694 (\$50.00) per tank per year for each underground storage tank in  
3695 use in Mississippi on July 1, 1988, or brought into use after that  
3696 date, as provided in the Mississippi Underground Storage Tank Act  
3697 of 1988 (Sections 49-17-401 through 49-17-435). The fees  
3698 collected under this subsection shall be deposited in the State  
3699 Treasury to the credit of the department.

3700 **SECTION 49.** (1) Beginning on July 1, 2006, in all instances  
3701 where no provision of law sets a fee, the Department of  
3702 Environmental Quality shall charge a fee of One Hundred Dollars  
3703 (\$100.00) for any general permit that it issues to any permittee.  
3704 For any other permit or any activity associated with the  
3705 monitoring of the activities of a permittee, where no provision of  
3706 law sets a permit or monitoring fee, the department shall charge  
3707 all permittees a fee of Two Hundred Fifty Dollars (\$250.00). Fees  
3708 for permits shall be collected at the time of the issuance of the  
3709 permits. Monitoring fees shall be collected after completion of  
3710 the monitoring activity.

3711 (2) The department shall charge each animal feeding  
3712 operation and confined animal feeding operation a one-time fee of  
3713 One Hundred Dollars (\$100.00).

3714 (3) The fees collected under this section shall be deposited  
3715 in the State Treasury to the credit of the department.

3716           **SECTION 50.** Section 51-3-31, Mississippi Code of 1972, is  
3717 amended as follows:

3718           51-3-31. Any person desiring to use water for a beneficial  
3719 purpose shall apply to the board for a permit for such use on a  
3720 form prescribed by the board for such purpose. The application  
3721 shall be accompanied by a fee of Two Hundred Fifty Dollars  
3722 (\$250.00). The application shall provide such information as  
3723 deemed appropriate by the board to its decision to issue such  
3724 permit. The fees and applications required by this section also  
3725 shall apply to renewals of permits and any modifications to  
3726 permits. The board shall not charge any fees under this section  
3727 to animal feeding operations or confined animal feeding  
3728 operations.

3729           All fees received by the board under this section shall be  
3730 deposited in the State Treasury to the credit of the Department of  
3731 Environmental Quality.

3732           **SECTION 51.** Section 53-7-7, Mississippi Code of 1972, is  
3733 amended as follows:

3734           53-7-7. (1) Except as provided in this section, it is  
3735 unlawful to commence an operation or operate a surface mine  
3736 without a permit or coverage under a general permit as provided by  
3737 this chapter.

3738           (2) Except as expressly provided in this section, this  
3739 chapter shall not apply to:

3740           (a) Excavations made by the owner of land for the  
3741 owner's own use and not for commercial purposes, where the  
3742 materials removed do not exceed one thousand (1,000) cubic yards  
3743 per year and where one (1) acre or less of land is affected;

3744           (b) Excavations made by a public agency on a one-time  
3745 basis for emergency use at an emergency site if:

3746           (i) The excavation lies in the vicinity of the  
3747 emergency site and affects less than one-fourth (1/4) acre of  
3748 mined surface area;

3749                   (ii) The landowner has signed a statement giving  
3750 approval for the removal of the materials; and

3751                   (iii) The public agency notifies the department as  
3752 required by the commission within two (2) working days of the  
3753 removal of the materials.

3754                   (c) Operations for any materials on any affected area  
3755 conducted before April 15, 1978, but this chapter shall apply to  
3756 any additional land which the operation extended to or encompassed  
3757 after April 15, 1978;

3758                   (d) Operations for any materials that affected four (4)  
3759 acres or less and were greater than one thousand three hundred  
3760 twenty (1,320) feet from any other affected area if:

3761                   (i) The operation began before July 1, 2002; and

3762                   (ii) The operator notified the commission of the  
3763 commencement, expansion or resumption of the operation before July  
3764 1, 2002; and

3765                   (e) Operations for any materials that affect four (4)  
3766 acres or less, are greater than one thousand three hundred twenty  
3767 (1,320) feet from any other affected area and commenced after July  
3768 1, 2002, if the operator notifies the department at least seven  
3769 (7) calendar days before commencement or expansion of the  
3770 operation as required in regulations adopted by the commission.  
3771 The seven-day notice prior to mining requirement shall be waived  
3772 and the operator may begin mining immediately after notifying the  
3773 department if:

3774                   (i) The operator agrees, in the notification, to  
3775 reclaim the mine site in accordance with the minimum standards  
3776 adopted by the commission; or

3777                   (ii) The exempted operation is conducted for  
3778 Mississippi Department of Transportation projects or state aid  
3779 road construction projects funded in whole or in part by public  
3780 funds.



3781 (3) Exempt operations under paragraph (e) that are conducted  
3782 for the MDOT projects or state aid road construction projects  
3783 shall be reclaimed in accordance with the requirements of the  
3784 Mississippi Standard Specifications for Road and Bridge  
3785 Construction, Mississippi Department of Transportation or Division  
3786 of State Aid Road Construction, as applicable. Any operator  
3787 failing to reclaim as required under this subsection may be  
3788 subject to the penalties provided in Section 53-7-59(2).

3789 (4) If a landowner refuses to allow the operator to complete  
3790 reclamation in accordance with minimum standards or interferes  
3791 with or authorizes a third party to disturb or interfere with  
3792 reclamation in accordance with minimum standards, the landowner  
3793 shall assume the exempt notice and shall be responsible for any  
3794 reclamation.

3795 (5) All operations exempted under Sections 53-7-7(2)(d) and  
3796 53-7-7(2)(e) shall be subject to the prohibitions on mining in  
3797 certain areas contained in Sections 53-7-49 and 53-7-51 and may be  
3798 subject to the penalties in Section 53-7-59(2) for any violation  
3799 of those sections.

3800 (6) Any operator conducting operations exempted under  
3801 Section 53-7-7(2)(b) or 53-7-7(2)(e) failing to notify the  
3802 department in accordance with the regulations of the commission,  
3803 may be subject to penalties provided in Section 53-7-59(2). Any  
3804 operator exempted under Section 53-7-7(2)(e) who agrees in the  
3805 notification to reclaim and fails to reclaim in accordance with  
3806 that paragraph may be subject to penalties provided in Section  
3807 53-7-59(2).

3808 (7) The department shall collect from every operator granted  
3809 an exemption the amount of One Hundred Dollars (\$100.00) from any  
3810 operator whose mining operations are exempted under the authority  
3811 of this section. The department shall charge an annual monitoring  
3812 fee of One Hundred Dollars (\$100.00) to any exempted and  
3813 nonexempted operators to help defray the costs of monitoring

3814 surface mining activity. All fees collected under this subsection  
3815 shall be deposited in the State Treasury to the credit of the  
3816 department.

3817 **SECTION 52.** Section 53-7-21, Mississippi Code of 1972, is  
3818 amended as follows:

3819 53-7-21. (1) Unless exempted under Section 53-7-7, no  
3820 operator shall engage in surface mining without having first  
3821 obtained coverage under a general permit or having obtained from  
3822 the Permit Board a permit for each operation. The permit or  
3823 coverage under a general permit shall authorize the operator to  
3824 engage in surface mining upon the area of land described in the  
3825 application for a period of either five (5) years or longer period  
3826 of time as deemed appropriate by the Permit Board from the date of  
3827 issuance or until reclamation of the affected area is completed  
3828 and the reclamation bond is finally released, whichever comes  
3829 first.

3830 (2) Each operator holding a permit shall annually, before  
3831 the anniversary date of the permit, file with the department a  
3832 certificate of compliance in which the operator, under oath, shall  
3833 declare that the operator is following the approved mining and  
3834 reclamation plan and is abiding by this chapter and the rules and  
3835 regulations adopted under this chapter.

3836 (3) The department shall charge all permit holders an annual  
3837 permit monitoring fee of One Hundred Twenty-five Dollars  
3838 (\$125.00). All fees collected under this subsection shall be  
3839 deposited in the State Treasury to the credit of the department.

3840 **SECTION 53.** Section 53-7-25, Mississippi Code of 1972, is  
3841 amended as follows:

3842 53-7-25. (1) Each application for a surface mining permit  
3843 and for coverage under a general permit shall be accompanied by an  
3844 application fee in accordance with a published fee schedule  
3845 adopted by the commission. The application fee shall not be less  
3846 than One Hundred Dollars (\$100.00) plus Ten Dollars (\$10.00) per

3847 acre included in the application. The total application fee shall  
3848 not exceed Five Hundred Dollars (\$500.00). The commission, in  
3849 considering regulations on the fee schedule, shall recognize the  
3850 difference in the various materials, taking into consideration the  
3851 commercial value of the material and the nature and size of  
3852 operation necessary to extract it.

3853 (2) All state agencies, political subdivisions of the state,  
3854 and local governing bodies shall be exempt from all fees required  
3855 by this chapter.

3856 (3) Upon submission of the certificate of compliance  
3857 required under Section 53-7-21, each operator shall pay a fee of  
3858 Fifty Dollars (\$50.00).

3859 (4) In addition to the fees provided for in this section,  
3860 the department shall charge a fee of One Hundred Dollars (\$100.00)  
3861 for any permit issued and for the renewal of permits. All funds  
3862 collected under this subsection shall be deposited in the State  
3863 Treasury to the credit of the department.

3864 **SECTION 54.** Section 53-7-27, Mississippi Code of 1972, is  
3865 amended as follows:

3866 53-7-27. (1) Before commencing any operation for which a  
3867 permit is required, each applicant for a permit shall submit to  
3868 the Permit Board an application, a proposed initial reclamation  
3869 plan and a performance bond in an amount proposed to be sufficient  
3870 by the applicant to reclaim the permit area.

3871 (2) The application shall be in the form prescribed by the  
3872 commission and shall contain the following information:

3873 (a) A legal description of the tract or tracts of land  
3874 in the affected area and one or more maps or plats of adequate  
3875 scale to clearly portray the location of the affected area. The  
3876 description shall contain sufficient information so that the  
3877 affected area may be located and distinguished from other lands  
3878 and shall identify the access from the nearest public road;

3879           (b) The approximate location and depth of the deposit  
3880 in the permit area and the total number of acres in the permit  
3881 area;

3882           (c) The name, address and management officers of the  
3883 permit applicant and any affiliated persons who shall be engaged  
3884 in the operations;

3885           (d) The name and address of any person holding legal  
3886 and equitable interests of record, if reasonably ascertainable, in  
3887 the surface estate of the permit area and in the surface estate of  
3888 land located within five hundred (500) feet of the exterior limits  
3889 of the permit area;

3890           (e) The name and address of any person residing on the  
3891 property of the permit area at the time of application;

3892           (f) Current or previous surface mining permits held by  
3893 the applicant, including any revocations, suspensions or bond  
3894 forfeitures;

3895           (g) The type and method of operation, the engineering  
3896 techniques and the equipment that is proposed to be used,  
3897 including mining schedules, the nature and expected amount of  
3898 overburden to be removed, the depth of excavations, a description  
3899 of the permit area, the anticipated hydrologic consequences of the  
3900 mining operation, and the proposed use of explosives for blasting,  
3901 including the nature of the explosive, the proposed location of  
3902 the blasting and the expected effect of the blasting;

3903           (h) A notarized statement showing the applicant's legal  
3904 right to surface mine the affected area;

3905           (i) The names and locations of all lakes, rivers,  
3906 reservoirs, streams, creeks and other bodies of water in the  
3907 vicinity of the contemplated operations which may be affected by  
3908 the operations and the types of existing vegetative cover on the  
3909 area affected thereby and on adjoining lands within five hundred  
3910 (500) feet of the exterior limits of the affected area;

3911 (j) A topographical survey map showing the surface  
3912 drainage plan on and away from the permit area;

3913 (k) The surface location and extent of all existing and  
3914 proposed waste and spoil piles, cuts, pits, tailing dumps, ponds,  
3915 borrow pits, evaporation and settling basins, roads, buildings,  
3916 access ways, workings and installations sufficient to provide a  
3917 reasonably clear and accurate portrayal of the existing surface  
3918 conditions and the proposed mining operations;

3919 (l) If the surface and mineral estates, or any part of  
3920 those estates, in land covered by the application, have been  
3921 severed and are owned by separate owners, the applicant shall  
3922 provide a notarized statement subscribed to by each surface owner  
3923 and lessee of those lands, unless the lease or other conveyance to  
3924 the applicant specifically states the material to be mined by the  
3925 operator granting consent for the applicant to initiate and  
3926 conduct surface mining, exploration and reclamation activities on  
3927 the land;

3928 (m) Except for governmental agencies, a certificate of  
3929 insurance certifying that the applicant has in force a public  
3930 liability insurance policy issued by an insurance company  
3931 authorized to conduct business in the State of Mississippi  
3932 covering all operations of the applicant in this state and  
3933 affording bodily injury protection and property damage protection  
3934 in an amount not less than the following:

3935 (i) One Hundred Thousand Dollars (\$100,000.00) for  
3936 all damages because of bodily injury sustained by one (1) person  
3937 as the result of any one (1) occurrence, and Three Hundred  
3938 Thousand Dollars (\$300,000.00) for all damages because of bodily  
3939 injury sustained by two (2) or more persons as the result of any  
3940 one (1) occurrence; \* \* \*

3941 (ii) One Hundred Thousand Dollars (\$100,000.00)  
3942 for all claims arising out of damage to property as the result of  
3943 any one (1) occurrence including completed operations; and

3944                   (iii) In any case where the department releases  
3945 any permittee from the obligation of having the insurance or bond  
3946 required by this paragraph (m), the department shall charge the  
3947 permittee One Hundred Dollars (\$100.00). The fees collected under  
3948 this subparagraph (iii) shall be deposited in the State Treasury  
3949 to the credit of the department.

3950           The policy shall be maintained in full force and effect  
3951 during the term of the permit, including the length of all  
3952 reclamation operations.

3953           (n) A copy of a proposed initial reclamation plan  
3954 prepared under Section 53-7-31; and

3955           (o) Any other information needed to clarify the  
3956 required parts of the application.

3957           **SECTION 55.** Section 53-7-69, Mississippi Code of 1972, is  
3958 amended as follows:

3959           53-7-69. (1) There is created in the State Treasury a fund  
3960 to be designated as the "Surface Mining and Reclamation Fund,"  
3961 referred to hereinafter as the "fund." There is created in the  
3962 fund an account designated as the "Land Reclamation Account" and  
3963 an account designated as the "Surface Mining Program Operations  
3964 Account."

3965           (2) The fund shall be treated as a special trust fund.  
3966 Interest earned on the principal therein shall be credited by the  
3967 Treasurer to the fund.

3968           (3) The fund may receive monies from any available public or  
3969 private sources, including, but not limited to, collection of  
3970 fees, interest, grants, taxes, public and private donations,  
3971 judicial actions, penalties and forfeited performance bonds. Any  
3972 monies received from penalties, forfeited performance bonds,  
3973 judicial actions and the interest thereon, less enforcement and  
3974 collection costs, shall be credited to the Land Reclamation  
3975 Account. Except as otherwise provided by law, any monies received  
3976 from the collection of fees, grants, taxes, public or private

3977 donations and the interest thereon shall be credited to the  
3978 Surface Mining Program Operations Account.

3979 (4) The commission shall expend or utilize monies in the  
3980 fund by an annual appropriation by the Legislature as provided  
3981 herein. Monies in the Land Reclamation Account may be used to  
3982 defray any costs of reclamation of land affected by mining  
3983 operations. Monies in the Surface Mining Program Operations  
3984 Account may be used to defray the reasonable direct and indirect  
3985 costs associated with the administration and enforcement of this  
3986 chapter.

3987 (5) Proceeds from the forfeiture of performance bonds or  
3988 deposits and penalties recovered shall be available to be expended  
3989 to reclaim, in accordance with this chapter, lands with respect to  
3990 which the performance bonds or deposits were provided and  
3991 penalties assessed. If the commission expends monies from the  
3992 fund for which the cost of reclamation exceeded the proceeds from  
3993 the forfeiture of performance bonds or deposits, the commission  
3994 may seek to recover any monies expended from the fund from any  
3995 responsible party.

3996 **SECTION 56.** Section 55-3-33, Mississippi Code of 1972, is  
3997 brought forward as follows:

3998 55-3-33. (1) The Mississippi Department of Wildlife,  
3999 Fisheries and Parks shall have the power and authority, and it  
4000 shall be its duty to:

4001 (a) Take charge and have full jurisdiction and control  
4002 over all state parks, which parks shall be operated for the  
4003 purpose of providing outdoor recreational activities and enjoyment  
4004 for the citizens of the State of Mississippi and for the purpose  
4005 of attracting visitors to the state.

4006 (b) Set up a uniform accounting procedure for the state  
4007 parks and prescribe the manner in which books, records and  
4008 accounts shall be kept, which procedure shall account for all

4009 moneys taken in and expended by the various parks and shall  
4010 provide for periodic audits of such books.

4011 (c) Accept gifts, bequests of money or other property,  
4012 real or personal, to be used for the purpose of advancing the  
4013 recreation and conservation interests in state parks. The  
4014 department is authorized, subject to approval by the State  
4015 Legislature, to purchase property, real or personal, to be used  
4016 for state park purposes.

4017 (d) Contract with the State Transportation Commission,  
4018 any municipality or board of supervisors of the state for  
4019 locating, constructing and maintaining roads and other  
4020 improvements in state parks and for payment of a part of the costs  
4021 thereof; however, no county or municipality more than twenty-five  
4022 (25) miles distant from a state park may contract for, or do, or  
4023 pay for any such work for a state park other than the  
4024 International Gardens of Mississippi. Any county or municipality  
4025 authorized to assist financially under the provisions of Sections  
4026 55-3-31 through 55-3-51 is authorized, in the discretion of its  
4027 respective governing authority, to set aside, appropriate and  
4028 expend moneys from the General Fund for the purpose of defraying  
4029 such expense after a mandatory election is held on the question  
4030 within the county or municipality.

4031 (e) Designate employees as peace officers with power to  
4032 make arrests for infraction of the rules and regulations of the  
4033 department. Such officers are authorized to carry weapons and to  
4034 enforce the laws of the State of Mississippi within the confines  
4035 of a state park.

4036 (f) Enforce and delegate the responsibility to enforce  
4037 all reasonable rules and regulations governing the occupancy and  
4038 use of lands and waters in state parks under its jurisdiction,  
4039 supply recreational and conservation facilities and charge fees  
4040 for the use of same; review all rates and charges for facilities  
4041 and accommodations furnished at the various state parks annually,



4042 making such charges as are justified; and establish fees for  
4043 entrance to state parks.

4044 Each park shall retain from revenues generated therein, a sum  
4045 sufficient to pay necessary expenses of operation, but in no event  
4046 to be less than seventy-five percent (75%) of such revenues.

4047 (2) The department shall have the authority to lease to any  
4048 entity, sell and convey or otherwise transfer to any county or  
4049 municipality, or close any state park or historical site within  
4050 its jurisdiction which received a General Fund subsidy in Fiscal  
4051 Year 1985 in excess of Two Dollars (\$2.00) per visitor to such  
4052 state park or historical site; provided, however, that this  
4053 authority shall not include the authority to sell, lease or convey  
4054 any park that was not in operation under the jurisdiction of the  
4055 department for a full fiscal year prior to fiscal year 1986.

4056 (3) The department may execute agreements with  
4057 rails-to-trails and recreational districts by which the department  
4058 will assume responsibility for the operation and maintenance of  
4059 trails developed under Sections 55-25-1 through 55-25-15.

4060 **SECTION 57.** Section 45-35-7, Mississippi Code of 1972, is  
4061 amended as follows:

4062 45-35-7. (1) Except as provided in subsection (3) of this  
4063 section, each applicant for an original identification card issued  
4064 pursuant to this chapter who is entitled to issuance of such a  
4065 card shall be issued a four-year card. Each card shall expire at  
4066 midnight on the last day of the cardholder's birth month.

4067 (2) Except as provided in subsection (3) of this section,  
4068 all renewal identification cards shall be for four-year periods  
4069 and may be renewed any time during the birth month of the  
4070 cardholder upon application and payment of the required fee.

4071 (3) (a) Any applicant who is blind, as defined in Section  
4072 43-6-1, upon payment of the fee prescribed in this section, shall  
4073 be issued an original identification card which shall remain valid  
4074 for a period of ten (10) years. All renewal identification cards

4075 issued to such persons shall also be valid for a period of ten  
4076 (10) years.

4077 (b) Any applicant who is not a United States citizen  
4078 and who does not possess a social security number issued by the  
4079 United States government, upon payment of the fee prescribed in  
4080 this section, shall be issued an original identification card  
4081 which shall remain valid for a period of one (1) year from date of  
4082 issuance. All renewal identification cards issued to such persons  
4083 shall also be valid for a period of one (1) year from date of  
4084 issuance.

4085 (4) A fee of Seventeen Dollars (\$17.00) shall be collected  
4086 for the issuance of an original or renewal identification card  
4087 plus the applicable photograph fee as provided in subsection (5)  
4088 of this section. The fee of Seventeen Dollars (\$17.00) shall be  
4089 deposited into the State General Fund. The photograph fee shall  
4090 be deposited into a special photograph fee account or the State  
4091 General Fund as provided under subsection (5) of this section.

4092 (5) The Commissioner of Public Safety, by rule or  
4093 regulation, shall establish an identification card photograph fee  
4094 which shall be the actual cost of the photograph rounded off to  
4095 the next highest dollar. Monies collected for the photograph fee  
4096 shall be deposited into a special photograph fee account which the  
4097 Department of Public Safety shall use to pay the actual cost of  
4098 producing the photographs. Any monies collected in excess of the  
4099 actual costs of the photography shall be deposited to the General  
4100 Fund of the State of Mississippi.

4101 (6) Any person who, for medical reasons, surrenders his  
4102 unexpired driver's license, and any person whose unexpired  
4103 driver's license is suspended for medical reasons by the  
4104 Commissioner of Public Safety under Section 63-1-53(e), may be  
4105 issued an identification card without payment of a fee. The  
4106 identification card shall be valid for a period of four (4) years  
4107 from its date of issue. All renewals of such card shall be

4108 subject to the fees prescribed in subsections (4) and (5) of this  
4109 section.

4110 (7) The department shall maintain a record of all  
4111 identification cards issued, except for those cards cancelled,  
4112 surrendered or denied renewal.

4113 (8) (a) Any male who is at least eighteen (18) years of age  
4114 but less than twenty-six (26) years of age and who applies for an  
4115 identification card or a renewal of an identification card under  
4116 this chapter shall be registered in compliance with the  
4117 requirements of Section 3 of the Military Selective Service Act,  
4118 50 USCS Appx 451 et seq., as amended.

4119 (b) The department shall forward in an electronic  
4120 format the necessary personal information of the applicant to the  
4121 Selective Service System. The applicant's submission of the  
4122 application shall serve as an indication that the applicant either  
4123 has already registered with the Selective Service System or that  
4124 he is authorizing the department to forward to the Selective  
4125 Service System the necessary information for registration. The  
4126 commissioner shall notify the applicant on, or as a part of, the  
4127 application that his submission of the application will serve as  
4128 his consent to registration with the Selective Service System, if  
4129 so required. The commissioner also shall notify any male  
4130 applicant under the age of eighteen (18) that he will be  
4131 registered upon turning age eighteen (18) as required by federal  
4132 law.

4133 **SECTION 58.** Section 45-35-9, Mississippi Code of 1972, is  
4134 amended as follows:

4135 45-35-9. (1) If an identification card issued under this  
4136 chapter is lost, destroyed or mutilated, or a new name is  
4137 required, the person to whom it was issued may obtain a duplicate  
4138 by furnishing satisfactory proof of such fact to the department.  
4139 The same identifying data shall be furnished for a duplicate as  
4140 for an original card. A fee of Five Dollars (\$5.00) plus the

4141 applicable photograph fee shall be collected for the first  
4142 duplicate card issued and a fee of Eight Dollars (\$8.00) plus the  
4143 applicable photograph fee shall be collected for the second and  
4144 each subsequent duplicate copy. However, whenever a duplicate  
4145 copy of an identification card is issued only because a new name  
4146 is required and the previously issued identification card is  
4147 returned to the department, the fee for the issuance of such  
4148 duplicate shall be Three Dollars (\$3.00) plus the applicable  
4149 photograph fee, regardless of whether the duplicate is the first,  
4150 second or subsequent duplicate copy. All fees collected under  
4151 this section, except photograph fees, shall be deposited into the  
4152 State General Fund. Photograph fees collected under this section  
4153 shall be deposited into a special photograph fee account or into  
4154 the State General Fund in the same manner as photograph fees  
4155 collected from the issuance of drivers' licenses under Section  
4156 63-1-43.

4157 (2) Any person who loses an identification card and who,  
4158 after obtaining a duplicate, finds the original card shall  
4159 promptly surrender the original card to the department.

4160 **SECTION 59.** Section 63-1-43, Mississippi Code of 1972, is  
4161 amended as follows:

4162 63-1-43. (1) The fee for receiving the application and  
4163 issuing the regular driver's or operator's license and the fee for  
4164 renewing the license shall be:

4165 (a) Twenty-four Dollars (\$24.00) plus the applicable  
4166 photograph fee for each applicant for a four-year license;

4167 (b) Nine Dollars (\$9.00) plus the applicable photograph  
4168 fee for each applicant for a one-year license, except as provided  
4169 in paragraph (c) of this subsection; and

4170 (c) Fourteen Dollars (\$14.00) plus the applicable  
4171 photograph fee for a one-year license for each applicant who is  
4172 not a United States citizen and who does not possess a social  
4173 security number issued by the United States government.

4174 All originals and renewals of regular operators' licenses  
4175 shall be in compliance with Section 63-1-47.

4176 (2) The fee for receiving the application and issuing a  
4177 motorcycle endorsement shall be Five Dollars (\$5.00). Motorcycle  
4178 endorsements shall be valid for the same period of time as the  
4179 applicant's operator's license.

4180 (3) The fee for receiving the application and issuing a  
4181 restricted motorcycle operator's license and the fee for renewing  
4182 such license shall be:

4183 (a) Eleven Dollars (\$11.00) plus the applicable  
4184 photograph fee for a four-year license; and

4185 (b) Eight Dollars (\$8.00) plus the applicable  
4186 photograph fee for a one-year license.

4187 All originals and renewals of restricted motorcycle licenses  
4188 shall be valid for the same period of time that an original  
4189 regular driver's license may be issued to such person in  
4190 compliance with Section 63-1-47.

4191 (4) From and after January 1, 1990, every person who makes  
4192 application for an original license or a renewal license to  
4193 operate a vehicle as a common carrier by motor vehicle, taxicab,  
4194 passenger coach, dray, contract carrier or private commercial  
4195 carrier as such terms are defined in Section 27-19-3, except for  
4196 those vehicles for which a Class A, B or C license is required  
4197 under Article 2 of this chapter, shall, in lieu of the regular  
4198 driver's license above provided for, apply for and obtain a Class  
4199 D commercial driver's license. Except as otherwise provided in  
4200 subsection (5) of this section, the fee for the issuance of a  
4201 Class D commercial driver's license shall be Twenty-nine Dollars  
4202 (\$29.00) plus the applicable photograph fee for a period of four  
4203 (4) years; however, except as required under Article 2 of this  
4204 chapter, no driver of a pickup truck shall be required to have a  
4205 commercial license regardless of the purpose for which the pickup  
4206 truck is used.

4207           Except as otherwise provided in subsection (5) of this  
4208 section, all originals and renewals of commercial licenses issued  
4209 under this section shall be valid for a period of four (4) years,  
4210 in compliance with Section 63-1-47. Only persons who operate the  
4211 above-mentioned vehicles in the course of the regular and  
4212 customary business of the owner shall be required to obtain a  
4213 Class D commercial operator's license, and persons operating such  
4214 vehicles for private purposes or in emergencies shall not be  
4215 required to obtain such license.

4216           (5) The original and each renewal of a commercial driver's  
4217 license issued under this section to a person who is not a United  
4218 States citizen and who does not possess a social security number  
4219 issued by the United States government shall be issued for a  
4220 period of one (1) year for a fee of Eight Dollars (\$8.00) plus the  
4221 applicable photograph fee and shall expire one (1) year from the  
4222 date of issuance. Such person may renew a commercial license  
4223 issued under this section within thirty (30) days of expiration of  
4224 the license.

4225           (6) The Commissioner of Public Safety, by rule or  
4226 regulation, shall establish a driver's license photograph fee  
4227 which shall be the actual cost of the photograph rounded off to  
4228 the next highest dollar. Monies collected for the photograph fee  
4229 shall be deposited into a special photograph fee account which the  
4230 Department of Public Safety shall use to pay the actual cost of  
4231 producing the photographs. Any monies collected in excess of the  
4232 actual costs of the photography shall be deposited to the General  
4233 Fund of the State of Mississippi.

4234           **SECTION 60.** Section 63-1-21, Mississippi Code of 1972, is  
4235 amended as follows:

4236           63-1-21. (1) Every applicant for a new or original driver's  
4237 or operator's license, except persons holding an out-of-state  
4238 license, shall first obtain a temporary driving permit upon the  
4239 payment of a fee of Five Dollars (\$5.00) to the Department of

4240 Public Safety and upon the successful completion of the  
4241 examination provided for in Section 63-1-33 and the payment of the  
4242 fee for such examination provided for in Section 63-1-43.

4243 (2) A temporary driving permit entitles the holder, provided  
4244 the permit is in his immediate possession, to drive a motor  
4245 vehicle other than a motorcycle on the highways of the State of  
4246 Mississippi only when accompanied by a licensed operator who is at  
4247 least twenty-one (21) years of age and who is actually occupying  
4248 the seat beside the driver. A temporary driving permit may be  
4249 issued to any applicant who is at least fifteen (15) years of age.  
4250 A temporary driving permit shall be valid for a period of one (1)  
4251 year from the date of issue.

4252 (3) An intermediate license allows unsupervised driving from  
4253 6:00 a.m. to 10:00 p.m. At all other times the intermediate  
4254 licensee must be supervised by a parent, guardian or other person  
4255 age twenty-one (21) years or older who holds a valid driver's  
4256 license under this article and who is actually occupying the seat  
4257 beside the driver.

4258 (4) The fee for issuance of an intermediate license shall be  
4259 Five Dollars (\$5.00).

4260 Except as otherwise provided by Section 63-1-6, every  
4261 applicant for a restricted motorcycle operator's license or a  
4262 motorcycle endorsement shall first obtain a temporary motorcycle  
4263 driving permit upon the payment of a fee of One Dollar (\$1.00) to  
4264 the Department of Public Safety, and upon the successful  
4265 completion of the examination provided for in Section 63-1-33, and  
4266 payment of the fee for the examination provided for in Section  
4267 63-1-43. All applicants for such temporary permit shall (a) be at  
4268 least fifteen (15) years of age; (b) operate a motorcycle only  
4269 under the direct supervision of a person at least twenty-one (21)  
4270 years of age who possesses either a valid driver's or operator's  
4271 license with a motorcycle endorsement or a valid restricted  
4272 motorcycle operator's license; (c) be prohibited from transporting

4273 a passenger on a motorcycle; (d) be prohibited from operating a  
4274 motorcycle upon any controlled access highway; and (e) be  
4275 prohibited from operating a motorcycle during the hours of 6:00  
4276 p.m. through 6:00 a.m. Temporary motorcycle driving permits shall  
4277 be valid for the same period of time and may be renewed upon the  
4278 same conditions as temporary driving permits issued for vehicles  
4279 other than motorcycles.

4280 **SECTION 61.** Section 63-1-37, Mississippi Code of 1972, is  
4281 amended as follows:

4282 63-1-37. If a license or temporary driving permit issued  
4283 under the provisions of this article is lost or destroyed, the  
4284 licensee shall obtain from the commissioner a duplicate copy  
4285 thereof and shall pay a fee in the amount of Five Dollars (\$5.00)  
4286 plus the applicable photograph fee for the first duplicate copy  
4287 and a fee in the amount of Eight Dollars (\$8.00) plus the  
4288 applicable photograph fee for the second and each subsequent  
4289 duplicate copy. The license or permit shall be marked  
4290 "Duplicate."

4291 All fees collected under this section, except photograph  
4292 fees, shall be deposited into the State General Fund. Photograph  
4293 fees collected under this section shall be deposited under the  
4294 provisions of Section 63-1-43.

4295 **SECTION 62.** Section 63-1-46, Mississippi Code of 1972, is  
4296 amended as follows:

4297 63-1-46. (1) A fee of Fifty Dollars (\$50.00) shall be  
4298 charged for the reinstatement of a license issued under this  
4299 article to every person whose license has been validly suspended,  
4300 revoked or cancelled. This fee shall be in addition to the fee  
4301 provided for in Section 63-1-43.

4302 (2) The funds received under the provisions of subsection  
4303 (1) of this section shall be deposited into the State General Fund  
4304 in accordance with Section 45-1-23.



4305           (3) In addition to the fee provided for in subsection (1) of  
4306 this section, an additional fee of Seventy-five Dollars (\$75.00)  
4307 shall be charged for the reinstatement of a license issued under  
4308 this article to every person whose license has been suspended or  
4309 revoked under the provisions of the Mississippi Implied Consent  
4310 Law or as a result of a conviction of a violation of the Uniform  
4311 Controlled Substances Law under the provisions of Section 63-1-71.

4312           (4) The funds received under the provisions of subsection  
4313 (3) of this section shall be placed in a special fund that is  
4314 created in the State Treasury. Monies in such special fund may be  
4315 expended solely to contribute to the Disability and Relief Fund  
4316 for members of the Mississippi Highway Safety Patrol such amounts  
4317 as are necessary to make sworn agents of the Mississippi Bureau of  
4318 Narcotics who were employed by such bureau before December 1,  
4319 1990, and who were later employed as enforcement troopers by the  
4320 Department of Public Safety, full members of the retirement system  
4321 for the Mississippi Highway Safety Patrol with full credit for the  
4322 time they were employed as sworn agents for the Mississippi Bureau  
4323 of Narcotics. The Board of Trustees of the Public Employees'  
4324 Retirement System shall certify to the State Treasurer the amounts  
4325 necessary for the purposes described above. The State Treasurer  
4326 shall monthly transfer from the special fund created under this  
4327 subsection the amounts deposited in such special fund to the  
4328 Disability and Relief Fund for members of the Mississippi Highway  
4329 Safety Patrol until such time as the certified amount has been  
4330 transferred. At such time as the certified amount has been  
4331 transferred, the State Treasurer shall transfer any funds  
4332 remaining in the special fund created under this subsection to the  
4333 State General Fund and shall then dissolve such special fund.  
4334 This subsection (4) shall stand repealed at such time when the  
4335 State Treasurer transfers funds and dissolves the special fund  
4336 account in accordance with the provisions of this subsection.

4337           (5) The procedure for the reinstatement of a license issued  
4338 under this article that has been suspended for being out of  
4339 compliance with an order for support, as defined in Section  
4340 93-11-153, and the payment of any fees for the reinstatement of a  
4341 license suspended for that purpose, shall be governed by Section  
4342 93-11-157 or 93-11-163, as the case may be.

4343           **SECTION 63.** Section 63-1-81, Mississippi Code of 1972, is  
4344 brought forward as follows:

4345           63-1-81. (1) Each application for a commercial driver's  
4346 license or commercial driver instruction permit shall include the  
4347 following:

4348                   (a) The full name and the current mailing and  
4349 residential address of the applicant;

4350                   (b) A physical description of the applicant, including  
4351 sex, height, weight, eye and hair color;

4352                   (c) The applicant's date of birth;

4353                   (d) The applicant's social security number unless the  
4354 application is for a nonresident commercial driver's license;

4355                   (e) The applicant's signature;

4356                   (f) The applicant's color photograph;

4357                   (g) All certifications required by applicable federal  
4358 regulations;

4359                   (h) Any other information which the Commissioner of  
4360 Public Safety, by rule or regulation, determines necessary and  
4361 essential; and

4362                   (i) The consent of the applicant to release driving  
4363 record information.

4364           (2) Whenever a person who has applied for or who has been  
4365 issued a license or permit under this article moves from the  
4366 address listed in the application or on the permit or license, or  
4367 whenever the name of a licensee changes by marriage or otherwise,  
4368 such person, within thirty (30) days thereafter, shall notify, in  
4369 writing, the Department of Public Safety, Driver Services

4370 Division, and inform the department of his or her previous address  
4371 and new address and of his or her former name and new name. The  
4372 department shall not change the name of a licensee or permittee on  
4373 his or her license or permit unless the applicant appears in  
4374 person at an office of the department and provides a certified  
4375 copy of his or her marriage license, court order, birth  
4376 certificate or divorce decree changing the licensee's or  
4377 permittee's name.

4378 (3) The fee for accepting and processing an application for  
4379 a commercial driver instruction permit shall be Ten Dollars  
4380 (\$10.00).

4381 (4) The fee for accepting and processing an application for  
4382 a Class A, B or C commercial driver's license shall be Twenty-five  
4383 Dollars (\$25.00).

4384 (5) No person who has been a resident of this state for  
4385 thirty (30) days may drive a commercial motor vehicle under the  
4386 authority of a commercial driver's license issued by another  
4387 jurisdiction. Any violation of this subsection shall be  
4388 punishable as provided by Section 63-1-69, Mississippi Code of  
4389 1972.

4390 (6) Any person who knowingly falsifies information or  
4391 certifications required under subsection (1) of this section shall  
4392 be subject to the penalties prescribed in Section 63-1-59,  
4393 Mississippi Code of 1972, and shall be subject to suspension of  
4394 his commercial driver's instruction permit or commercial driver's  
4395 license in accordance with Section 63-1-51, Mississippi Code of  
4396 1972.

4397 (7) Each application or filing made under this section shall  
4398 include the social security number(s) of the applicant in  
4399 accordance with Section 93-11-64, Mississippi Code of 1972.

4400 (8) (a) Any male who is at least eighteen (18) years of age  
4401 but less than twenty-six (26) years of age and who applies for a  
4402 commercial license or renewal of a commercial license under this

4403 article shall be registered in compliance with the requirements of  
4404 Section 3 of the Military Selective Service Act, 50 USCS Appx 451  
4405 et seq., as amended.

4406 (b) The department shall forward in an electronic  
4407 format the necessary personal information of the applicant to the  
4408 Selective Service System. The applicant's submission of the  
4409 application shall serve as an indication that the applicant either  
4410 has already registered with the Selective Service System or that  
4411 he is authorizing the department to forward to the Selective  
4412 Service System the necessary information for registration. The  
4413 commissioner shall notify the applicant on, or as a part of, the  
4414 application that his submission of the application will serve as  
4415 his consent to registration with the Selective Service System, if  
4416 so required. The commissioner also shall notify any male  
4417 applicant under the age of eighteen (18) that he will be  
4418 registered upon turning age eighteen (18) as required by federal  
4419 law.

4420 **SECTION 64.** Section 63-1-82, Mississippi Code of 1972, is  
4421 amended as follows:

4422 63-1-82. (1) Each commercial driver's license shall be  
4423 marked "Commercial Driver's License" or "CDL" and shall, to the  
4424 maximum extent practicable, be tamper proof. Each such license  
4425 shall include thereon, but not be limited to, the following  
4426 information:

- 4427 (a) The name and residential address of the licensee;  
4428 (b) The licensee's color photograph;  
4429 (c) A physical description of the licensee, including  
4430 his sex, height, weight, eye and hair color;  
4431 (d) The licensee's date of birth;  
4432 (e) Except for a nonresident commercial driver's  
4433 license, the licensee's social security number; and any other  
4434 identifying information which the Commissioner of Public Safety,

4435 by rule or regulation, determines necessary and essential for the  
4436 purposes of complying with the provisions of this article;

4437 (f) The licensee's signature;

4438 (g) The class or type of commercial motor vehicle or  
4439 vehicles which the licensee is authorized to drive together with  
4440 any endorsements or restrictions;

4441 (h) The name of this state; and

4442 (i) The dates between which the license is valid.

4443 (2) The holder of a valid commercial driver's license may  
4444 drive all vehicles in the class for which that license is issued  
4445 and all lesser classes of vehicles, including any vehicle for  
4446 which an operator's license or commercial driver's license issued  
4447 under Article 1 of this chapter authorizes a person to drive.  
4448 However, vehicles which require an endorsement may not be driven  
4449 unless the proper endorsement appears on the license.

4450 (3) Commercial driver's licenses may be issued with the  
4451 following classifications:

4452 (a) Class A. Any combination of vehicles with a gross  
4453 vehicle weight rating of twenty-six thousand one (26,001) pounds  
4454 or more, provided the gross vehicle weight rating of the vehicle  
4455 or vehicles being towed is in excess of ten thousand (10,000)  
4456 pounds;

4457 (b) Class B. Any single vehicle with a gross vehicle  
4458 weight rating of twenty-six thousand one (26,001) pounds or more,  
4459 and any such vehicle towing a vehicle not in excess of ten  
4460 thousand (10,000) pounds;

4461 (c) Class C. Any single vehicle with a gross vehicle  
4462 weight rating of less than twenty-six thousand one (26,001) pounds  
4463 or any such vehicle towing a vehicle with a gross vehicle weight  
4464 rating not in excess of ten thousand (10,000) pounds comprising:

4465 (i) Vehicles designed to transport sixteen (16) or  
4466 more passengers, including the driver; and

4467 (ii) Vehicles used in the transportation of  
4468 hazardous materials which are required to be placarded under the  
4469 Hazardous Materials Transportation Act, 49 USCS Appx., Section  
4470 1801 et seq.; and

4471 (d) Class D. All other vehicles or combination of  
4472 vehicles which are not included in Class A, Class B or Class C and  
4473 for which a commercial license is required to be issued as  
4474 provided by Section 63-1-43, Mississippi Code of 1972.

4475 (4) Commercial driver's licenses may be issued with the  
4476 following endorsements and restrictions:

4477 (a) "H" authorizes the driver to drive a vehicle  
4478 transporting hazardous materials;

4479 (b) "K" restricts the driver to vehicles not equipped  
4480 with air brakes;

4481 (c) "T" authorizes driving double and triple trailers;

4482 (d) "P" authorizes driving vehicles carrying  
4483 passengers;

4484 (e) "N" authorizes driving tank vehicles;

4485 (f) "X" represents a combination of hazardous materials  
4486 and tank vehicle endorsements;

4487 (g) "S" authorizes driving school buses operated for  
4488 the purpose of transporting pupils to and from school or to  
4489 school-related functions; and

4490 (h) "F" restricts driving which requires a commercial  
4491 license to intrastate driving only.

4492 (5) Before issuing a commercial driver's license, the  
4493 Commissioner of Public Safety shall obtain driving record  
4494 information through the Commercial Driver License Information  
4495 System.

4496 (6) Within ten (10) days after issuing a commercial driver's  
4497 license, the Commissioner of Public Safety shall notify the  
4498 Commercial Driver License Information System of that fact,

4499 providing all information required to ensure identification of the  
4500 person.

4501 (7) The fee charged for the issuance of each original and  
4502 each renewal of a Class A, B or C commercial driver's license  
4503 shall be Forty-three Dollars (\$43.00) plus the applicable  
4504 photograph fee. In addition, a fee of Five Dollars (\$5.00) shall  
4505 be charged for each endorsement entered on a commercial driver's  
4506 license under subsection (4) of this section.

4507 (8) If a commercial driver instruction permit or commercial  
4508 driver's license is lost or destroyed, or if the holder of a  
4509 commercial driver's license changes his name, mailing address or  
4510 residence, an application for a duplicate permit or license shall  
4511 be made as provided by Section 63-1-37, Mississippi Code of 1972.

4512 (9) All commercial driver's licenses issued under the  
4513 provisions of this article shall be issued for a period of not  
4514 more than four (4) years and shall expire at midnight on the last  
4515 day of the licensee's month of birth.

4516 (10) Every person applying for renewal of a commercial  
4517 driver's license shall complete the application form required by  
4518 Section 63-1-81, Mississippi Code of 1972, providing updated  
4519 information and required certifications and paying the appropriate  
4520 fees. If the applicant wishes to retain a hazardous materials  
4521 endorsement, the written test for a hazardous materials  
4522 endorsement must be taken and passed.

4523 (11) A fee of Thirty-seven Dollars (\$37.00), plus actual  
4524 costs involved in conducting background record checks of  
4525 applicants before issuing renewal, transfer or upgrade of a  
4526 commercial driver's license with a hazardous material endorsement  
4527 for the purpose of determining that the applicant does not pose a  
4528 security threat warranting denial of such endorsement, shall be  
4529 charged in addition to all other fees for the issuance of each  
4530 original and each renewal of a Class A, B or C commercial driver's  
4531 license. The fees collected under this subsection shall be

4532 deposited into a special fund in the State Treasury. Monies in  
4533 the fund may be expended, upon legislative appropriation, solely  
4534 for the purpose of paying administrative costs and expenses  
4535 incurred by the department in performing background checks.

4536 (12) The Commissioner of Public Safety, by rule or  
4537 regulation, shall establish a driver's license photograph fee  
4538 which shall be the actual cost of the photograph rounded off to  
4539 the next highest dollar. Monies collected for the photograph fee  
4540 shall be deposited into a special photograph fee account which the  
4541 Department of Public Safety shall use to pay the actual cost of  
4542 producing the photographs. Any monies collected in excess of the  
4543 actual costs of the photography shall be deposited to the General  
4544 Fund of the State of Mississippi.

4545 **SECTION 65.** Section 63-15-4, Mississippi Code of 1972, is  
4546 brought forward as follows:

4547 63-15-4. (1) The following vehicles are exempted from the  
4548 requirements of this section:

4549 (a) Vehicles exempted by Section 63-15-5;

4550 (b) Vehicles for which a bond or a certificate of  
4551 deposit of money or securities in at least the minimum amounts  
4552 required for proof of financial responsibility is on file with the  
4553 department;

4554 (c) Vehicles that are self-insured under Section  
4555 63-15-53; and

4556 (d) Implements of husbandry.

4557 (2) (a) Every motor vehicle operated in this state shall  
4558 have an insurance card maintained in the vehicle as proof of  
4559 liability insurance that is in compliance with the liability  
4560 limits required by Section 63-15-3(j). The insured parties shall  
4561 be responsible for maintaining the insurance card in each vehicle.

4562 (b) An insurance company issuing a policy of motor  
4563 vehicle liability insurance as required by this section shall



4564 furnish to the insured an insurance card for each vehicle at the  
4565 time the insurance policy becomes effective.

4566 (3) Upon stopping a motor vehicle at a roadblock where all  
4567 passing motorists are checked as a method to enforce traffic laws  
4568 or upon stopping a motor vehicle for any other statutory  
4569 violation, a law enforcement officer, who is authorized to issue  
4570 traffic citations, shall verify that the insurance card required  
4571 by this section is in the motor vehicle. However, no driver shall  
4572 be stopped or detained solely for the purpose of verifying that an  
4573 insurance card is in the motor vehicle unless the stop is part of  
4574 such roadblock.

4575 (4) Failure of the owner or the operator of a motor vehicle  
4576 to have the insurance card in the motor vehicle is a misdemeanor  
4577 and, upon conviction, is punishable by a fine of Five Hundred  
4578 Dollars (\$500.00) and suspension of driving privilege for a period  
4579 of one (1) year or until the owner of the motor vehicle shows  
4580 proof of liability insurance that is in compliance with the  
4581 liability limits required by Section 63-15-3(j). Fraudulent use  
4582 of an insurance card shall be punishable in accordance with  
4583 Section 97-7-10. The funds from such fines shall be deposited in  
4584 the State General Fund in the State Treasury. However, if such  
4585 fines are levied in a municipal court, twenty-five percent (25%)  
4586 of the funds from such fines shall be deposited in the general  
4587 fund of the municipality. If such fines are levied in any of the  
4588 courts of the county, twenty-five percent (25%) of the funds from  
4589 such fines shall be deposited in the general fund of the county.

4590 (5) If, at the hearing date or the date of payment of the  
4591 fine, the motor vehicle owner shows proof of motor vehicle  
4592 liability insurance in the amounts required by Section 63-15-3(j),  
4593 the fine shall be reduced to One Hundred Dollars (\$100.00). If  
4594 the owner shows proof that such insurance was in effect at the  
4595 time of citation, the case shall be dismissed as to the defendant

4596 with prejudice and all court costs shall be waived against the  
4597 defendant.

4598         **SECTION 66.** Section 63-21-63, Mississippi Code of 1972, is  
4599 amended as follows:

4600         63-21-63. There shall be paid to the State Tax Commission  
4601 for issuing and processing documents required by this chapter,  
4602 fees for motor vehicles according to the following schedule:

- 4603             (a) Each application for certificate of title issued  
4604 under Section 63-21-9(2)..... \$14.00;
- 4605             (b) Each application for certificate of title not  
4606 issued under Section 63-21-9(2)..... 14.00;
- 4607             (c) Each application for replacement or  
4608 corrected certificate of title..... 14.00;
- 4609             (d) Each suspension or revocation of  
4610 certificate of title..... 14.00;
- 4611             (e) Each notice of security interest..... 14.00;
- 4612             (f) Each release of security interest..... 14.00;
- 4613             (g) Each assignment by lienholder..... 14.00;
- 4614             (h) Each application for information as to  
4615 the status of the title of a vehicle..... 14.00.

4616         The designated agent may add the sum of One Dollar (\$1.00) to  
4617 each document processed for which a fee is charged to be retained  
4618 as his commission for services rendered. All other fees collected  
4619 shall be remitted to the State Tax Commission.

4620         If more than one (1) transaction be involved in any  
4621 application on a single vehicle and if supported by all required  
4622 documents, the fee charged by the State Tax Commission and by the  
4623 designated agent for processing and issuing shall be considered as  
4624 only one (1) transaction.

4625         **SECTION 67.** The following shall be codified as Section  
4626 7-3-30, Mississippi Code of 1972:

4627         7-3-30. The Secretary of State shall provide for the annual  
4628 publication of a Judiciary Directory and Court Calendar, which

4629 shall be made available for sale for not less than Two Dollars and  
4630 Fifty Cents (\$2.50) per copy, plus the actual cost of shipping and  
4631 handling. The Secretary of State shall pay the proceeds of those  
4632 sales into the State General Fund.

4633 **SECTION 68.** Section 25-7-81, Mississippi Code of 1972, is  
4634 amended as follows:

4635 25-7-81. (1) The Secretary of State shall charge the  
4636 following fees:

4637 (a) For every commission issued by him to persons  
4638 appointed by the Governor as a commissioner of this state in any  
4639 other state, territory, or district of the United States, or in  
4640 any foreign country..... \$10.00

4641 (b) For recording charter of a corporation for  
4642 literary, religious, benevolent, fraternal, or scientific  
4643 purposes, and not for pecuniary profits, directly or  
4644 indirectly..... 20.00

4645 (c) For commission of each notary public..... 25.00

4646 (d) For commission of each commissioner of  
4647 deeds..... 10.00

4648 (2) In addition to the fees charged under subsection (1)(c)  
4649 of this section, the Secretary of State shall charge a fee of Ten  
4650 Dollars (\$10.00) for the commissioning of notaries public, which  
4651 shall be deposited into the State General Fund.

4652 **SECTION 69.** Section 79-4-1.22, Mississippi Code of 1972, is  
4653 amended as follows:

4654 79-4-1.22. (a) The Secretary of State shall collect the  
4655 following fees when the documents described in this subsection are  
4656 delivered to him for filing:

4657	Document	Fee
4658	(1) Articles of incorporation.....	\$50.00
4659	(2) Application for use of indistinguishable	
4660	name.....	5.00
4661	(3) Application for reserved name.....	25.00

4662	(4)	Notice of transfer of reserved name.....	25.00
4663	(5)	Application for registered name.....	50.00
4664	(6)	Application for renewal of registered	
4665		name.....	50.00
4666	(7)	Corporation's statement of change of	
4667		registered agent or registered office	
4668		or both.....	10.00
4669	(8)	Agent's statement of change of registered	
4670		office for each affected corporation.....	10.00
4671		not to exceed a total of.....	1,000.00
4672	(9)	Agent's statement of resignation.....	No fee
4673	(10)	Amendment of articles of incorporation...	50.00
4674	(11)	Restatement of articles of incorporation.	50.00
4675		with amendment of articles.....	50.00
4676	(12)	Articles of merger or share exchange.....	50.00
4677	(13)	Articles of dissolution.....	25.00
4678	(14)	Articles of revocation of dissolution....	25.00
4679	(15)	Certificate of administrative dissolution	No fee
4680	(16)	Application for reinstatement following	
4681		administrative dissolution.....	50.00
4682	(17)	Certificate of reinstatement.....	No fee
4683	(18)	Certificate of judicial dissolution.....	No fee
4684	(19)	Application for certificate of authority.	500.00
4685	(20)	Application for amended certificate of	
4686		authority.....	50.00
4687	(21)	Application for certificate of withdrawal	125.00
4688	(22)	Certificate of revocation of authority to	
4689		transact business.....	No fee
4690	(23)	Application for reinstatement following	
4691		administrative revocation.....	100.00
4692	(24)	Certificate of reinstatement.....	No fee
4693	(25)	Annual report.....	25.00
4694	(26)	Articles of correction.....	50.00

4695 (27) Application for certificate of existence  
4696 or authorization..... 25.00  
4697 (28) Any other document required or permitted  
4698 to be filed by Section 79-4-1.01 et seq... 25.00

4699 (b) The Secretary of State shall collect a fee of  
4700 Twenty-five Dollars (\$25.00) each time process is served on him  
4701 under Section 79-4-1.01 et seq. The party to a proceeding causing  
4702 service of process is entitled to recover this fee as costs if he  
4703 prevails in the proceeding.

4704 (c) The Secretary of State shall collect the following fees  
4705 for copying and certifying the copy of any filed document relating  
4706 to a domestic or foreign corporation:

- 4707 (1) One Dollar (\$1.00) a page for copying; and
- 4708 (2) Ten Dollars (\$10.00) for the certificate.

4709 (d) The Secretary of State may collect a filing fee greater  
4710 than the fee set out herein, not to exceed the actual costs of  
4711 processing such filing, if the form for such filing prescribed by  
4712 the Secretary of State has not been used.

4713 (e) In addition to any other fees charged under this  
4714 section, the Secretary of State shall charge the following fees:

- 4715 (1) Articles of incorporation..... \$25.00
- 4716 (2) Agent's statement of resignation..... \$25.00
- 4717 (3) Annual report..... \$25.00

4718 The fees collected under this subsection (e) shall be  
4719 deposited into the State General Fund.

4720 **SECTION 70.** Section 75-9-525, Mississippi Code of 1972, is  
4721 amended as follows:

4722 **[Until December 31, 2007, this section shall read as**  
4723 **follows:]**

4724 75-9-525. (a) Except as otherwise provided in subsection  
4725 (e), the fee for filing and indexing a record under this part,  
4726 other than an initial financing statement of the kind described in

4727 subsection (b) is the amount specified in subsection (c), if  
4728 applicable, plus:

4729 (1) Ten Dollars (\$10.00) if the record is communicated  
4730 in writing and is in the standard form prescribed by the Secretary  
4731 of State;

4732 (2) Thirteen Dollars (\$13.00) if the record is  
4733 communicated in writing and is not in the standard form prescribed  
4734 by the Secretary of State; and

4735 (3) Eight Dollars (\$8.00) if the record is communicated  
4736 by another medium authorized by filing-office rule.

4737 In addition to the fees charged in paragraphs (1), (2) and  
4738 (3) of this subsection (a), a fee of Ten Dollars (\$10.00) shall be  
4739 charged on all transactions described in paragraphs (1) and (2),  
4740 and a fee of Eight Dollars (\$8.00) shall be charged on all  
4741 transactions described in paragraph (3). The fees collected under  
4742 this paragraph shall be deposited into the State General Fund.

4743 (b) Except as otherwise provided in subsection (e), the fee  
4744 for filing and indexing an initial financing statement of the  
4745 following kind is the amount specified in subsection (c), if  
4746 applicable, plus:

4747 (1) Thirteen Dollars (\$13.00) if the financing  
4748 statement indicates that it is filed in connection with a  
4749 public-finance transaction;

4750 (2) Ten Dollars (\$10.00) if the financing statement  
4751 indicates that it is filed in connection with a manufactured-home  
4752 transaction.

4753 In addition to the fees charged in paragraphs (1) and (2) of  
4754 this subsection (b), a fee of Ten Dollars (\$10.00) shall be  
4755 charged on all transactions described in paragraphs (1) and (2) of  
4756 this subsection (b). The fees collected under this paragraph  
4757 shall be deposited into the State General Fund.

4758 (c) Except as otherwise provided in subsection (e), if a  
4759 record is communicated in writing, the fee for each additional

4760 debtor name more than one (1) required to be indexed is Four  
4761 Dollars (\$4.00).

4762 In addition to the fee charged in this subsection (c), a fee  
4763 of Sixteen Dollars (\$16.00) shall be charged on all transactions  
4764 described in this subsection. The fees collected under this  
4765 paragraph shall be deposited into the State General Fund.

4766 (d) The fee for responding to a request for information from  
4767 the filing office, including for issuing a certificate showing  
4768 whether there is on file any financing statement naming a  
4769 particular debtor, is:

4770 (1) Five Dollars (\$5.00) if the request is communicated  
4771 in writing on the standard form prescribed by the Secretary of  
4772 State;

4773 (2) Ten Dollars (\$10.00) if the request is communicated  
4774 in writing and is not in the standard form prescribed by the  
4775 Secretary of State;

4776 (3) Three Dollars (\$3.00) if the request is  
4777 communicated by another medium authorized by filing-office rule;  
4778 and

4779 (4) An additional fee of Two Dollars (\$2.00) shall be  
4780 paid by the requesting party for each financing statement listed  
4781 on the filing officer's certificate, the aggregate of which shall  
4782 be billed to the requesting party at the time the filing officer's  
4783 certificate is issued.

4784 In addition to the fees charged in paragraphs (1), (2), (3)  
4785 and (4) of this subsection (d), a fee of Five Dollars (\$5.00)  
4786 shall be charged on all transactions described in paragraphs (1),  
4787 (2), (3) and (4) of this subsection. The fees collected under  
4788 this paragraph shall be deposited into the State General Fund.

4789 (e) This section does not require a fee to the chancery  
4790 clerk with respect to a record of a mortgage which is effective as  
4791 a financing statement filed as a fixture filing or as a financing  
4792 statement covering as-extracted collateral or timber to be cut

4793 under Section 75-9-502(c). However, the recording and  
4794 satisfaction fees to the chancery clerk that otherwise would be  
4795 applicable under Section 25-7-9 to the record of the mortgage  
4796 apply.

4797 **[From and after December 31, 2007, this section shall read as**  
4798 **follows:]**

4799 75-9-525. (a) Except as otherwise provided in subsection  
4800 (e), the fee for filing and indexing a record under this part,  
4801 other than an initial financing statement of the kind described in  
4802 subsection (b) is the amount specified in subsection (c), if  
4803 applicable, plus:

4804 (1) Five Dollars (\$5.00) if the record is communicated  
4805 in writing and is in the standard form prescribed by the Secretary  
4806 of State;

4807 (2) Eight Dollars (\$8.00) if the record is communicated  
4808 in writing and is not in the standard form prescribed by the  
4809 Secretary of State; and

4810 (3) Three Dollars (\$3.00) if the record is communicated  
4811 by another medium authorized by filing-office rule.

4812 In addition to the fees charged in paragraphs (1), (2) and  
4813 (3) of this subsection (a), a fee of Ten Dollars (\$10.00) shall be  
4814 charged on all transactions described in paragraphs (1) and (2),  
4815 and a fee of Eight Dollars (\$8.00) shall be charged on all  
4816 transactions described in paragraph (3). The fees collected under  
4817 this paragraph shall be deposited into the State General Fund.

4818 (b) Except as otherwise provided in subsection (e), the fee  
4819 for filing and indexing an initial financing statement of the  
4820 following kind is the amount specified in subsection (c), if  
4821 applicable, plus:

4822 (1) Eight Dollars (\$8.00) if the financing statement  
4823 indicates that it is filed in connection with a public-finance  
4824 transaction;



4825           (2) Five Dollars (\$5.00) if the financing statement  
4826 indicates that it is filed in connection with a manufactured-home  
4827 transaction.

4828           In addition to the fees charged in paragraphs (1) and (2) of  
4829 this subsection (b), a fee of Ten Dollars (\$10.00) shall be  
4830 charged on all transactions described in paragraphs (1) and (2) of  
4831 this subsection (b). The fees collected under this paragraph  
4832 shall be deposited into the State General Fund.

4833           (c) Except as otherwise provided in subsection (e), if a  
4834 record is communicated in writing, the fee for each additional  
4835 debtor name more than one (1) required to be indexed is Four  
4836 Dollars (\$4.00).

4837           In addition to the fee charged in this subsection (c), a fee  
4838 of Sixteen Dollars (\$16.00) shall be charged on all transactions  
4839 described in this subsection. The fees collected under this  
4840 paragraph shall be deposited into the State General Fund.

4841           (d) The fee for responding to a request for information from  
4842 the filing office, including for issuing a certificate showing  
4843 whether there is on file any financing statement naming a  
4844 particular debtor, is:

4845           (1) Five Dollars (\$5.00) if the request is communicated  
4846 in writing on the standard form prescribed by the Secretary of  
4847 State;

4848           (2) Ten Dollars (\$10.00) if the request is communicated  
4849 in writing and is not in the standard form prescribed by the  
4850 Secretary of State;

4851           (3) Three Dollars (\$3.00) if the request is  
4852 communicated by another medium authorized by filing-office rule;  
4853 and

4854           (4) An additional fee of Two Dollars (\$2.00) shall be  
4855 paid by the requesting party for each financing statement listed  
4856 on the filing officer's certificate, the aggregate of which shall

4857 be billed to the requesting party at the time the filing officer's  
4858 certificate is issued.

4859 In addition to the fees charged in paragraphs (1), (2), (3)  
4860 and (4) of this subsection (d), a fee of Five Dollars (\$5.00)  
4861 shall be charged on all transactions described in paragraphs (1),  
4862 (2), (3) and (4) of this subsection. The fees collected under  
4863 this paragraph shall be deposited into the State General Fund.

4864 (e) This section does not require a fee to the chancery  
4865 clerk with respect to a record of a mortgage which is effective as  
4866 a financing statement filed as a fixture filing or as a financing  
4867 statement covering as-extracted collateral or timber to be cut  
4868 under Section 75-9-502(c). However, the recording and  
4869 satisfaction fees to the chancery clerk that otherwise would be  
4870 applicable under Section 25-7-9 to the record of the mortgage  
4871 apply.

4872 **SECTION 71.** Section 75-63-65, Mississippi Code of 1972, is  
4873 amended as follows:

4874 75-63-65. (1) Any establishment or organization which  
4875 engages in the business of selling preneed merchandise and/or  
4876 services shall register with the Secretary of State and shall pay  
4877 a registration fee. A separate registration is required for each  
4878 separate corporation or business entity. The establishment or  
4879 organization shall pay to the Secretary of State for the  
4880 registration of the main establishment or organization a fee of  
4881 Three Hundred Fifty Dollars (\$350.00).

4882 (2) Any person who engages in the business of selling  
4883 preneed contracts shall register with the Secretary of State.

4884 (3) The Secretary of State shall establish regulations to  
4885 register each establishment or organization selling preneed  
4886 merchandise or services. No establishment or organization shall  
4887 be registered to sell preneed merchandise or services that the  
4888 establishment or organization cannot lawfully provide at the time  
4889 of a person's death. The Secretary of State shall also maintain a

4890 record of all individuals who are registered to sell preneed  
4891 merchandise or services through the registered establishment.

4892 (4) The Secretary of State shall establish regulations to  
4893 register each person selling preneed contracts, including the  
4894 establishment through which the seller will be selling. No person  
4895 shall be registered to sell preneed contracts without indicating  
4896 the establishment for which he or she is selling.

4897 (5) The Secretary of State shall develop and furnish the  
4898 forms necessary for the registration of establishments and  
4899 individuals selling preneed contracts.

4900 (6) The Secretary of State shall charge the following fees  
4901 under this article:

4902	(a) <u>Renewal of registration for establishments and</u>	
4903	<u>organizations</u> .....	<u>\$50.00</u>
4904	(b) <u>Registration of agents</u> .....	<u>\$20.00</u>
4905	(c) <u>Renewal of registration for agents</u> .....	<u>\$20.00</u>
4906	(d) <u>Filing of sales reports</u> .....	<u>\$50.00</u>

4907 The fees collected under this subsection shall be deposited  
4908 into the State General Fund.

4909 **SECTION 72.** Section 75-71-409, Mississippi Code of 1972, is  
4910 amended as follows:

4911 75-71-409. (1) (a) At the time the registration of a  
4912 securities offering or notification of a securities offering  
4913 pursuant to Section 75-71-408(a) is filed, every person filing  
4914 such registration or notification shall pay a filing fee of  
4915 one-tenth of one percent (1/10 of 1%) of the dollar amount to be  
4916 registered, with the minimum fee to be One Hundred Fifty Dollars  
4917 (\$150.00) and the maximum fee to be One Thousand Dollars  
4918 (\$1,000.00).

4919 (b) When a registration is withdrawn before the  
4920 effective date or a preeffective stop order is entered under  
4921 Sections 75-71-425 through 75-71-431, the Secretary of State shall

4922 retain the greater of One Hundred Fifty Dollars (\$150.00) or forty  
4923 percent (40%) of the fee.

4924 (c) The Secretary of State may by rule or otherwise set  
4925 a fee for changing the name of an issuer or offering filed with  
4926 his office.

4927 (2) The Secretary of State shall charge the following fees  
4928 under this chapter:

4929 (a) Initial registration statements - processing  
4930 fee..... \$100.00

4931 (b) Renewal fee in addition to initial  
4932 offering..... \$100.00

4933 The fees collected under this subsection shall be deposited  
4934 into the State General Fund.

4935 **SECTION 73.** Section 79-11-109, Mississippi Code of 1972, is  
4936 amended as follows:

4937 79-11-109. (1) Except as otherwise provided in subsection  
4938 (4) of this section, the Secretary of State shall collect the  
4939 following fees when the documents described in this subsection are  
4940 delivered for filing:

4941	Document	Fee
4942	(a) Articles of incorporation.....	\$50.00
4943	(b) Application for use of indistinguishable name	
4944	.....	25.00
4945	(c) Application for reserved name.....	25.00
4946	(d) Notice of transfer of reserved name.....	25.00
4947	(e) Application for registered name.....	50.00
4948	(f) Application for renewal of registered name	50.00
4949	(g) Corporation's statement of change of registered	
4950	agent or registered office or both.....	10.00
4951	(h) Agent's statement of change of registered office	
4952	for each affected corporation.....	10.00
4953	Not to exceed a total of.....	1,000.00
4954	(i) Agent's statement of resignation.....	No Fee

4955	(j) Amendment of articles of incorporation....	50.00
4956	(k) Restatement of articles of incorporation with	
4957	amendments.....	50.00
4958	(l) Articles of merger.....	50.00
4959	(m) Articles of dissolution.....	25.00
4960	(n) Articles of revocation of dissolution....	25.00
4961	(o) Certificate of administrative dissolution.	No Fee
4962	(p) Application for reinstatement following	
4963	administrative dissolution.....	50.00
4964	(q) Certificate of reinstatement.....	No Fee
4965	(r) Certificate of judicial dissolution.....	No Fee
4966	(s) Application for certificate of authority..	100.00
4967	(t) Application for amended certificate of	
4968	authority.....	50.00
4969	(u) Application for certificate of withdrawal..	25.00
4970	(v) Certificate of revocation of authority to	
4971	transact business.....	No Fee
4972	(w) Status report.....	25.00
4973	(x) Articles of correction.....	50.00
4974	(y) Application for certificate of existence or	
4975	authorization.....	25.00
4976	(z) Any other document required or permitted	
4977	to be filed by Sections 79-11-101 et seq.....	25.00
4978	(2) Except as otherwise provided in subsection (4) of this	
4979	section, the Secretary of State shall collect a fee of Twenty-five	
4980	Dollars (\$25.00) upon being served with process under Sections	
4981	79-11-101 et seq. The party to a proceeding causing service of	
4982	process is entitled to recover the fee paid the Secretary of State	
4983	as costs if the party prevails in the proceeding.	
4984	(3) Except as otherwise provided in subsection (4) of this	
4985	section, the Secretary of State shall collect the following fees	
4986	for copying and certifying the copy of any filed document relating	
4987	to a domestic or foreign corporation:	

4988 (a) One Dollar (\$1.00) a page for copying; and  
4989 (b) Ten Dollars (\$10.00) for the certificate.  
4990 (4) The Secretary of State may collect a filing fee greater  
4991 than the fee set forth in subsections (1), (2) and (3) in an  
4992 amount not to exceed twice the fee set forth in subsections (1),  
4993 (2) and (3) of processing the filing, if the form prescribed by  
4994 the Secretary of State for such filing has not been used.

4995 (5) In addition to any other fees charged in this section,  
4996 the Secretary of State shall charge the following fees:

- 4997 (a) Articles of incorporation..... \$25.00  
4998 (b) Corporation's statement of change  
4999 of registered agent or registered office or both..... \$25.00

5000 The fees collected under this subsection shall be deposited  
5001 into the State General Fund.

5002 **SECTION 74.** Section 79-11-504, Mississippi Code of 1972, is  
5003 amended as follows:

5004 79-11-504. (1) The Secretary of State shall have the  
5005 authority to:

5006 (a) Promulgate rules of procedure and regulations  
5007 necessary for the administration of Sections 79-11-501 through  
5008 79-11-529, subject to the provisions of the Mississippi  
5009 Administrative Procedures Law.

5010 (b) Honor written requests from interested person for  
5011 interpretative opinions regarding registration and exemptions from  
5012 registration.

5013 (c) Publish and disseminate information to the public  
5014 concerning persons subject to Sections 79-11-501 through  
5015 79-11-529.

5016 (d) Perform any other functions and duties which may be  
5017 necessary to carry out the provisions of Sections 79-11-501  
5018 through 79-11-529.

5019 (2) The Secretary of State shall charge the following fees  
5020 under Sections 79-11-501 through 79-11-529:

5021	(a) <u>Registration of exempt organizations.....</u>	<u>\$50.00</u>
5022	(b) <u>Registration of solicitors.....</u>	<u>\$50.00</u>
5023	(c) <u>Renewal of solicitors registration.....</u>	<u>\$50.00</u>
5024	(d) <u>Filing of solicitation campaign notices....</u>	<u>\$50.00</u>
5025	(e) <u>Issuing opinion letters--charitable and</u>	
5026	<u>fundraising.....</u>	<u>\$100.00</u>

5027       The fees collected under this subsection shall be deposited  
5028 into the State General Fund.

5029       **SECTION 75.** Section 79-29-1203, Mississippi Code of 1972, is  
5030 amended as follows:

5031       79-29-1203. (1) The Secretary of State shall charge and  
5032 collect a fee for:

5033               (a) Filing of Reservation of Limited Liability Company  
5034 Name, Twenty-Five Dollars (\$25.00).

5035               (b) Filing of Change of Address of Registered Agent,  
5036 Twenty-Five Dollars (\$25.00).

5037               (c) Filing of Resignation of Registered Agent, Five  
5038 Dollars (\$5.00).

5039               (d) Filing of Certificate of Formation, Fifty Dollars  
5040 (\$50.00).

5041               (e) Filing of Amendment to Certificate of Formation,  
5042 Fifty Dollars (\$50.00).

5043               (f) Filing of Certificate of Dissolution, Twenty-Five  
5044 Dollars (\$25.00).

5045               (g) Filing of Certificate of Cancellation, Twenty-Five  
5046 Dollars (\$25.00).

5047               (h) Filing of Restated Certificate of Formation or  
5048 Amended and Restated Certificate of Formation, Twenty-Five Dollars  
5049 (\$25.00).

5050               (i) Filing of Certificate of Withdrawal, Twenty-Five  
5051 Dollars (\$25.00).

5052               (j) Filing of Application for Registration of Foreign  
5053 Limited Liability Company, Two Hundred Fifty Dollars (\$250.00).

5054 (k) Filing of Certificate Correcting Application for  
5055 Registration of Foreign Limited Liability Company, Fifty Dollars  
5056 (\$50.00).

5057 (l) Filing of Certificate of Cancellation of  
5058 Registration of Foreign Limited Liability Company, Twenty-Five  
5059 Dollars (\$25.00).

5060 (m) Any other document required or permitted to be  
5061 filed under this chapter, Twenty-Five Dollars (\$25.00).

5062 (2) In addition to any other fees charged under this  
5063 section, the Secretary of State shall charge the following fees:

5064 (a) For filing a certificate of formation..... \$25.00

5065 (b) For filing annual reports..... \$75.00

5066 The fees collected under this subsection shall be deposited  
5067 into the State General Fund.

5068 **SECTION 76.** Section 75-76-131, Mississippi Code of 1972, is  
5069 brought forward as follows:

5070 75-76-131. (1) The executive director shall:

5071 (a) Ascertain and keep himself informed of the  
5072 identity, prior activities and present location of all gaming  
5073 employees in the State of Mississippi; and

5074 (b) Maintain confidential records of such information.

5075 (2) No person may be employed as a gaming employee unless he  
5076 is the holder of a work permit issued by the commission.

5077 (3) A work permit issued to a gaming employee must have  
5078 clearly imprinted thereon a statement that it is valid for gaming  
5079 purposes only.

5080 (4) Application for a work permit is to be made to the  
5081 executive director and may be granted or denied for any cause  
5082 deemed reasonable by the commission. Whenever the executive  
5083 director denies such an application, he shall include in the  
5084 notice of the denial a statement of the facts upon which he relied  
5085 in denying the application.



5086           (5) Any person whose application for a work permit has been  
5087 denied by the executive director may, not later than sixty (60)  
5088 days after receiving notice of the denial or objection, apply to  
5089 the commission for a hearing before a hearing examiner. A failure  
5090 of a person whose application has been denied to apply for a  
5091 hearing within sixty (60) days or his failure to appear at a  
5092 hearing conducted pursuant to this section shall be deemed to be  
5093 an admission that the denial or objection is well founded and  
5094 precludes administrative or judicial review. At the hearing, the  
5095 hearing examiner appointed by the commission shall take any  
5096 testimony deemed necessary. After the hearing the hearing  
5097 examiner shall within thirty (30) days after the date of the  
5098 hearing announce his decision sustaining or reversing the denial  
5099 of the work permit or the objection to the issuance of a work  
5100 permit. The executive director may refuse to issue a work permit  
5101 if the applicant has:

5102           (a) Failed to disclose, misstated or otherwise  
5103 attempted to mislead the commission with respect to any material  
5104 fact contained in the application for the issuance or renewal of a  
5105 work permit;

5106           (b) Knowingly failed to comply with the provisions of  
5107 this chapter or the regulations of the commission at a place of  
5108 previous employment;

5109           (c) Committed, attempted or conspired to commit any  
5110 crime of moral turpitude, embezzlement or larceny or any violation  
5111 of any law pertaining to gaming, or any crime which is inimical to  
5112 the declared policy of this state concerning gaming;

5113           (d) Been identified in the published reports of any  
5114 federal or state legislative or executive body as being a member  
5115 or associate of organized crime, or as being of notorious and  
5116 unsavory reputation;

5117           (e) Been placed and remains in the constructive custody  
5118 of any federal, state or municipal law enforcement authority;

5119           (f) Had a work permit revoked or committed any act  
5120 which is a ground for the revocation of a work permit or would  
5121 have been a ground for revoking his work permit if he had then  
5122 held a work permit; or

5123           (g) For any other reasonable cause.

5124           The executive director shall refuse to issue a work permit if  
5125 the applicant has committed, attempted or conspired to commit a  
5126 crime which is a felony in this state or an offense in another  
5127 state or jurisdiction which would be a felony if committed in this  
5128 state.

5129           (6) Any applicant aggrieved by the decision of the hearing  
5130 examiner may, within fifteen (15) days after the announcement of  
5131 the decision, apply in writing to the commission for review of the  
5132 decision. Review is limited to the record of the proceedings  
5133 before the hearing examiner. The commission may sustain or  
5134 reverse the hearing examiner's decision. The commission may  
5135 decline to review the hearing examiner's decision, in which case  
5136 the hearing examiner's decision becomes the final decision of the  
5137 commission. The decision of the commission is subject to judicial  
5138 review.

5139           (7) All records acquired or compiled by the commission  
5140 relating to any application made pursuant to this section and all  
5141 lists of persons to whom work permits have been issued or denied  
5142 and all records of the names or identity of persons engaged in the  
5143 gaming industry in this state are confidential and must not be  
5144 disclosed except in the proper administration of this chapter or  
5145 to an authorized law enforcement agency. Any record of the  
5146 commission which shows that the applicant has been convicted of a  
5147 crime in another state must show whether the crime was a  
5148 misdemeanor, gross misdemeanor, felony or other class of crime as  
5149 classified by the state in which the crime was committed. In a  
5150 disclosure of the conviction, reference to the classification of

5151 the crime must be based on the classification in the state where  
5152 it was committed.

5153 (8) A work permit expires unless renewed within ten (10)  
5154 days after a change of place of employment or if the holder  
5155 thereof is not employed as a gaming employee within the  
5156 jurisdiction of the issuing authority for more than ninety (90)  
5157 days.

5158 (9) Notice of any objection to or denial of a work permit by  
5159 the executive director as provided pursuant to this section is  
5160 sufficient if it is mailed to the applicant's last known address  
5161 as indicated on the application for a work permit. The date of  
5162 mailing may be proven by a certificate signed by the executive  
5163 director or his designee that specifies the time the notice was  
5164 mailed. The notice is presumed to have been received by the  
5165 applicant five (5) days after it is deposited with the United  
5166 States Postal Service with the postage thereon prepaid.

5167 **SECTION 77.** Section 27-7-15, Mississippi Code of 1972, is  
5168 amended as follows:

5169 27-7-15. (1) For the purposes of this article, except as  
5170 otherwise provided, the term "gross income" means and includes the  
5171 income of a taxpayer derived from salaries, wages, fees or  
5172 compensation for service, of whatever kind and in whatever form  
5173 paid, including income from governmental agencies and subdivisions  
5174 thereof; or from professions, vocations, trades, businesses,  
5175 commerce or sales, or renting or dealing in property, or  
5176 reacquired property; also from annuities, interest, rents,  
5177 dividends, securities, insurance premiums, reinsurance premiums,  
5178 considerations for supplemental insurance contracts, or the  
5179 transaction of any business carried on for gain or profit, or  
5180 gains, or profits, and income derived from any source whatever and  
5181 in whatever form paid. The amount of all such items of income  
5182 shall be included in the gross income for the taxable year in  
5183 which received by the taxpayer. The amount by which an eligible

5184 employee's salary is reduced pursuant to a salary reduction  
5185 agreement authorized under Section 25-17-5 shall be excluded from  
5186 the term "gross income" within the meaning of this article.

5187 (2) In determining gross income for the purpose of this  
5188 section, the following, under regulations prescribed by the  
5189 commissioner, shall be applicable:

5190 (a) **Dealers in property.** Federal rules, regulations  
5191 and revenue procedures shall be followed with respect to  
5192 installment sales unless a transaction results in the shifting of  
5193 income from inside the state to outside the state.

5194 (b) **Casual sales of property.**

5195 (i) Prior to January 1, 2001, federal rules,  
5196 regulations and revenue procedures shall be followed with respect  
5197 to installment sales except they shall be applied and administered  
5198 as if H.R. 3594, the Installment Tax Correction Act of 2000 of the  
5199 106th Congress, had not been enacted. This provision will  
5200 generally affect taxpayers, reporting on the accrual method of  
5201 accounting, entering into installment note agreements on or after  
5202 December 17, 1999. Any gain or profit resulting from the casual  
5203 sale of property will be recognized in the year of sale.

5204 (ii) From and after January 1, 2001, federal  
5205 rules, regulations and revenue procedures shall be followed with  
5206 respect to installment sales except as provided in this  
5207 subparagraph (ii). Gain or profit from the casual sale of  
5208 property shall be recognized in the year of sale. When a taxpayer  
5209 recognizes gain on the casual sale of property in which the gain  
5210 is deferred for federal income tax purposes, a taxpayer may elect  
5211 to defer the payment of tax resulting from the gain as allowed and  
5212 to the extent provided under regulations prescribed by the  
5213 commissioner. If the payment of the tax is made on a deferred  
5214 basis, the tax shall be computed based on the applicable rate for  
5215 the income reported in the year the payment is made. Except as  
5216 otherwise provided in subparagraph (iii) of this paragraph (b),

5217 deferring the payment of the tax shall not affect the liability  
5218 for the tax. If at any time the installment note is sold,  
5219 contributed, transferred or disposed of in any manner and for any  
5220 purpose by the original note holder, or the original note holder  
5221 is merged, liquidated, dissolved or withdrawn from this state,  
5222 then all deferred tax payments under this section shall  
5223 immediately become due and payable.

5224 (iii) If the selling price of the property is  
5225 reduced by any alteration in the terms of an installment note,  
5226 including default by the purchaser, the gain to be recognized is  
5227 recomputed based on the adjusted selling price in the same manner  
5228 as for federal income tax purposes. The tax on this amount, less  
5229 the previously paid tax on the recognized gain, is payable over  
5230 the period of the remaining installments. If the tax on the  
5231 previously recognized gain has been paid in full to this state,  
5232 the return on which the payment was made may be amended for this  
5233 purpose only. The statute of limitations in Section 27-7-49 shall  
5234 not bar an amended return for this purpose.

5235 (c) **Reserves of insurance companies.** In the case of  
5236 insurance companies, any amounts in excess of the legally required  
5237 reserves shall be included as gross income.

5238 (d) **Affiliated companies or persons.** As regards sales,  
5239 exchanges or payments for services from one to another of  
5240 affiliated companies or persons or under other circumstances where  
5241 the relation between the buyer and seller is such that gross  
5242 proceeds from the sale or the value of the exchange or the payment  
5243 for services are not indicative of the true value of the subject  
5244 matter of the sale, exchange or payment for services, the  
5245 commissioner shall prescribe uniform and equitable rules for  
5246 determining the true value of the gross income, gross sales,  
5247 exchanges or payment for services, or require consolidated returns  
5248 of affiliates.

5249           (e) **Alimony and separate maintenance payments.** The  
5250 federal rules, regulations and revenue procedures in determining  
5251 the deductibility and taxability of alimony payments shall be  
5252 followed in this state.

5253           (f) **Reimbursement for expenses of moving.** There shall  
5254 be included in gross income (as compensation for services) any  
5255 amount received or accrued, directly or indirectly, by an  
5256 individual as a payment for or reimbursement of expenses of moving  
5257 from one residence to another residence which is attributable to  
5258 employment or self-employment.

5259           (3) In the case of taxpayers other than residents, gross  
5260 income includes gross income from sources within this state.

5261           (4) The words "gross income" do not include the following  
5262 items of income which shall be exempt from taxation under this  
5263 article:

5264           (a) The proceeds of life insurance policies and  
5265 contracts paid upon the death of the insured. However, the income  
5266 from the proceeds of such policies or contracts shall be included  
5267 in the gross income.

5268           (b) The amount received by the insured as a return of  
5269 premium or premiums paid by him under life insurance policies,  
5270 endowment, or annuity contracts, either during the term or at  
5271 maturity or upon surrender of the contract.

5272           (c) The value of property acquired by gift, bequest,  
5273 devise or descent, but the income from such property shall be  
5274 included in the gross income.

5275           (d) Interest upon the obligations of the United States  
5276 or its possessions, or securities issued under the provisions of  
5277 the Federal Farm Loan Act of July 17, 1916, or bonds issued by the  
5278 War Finance Corporation, or obligations of the State of  
5279 Mississippi or political subdivisions thereof.

5280           (e) The amounts received through accident or health  
5281 insurance as compensation for personal injuries or sickness, plus

5282 the amount of any damages received for such injuries or such  
5283 sickness or injuries, or through the War Risk Insurance Act, or  
5284 any law for the benefit or relief of injured or disabled members  
5285 of the military or naval forces of the United States.

5286 (f) Income received by any religious denomination or by  
5287 any institution or trust for moral or mental improvements,  
5288 religious, Bible, tract, charitable, benevolent, fraternal,  
5289 missionary, hospital, infirmary, educational, scientific,  
5290 literary, library, patriotic, historical or cemetery purposes or  
5291 for two (2) or more of such purposes, if such income be used  
5292 exclusively for carrying out one or more of such purposes.

5293 (g) Income received by a domestic corporation which is  
5294 "taxable in another state" as this term is defined in this  
5295 article, derived from business activity conducted outside this  
5296 state. Domestic corporations taxable both within and without the  
5297 state shall determine Mississippi income on the same basis as  
5298 provided for foreign corporations under the provisions of this  
5299 article.

5300 (h) In case of insurance companies, there shall be  
5301 excluded from gross income such portion of actual premiums  
5302 received from an individual policyholder as is paid back or  
5303 credited to or treated as an abatement of premiums of such  
5304 policyholder within the taxable year.

5305 (i) Income from dividends that has already borne a tax  
5306 as dividend income under the provisions of this article, when such  
5307 dividends may be specifically identified in the possession of the  
5308 recipient.

5309 (j) Amounts paid by the United States to a person as  
5310 added compensation for hazardous duty pay as a member of the Armed  
5311 Forces of the United States in a combat zone designated by  
5312 Executive Order of the President of the United States.

5313 (k) Amounts received as retirement allowances,  
5314 pensions, annuities or optional retirement allowances paid under

5315 the federal Social Security Act, the Railroad Retirement Act, the  
5316 Federal Civil Service Retirement Act, or any other retirement  
5317 system of the United States government, retirement allowances paid  
5318 under the Mississippi Public Employees' Retirement System,  
5319 Mississippi Highway Safety Patrol Retirement System or any other  
5320 retirement system of the State of Mississippi or any political  
5321 subdivision thereof. The exemption allowed under this paragraph  
5322 (k) shall be available to the spouse or other beneficiary at the  
5323 death of the primary retiree.

5324 (l) Amounts received as retirement allowances,  
5325 pensions, annuities or optional retirement allowances paid by any  
5326 public or governmental retirement system not designated in  
5327 paragraph (k) or any private retirement system or plan of which  
5328 the recipient was a member at any time during the period of his  
5329 employment. Amounts received as a distribution under a Roth  
5330 Individual Retirement Account shall be treated in the same manner  
5331 as provided under the Internal Revenue Code of 1986, as amended.  
5332 The exemption allowed under this paragraph (l) shall be available  
5333 to the spouse or other beneficiary at the death of the primary  
5334 retiree.

5335 (m) Compensation not to exceed the aggregate sum of  
5336 Five Thousand Dollars (\$5,000.00) for any taxable year received by  
5337 a member of the National Guard or Reserve Forces of the United  
5338 States as payment for inactive duty training, active duty training  
5339 and state active duty.

5340 (n) Compensation received for active service as a  
5341 member below the grade of commissioned officer and so much of the  
5342 compensation as does not exceed the maximum enlisted amount  
5343 received for active service as a commissioned officer in the Armed  
5344 Forces of the United States for any month during any part of which  
5345 such members of the Armed Forces (i) served in a combat zone as  
5346 designated by Executive Order of the President of the United  
5347 States or a qualified hazardous duty area as defined by federal



5348 law, or both; or (ii) was hospitalized as a result of wounds,  
5349 disease or injury incurred while serving in such combat zone. For  
5350 the purposes of this paragraph (n), the term "maximum enlisted  
5351 amount" means and has the same definition as that term has in 26  
5352 USCS 112.

5353 (o) The proceeds received from federal and state  
5354 forestry incentives programs.

5355 (p) The amount representing the difference between the  
5356 increase of gross income derived from sales for export outside the  
5357 United States as compared to the preceding tax year wherein gross  
5358 income from export sales was highest, and the net increase in  
5359 expenses attributable to such increased exports. In the absence  
5360 of direct accounting the ratio of net profits to total sales may  
5361 be applied to the increase in export sales. This paragraph (p)  
5362 shall only apply to businesses located in this state engaging in  
5363 the international export of Mississippi goods and services. Such  
5364 goods or services shall have at least fifty percent (50%) of value  
5365 added at a location in Mississippi.

5366 (q) Amounts paid by the federal government for the  
5367 construction of soil conservation systems as required by a  
5368 conservation plan adopted pursuant to 16 USCS 3801 et seq.

5369 (r) The amount deposited in a medical savings account,  
5370 and any interest accrued thereon, that is a part of a medical  
5371 savings account program as specified in the Medical Savings  
5372 Account Act under Sections 71-9-1 through 71-9-9; provided,  
5373 however, that any amount withdrawn from such account for purposes  
5374 other than paying eligible medical expense or to procure health  
5375 coverage shall be included in gross income.

5376 (s) Amounts paid by the Mississippi Soil and Water  
5377 Conservation Commission from the Mississippi Soil and Water  
5378 Cost-Share Program for the installation of water quality best  
5379 management practices.

5380           (t) Dividends received by a holding corporation, as  
5381 defined in Section 27-13-1, from a subsidiary corporation, as  
5382 defined in Section 27-13-1.

5383           (u) Interest, dividends, gains or income of any kind on  
5384 any account in the Mississippi Affordable College Savings Trust  
5385 Fund, as established in Sections 37-155-101 through 37-155-125, to  
5386 the extent that such amounts remain on deposit in the MACS Trust  
5387 Fund or are withdrawn pursuant to a qualified withdrawal, as  
5388 defined in Section 37-155-105.

5389           (v) Interest, dividends or gains accruing on the  
5390 payments made pursuant to a prepaid tuition contract, as provided  
5391 for in Section 37-155-17.

5392           (w) Income resulting from transactions with a related  
5393 member where the related member subject to tax under this chapter  
5394 was required to, and did in fact, add back the expense of such  
5395 transactions as required by Section 27-7-17(2). Under no  
5396 circumstances may the exclusion from income exceed the deduction  
5397 add-back of the related member, nor shall the exclusion apply to  
5398 any income otherwise excluded under this chapter.

5399           (x) Amounts that are subject to the tax levied pursuant  
5400 to Section 27-7-901, and are paid to patrons by gaming  
5401 establishments licensed under the Mississippi Gaming Control Act.

5402           (y) Amounts that are subject to the tax levied pursuant  
5403 to Section 27-7-903, and are paid to patrons by gaming  
5404 establishments not licensed under the Mississippi Gaming Control  
5405 Act.

5406           (z) Interest, dividends, gains or income of any kind on  
5407 any account in a qualified tuition program and amounts received as  
5408 distributions under a qualified tuition program shall be treated  
5409 in the same manner as provided under the United States Internal  
5410 Revenue Code, as amended. For the purposes of this paragraph (z),  
5411 the term "qualified tuition program" means and has the same  
5412 definition as that term has in 26 USCS 529.

5413           (aa) The amount deposited in a health savings account,  
5414 and any interest accrued thereon, that is a part of a health  
5415 savings account program as specified in the Health Savings  
5416 Accounts Act created in Sections 83-62-1 through 83-62-9; however,  
5417 any amount withdrawn from such account for purposes other than  
5418 paying qualified medical expenses or to procure health coverage  
5419 shall be included in gross income, except as otherwise provided by  
5420 Sections 83-62-7 and 83-62-9.

5421           (bb) Amounts received as qualified disaster relief  
5422 payments shall be treated in the same manner as provided under the  
5423 United States Internal Revenue Code, as amended.

5424           (cc) Amounts received as a "qualified Hurricane Katrina  
5425 distribution" as defined in the United States Internal Revenue  
5426 Code, as amended.

5427           (dd) Amounts received as overtime compensation required  
5428 by the Fair Labor Standards Act of 1938 (29 USCS Section 201 et  
5429 seq.), as amended.

5430           (5) Prisoners of war, missing in action-taxable status.

5431           (a) **Members of the Armed Forces.** Gross income does not  
5432 include compensation received for active service as a member of  
5433 the Armed Forces of the United States for any month during any  
5434 part of which such member is in a missing status, as defined in  
5435 paragraph (d) of this subsection, during the Vietnam Conflict as a  
5436 result of such conflict.

5437           (b) **Civilian employees.** Gross income does not include  
5438 compensation received for active service as an employee for any  
5439 month during any part of which such employee is in a missing  
5440 status during the Vietnam Conflict as a result of such conflict.

5441           (c) **Period of conflict.** For the purpose of this  
5442 subsection, the Vietnam Conflict began February 28, 1961, and ends  
5443 on the date designated by the President by Executive Order as the  
5444 date of the termination of combatant activities in Vietnam. For  
5445 the purpose of this subsection, an individual is in a missing

5446 status as a result of the Vietnam Conflict if immediately before  
5447 such status began he was performing service in Vietnam or was  
5448 performing service in Southeast Asia in direct support of military  
5449 operations in Vietnam. "Southeast Asia," as used in this  
5450 paragraph, is defined to include Cambodia, Laos, Thailand and  
5451 waters adjacent thereto.

5452 (d) "Missing status" means the status of an employee or  
5453 member of the Armed Forces who is in active service and is  
5454 officially carried or determined to be absent in a status of (i)  
5455 missing; (ii) missing in action; (iii) interned in a foreign  
5456 country; (iv) captured, beleaguered or besieged by a hostile  
5457 force; or (v) detained in a foreign country against his will; but  
5458 does not include the status of an employee or member of the Armed  
5459 Forces for a period during which he is officially determined to be  
5460 absent from his post of duty without authority.

5461 (e) "Active service" means active federal service by an  
5462 employee or member of the Armed Forces of the United States in an  
5463 active duty status.

5464 (f) "Employee" means one who is a citizen or national  
5465 of the United States or an alien admitted to the United States for  
5466 permanent residence and is a resident of the State of Mississippi  
5467 and is employed in or under a federal executive agency or  
5468 department of the Armed Forces.

5469 (g) "Compensation" means (i) basic pay; (ii) special  
5470 pay; (iii) incentive pay; (iv) basic allowance for quarters; (v)  
5471 basic allowance for subsistence; and (vi) station per diem  
5472 allowances for not more than ninety (90) days.

5473 (h) If refund or credit of any overpayment of tax for  
5474 any taxable year resulting from the application of subsection (5)  
5475 of this section is prevented by the operation of any law or rule  
5476 of law, such refund or credit of such overpayment of tax may,  
5477 nevertheless, be made or allowed if claim therefor is filed with

5478 the State Tax Commission within three (3) years after the date of  
5479 the enactment of this subsection.

5480 (i) The provisions of this subsection shall be  
5481 effective for taxable years ending on or after February 28, 1961.

5482 (6) A shareholder of an S corporation, as defined in Section  
5483 27-8-3(1)(g), shall take into account the income, loss, deduction  
5484 or credit of the S corporation only to the extent provided in  
5485 Section 27-8-7(2).

5486 **SECTION 78.** Section 27-7-17, Mississippi Code of 1972, is  
5487 amended as follows:

5488 27-7-17. In computing taxable income, there shall be allowed  
5489 as deductions:

5490 (1) **Business deductions.**

5491 (a) **Business expenses.** All the ordinary and necessary  
5492 expenses paid or incurred during the taxable year in carrying on  
5493 any trade or business, including a reasonable allowance for  
5494 salaries or other compensation for personal services actually  
5495 rendered; nonreimbursable traveling expenses incident to current  
5496 employment, including a reasonable amount expended for meals and  
5497 lodging while away from home in the pursuit of a trade or  
5498 business; and rentals or other payments required to be made as a  
5499 condition of the continued use or possession, for purposes of the  
5500 trade or business of property to which the taxpayer has not taken  
5501 or is not taking title or in which he had no equity. Expense  
5502 incurred in connection with earning and distributing nontaxable  
5503 income is not an allowable deduction. Limitations on  
5504 entertainment expenses shall conform to the provisions of the  
5505 Internal Revenue Code of 1986.

5506 (b) **Interest.** All interest paid or accrued during the  
5507 taxable year on business indebtedness, except interest upon the  
5508 indebtedness for the purchase of tax-free bonds, or any stocks,  
5509 the dividends from which are nontaxable under the provisions of  
5510 this article; provided, however, in the case of securities

5511 dealers, interest payments or accruals on loans, the proceeds of  
5512 which are used to purchase tax-exempt securities, shall be  
5513 deductible if income from otherwise tax-free securities is  
5514 reported as income. Investment interest expense shall be limited  
5515 to investment income. Interest expense incurred for the purchase  
5516 of treasury stock, to pay dividends, or incurred as a result of an  
5517 undercapitalized affiliated corporation may not be deducted unless  
5518 an ordinary and necessary business purpose can be established to  
5519 the satisfaction of the commissioner. For the purposes of this  
5520 paragraph, the phrase "interest upon the indebtedness for the  
5521 purchase of tax-free bonds" applies only to the indebtedness  
5522 incurred for the purpose of directly purchasing tax-free bonds and  
5523 does not apply to any other indebtedness incurred in the regular  
5524 course of the taxpayer's business. Any corporation, association,  
5525 organization or other entity taxable under Section 27-7-23(c)  
5526 shall allocate interest expense as provided in Section  
5527 27-7-23(c)(3)(I).

5528           (c) **Taxes.** Taxes paid or accrued within the taxable  
5529 year, except state and federal income taxes, excise taxes based on  
5530 or measured by net income, estate and inheritance taxes, gift  
5531 taxes, cigar and cigarette taxes, gasoline taxes, and sales and  
5532 use taxes unless incurred as an item of expense in a trade or  
5533 business or in the production of taxable income. In the case of  
5534 an individual, taxes permitted as an itemized deduction under the  
5535 provisions of subsection (3)(a) of this section are to be claimed  
5536 thereunder.

5537           (d) **Business losses.**

5538                   (i) Losses sustained during the taxable year not  
5539 compensated for by insurance or otherwise, if incurred in trade or  
5540 business, or nonbusiness transactions entered into for profit.

5541                   (ii) Limitations on losses from passive activities  
5542 and rental real estate shall conform to the provisions of the  
5543 Internal Revenue Code of 1986.

5544           (e) **Bad debts.** Losses from debts ascertained to be  
5545 worthless and charged off during the taxable year, if sustained in  
5546 the conduct of the regular trade or business of the taxpayer;  
5547 provided, that such losses shall be allowed only when the taxpayer  
5548 has reported as income, on the accrual basis, the amount of such  
5549 debt or account.

5550           (f) **Depreciation.** A reasonable allowance for  
5551 exhaustion, wear and tear of property used in the trade or  
5552 business, or rental property, and depreciation upon buildings  
5553 based upon their reasonable value as of March 16, 1912, if  
5554 acquired prior thereto, and upon cost if acquired subsequent to  
5555 that date.

5556           (g) **Depletion.** In the case of mines, oil and gas  
5557 wells, other natural deposits and timber, a reasonable allowance  
5558 for depletion and for depreciation of improvements, based upon  
5559 cost, including cost of development, not otherwise deducted, or  
5560 fair market value as of March 16, 1912, if acquired prior to that  
5561 date, such allowance to be made upon regulations prescribed by the  
5562 commissioner, with the approval of the Governor.

5563           (h) **Contributions or gifts.** Except as otherwise  
5564 provided in subsection (3)(a) of this section for individuals,  
5565 contributions or gifts made by corporations within the taxable  
5566 year to corporations, organizations, associations or institutions,  
5567 including Community Chest funds, foundations and trusts created  
5568 solely and exclusively for religious, charitable, scientific or  
5569 educational purposes, or for the prevention of cruelty to children  
5570 or animals, no part of the net earnings of which inure to the  
5571 benefit of any private stockholder or individual. This deduction  
5572 shall be allowed in an amount not to exceed twenty percent (20%)  
5573 of the net income. Such contributions or gifts shall be allowable  
5574 as deductions only if verified under rules and regulations  
5575 prescribed by the commissioner, with the approval of the Governor.  
5576 Contributions made in any form other than cash shall be allowed as

5577 a deduction, subject to the limitations herein provided, in an  
5578 amount equal to the actual market value of the contributions at  
5579 the time the contribution is actually made and consummated.

5580 (i) **Reserve funds - insurance companies.** In the case  
5581 of insurance companies the net additions required by law to be  
5582 made within the taxable year to reserve funds when such reserve  
5583 funds are maintained for the purpose of liquidating policies at  
5584 maturity.

5585 (j) **Annuity income.** The sums, other than dividends,  
5586 paid within the taxpayer year on policy or annuity contracts when  
5587 such income has been included in gross income.

5588 (k) **Contributions to employee pension plans.**  
5589 Contributions made by an employer to a plan or a trust forming  
5590 part of a pension plan, stock bonus plan, disability or  
5591 death-benefit plan, or profit-sharing plan of such employer for  
5592 the exclusive benefit of some or all of his, their, or its  
5593 employees, or their beneficiaries, shall be deductible from his,  
5594 their, or its income only to the extent that, and for the taxable  
5595 year in which, the contribution is deductible for federal income  
5596 tax purposes under the Internal Revenue Code of 1986 and any other  
5597 provisions of similar purport in the Internal Revenue Laws of the  
5598 United States, and the rules, regulations, rulings and  
5599 determinations promulgated thereunder, provided that:

5600 (i) The plan or trust be irrevocable.

5601 (ii) The plan or trust constitute a part of a  
5602 pension plan, stock bonus plan, disability or death-benefit plan,  
5603 or profit-sharing plan for the exclusive benefit of some or all of  
5604 the employer's employees and/or officers, or their beneficiaries,  
5605 for the purpose of distributing the corpus and income of the plan  
5606 or trust to such employees and/or officers, or their  
5607 beneficiaries.



5608 (iii) No part of the corpus or income of the plan  
5609 or trust can be used for purposes other than for the exclusive  
5610 benefit of employees and/or officers, or their beneficiaries.

5611 Contributions to all plans or to all trusts of real or  
5612 personal property (or real and personal property combined) or to  
5613 insured plans created under a retirement plan for which provision  
5614 has been made under the laws of the United States of America,  
5615 making such contributions deductible from income for federal  
5616 income tax purposes, shall be deductible only to the same extent  
5617 under the Income Tax Laws of the State of Mississippi.

5618 (1) **Net operating loss carrybacks and carryovers.** A  
5619 net operating loss for any taxable year ending after December 31,  
5620 1993, and taxable years thereafter, shall be a net operating loss  
5621 carryback to each of the three (3) taxable years preceding the  
5622 taxable year of the loss. If the net operating loss for any  
5623 taxable year is not exhausted by carrybacks to the three (3)  
5624 taxable years preceding the taxable year of the loss, then there  
5625 shall be a net operating loss carryover to each of the fifteen  
5626 (15) taxable years following the taxable year of the loss  
5627 beginning with any taxable year after December 31, 1991.

5628 For any taxable year ending after December 31, 1997, the  
5629 period for net operating loss carrybacks and net operating loss  
5630 carryovers shall be the same as those established by the Internal  
5631 Revenue Code and the rules, regulations, rulings and  
5632 determinations promulgated thereunder as in effect at the taxable  
5633 year end or on December 31, 2000, whichever is earlier.

5634 A net operating loss for any taxable year ending after  
5635 December 31, 2001, and taxable years thereafter, shall be a net  
5636 operating loss carryback to each of the two (2) taxable years  
5637 preceding the taxable year of the loss. If the net operating loss  
5638 for any taxable year is not exhausted by carrybacks to the two (2)  
5639 taxable years preceding the taxable year of the loss, then there  
5640 shall be a net operating loss carryover to each of the twenty (20)

5641 taxable years following the taxable year of the loss beginning  
5642 with any taxable year after the taxable year of the loss.

5643 The term "net operating loss," for the purposes of this  
5644 paragraph, shall be the excess of the deductions allowed over the  
5645 gross income; provided, however, the following deductions shall  
5646 not be allowed in computing same:

5647 (i) No net operating loss deduction shall be  
5648 allowed.

5649 (ii) No personal exemption deduction shall be  
5650 allowed.

5651 (iii) Allowable deductions which are not  
5652 attributable to taxpayer's trade or business shall be allowed only  
5653 to the extent of the amount of gross income not derived from such  
5654 trade or business.

5655 Any taxpayer entitled to a carryback period as provided by  
5656 this paragraph may elect to relinquish the entire carryback period  
5657 with respect to a net operating loss for any taxable year ending  
5658 after December 31, 1991. The election shall be made in the manner  
5659 prescribed by the State Tax Commission and shall be made by the  
5660 due date, including extensions of time, for filing the taxpayer's  
5661 return for the taxable year of the net operating loss for which  
5662 the election is to be in effect. The election, once made for any  
5663 taxable year, shall be irrevocable for that taxable year.

5664 (m) **Amortization of pollution or environmental control**  
5665 **facilities.** Allowance of deduction. Every taxpayer, at his  
5666 election, shall be entitled to a deduction for pollution or  
5667 environmental control facilities to the same extent as that  
5668 allowed under the Internal Revenue Code and the rules,  
5669 regulations, rulings and determinations promulgated thereunder.

5670 (n) **Dividend distributions - real estate investment**  
5671 **trusts.** "Real estate investment trust" (hereinafter referred to  
5672 as REIT) shall have the meaning ascribed to such term in Section  
5673 856 of the federal Internal Revenue Code of 1986, as amended. A

5674 REIT is allowed a dividend distributed deduction if the dividend  
5675 distributions meet the requirements of Section 857 or are  
5676 otherwise deductible under Section 858 or 860, federal Internal  
5677 Revenue Code of 1986, as amended. In addition:

5678 (i) A dividend distributed deduction shall only be  
5679 allowed for dividends paid by a publicly traded REIT. A qualified  
5680 REIT subsidiary shall be allowed a dividend distributed deduction  
5681 if its owner is a publicly traded REIT.

5682 (ii) Income generated from real estate contributed  
5683 or sold to a REIT by a shareholder or related party shall not give  
5684 rise to a dividend distributed deduction, unless the shareholder  
5685 or related party would have received the dividend distributed  
5686 deduction under this chapter.

5687 (iii) A holding corporation receiving a dividend  
5688 from a REIT shall not be allowed the deduction in Section  
5689 27-7-15(4)(t).

5690 (iv) Any REIT not allowed the dividend distributed  
5691 deduction in the federal Internal Revenue Code of 1986, as  
5692 amended, shall not be allowed a dividend distributed deduction  
5693 under this chapter.

5694 The commissioner is authorized to promulgate rules and  
5695 regulations consistent with the provisions in Section 269 of the  
5696 federal Internal Revenue Code of 1986, as amended, so as to  
5697 prevent the evasion or avoidance of state income tax.

5698 (o) **Contributions to college savings trust fund**  
5699 **accounts.** Contributions or payments to a Mississippi Affordable  
5700 College Savings Program account are deductible as provided under  
5701 Section 37-155-113. Payments made under a prepaid tuition  
5702 contract entered into under the Mississippi Prepaid Affordable  
5703 College Tuition Program are deductible as provided under Section  
5704 37-155-17.

5705 (2) **Restrictions on the deductibility of certain intangible**  
5706 **expenses and interest expenses with a related member.**

5707                   (a) As used in this subsection (2):

5708                   (i) "Intangible expenses and costs" include:

5709                   1. Expenses, losses and costs for, related

5710 to, or in connection directly or indirectly with the direct or

5711 indirect acquisition, use, maintenance or management, ownership,

5712 sale, exchange or any other disposition of intangible property to

5713 the extent such amounts are allowed as deductions or costs in

5714 determining taxable income under this chapter;

5715                   2. Expenses or losses related to or incurred

5716 in connection directly or indirectly with factoring transactions

5717 or discounting transactions;

5718                   3. Royalty, patent, technical and copyright

5719 fees;

5720                   4. Licensing fees; and

5721                   5. Other similar expenses and costs.

5722                   (ii) "Intangible property" means patents, patent

5723 applications, trade names, trademarks, service marks, copyrights

5724 and similar types of intangible assets.

5725                   (iii) "Interest expenses and cost" means amounts

5726 directly or indirectly allowed as deductions for purposes of

5727 determining taxable income under this chapter to the extent such

5728 interest expenses and costs are directly or indirectly for,

5729 related to, or in connection with the direct or indirect

5730 acquisition, maintenance, management, ownership, sale, exchange or

5731 disposition of intangible property.

5732                   (iv) "Related member" means an entity or person

5733 that, with respect to the taxpayer during all or any portion of

5734 the taxable year, is a related entity, a component member as

5735 defined in the Internal Revenue Code, or is an entity or a person

5736 to or from whom there is attribution of stock ownership in

5737 accordance with Section 1563(e) of the Internal Revenue Code.

5738                   (v) "Related entity" means:

5739                   1. A stockholder who is an individual or a  
5740 member of the stockholder's family, as defined in regulations  
5741 prescribed by the commissioner, if the stockholder and the members  
5742 of the stockholder's family own, directly, indirectly,  
5743 beneficially or constructively, in the aggregate, at least fifty  
5744 percent (50%) of the value of the taxpayer's outstanding stock;

5745                   2. A stockholder, or a stockholder's  
5746 partnership, limited liability company, estate, trust or  
5747 corporation, if the stockholder and the stockholder's  
5748 partnerships, limited liability companies, estates, trusts and  
5749 corporations own, directly, indirectly, beneficially or  
5750 constructively, in the aggregate, at least fifty percent (50%) of  
5751 the value of the taxpayer's outstanding stock;

5752                   3. A corporation, or a party related to the  
5753 corporation in a manner that would require an attribution of stock  
5754 from the corporation to the party or from the party to the  
5755 corporation, if the taxpayer owns, directly, indirectly,  
5756 beneficially or constructively, at least fifty percent (50%) of  
5757 the value of the corporation's outstanding stock under regulation  
5758 prescribed by the commissioner;

5759                   4. Any entity or person which would be a  
5760 related member under this section if the taxpayer were considered  
5761 a corporation for purposes of this section.

5762                   (b) In computing net income, a taxpayer shall add back  
5763 otherwise deductible interest expenses and costs and intangible  
5764 expenses and costs directly or indirectly paid, accrued to or  
5765 incurred, in connection directly or indirectly with one or more  
5766 direct or indirect transactions with one or more related members.

5767                   (c) The adjustments required by this subsection shall  
5768 not apply to such portion of interest expenses and costs and  
5769 intangible expenses and costs that the taxpayer can establish  
5770 meets one (1) of the following:

5771 (i) The related member directly or indirectly  
5772 paid, accrued or incurred such portion to a person during the same  
5773 income year who is not a related member; or

5774 (ii) The transaction giving rise to the interest  
5775 expenses and costs or intangible expenses and costs between the  
5776 taxpayer and related member was done primarily for a valid  
5777 business purpose other than the avoidance of taxes, and the  
5778 related member is not primarily engaged in the acquisition, use,  
5779 maintenance or management, ownership, sale, exchange or any other  
5780 disposition of intangible property.

5781 (d) Nothing in this subsection shall require a taxpayer  
5782 to add to its net income more than once any amount of interest  
5783 expenses and costs or intangible expenses and costs that the  
5784 taxpayer pays, accrues or incurs to a related member.

5785 (e) The commissioner may prescribe such regulations as  
5786 necessary or appropriate to carry out the purposes of this  
5787 subsection, including, but not limited to, clarifying definitions  
5788 of terms, rules of stock attribution, factoring and discount  
5789 transactions.

5790 (3) **Individual nonbusiness deductions.**

5791 (a) The amount allowable for individual nonbusiness  
5792 itemized deductions for federal income tax purposes where the  
5793 individual is eligible to elect, for the taxable year, to itemize  
5794 deductions on his federal return except the following:

5795 (i) The deduction for state income taxes paid or  
5796 other taxes allowed for federal purposes in lieu of state income  
5797 taxes paid;

5798 (ii) The deduction for gaming losses from gaming  
5799 establishments;

5800 (iii) The deduction for taxes collected by  
5801 licensed gaming establishments pursuant to Section 27-7-901;

5802 (iv) The deduction for taxes collected by gaming  
5803 establishments pursuant to Section 27-7-903.

5804 (b) In lieu of the individual nonbusiness itemized  
5805 deductions authorized in paragraph (a), for all purposes other  
5806 than ordinary and necessary expenses paid or incurred during the  
5807 taxable year in carrying on any trade or business, an optional  
5808 standard deduction of:

5809 (i) Three Thousand Four Hundred Dollars  
5810 (\$3,400.00) through calendar year 1997, Four Thousand Two Hundred  
5811 Dollars (\$4,200.00) for the calendar year 1998 and Four Thousand  
5812 Six Hundred Dollars (\$4,600.00) for each calendar year thereafter  
5813 in the case of married individuals filing a joint or combined  
5814 return;

5815 (ii) One Thousand Seven Hundred Dollars  
5816 (\$1,700.00) through calendar year 1997, Two Thousand One Hundred  
5817 Dollars (\$2,100.00) for the calendar year 1998 and Two Thousand  
5818 Three Hundred Dollars (\$2,300.00) for each calendar year  
5819 thereafter in the case of married individuals filing separate  
5820 returns;

5821 (iii) Three Thousand Four Hundred Dollars  
5822 (\$3,400.00) in the case of a head of family; or

5823 (iv) Two Thousand Three Hundred Dollars  
5824 (\$2,300.00) in the case of an individual who is not married.

5825 In the case of a husband and wife living together, having  
5826 separate incomes, and filing combined returns, the standard  
5827 deduction authorized may be divided in any manner they choose. In  
5828 the case of separate returns by a husband and wife, the standard  
5829 deduction shall not be allowed to either if the taxable income of  
5830 one of the spouses is determined without regard to the standard  
5831 deduction.

5832 (c) An individual eligible for the itemized deductions  
5833 authorized in paragraph (a) of this subsection (3) or the standard  
5834 deduction authorized in paragraph (b) of this subsection (3) may  
5835 claim a deduction for expenses incurred for medical care or  
5836 prescribed drugs, or both, for the individual, the individual's

5837 spouse or dependents, regardless of the amount of such expenses  
5838 incurred during the taxable year. An individual may not claim a  
5839 deduction for expenses that are compensated for by insurance or  
5840 otherwise. For the purposes of this paragraph (c), the terms  
5841 "medical care" and "prescribed drugs" have the same definitions as  
5842 those terms have in 26 USCS 213.

5843           (d) A nonresident individual shall be allowed the same  
5844 individual nonbusiness deductions as are authorized for resident  
5845 individuals in \* \* \* this subsection; however, the nonresident  
5846 individual is entitled only to that proportion of the individual  
5847 nonbusiness deductions as his net income from sources within the  
5848 State of Mississippi bears to his total or entire net income from  
5849 all sources.

5850           (4) Nothing in this section shall permit the same item to be  
5851 deducted more than once, either in fact or in effect.

5852           **SECTION 79.** Section 27-55-11, Mississippi Code of 1972, is  
5853 amended as follows:

5854           27-55-11. Any person in business as a distributor of  
5855 gasoline or who acts as a distributor of gasoline, as defined in  
5856 this article, shall pay for the privilege of engaging in such  
5857 business or acting as such distributor an excise tax equal to  
5858 Eighteen Cents (18¢) per gallon until the date specified in  
5859 Section 65-39-35, and Sixteen and Four-tenths Cents (16.4¢) per  
5860 gallon thereafter, on all gasoline and blend stock stored, sold,  
5861 distributed, manufactured, refined, distilled, blended or  
5862 compounded in this state or received in this state for sale, use  
5863 on the highways, storage, distribution, or for any purpose.

5864           Any person in business as a distributor of aviation gasoline,  
5865 or who acts as a distributor of aviation gasoline, shall pay for  
5866 the privilege of engaging in such business or acting as such  
5867 distributor an excise tax equal to Six and Four-tenths Cents  
5868 (6.4¢) per gallon on all aviation gasoline stored, sold,  
5869 distributed, manufactured, refined, distilled, blended or



5870 compounded in this state or received in this state for sale,  
5871 storage, distribution or for any purpose.

5872 The excise taxes collected under this section shall be paid  
5873 and distributed in accordance with Section 27-5-101.

5874 The tax herein imposed and assessed shall be collected and  
5875 paid to the State of Mississippi but once in respect to any  
5876 gasoline. The basis for determining the tax liability shall be  
5877 the correct invoiced gallons, adjusted to sixty (60) degrees  
5878 Fahrenheit at the refinery or point of origin of shipment when  
5879 such shipment is made by tank car or by motor carrier. The point  
5880 of origin of shipment of gasoline transported into this state by  
5881 pipelines shall be deemed to be that point in this state where  
5882 such gasoline is withdrawn from the pipeline for storage or  
5883 distribution, and adjustment to sixty (60) degrees Fahrenheit  
5884 shall there be made. The basis for determining the tax liability  
5885 on gasoline shipped into this state in barge cargoes and by  
5886 pipeline shall be the actual number of gallons adjusted to sixty  
5887 (60) degrees Fahrenheit unloaded into storage tanks or other  
5888 containers in this state, such gallonage to be determined by  
5889 measurement and/or gauge of storage tank or tanks or by any other  
5890 method authorized by the commission. The tank or tanks into which  
5891 barge cargoes of gasoline are discharged, or into which gasoline  
5892 transported by pipeline is discharged, shall have correct gauge  
5893 tables listing capacity, such gauge tables to be prepared by some  
5894 recognized calibrating agency and to be approved by the  
5895 commission.

5896 The tax levied herein shall accrue at the time gasoline is  
5897 withdrawn from a refinery in this state except when withdrawal is  
5898 by pipeline, barge, ship or vessel. The refiner shall pay to the  
5899 commission the tax levied herein when gasoline is sold or  
5900 delivered to persons who do not hold gasoline distributor permits.  
5901 The refiner shall report to the commission all sales and  
5902 deliveries of gasoline to bonded distributors of gasoline. The

5903 bonded distributor of gasoline who purchases, receives or acquires  
5904 gasoline from a refinery in this state shall report such gasoline  
5905 and pay the tax levied herein.

5906 Gasoline imported by common carrier shall be deemed to be  
5907 received by the distributor of gasoline, and the tax levied herein  
5908 shall accrue, when the car or tank truck containing such gasoline  
5909 is unloaded by the carrier.

5910 With respect to distributors or other persons who bring,  
5911 ship, have transported, or have brought into this state gasoline  
5912 by means other than through a common carrier, the tax accrues and  
5913 the tax liability attaches on the distributor or other person for  
5914 each gallon of gasoline brought into the state at the time when  
5915 and at the point where such gasoline is brought into the state.

5916 The tax levied herein shall accrue on blend stock at the time  
5917 it is blended with gasoline. The blender shall pay to the  
5918 commission the tax levied herein when blend stock is sold or  
5919 delivered to persons who do not hold gasoline distributor permits.  
5920 The blender shall report to the commission all sales and  
5921 deliveries of blend stock to bonded distributors of gasoline. The  
5922 bonded distributor of gasoline who purchases, receives or acquires  
5923 blend stock from a blender in this state shall report blend stock  
5924 and pay the tax levied herein.

5925 **SECTION 80.** Section 27-5-101, Mississippi Code of 1972, is  
5926 amended as follows:

5927 **[With regard to any county which is exempt from the**  
5928 **provisions of Section 19-2-3, this section shall read as follows:]**

5929 27-5-101. Unless otherwise provided in this section, on or  
5930 before the fifteenth day of each month, all gasoline, diesel fuel  
5931 or kerosene taxes which are levied under the laws of this state  
5932 and collected during the previous month shall be paid and  
5933 apportioned by the State Tax Commission as follows:

5934 (a) (i) Except as otherwise provided in Section  
5935 31-17-127, from the gross amount of gasoline, diesel fuel or

5936 kerosene taxes produced by the state, there shall be deducted an  
5937 amount equal to one-sixth (1/6) of principal and interest  
5938 certified by the State Treasurer to the State Tax Commission to be  
5939 due on the next semiannual bond and interest payment date, as  
5940 required under the provisions of Chapter 130, Laws of 1938, and  
5941 subsequent acts authorizing the issuance of bonds payable from  
5942 gasoline, diesel fuel or kerosene tax revenue on a parity with the  
5943 bonds issued under authority of said Chapter 130. The State  
5944 Treasurer shall certify to the State Tax Commission on or before  
5945 the fifteenth day of each month the amount to be paid to the  
5946 "Highway Bonds Sinking Fund" as provided by said Chapter 130, Laws  
5947 of 1938, and subsequent acts authorizing the issuance of bonds  
5948 payable from gasoline, diesel fuel or kerosene tax revenue, on a  
5949 parity with the bonds issued under authority of said Chapter 130;  
5950 and the State Tax Commission shall, on or before the twenty-fifth  
5951 day of each month, pay into the State Treasury for credit to the  
5952 "Highway Bonds Sinking Fund" the amount so certified to him by the  
5953 State Treasurer due to be paid into such fund each month. The  
5954 payments to the "Highway Bonds Sinking Fund" shall be made out of  
5955 gross gasoline, diesel fuel or kerosene tax collections before  
5956 deductions of any nature are considered; however, such payments  
5957 shall be deducted from the allocation to the Mississippi  
5958 Department of Transportation under paragraph (c) of this section.

5959 (ii) From collections derived from the portion of  
5960 the gasoline excise tax that exceeds Seven Cents (7¢) per gallon,  
5961 from the portion of the tax on aviation gas under Section 27-55-11  
5962 that exceeds Six and Four-tenths Cents (6.4¢) per gallon, from the  
5963 portion of the special fuel tax levied under Sections 27-55-519  
5964 and 27-55-521, at Eighteen Cents (18¢) per gallon that exceeds Ten  
5965 Cents (10¢) per gallon, from the portion of the taxes levied under  
5966 Section 27-55-519, at Five and Three-fourths Cents (5.75¢) per  
5967 gallon that exceeds One Cent (1¢) per gallon on special fuel and  
5968 Five and One-fourth Cents (5.25¢) per gallon on special fuel used

5969 as aircraft fuel, from the portion of the excise tax on compressed  
5970 gas used as a motor fuel that exceeds the rate of tax in effect on  
5971 June 30, 1987, and from the portion of the gasoline excise tax in  
5972 excess of Seven Cents (7¢) per gallon and the diesel excise tax in  
5973 excess of Ten Cents (10¢) per gallon under Section 27-61-5 there  
5974 shall be deducted:

5975                   1. An amount as provided in Section  
5976 27-65-75(4) to the credit of a special fund designated as the  
5977 "Office of State Aid Road Construction."

5978                   2. An amount equal to the tax collections  
5979 derived from Two Cents (2¢) per gallon of the gasoline excise tax  
5980 for distribution to the State Highway Fund to be used exclusively  
5981 for the construction, reconstruction and maintenance of highways  
5982 of the State of Mississippi or the payment of interest and  
5983 principal on bonds when specifically authorized by the Legislature  
5984 for that purpose.

5985                   3. The balance shall be deposited in the  
5986 State Treasury to the credit of the State Highway Fund.

5987           (b) Subject to the provisions that said basis of  
5988 distribution shall in nowise affect adversely the amount  
5989 specifically pledged in paragraph (a) of this section to be paid  
5990 into the "Highway Bonds Sinking Fund," the following shall be  
5991 deducted from the amount produced by the state tax on gasoline,  
5992 diesel fuel or kerosene tax collections, excluding collections  
5993 derived from the portion of the gasoline excise tax that exceeds  
5994 Seven Cents (7¢) per gallon, from the portion of the tax on  
5995 aviation gas under Section 27-55-11 that exceeds Six and  
5996 Four-tenths Cents (6.4¢) per gallon, from the portion of the  
5997 special fuel tax levied under Sections 27-55-519 and 27-55-521, at  
5998 Eighteen Cents (18¢) per gallon that exceeds Ten Cents (10¢) per  
5999 gallon, from the portion of the taxes levied under Section  
6000 27-55-519, at Five and Three-fourths Cents (5.75¢) per gallon that  
6001 exceeds One Cent (1¢) per gallon on special fuel and Five and

6002 One-fourth Cents (5.25¢) per gallon on special fuel used as  
6003 aircraft fuel, from the portion of the excise tax on compressed  
6004 gas used as a motor fuel that exceeds the rate of tax in effect on  
6005 June 30, 1987, and from the portion of the gasoline excise tax in  
6006 excess of Seven Cents (7¢) per gallon and the diesel excise tax in  
6007 excess of Ten Cents (10¢) per gallon under Section 27-61-5:

6008 (i) Twenty percent (20%) of such amount which  
6009 shall be earmarked and set aside for the construction,  
6010 reconstruction and maintenance of the highways and roads of the  
6011 state, provided that if such twenty percent (20%) should reduce  
6012 any county to a lesser amount than that received in the fiscal  
6013 year ending June 30, 1966, then such twenty percent (20%) shall be  
6014 reduced to a percentage to provide that no county shall receive  
6015 less than its portion for the fiscal year ending June 30, 1966;

6016 (ii) The amount allowed as refund on gasoline or  
6017 as tax credit on diesel fuel or kerosene used for agricultural,  
6018 maritime, industrial, domestic, and nonhighway purposes;

6019 (iii) Five percent (5%) of such amount shall be  
6020 paid to the State Highway Fund;

6021 (iv) The amount or portion thereof authorized by  
6022 legislative appropriation to the Fisheries and Wildlife Fund  
6023 created under Section 59-21-25;

6024 (v) The amount for deposit into the special  
6025 aviation fund under paragraph (d) of this section; and

6026 (vi) The remainder shall be divided on a basis of  
6027 nine-fourteenths (9/14) and five-fourteenths (5/14) (being the  
6028 same basis as Four and One-half Cents (4-1/2¢) and Two and  
6029 One-half Cents (2-1/2¢) is to Seven Cents (7¢) on gasoline, and  
6030 six and forty-three one-hundredths (6.43) and three and  
6031 fifty-seven one-hundredths (3.57) is to Ten Cents (10¢) on diesel  
6032 fuel or kerosene). The amount produced by the nine-fourteenths  
6033 (9/14) division shall be allocated to the Transportation  
6034 Department and paid into the State Treasury as provided in this

6035 section and in Section 27-5-103 and the five-fourteenths (5/14)  
6036 division shall be returned to the counties of the state on the  
6037 following basis:

6038                   1. In each fiscal year, each county shall be  
6039 paid each month the same percentage of the monthly total to be  
6040 distributed as was paid to that county during the same month in  
6041 the fiscal year which ended April 9, 1960, until the county  
6042 receives One Hundred Ninety Thousand Dollars (\$190,000.00) in such  
6043 fiscal year, at which time funds shall be distributed under the  
6044 provisions of paragraph (b)(vi)4 of this section.

6045                   2. If after payments in 1 above, any county  
6046 has not received a total of One Hundred Ninety Thousand Dollars  
6047 (\$190,000.00) at the end of the fiscal year ending June 30, 1961,  
6048 and each fiscal year thereafter, then any available funds not  
6049 distributed under 1 above shall be used to bring such county or  
6050 counties up to One Hundred Ninety Thousand Dollars (\$190,000.00)  
6051 or such funds shall be divided equally among such counties not  
6052 reaching One Hundred Ninety Thousand Dollars (\$190,000.00) if  
6053 there is not sufficient money to bring all the counties to said  
6054 One Hundred Ninety Thousand Dollars (\$190,000.00).

6055                   3. When a county has been paid an amount  
6056 equal to the total which was paid to the same county during the  
6057 fiscal year ended April 9, 1960, such county shall receive no  
6058 further payments during the then current fiscal year until the  
6059 last month of such current fiscal year, at which time distribution  
6060 will be made under 2 above, except as set out in 4 below.

6061                   4. During the last month of the current  
6062 fiscal year, should it be determined that there are funds  
6063 available in excess of the amount distributed for the year under 1  
6064 and 2 above, then such excess funds shall be distributed among the  
6065 various counties as follows:

6066                                   One-third (1/3) of such excess to be  
6067 divided equally among the counties;

6068                                    One-third (1/3) of such excess to be paid  
6069 to the counties in the proportion which the population of each  
6070 county bears to the total population of the state according to the  
6071 last federal census;

6072                                    One-third (1/3) of such excess to be paid  
6073 to the counties in the proportion which the number of square miles  
6074 of each county bears to the total square miles in the state.

6075                                    5. It is the declared purpose and intent of  
6076 the Legislature that no county shall be paid less than was paid  
6077 during the year ended April 9, 1960, unless the amount to be  
6078 distributed to all counties in any year is less than the amount  
6079 distributed to all counties during the year ended April 9, 1960.

6080                                    The Municipal Aid Fund as established by Section 27-5-103  
6081 shall not participate in any portion of any funds allocated to any  
6082 county hereunder over and above One Hundred Ninety Thousand  
6083 Dollars (\$190,000.00).

6084                                    In any county having countywide road or bridge bonds, or  
6085 supervisors district or district road or bridge bonds outstanding,  
6086 which exceed, in the aggregate, twelve percent (12%) of the  
6087 assessed valuation of the taxable property of the county or  
6088 district, it shall be the duty of the board of supervisors to set  
6089 aside not less than sixty percent (60%) of such county's share or  
6090 district's share of the gasoline, diesel fuel or kerosene taxes to  
6091 be used in paying the principal and interest on such road or  
6092 bridge bonds as they mature.

6093                                    In any county having such countywide road or bridge bonds or  
6094 district road or bridge bonds outstanding which exceed, in the  
6095 aggregate, eight percent (8%) of the assessed valuation of the  
6096 taxable property of the county, but which do not exceed, in the  
6097 aggregate, twelve percent (12%) of the assessed valuation of the  
6098 taxable property of the county, it shall be the duty of the board  
6099 of supervisors to set aside not less than thirty-five percent  
6100 (35%) of such county's share of the gasoline, diesel fuel or

6101 kerosene taxes to be used in paying the principal and interest of  
6102 such road or bridge bonds as they mature.

6103         In any county having such countywide road or bridge bonds or  
6104 district road or bridge bonds outstanding which exceed, in the  
6105 aggregate, five percent (5%) of the assessed valuation of the  
6106 taxable property of the county, but which do not exceed, in the  
6107 aggregate, eight percent (8%) of the assessed valuation of the  
6108 taxable property of the county, it shall be the duty of the board  
6109 of supervisors to set aside not less than twenty percent (20%) of  
6110 such county's share of the gasoline, diesel fuel or kerosene taxes  
6111 to be used in paying the principal and interest of such road and  
6112 bridge bonds as they mature.

6113         In any county having such countywide road or bridge bonds or  
6114 district road or bridge bonds outstanding which do not exceed, in  
6115 the aggregate, five percent (5%) of the assessed valuation of the  
6116 taxable property of the county, it shall be the duty of the board  
6117 of supervisors to set aside not less than ten percent (10%) of  
6118 such county's share of the gasoline, diesel fuel or kerosene taxes  
6119 to be used in paying the principal and interest on such road or  
6120 bridge bonds as they mature.

6121         The portion of any such county's share of the gasoline,  
6122 diesel fuel or kerosene taxes thus set aside for the payment of  
6123 the principal and interest of road or bridge bonds, as provided  
6124 for in this section, shall be used first in paying the currently  
6125 maturing installments of the principal and interest of such  
6126 countywide road or bridge bonds, if there be any such countywide  
6127 road or bridge bonds outstanding, and secondly, in paying the  
6128 currently maturing installments of principal and interest of  
6129 district road or bridge bonds outstanding. It shall be the duty  
6130 of the board of supervisors to pay bonds and interest maturing in  
6131 each supervisors district out of the supervisors district's share  
6132 of the gasoline, diesel fuel or kerosene taxes of such district.



6133           The remaining portion of such county's share of the gasoline,  
6134 diesel fuel or kerosene taxes, after setting aside the portion  
6135 above provided for the payment of the principal and interest of  
6136 bonds, shall be used in the construction and maintenance of any  
6137 public highways, bridges, or culverts of the county, including the  
6138 roads in special or separate road districts, in the discretion of  
6139 the board of supervisors, or in paying the interest and principal  
6140 of county road and bridge bonds or district road and bridge bonds,  
6141 in the discretion of the board of supervisors.

6142           In any county having no countywide road or bridge bonds or  
6143 district road or bridge bonds outstanding, all such county's share  
6144 of the gasoline, diesel fuel or kerosene taxes shall be used in  
6145 the construction, reconstruction, and maintenance of the public  
6146 highways, bridges, or culverts of the county as the board of  
6147 supervisors may determine.

6148           In every county in which there are county road bonds or  
6149 seawall or road protection bonds outstanding which were issued for  
6150 the purpose of building bridges or constructing public roads or  
6151 seawalls, such funds shall be used in the manner provided by law.

6152           (c) From the amount produced by the nine-fourteenths  
6153 (9/14) division allocated to the Transportation Department, there  
6154 shall be deducted:

6155                   (i) The amount paid to the State Treasurer for the  
6156 "Highway Bonds Sinking Fund" under paragraph (a) of this section;

6157                   (ii) Any amounts due counties in accordance with  
6158 Section 65-33-45 which have outstanding bonds issued for seawall  
6159 or road protection purposes, issued under provisions of Chapter  
6160 319, Laws of 1924, and amendments thereto;

6161                   (iii) Beginning August 15, 2002, and on or before  
6162 the fifteenth day of each month thereafter, an amount equal to  
6163 one-sixth (1/6) of the principal and interest certified by the  
6164 State Treasurer to the State Tax Commission to be due on the next  
6165 semiannual bond and interest payment date for the bonds issued

6166 under Sections 65-39-5 through 65-39-33. On or before the  
6167 twenty-fifth day of each month the State Tax Commission shall pay  
6168 into the State Treasury for credit to the Gaming Counties Bond  
6169 Sinking Fund created in Section 65-39-3, the amount so certified  
6170 by the State Treasurer;

6171 (iv) Except as otherwise provided in Section  
6172 31-17-127, the remainder shall be paid by the State Tax Commission  
6173 to the State Treasurer on the fifteenth day of each month next  
6174 succeeding the month in which the gasoline, diesel fuel or  
6175 kerosene taxes were collected to the credit of the State Highway  
6176 Fund.

6177 The funds allocated for the construction, reconstruction, and  
6178 improvement of state highways, bridges, and culverts, or so much  
6179 thereof as may be necessary, shall first be used in conjunction  
6180 with funds supplied by the federal government for such purposes  
6181 and allocated to the State Transportation Department to be  
6182 expended on the state highway system. It is specifically provided  
6183 hereby that the necessary portion of such funds hereinabove  
6184 allocated to the State Transportation Department may be used for  
6185 the prompt payment of principal and interest on highway bonds  
6186 heretofore issued, including such bonds issued or to be issued  
6187 under the provisions of Chapter 312, Laws of 1956, and amendments  
6188 thereto.

6189 Nothing contained in this section shall be construed to  
6190 reduce the amount of such gasoline, diesel fuel or kerosene excise  
6191 taxes levied by the state, allotted under the provisions of Title  
6192 65, Chapter 33, Mississippi Code of 1972, to counties in which  
6193 there are outstanding bonds issued for seawall or road protection  
6194 purposes issued under the provisions of Chapter 319, Laws of 1924,  
6195 and amendments thereto; the amount of said gasoline, diesel fuel  
6196 or kerosene excise taxes designated in this section for the  
6197 payment of bonds and interest authorized and issued or to be  
6198 issued under the provisions of Chapter 130, Laws of 1938, and

6199 subsequent acts authorizing the issuance of bonds payable from  
6200 gasoline, diesel fuel or kerosene tax revenue, shall, in such  
6201 counties, be considered as being paid "into the State Treasury to  
6202 the credit of the State Highway Fund" within the meaning of  
6203 Section 65-33-45 in computing the amount to be paid to such  
6204 counties under the provisions of said section, and this section  
6205 shall be administered in connection with Title 65, Chapter 33,  
6206 Mississippi Code of 1972, and Sections 65-33-45, 65-33-47 and  
6207 65-33-49 dealing with seawalls, as if made a part of this section.

6208 (d) The proceeds of the Five and One-fourth Cents  
6209 (5.25¢) of the tax per gallon on oils used as a propellant for jet  
6210 aircraft engines, and Six and Four-tenths Cents (6.4¢) of the tax  
6211 per gallon on aviation gasoline and the tax of One Cent (1¢) per  
6212 gallon for each gallon of gasoline for which a refund has been  
6213 made pursuant to Section 27-55-23 because such gasoline was used  
6214 for aviation purposes, shall be paid to the State Treasury into a  
6215 special fund to be used exclusively, pursuant to legislative  
6216 appropriation, for the support and development of aeronautics as  
6217 defined in Section 61-1-3.

6218 (e) State highway funds in an amount equal to the  
6219 difference between Forty-two Million Dollars (\$42,000,000.00) and  
6220 the annual debt service payable on the state's highway revenue  
6221 refunding bonds, Series 1985, shall be expended for the  
6222 construction or reconstruction of highways designated under the  
6223 highway program created under Section 65-3-97.

6224 (f) Beginning forty-five (45) days after the date  
6225 specified in Section 65-39-35, and on or before the fifteenth day  
6226 of the succeeding month and each month thereafter, the proceeds of  
6227 Two Cents (2¢) per gallon of the tax on gasoline and blend stock  
6228 levied under Section 27-55-11 shall be deposited into the  
6229 Mississippi Highway-Railroad Grade Crossing Safety Account,  
6230 created in Section 57-43-15.

6231           (g) "Gasoline, diesel fuel or kerosene taxes" as used  
6232 in this section shall be deemed to mean and include state  
6233 gasoline, diesel fuel or kerosene taxes levied and imposed on  
6234 distributors of gasoline, diesel fuel or kerosene, and all state  
6235 excise taxes derived from any fuel used to propel vehicles upon  
6236 the highways of this state, when levied by any statute.

6237           **[With regard to any county which is required to operate on a**  
6238 **countywide system of road administration as described in Section**  
6239 **19-2-3, this section shall read as follows:]**

6240           27-5-101. Unless otherwise provided in this section, on or  
6241 before the fifteenth day of each month, all gasoline, diesel fuel  
6242 or kerosene taxes which are levied under the laws of this state  
6243 and collected during the previous month shall be paid and  
6244 apportioned by the State Tax Commission as follows:

6245           (a) (i) Except as otherwise provided in Section  
6246 31-17-127, from the gross amount of gasoline, diesel fuel or  
6247 kerosene taxes produced by the state, there shall be deducted an  
6248 amount equal to one-sixth (1/6) of principal and interest  
6249 certified by the State Treasurer to the State Tax Commission to be  
6250 due on the next semiannual bond and interest payment date, as  
6251 required under the provisions of Chapter 130, Laws of 1938, and  
6252 subsequent acts authorizing the issuance of bonds payable from  
6253 gasoline, diesel fuel or kerosene tax revenue on a parity with the  
6254 bonds issued under authority of said Chapter 130. The State  
6255 Treasurer shall certify to the State Tax Commission on or before  
6256 the fifteenth day of each month the amount to be paid to the  
6257 "Highway Bonds Sinking Fund" as provided by said Chapter 130, Laws  
6258 of 1938, and subsequent acts authorizing the issuance of bonds  
6259 payable from gasoline, diesel fuel or kerosene tax revenue, on a  
6260 parity with the bonds issued under authority of said Chapter 130;  
6261 and the State Tax Commission shall, on or before the twenty-fifth  
6262 day of each month, pay into the State Treasury for credit to the  
6263 "Highway Bonds Sinking Fund" the amount so certified to him by the

6264 State Treasurer due to be paid into such fund each month. The  
6265 payments to the "Highway Bonds Sinking Fund" shall be made out of  
6266 gross gasoline, diesel fuel or kerosene tax collections before  
6267 deductions of any nature are considered; however, such payments  
6268 shall be deducted from the allocation to the Transportation  
6269 Department under paragraph (c) of this section.

6270 (ii) From collections derived from the portion of  
6271 the gasoline excise tax that exceeds Seven Cents (7¢) per gallon,  
6272 from the portion of the tax on aviation gas under Section 27-55-11  
6273 that exceeds Six and Four-tenths Cents (6.4¢) per gallon, from the  
6274 portion of the special fuel tax levied under Sections 27-55-519  
6275 and 27-55-521, at Eighteen Cents (18¢) per gallon that exceeds Ten  
6276 Cents (10¢) per gallon, from the portion of the taxes levied under  
6277 Section 27-55-519, at Five and Three-fourths Cents (5.75¢) per  
6278 gallon that exceeds One Cent (1¢) per gallon on special fuel and  
6279 Five and One-fourth Cents (5.25¢) per gallon on special fuel used  
6280 as aircraft fuel, from the portion of the excise tax on compressed  
6281 gas used as a motor fuel that exceeds the rate of tax in effect on  
6282 June 30, 1987, and from the portion of the gasoline excise tax in  
6283 excess of Seven Cents (7¢) per gallon and the diesel excise tax in  
6284 excess of Ten Cents (10¢) per gallon under Section 27-61-5 there  
6285 shall be deducted:

6286 1. An amount as provided in Section  
6287 27-65-75(4) to the credit of a special fund designated as the  
6288 "Office of State Aid Road Construction."

6289 2. An amount equal to the tax collections  
6290 derived from Two Cents (2¢) per gallon of the gasoline excise tax  
6291 for distribution to the State Highway Fund to be used exclusively  
6292 for the construction, reconstruction and maintenance of highways  
6293 of the State of Mississippi or the payment of interest and  
6294 principal on bonds when specifically authorized by the Legislature  
6295 for that purpose.

6296                               3. The balance shall be deposited in the  
6297 State Treasury to the credit of the State Highway Fund.

6298                               (b) Subject to the provisions that said basis of  
6299 distribution shall in nowise affect adversely the amount  
6300 specifically pledged in paragraph (a) of this section to be paid  
6301 into the "Highway Bonds Sinking Fund," the following shall be  
6302 deducted from the amount produced by the state tax on gasoline,  
6303 diesel fuel or kerosene tax collections, excluding collections  
6304 derived from the portion of the gasoline excise tax that exceeds  
6305 Seven Cents (7¢) per gallon, from the portion of the tax on  
6306 aviation gas under Section 27-55-11 that exceeds Six and  
6307 Four-tenths Cents (6.4¢) per gallon, from the portion of the  
6308 special fuel tax levied under Sections 27-55-519 and 27-55-521, at  
6309 Eighteen Cents (18¢) per gallon, that exceeds Ten Cents (10¢) per  
6310 gallon, from the portion of the taxes levied under Section  
6311 27-55-519, at Five and Three-fourths Cents (5.75¢) that exceeds  
6312 One Cent (1¢) per gallon on special fuel and Five and One-fourth  
6313 Cents (5.25¢) per gallon on special fuel used as aircraft fuel,  
6314 from the portion of the excise tax on compressed gas used as a  
6315 motor fuel that exceeds the rate of tax in effect on June 30,  
6316 1987, and from the portion of the gasoline excise tax in excess of  
6317 Seven Cents (7¢) per gallon and the diesel excise tax in excess of  
6318 Ten Cents (10¢) per gallon under Section 27-61-5:

6319                               (i) Twenty percent (20%) of such amount which  
6320 shall be earmarked and set aside for the construction,  
6321 reconstruction and maintenance of the highways and roads of the  
6322 state, provided that if such twenty percent (20%) should reduce  
6323 any county to a lesser amount than that received in the fiscal  
6324 year ending June 30, 1966, then such twenty percent (20%) shall be  
6325 reduced to a percentage to provide that no county shall receive  
6326 less than its portion for the fiscal year ending June 30, 1966;

6327                   (ii) The amount allowed as refund on gasoline or  
6328 as tax credit on diesel fuel or kerosene used for agricultural,  
6329 maritime, industrial, domestic and nonhighway purposes;

6330                   (iii) Five percent (5%) of such amount shall be  
6331 paid to the State Highway Fund;

6332                   (iv) The amount or portion thereof authorized by  
6333 legislative appropriation to the Fisheries and Wildlife Fund  
6334 created under Section 59-21-25;

6335                   (v) The amount for deposit into the special  
6336 aviation fund under paragraph (d) of this section; and

6337                   (vi) The remainder shall be divided on a basis of  
6338 nine-fourteenths (9/14) and five-fourteenths (5/14) (being the  
6339 same basis as Four and One-half Cents (4-1/2¢) and Two and  
6340 One-half Cents (2-1/2¢) is to Seven Cents (7¢) on gasoline, and  
6341 six and forty-three one-hundredths (6.43) and three and  
6342 fifty-seven one-hundredths (3.57) is to Ten Cents (10¢) on diesel  
6343 fuel or kerosene). The amount produced by the nine-fourteenths  
6344 (9/14) division shall be allocated to the Transportation  
6345 Department and paid into the State Treasury as provided in this  
6346 section and in Section 27-5-103 and the five-fourteenths (5/14)  
6347 division shall be returned to the counties of the state on the  
6348 following basis:

6349                   1. In each fiscal year, each county shall be  
6350 paid each month the same percentage of the monthly total to be  
6351 distributed as was paid to that county during the same month in  
6352 the fiscal year which ended April 9, 1960, until the county  
6353 receives One Hundred Ninety Thousand Dollars (\$190,000.00) in such  
6354 fiscal year, at which time funds shall be distributed under the  
6355 provisions of paragraph (b)(vi)4 of this section.

6356                   2. If after payments in 1 above, any county  
6357 has not received a total of One Hundred Ninety Thousand Dollars  
6358 (\$190,000.00) at the end of the fiscal year ending June 30, 1961,  
6359 and each fiscal year thereafter, then any available funds not

6360 distributed under 1 above shall be used to bring such county or  
6361 counties up to One Hundred Ninety Thousand Dollars (\$190,000.00)  
6362 or such funds shall be divided equally among such counties not  
6363 reaching One Hundred Ninety Thousand Dollars (\$190,000.00) if  
6364 there is not sufficient money to bring all the counties to said  
6365 One Hundred Ninety Thousand Dollars (\$190,000.00).

6366                   3. When a county has been paid an amount  
6367 equal to the total which was paid to the same county during the  
6368 fiscal year ended April 9, 1960, such county shall receive no  
6369 further payments during the then current fiscal year until the  
6370 last month of such current fiscal year, at which time distribution  
6371 will be made under 2 above, except as set out in 4 below.

6372                   4. During the last month of the current  
6373 fiscal year, should it be determined that there are funds  
6374 available in excess of the amount distributed for the year under 1  
6375 and 2 above, then such excess funds shall be distributed among the  
6376 various counties as follows:

6377                               One-third (1/3) of such excess to be  
6378 divided equally among the counties;

6379                               One-third (1/3) of such excess to be paid  
6380 to the counties in the proportion which the population of each  
6381 county bears to the total population of the state according to the  
6382 last federal census;

6383                               One-third (1/3) of such excess to be paid  
6384 to the counties in the proportion which the number of square miles  
6385 of each county bears to the total square miles in the state.

6386                   5. It is the declared purpose and intent of  
6387 the Legislature that no county shall be paid less than was paid  
6388 during the year ended April 9, 1960, unless the amount to be  
6389 distributed to all counties in any year is less than the amount  
6390 distributed to all counties during the year ended April 9, 1960.

6391                   The Municipal Aid Fund as established by Section 27-5-103  
6392 shall not participate in any portion of any funds allocated to any



6393 county hereunder over and above One Hundred Ninety Thousand  
6394 Dollars (\$190,000.00).

6395 In any county having road or bridge bonds outstanding which  
6396 exceed, in the aggregate, twelve percent (12%) of the assessed  
6397 valuation of the taxable property of the county, it shall be the  
6398 duty of the board of supervisors to set aside not less than sixty  
6399 percent (60%) of such county's share of the gasoline, diesel fuel  
6400 or kerosene taxes to be used in paying the principal and interest  
6401 on such road or bridge bonds as they mature.

6402 In any county having such road or bridge bonds outstanding  
6403 which exceed, in the aggregate, eight percent (8%) of the assessed  
6404 valuation of the taxable property of the county, but which do not  
6405 exceed, in the aggregate, twelve percent (12%) of the assessed  
6406 valuation of the taxable property of the county, it shall be the  
6407 duty of the board of supervisors to set aside not less than  
6408 thirty-five percent (35%) of such county's share of the gasoline,  
6409 diesel fuel or kerosene taxes to be used in paying the principal  
6410 and interest of such road or bridge bonds as they mature.

6411 In any county having such road or bridge bonds outstanding  
6412 which exceed, in the aggregate, five percent (5%) of the assessed  
6413 valuation of the taxable property of the county, but which do not  
6414 exceed, in the aggregate, eight percent (8%) of the assessed  
6415 valuation of the taxable property of the county, it shall be the  
6416 duty of the board of supervisors to set aside not less than twenty  
6417 percent (20%) of such county's share of the gasoline, diesel fuel  
6418 or kerosene taxes to be used in paying the principal and interest  
6419 of such road and bridge bonds as they mature.

6420 In any county having such road or bridge bonds outstanding  
6421 which do not exceed, in the aggregate, five percent (5%) of the  
6422 assessed valuation of the taxable property of the county, it shall  
6423 be the duty of the board of supervisors to set aside not less than  
6424 ten percent (10%) of such county's share of the gasoline, diesel

6425 fuel or kerosene taxes to be used in paying the principal and  
6426 interest on such road or bridge bonds as they mature.

6427         The portion of any such county's share of the gasoline,  
6428 diesel fuel or kerosene taxes thus set aside for the payment of  
6429 the principal and interest of road or bridge bonds, as provided  
6430 for in this section, shall be used in paying the currently  
6431 maturing installments of the principal and interest of such road  
6432 or bridge bonds, if there be any such road or bridge bonds  
6433 outstanding.

6434         The remaining portion of such county's share of the gasoline,  
6435 diesel fuel or kerosene taxes, after setting aside the portion  
6436 above provided for the payment of the principal and interest of  
6437 bonds, shall be used in the construction and maintenance of any  
6438 public highways, bridges or culverts of the county, in the  
6439 discretion of the board of supervisors.

6440         In any county having no road or bridge bonds outstanding, all  
6441 such county's share of the gasoline, diesel fuel or kerosene taxes  
6442 shall be used in the construction, reconstruction and maintenance  
6443 of the public highways, bridges or culverts of the county, as the  
6444 board of supervisors may determine.

6445         In every county in which there are county road bonds or  
6446 seawall or road protection bonds outstanding which were issued for  
6447 the purpose of building bridges or constructing public roads or  
6448 seawalls, such funds shall be used in the manner provided by law.

6449                 (c) From the amount produced by the nine-fourteenths  
6450 (9/14) division allocated to the Transportation Department, there  
6451 shall be deducted:

6452                         (i) The amount paid to the State Treasurer for the  
6453 "Highway Bonds Sinking Fund" under paragraph (a) of this section;

6454                         (ii) Any amounts due counties in accordance with  
6455 Section 65-33-45 which have outstanding bonds issued for seawall  
6456 or road protection purposes, issued under provisions of Chapter  
6457 319, Laws of 1924, and amendments thereto; and

6458                   (iii) Beginning August 15, 2002, and on or before  
6459 the fifteenth day of each month thereafter, an amount equal to  
6460 one-sixth (1/6) of the principal and interest certified by the  
6461 State Treasurer to the State Tax Commission to be due on the next  
6462 semiannual bond and interest payment date for the bonds issued  
6463 under Sections 65-39-5 through 65-39-33. On or before the  
6464 twenty-fifth day of each month the State Tax Commission shall pay  
6465 into the State Treasury for credit to the Gaming Counties Bond  
6466 Sinking Fund created in Section 65-39-3, the amount certified by  
6467 the State Treasurer;

6468                   (iv) Except as otherwise provided in Section  
6469 31-17-127, the remainder shall be paid by the State Tax Commission  
6470 to the State Treasurer on the fifteenth day of each month next  
6471 succeeding the month in which the gasoline, diesel fuel or  
6472 kerosene taxes were collected to the credit of the State Highway  
6473 Fund.

6474           The funds allocated for the construction, reconstruction and  
6475 improvement of state highways, bridges and culverts, or so much  
6476 thereof as may be necessary, shall first be used in conjunction  
6477 with funds supplied by the federal government for such purposes  
6478 and allocated to the Transportation Department to be expended on  
6479 the state highway system. It is specifically provided hereby that  
6480 the necessary portion of such funds hereinabove allocated to the  
6481 Transportation Department may be used for the prompt payment of  
6482 principal and interest on highway bonds heretofore issued,  
6483 including such bonds issued or to be issued under the provisions  
6484 of Chapter 312, Laws of 1956, and amendments thereto.

6485           Nothing contained in this section shall be construed to  
6486 reduce the amount of such gasoline, diesel fuel or kerosene excise  
6487 taxes levied by the state, allotted under the provisions of Title  
6488 65, Chapter 33, Mississippi Code of 1972, to counties in which  
6489 there are outstanding bonds issued for seawall or road protection  
6490 purposes issued under the provisions of Chapter 319, Laws of 1924,

6491 and amendments thereto; the amount of said gasoline, diesel fuel  
6492 or kerosene excise taxes designated in this section for the  
6493 payment of bonds and interest authorized and issued or to be  
6494 issued under the provisions of Chapter 130, Laws of 1938, and  
6495 subsequent acts authorizing the issuance of bonds payable from  
6496 gasoline, diesel fuel or kerosene tax revenue, shall, in such  
6497 counties, be considered as being paid "into the State Treasury to  
6498 the credit of the State Highway Fund" within the meaning of  
6499 Section 65-33-45 in computing the amount to be paid to such  
6500 counties under the provisions of said section, and this section  
6501 shall be administered in connection with Title 65, Chapter 33,  
6502 Mississippi Code of 1972, and Sections 65-33-45, 65-33-47 and  
6503 65-33-49 dealing with seawalls, as if made a part of this section.

6504 (d) The proceeds of the Five and One-fourth Cents  
6505 (5.25¢) of the tax per gallon on oils used as a propellant for jet  
6506 aircraft engines, and Six and Four-tenths Cents (6.4¢) of the tax  
6507 per gallon on aviation gasoline and the tax of One Cent (1¢) per  
6508 gallon for each gallon of gasoline for which a refund has been  
6509 made pursuant to Section 27-55-23 because such gasoline was used  
6510 for aviation purposes, shall be paid to the State Treasury into a  
6511 special fund to be used exclusively, pursuant to legislative  
6512 appropriation, for the support and development of aeronautics as  
6513 defined in Section 61-1-3.

6514 (e) State highway funds in an amount equal to the  
6515 difference between Forty-two Million Dollars (\$42,000,000.00) and  
6516 the annual debt service payable on the state's highway revenue  
6517 refunding bonds, Series 1985, shall be expended for the  
6518 construction or reconstruction of highways designated under the  
6519 highway program created under Section 65-3-97.

6520 (f) Beginning forty-five (45) days after the date  
6521 specified in Section 65-39-35, and on or before the fifteenth day  
6522 of the succeeding month and each month thereafter, the proceeds of  
6523 Two Cents (2¢) per gallon of the tax on gasoline and blend stock

6524 levied under Section 27-55-11 shall be deposited into the  
6525 Mississippi Highway-Railroad Grade Crossing Safety Account,  
6526 created in Section 57-43-15.

6527 (g) "Gasoline, diesel fuel or kerosene taxes" as used  
6528 in this section shall be deemed to mean and include state  
6529 gasoline, diesel fuel or kerosene taxes levied and imposed on  
6530 distributors of gasoline, diesel fuel or kerosene, and all state  
6531 excise taxes derived from any fuel used to propel vehicles upon  
6532 the highways of this state, when levied by any statute.

6533 **SECTION 81.** Section 57-43-15, Mississippi Code of 1972, is  
6534 amended as follows:

6535 57-43-15. (1) There is established within the Railroad  
6536 Revitalization Fund a new account to be entitled the Mississippi  
6537 Highway-Railroad Grade Crossing Safety Account. The account shall  
6538 be administered by the Mississippi Department of Transportation  
6539 and shall consist of (a) such monies as are transferred to it on  
6540 July 1, 2001, from the Mississippi Grade Crossing Closure  
6541 Account; \* \* \* (b) thirty-five percent (35%) of collections from  
6542 the locomotive fuel tax imposed under Section 27-59-307 for the  
6543 previous year; and (c) monies deposited into the account under  
6544 Section 27-5-101(f). Unexpended amounts remaining in the account  
6545 at the end of a fiscal year shall not lapse into the State General  
6546 Fund; and any interest earned on amounts in the account shall be  
6547 deposited to the credit of the account.

6548 (2) The Mississippi Department of Transportation, in  
6549 cooperation with the railroads operating in Mississippi, shall  
6550 promulgate rules to ensure equitable allocation of the funds  
6551 described in subsection (1) of this section to projects throughout  
6552 the state, and shall consider the proportionate number of main  
6553 line track miles of each railroad and the number of public  
6554 roadway/railroad grade crossings on each railroad's main line.  
6555 Expenditure of monies from the Mississippi Highway-Railroad Grade

6556 Crossing Safety Account shall be limited to the following  
6557 purposes:

6558 (a) Financial aid for closure of public  
6559 roadway/railroad grade crossings;

6560 (b) Realignment of construction costs of roadways being  
6561 rerouted to facilitate a closure of a public roadway/railroad  
6562 grade crossing;

6563 (c) Monies to match federal or other funds for a grade  
6564 separation eliminating an at-grade crossing of a public roadway  
6565 and railroad; and

6566 (d) Installation or upgrade of highway-railroad grade  
6567 crossing signals, at the discretion of the Mississippi  
6568 Transportation Commission, based upon the Federal Railroad  
6569 Administration ranking of all Mississippi highway-railroad grade  
6570 crossings. Not less than ten percent (10%) of the monies  
6571 necessary to defray the costs of such installations must be  
6572 federal funds.

6573 (3) The Mississippi Department of Transportation shall  
6574 consider all requests from the state's diagnostic review of public  
6575 roadway/railroad grade crossings and from individual railroads for  
6576 expenditure of funds for the purposes described in subsection (2)  
6577 of this section, and shall establish uniform criteria and  
6578 guidelines relating to such crossings and the expenditure of  
6579 funds.

6580 **SECTION 82.** (1) For any taxpayer allowed to claim a federal  
6581 income tax credit under 26 USCS Section 21 for household and  
6582 dependent care service expenses necessary for gainful employment,  
6583 a credit shall be allowed against the taxes imposed under this  
6584 chapter in the manner prescribed in this section. The amount of  
6585 the credit shall be equal to the lesser of the amount of the  
6586 federal credit allowed under 26 USCS Section 21 claimed for such  
6587 expenses by the taxpayer on the taxpayer's federal income tax  
6588 return or the amount of income tax imposed upon the taxpayer for

6589 the taxable year reduced by the sum of all other credits allowable  
6590 to such taxpayer under this chapter, except credit for tax  
6591 payments made by or on behalf of the taxpayer. In the case of  
6592 married individuals filing separate returns, each person may claim  
6593 an amount not to exceed one-half (1/2) of the tax credit that  
6594 would have been allowed for a joint return.

6595 (2) To obtain the credit provided for in this section, a  
6596 taxpayer must claim the federal credit allowed under 26 USCS  
6597 Section 21 on the taxpayer's federal income tax return and must  
6598 provide a copy of such return and any other information required  
6599 by the State Tax Commission.

6600 **SECTION 83.** (1) For any taxpayer who pays tuition to a  
6601 nonpublic school, a credit against the taxes imposed by this  
6602 chapter shall be allowed in the amount provided in subsection (2)  
6603 of this section. For the purposes of this section:

6604 (a) "Tuition" means the monthly, semester, annual or  
6605 other term charge and all required fees imposed as a condition of  
6606 enrollment in a primary or secondary nonpublic school; and

6607 (b) "Nonpublic school" means an institution for the  
6608 teaching of children in the primary or secondary, or both, grades,  
6609 consisting of a physical plant (whether owned or leased),  
6610 instructional staff and students, and which is in session each  
6611 school year and maintains educational standards equivalent to the  
6612 standards established by the State Department of Education for the  
6613 state schools as outlined in the Approval Requirements of the  
6614 State Board of Education for Nonpublic Schools. The term  
6615 "nonpublic school" includes, but is not necessarily limited to,  
6616 private, church and parochial schools.

6617 (2) The income tax credit provided in subsection (1) of this  
6618 section shall be equal to one-third (1/3) of the amount of the  
6619 tuition paid to a nonpublic school during the taxable year, not to  
6620 exceed the amount of income tax due the State of Mississippi from  
6621 the taxpayer for the taxable year reduced by the sum of all other

6622 credits allowable to such taxpayer under the state income tax  
6623 laws, except credit for tax payments made by or on behalf of the  
6624 taxpayer. In the case of married individuals filing separate  
6625 returns, each person may claim an amount not to exceed one-half  
6626 (1/2) of the tax credit which would have been allowed for a joint  
6627 return. Any unused portion of the credit may be carried forward  
6628 for the next five (5) succeeding tax years.

6629 (3) Any amount of tuition payments made by a taxpayer which  
6630 is applied toward the credit provided in this section may not be  
6631 used as a deduction by the taxpayer for state income tax purposes.

6632 **SECTION 84.** (1) For any taxpayer who is a parent, guardian  
6633 or custodian of a home school student, a credit against the taxes  
6634 imposed by this chapter shall be allowed in the amount provided in  
6635 subsection (2) of this section. For the purposes of this section,  
6636 the term "home school student" means a compulsory-school-age child  
6637 taught by private teachers, parents, guardians or custodians in a  
6638 legitimate home instruction program as defined under the  
6639 Mississippi Compulsory School Attendance Law (Section 37-13-91).

6640 (2) The income tax credit provided in subsection (1) of this  
6641 section shall be equal to one-third (1/3) of the amount of the  
6642 costs incurred by the taxpayer for educational supplies and  
6643 materials necessary for the home school student to participate in  
6644 a home instruction program during the taxable year, not to exceed  
6645 the amount of income tax due the State of Mississippi from the  
6646 taxpayer for the taxable year reduced by the sum of all other  
6647 credits allowable to such taxpayer under the state income tax  
6648 laws, except credit for tax payments made by or on behalf of the  
6649 taxpayer. In the case of married individuals filing separate  
6650 returns, each person may claim an amount not to exceed one-half  
6651 (1/2) of the tax credit which would have been allowed for a joint  
6652 return. Any unused portion of the credit may be carried forward  
6653 for the next five (5) succeeding tax years.



6654 (3) Any amount of costs incurred by a taxpayer for such  
6655 purposes which is applied toward the credit provided in this  
6656 section may not be used as a deduction by the taxpayer for state  
6657 income tax purposes.

6658 **SECTION 85.** (1) For any taxpayer who incurs expenses for  
6659 tutorial services for a dependent of the taxpayer enrolled as a  
6660 student in a Mississippi public school, a credit against the taxes  
6661 imposed by this chapter shall be allowed in the amount provided in  
6662 this section. If a taxpayer incurs expenses for tutorial services  
6663 for more than one (1) dependent enrolled in a Mississippi public  
6664 school, the taxpayer may claim the credit for the aggregate amount  
6665 of such expenses. However, the maximum aggregate income tax  
6666 credit that may be claimed by a taxpayer for a taxable year shall  
6667 not exceed the lesser of Three Thousand Dollars (\$3,000.00) or the  
6668 amount of income tax imposed upon the taxpayer for the taxable  
6669 year reduced by the sum of all other credits allowable to such  
6670 taxpayer under the state income tax laws, except credit for tax  
6671 payments made by or on behalf of the taxpayer. In the case of  
6672 married individuals filing separate returns, each person may claim  
6673 an amount not to exceed one-half (1/2) of the tax credit that  
6674 would have been allowed for a joint return.

6675 (2) The State Tax Commission shall develop a list of  
6676 tutorial service expenses for which the credit may be claimed and  
6677 shall develop guidelines for administering the credit and how it  
6678 may be obtained.

6679 (3) To obtain the credit provided for in this section, a  
6680 taxpayer must provide to the State Tax Commission proof of the  
6681 expenses incurred for which the credit is claimed and any other  
6682 information required by the State Tax Commission.

6683 **SECTION 86.** (1) There is levied, assessed and shall be  
6684 collected a tax of one percent (1%) upon the service transactions  
6685 of all professions regulated in Title 73, Mississippi Code of  
6686 1972, which are for more than Ten Thousand Dollars (\$10,000.00).

6687 (2) Transactions for professional services for Ten Thousand  
6688 Dollars (\$10,000.00) or less and professional medical service  
6689 transactions are exempt from the tax levied by this section.

6690 **SECTION 87.** There is imposed a tax of one percent (1%) of  
6691 the amount of any fee charged to a user of an automated teller  
6692 machine (ATM) as a transaction fee for the use of the ATM. The  
6693 tax shall be collected from the user by the owner of the ATM at  
6694 the time of the transaction. The owner of the ATM shall remit the  
6695 proceeds of the tax collected each month to the State Tax  
6696 Commission not later than the fifteenth day of the following  
6697 month, and the Tax Commission shall deposit the proceeds of the  
6698 tax into the State General Fund.

6699 **SECTION 88.** Section 27-103-125, Mississippi Code of 1972, is  
6700 amended as follows:

6701 27-103-125. The proposed budget of each state agency shall  
6702 show the amounts required for operating expenses separately from  
6703 the amounts required for permanent improvements. The overall  
6704 budget shall show, separately by each source, the estimated amount  
6705 of general fund revenue and of special fund revenues of general  
6706 fund agencies. The total proposed expenditures in Part 1 of the  
6707 overall budget shall not exceed the amount of estimated revenues  
6708 that will be available in the general and special funds for  
6709 appropriation or use during the succeeding fiscal year, including  
6710 any balances that will be on hand in the general and special funds  
6711 at the close of the then current fiscal year. The total proposed  
6712 expenditures from the State General Fund in Part 1 of the overall  
6713 budget shall not exceed ninety-eight percent (98%) of the amount  
6714 of general fund revenue estimate for the succeeding fiscal year,  
6715 plus any unencumbered balances in general funds that will be  
6716 available and on hand at the close of the then current fiscal  
6717 year. However, for fiscal year 2006 only, the total proposed  
6718 expenditures from the State General Fund in Part 1 of the overall  
6719 budget shall not exceed one hundred percent (100%) of the amount

6720 of the general fund revenue estimate for the succeeding fiscal  
6721 year, plus any unencumbered balances in general funds that will be  
6722 available and on hand at the close of the then current fiscal  
6723 year. The general fund revenue estimate shall be the estimate  
6724 jointly adopted by the Governor and the Joint Legislative Budget  
6725 Committee; however, for the purposes of this section, during the  
6726 period beginning July 1, 2006, and ending June 30, 2016, the  
6727 general fund revenue estimate for each succeeding fiscal year  
6728 shall not exceed three percent (3%) of the amount of the general  
6729 fund revenues received by the state for the preceding fiscal year.  
6730 Unencumbered balances in general funds that will be available and  
6731 on hand at the close of the current fiscal year shall not include  
6732 projected amounts required to be deposited into the Working  
6733 Cash-Stabilization Reserve Fund under Section 27-103-203. The  
6734 Legislative Budget Office may recommend additional taxes or  
6735 sources of revenue if in its judgment those additional funds are  
6736 necessary to adequately support the functions of the state  
6737 government.

6738       **SECTION 89.** Section 27-103-139, Mississippi Code of 1972, is  
6739 amended as follows:

6740       27-103-139. On or before November 15 preceding each regular  
6741 session of the Legislature, except the first regular session of a  
6742 new term of office, the Governor shall submit to the members of  
6743 the Legislature, the Legislative Budget Office or the  
6744 members-elect, as the case may be, and to the executive head of  
6745 each state agency a balanced budget for the succeeding fiscal  
6746 year. The budget submitted shall be prepared in a format that  
6747 will include performance measurement data associated with the  
6748 various programs operated by each agency. The total proposed  
6749 expenditures in the balanced budget shall not exceed the amount of  
6750 estimated revenues that will be available for appropriation or use  
6751 during the succeeding fiscal year, including any balances that  
6752 will be on hand at the close of the then current fiscal year, as

6753 determined by the revenue estimate jointly adopted by the Governor  
6754 and the Legislative Budget Committee. The total proposed  
6755 expenditures from the State General Fund in the balanced budget  
6756 shall not exceed ninety-eight percent (98%) of the amount of  
6757 general fund revenue estimate for the succeeding fiscal year, plus  
6758 any unencumbered balances in general funds that will be available  
6759 and on hand at the close of the then current fiscal year.  
6760 However, for fiscal year 2006 only, the total proposed  
6761 expenditures from the State General Fund in the balanced budget  
6762 shall not exceed one hundred percent (100%) of the amount of the  
6763 general fund revenue estimate for the succeeding fiscal year, plus  
6764 any unencumbered balances in general funds that will be available  
6765 and on hand at the close of the then current fiscal year. The  
6766 general fund revenue estimate shall be the estimate jointly  
6767 adopted by the Governor and the Joint Legislative Budget  
6768 Committee; however, for the purposes of this section, during the  
6769 period beginning July 1, 2006, and ending June 30, 2016, the  
6770 general fund revenue estimate for each succeeding fiscal year  
6771 shall not exceed three percent (3%) of the amount of the general  
6772 fund revenues received by the state for the preceding fiscal year.  
6773 Unencumbered balances in general funds that will be available and  
6774 on hand at the close of the fiscal year shall not include  
6775 projected amounts required to be deposited into the Working  
6776 Cash-Stabilization Reserve Fund and the Education Enhancement Fund  
6777 under Section 27-103-203.

6778 The revenues used in preparing the balanced budget shall be  
6779 only those revenues that will be available under the general laws  
6780 of the state as they exist when the balanced budget is prepared,  
6781 and shall not include any proposed revenues that would become  
6782 available only after the enactment of new legislation. If the  
6783 Governor has any recommendations for additional proposed  
6784 expenditures or proposed revenues that are not included in his  
6785 balanced budget, he shall submit those recommendations in a

6786 supplement that is separate from his balanced budget, and whenever  
6787 the Governor recommends any such additional proposed expenditures,  
6788 he also shall recommend proposed revenues that are sufficient to  
6789 fund the additional proposed expenditures, providing specific  
6790 details regarding the sources and the total amount of those  
6791 proposed revenues.

6792 The Governor may employ a budget officer for the purpose of  
6793 receiving information from the State Fiscal Officer and preparing  
6794 his recommendations on the budget. If the Governor determines  
6795 that information received from the State Fiscal Officer is not  
6796 sufficient to enable him to prepare his budget recommendations, he  
6797 may request an appropriation from the Legislature to provide  
6798 additional staff within the Governor's Office for that purpose.  
6799 At the first regular session after his election for Governor, the  
6800 Governor shall submit any budget recommendations plus the required  
6801 revenue source recommendations no later than January 31 of that  
6802 year.

6803 **SECTION 90.** Section 27-103-211, Mississippi Code of 1972, is  
6804 amended as follows:

6805 27-103-211. The total sum appropriated by the Legislature  
6806 from the State General Fund for any fiscal year shall not exceed  
6807 ninety-eight percent (98%) of the general fund revenue estimate  
6808 for that fiscal year developed by the Tax Commission and the  
6809 University Research Center and adopted by the Joint Legislative  
6810 Budget Committee, plus any unencumbered balances in general funds  
6811 that will be available and on hand at the close of the then  
6812 current fiscal year; however, for the purposes of this section,  
6813 during the period beginning July 1, 2006, and ending June 30,  
6814 2016, the general fund revenue estimate for each fiscal year shall  
6815 not exceed three percent (3%) of the amount of the general fund  
6816 revenues received by the state for the preceding fiscal year. The  
6817 unencumbered balances in general funds that will be available and  
6818 on hand at the close of the fiscal year shall not include

6819 projected amounts required to be deposited into the Working  
6820 Cash-Stabilization Reserve Fund under Section 27-103-203.  
6821 However, for fiscal year 2006 only, the total sum appropriated by  
6822 the Legislature from the State General Fund shall not exceed one  
6823 hundred percent (100%) of the amount of the general fund revenue  
6824 estimate for that fiscal year, plus any unencumbered balances in  
6825 general funds that will be available and on hand at the close of  
6826 the then current fiscal year.

6827       **SECTION 91.** Section 27-104-13, Mississippi Code of 1972, is  
6828 amended as follows:

6829       27-104-13. (1) The State Fiscal Officer may disapprove or  
6830 reduce and revise the estimates of general funds and state-source  
6831 special funds for any general fund or special fund agency and for  
6832 the "administration and other expenses" budget of the Mississippi  
6833 Department of Transportation, in an amount not to exceed five  
6834 percent (5%), if at any time he finds that funds will not be  
6835 available within the period for which the budget is drawn, or if  
6836 at any time he finds that the requested expenditures, or any part  
6837 thereof, are not authorized by law, and that action shall be  
6838 reported to the Legislative Budget Office.

6839       The State Fiscal Officer may, upon his determination of need  
6840 based upon a finding that funds will not be available within the  
6841 period for which the budget is drawn, transfer funds as provided  
6842 in Section 27-103-203, from the Working Cash-Stabilization Reserve  
6843 Fund to the General Fund to supplement the general fund revenue.

6844       If the estimates of general funds and state-source special  
6845 funds of all general fund and special fund agencies and of the  
6846 "administration and other expenses" budget of the Mississippi  
6847 Department of Transportation have been reduced by five percent  
6848 (5%), additional reductions may be made, but shall consist of a  
6849 uniform percentage reduction of general funds and state-source  
6850 special funds to all general fund and special fund agencies and to

6851 the "administration and other expenses" budget of the Mississippi  
6852 Department of Transportation.

6853 Any state-source special funds reduced under the provisions  
6854 of this subsection (1) shall be transferred to the State General  
6855 Fund upon requisitions for warrants signed by the respective  
6856 agency head, and the transfer shall be made within a reasonable  
6857 period to be determined by the State Fiscal Officer.

6858 (2) The State Tax Commission and University Research Center,  
6859 utilizing all available revenue forecast data, shall annually  
6860 develop a general fund revenue estimate to be adopted by the  
6861 Legislative Budget Office as of the date of sine die adjournment.  
6862 For the purposes of this subsection, during the period beginning  
6863 July 1, 2006, and ending June 30, 2016, the general fund revenue  
6864 estimate for each fiscal year shall not exceed three percent (3%)  
6865 of the amount of the general fund revenues received by the state  
6866 for the preceding fiscal year.

6867 If, at the end of October, or at the end of any month  
6868 thereafter of any fiscal year, the revenues received for the  
6869 fiscal year fall below ninety-eight percent (98%) of the  
6870 Legislative Budget Office general fund revenue estimate at the  
6871 date of sine die adjournment, the State Fiscal Officer shall  
6872 reduce allocations of general funds and state-source special funds  
6873 to general fund and special fund agencies and to the  
6874 "administration and other expenses" budget of the Mississippi  
6875 Department of Transportation, in an amount necessary to keep  
6876 expenditures within the sum of actual general fund receipts,  
6877 including any transfers to the General Fund from the Working  
6878 Cash-Stabilization Reserve Fund for the fiscal year.

6879 The State Fiscal Officer may, upon his determination of need  
6880 based on the revenue shortfall, transfer funds as provided in  
6881 Section 27-103-203 from the Working Cash-Stabilization Reserve  
6882 Fund to the General Fund to supplement the general fund revenue.  
6883 State-source special funds in an amount equal to any reduction

6884 made under the provisions of this subsection (2) shall be  
6885 transferred to the State General Fund upon requisitions for  
6886 warrants signed by the respective agency head, and the transfer  
6887 shall be made within a reasonable period to be determined by the  
6888 State Fiscal Officer.

6889 No agency's allocation shall be reduced in an amount to  
6890 exceed five percent (5%); however, if the allocations of general  
6891 funds and state-source special funds to all general fund and  
6892 special fund agencies and to the "administration and other  
6893 expenses" budget of the Mississippi Department of Transportation  
6894 have been reduced by five percent (5%), any additional reductions  
6895 required to be made under this subsection (2) shall consist of a  
6896 uniform percentage reduction of general funds and state-source  
6897 special funds to all general fund and special fund agencies and to  
6898 the "administration and other expenses" budget of the Mississippi  
6899 Department of Transportation. Any receipt from loans authorized  
6900 by Sections 31-17-101 through 31-17-123 shall not be included as  
6901 revenue receipts.

6902 The State Fiscal Officer shall immediately send notice of any  
6903 action taken under authority of this subsection (2) to the  
6904 Legislative Budget Office.

6905 The provisions of this subsection (2) requiring the State  
6906 Fiscal Officer to reduce allocations of general funds and  
6907 state-source special funds to general fund and special fund  
6908 agencies and to the "administration and other expenses" budget of  
6909 the Mississippi Department of Transportation shall be suspended  
6910 during the period from the effective date of this act through June  
6911 30, 2006.

6912 (3) For the purpose of this section, the term "state-source  
6913 special funds" means any special funds in any agency derived from  
6914 any source, but shall not include the following special funds:  
6915 special funds derived from federal sources, from local or regional  
6916 political subdivisions, from agricultural commodity assessments,



6917 or from donations; special funds held in a fiduciary capacity for  
6918 the benefit of specific persons or classes of persons;  
6919 self-generated special funds of the state institutions of higher  
6920 learning or the state community or junior colleges; special funds  
6921 of Mississippi Industries for the Blind, the State Port at  
6922 Gulfport, Yellow Creek Inland Port, Pat Harrison Waterway  
6923 District, Pearl River Basin Development District, Pearl River  
6924 Valley Water Management District, Tombigbee River Valley Water  
6925 Management District, Yellow Creek Watershed Authority, or Coast  
6926 Coliseum Commission; special funds of the Department of Wildlife,  
6927 Fisheries and Parks derived from the issuance of hunting or  
6928 fishing licenses; and special funds generated by agencies whose  
6929 primary function includes the establishment of standards and the  
6930 issuance of licenses for the practice of a profession within the  
6931 State of Mississippi.

6932         SECTION 92. (1) There is hereby created a law enforcement  
6933 unit of the Department of Public Safety to be known as the State  
6934 Police. The Commissioner of Public Safety shall appoint a Chief  
6935 of the State Police who shall be qualified and experienced in law  
6936 enforcement and who has served for not less than five (5) years as  
6937 a law enforcement officer in a supervisory position. The chief  
6938 shall be furnished a vehicle to perform his duties of overseeing  
6939 the State Police throughout the state. The chief shall enter into  
6940 bond in an amount determined by the commissioner. The primary  
6941 duty of the chief shall be directing the enforcement of the laws  
6942 of the state and the laws and regulations of the Mississippi  
6943 Department of Transportation, the Public Service Commission, the  
6944 State Tax Commission, the Department of Wildlife, Fisheries and  
6945 Parks, the Capitol Police, the Gaming Commission, the Mississippi  
6946 Agricultural and Livestock Theft Bureau, the Board of Trustees of  
6947 State Institutions of Higher Learning, the Department of Audit and  
6948 the Bureau of Narcotics. The salary of the chief shall be fixed  
6949 by the commissioner.

6950           (2) The chief is hereby authorized and directed to appoint  
6951 as many officers as may be required to efficiently enforce the  
6952 laws under the jurisdiction of the State Police as provided in  
6953 subsection (1) of this section. These officers shall be located  
6954 in different sections of the state where there services are most  
6955 needed. The salary of the officers of the State Police shall be  
6956 as determined by the State Personnel Board, or its successor.

6957           (3) The chief and the officers of the State Police shall be  
6958 designated law enforcement officers, as defined in Section 45-6-3,  
6959 and shall be subject to all training and certification  
6960 requirements of the Board on Law Enforcement Officer Standards and  
6961 Training.

6962           (4) Any officer of an existing law enforcement agency who  
6963 was exempt from training and certification requirements by such  
6964 agency shall be exempt from such requirements under this act.

6965           **SECTION 93.** Section 27-3-13, Mississippi Code of 1972, is  
6966 amended as follows:

6967           27-3-13. The chairman of the commission is hereby empowered  
6968 to employ a secretary to the commission, and such accountants,  
6969 appraisers, inspectors, timber estimators, engineers, valuation  
6970 experts, clerical help, stenographers, and such other assistants  
6971 and/or attorneys as he may deem necessary to the proper discharge  
6972 of the duties of the State Tax Commission, to prescribe their  
6973 duties and to fix the compensation of each employee. Such  
6974 employees may be used interchangeably in the administration of the  
6975 various duties imposed by law upon the commission in its several  
6976 departments. The State Police shall enforce any laws administered  
6977 by the commission. Temporary employees of the classes enumerated  
6978 above may be employed as hereinabove, when in the opinion of the  
6979 chairman a seasonal press of business requires, except that such  
6980 temporary employees shall be retained no longer than is necessary  
6981 to the discharge of the duties imposed by law upon the commission.

6982           **SECTION 94.** Section 29-5-77, Mississippi Code of 1972, is  
6983 amended as follows:

6984           29-5-77. The State Police shall have jurisdiction relative  
6985 to the enforcement of all laws of the State of Mississippi on the  
6986 properties set forth in Section 29-5-2, the Court of Appeals  
6987 Building, the Mississippi Department of Transportation Building  
6988 and the Public Employees' Retirement System Building. The State  
6989 Police shall, through any person or persons appointed by the  
6990 Department of Finance and Administration, or through the  
6991 Department of Public Safety when requested by the Department of  
6992 Finance and Administration, make arrests for any violation of any  
6993 law of the State of Mississippi on those grounds of or within  
6994 those properties. The State Police shall enforce the provisions  
6995 of Sections 29-5-57 through 29-5-67, 29-5-71 through 29-5-77, and  
6996 29-5-81 through 29-5-95, and prescribe such rules and regulations  
6997 as are necessary therefor.

6998           \* \* \*

6999           Subject to the approval of the Board of Trustees of State  
7000 Institutions of Higher Learning, the Board of Trustees and the  
7001 State Police shall be authorized to enter into a contract for the  
7002 State Police to supply the security personnel with jurisdiction to  
7003 enforce all laws of the State of Mississippi on the property of  
7004 the Board of Trustees located at the corner of Ridgewood Road and  
7005 Lakeland Drive in the City of Jackson.

7006           The State Police and the Department of Agriculture are  
7007 authorized to enter into a contract for the State Police to have  
7008 jurisdiction and enforce all laws of the State of Mississippi on  
7009 the property of the Department of Agriculture located at 121 North  
7010 Jefferson Street and the new Farmer's Market Building located at  
7011 the corner of High and Jefferson Streets in the City of Jackson,  
7012 Hinds County, Mississippi. It is the intent of the Legislature  
7013 that the State Police will not post any security personnel at such

7014 buildings, but will provide regular vehicle patrols and responses  
7015 to security system alarms.

7016         **SECTION 95.** Section 37-101-15, Mississippi Code of 1972, is  
7017 amended as follows:

7018         37-101-15. (a) The Board of Trustees of State Institutions  
7019 of Higher Learning shall succeed to and continue to exercise  
7020 control of all records, books, papers, equipment, and supplies,  
7021 and all lands, buildings, and other real and personal property  
7022 belonging to or assigned to the use and benefit of the board of  
7023 trustees formerly supervising and controlling the institutions of  
7024 higher learning named in Section 37-101-1. The board shall have  
7025 and exercise control of the use, distribution and disbursement of  
7026 all funds, appropriations and taxes, now and hereafter in  
7027 possession, levied and collected, received, or appropriated for  
7028 the use, benefit, support, and maintenance or capital outlay  
7029 expenditures of the institutions of higher learning, including the  
7030 authorization of employees to sign vouchers for the disbursement  
7031 of funds for the various institutions, except where otherwise  
7032 specifically provided by law.

7033         (b) The board shall have general supervision of the affairs  
7034 of all the institutions of higher learning, including the  
7035 departments and the schools thereof. The board shall have the  
7036 power in its discretion to determine who shall be privileged to  
7037 enter, to remain in, or to graduate therefrom. The board shall  
7038 have general supervision of the conduct of libraries and  
7039 laboratories, the care of dormitories, buildings, and grounds; the  
7040 business methods and arrangement of accounts and records; the  
7041 organization of the administrative plan of each institution; and  
7042 all other matters incident to the proper functioning of the  
7043 institutions. The board shall have the authority to establish  
7044 minimum standards of achievement as a prerequisite for entrance  
7045 into any of the institutions under its jurisdiction, which

7046 standards need not be uniform between the various institutions and  
7047 which may be based upon such criteria as the board may establish.

7048 (c) The board shall exercise all the powers and prerogatives  
7049 conferred upon it under the laws establishing and providing for  
7050 the operation of the several institutions herein specified. The  
7051 board shall adopt such bylaws and regulations from time to time as  
7052 it deems expedient for the proper supervision and control of the  
7053 several institutions of higher learning, insofar as such bylaws  
7054 and regulations are not repugnant to the Constitution and laws,  
7055 and not inconsistent with the object for which these institutions  
7056 were established. The board shall have power and authority to  
7057 prescribe rules and regulations for policing the campuses and all  
7058 buildings of the respective institutions, to authorize the arrest  
7059 of all persons violating on any campus any criminal law of the  
7060 state, and to have such law violators turned over to the civil  
7061 authorities. The law enforcement officers employed on any campus  
7062 shall be officers of the State Police.

7063 (d) For all institutions specified herein, the board shall  
7064 provide a uniform system of recording and of accounting approved  
7065 by the State Department of Audit. The board shall annually  
7066 prepare, or cause to be prepared, a budget for each institution of  
7067 higher learning for the succeeding year which must be prepared and  
7068 in readiness for at least thirty (30) days before the convening of  
7069 the regular session of the Legislature. All relationships and  
7070 negotiations between the State Legislature and its various  
7071 committees and the institutions named herein shall be carried on  
7072 through the board of trustees. No official, employee or agent  
7073 representing any of the separate institutions shall appear before  
7074 the Legislature or any committee thereof except upon the written  
7075 order of the board or upon the request of the Legislature or a  
7076 committee thereof.

7077 (e) For all institutions specified herein, the board shall  
7078 prepare an annual report to the Legislature setting forth the

7079 disbursements of all monies appropriated to the respective  
7080 institutions. Each report to the Legislature shall show how the  
7081 money appropriated to the several institutions has been expended,  
7082 beginning and ending with the fiscal years of the institutions,  
7083 showing the name of each teacher, officer, and employee, and the  
7084 salary paid each, and an itemized statement of each and every item  
7085 of receipts and expenditures. Each report must be balanced, and  
7086 must begin with the former balance. If any property belonging to  
7087 the state or the institution is used for profit, the reports shall  
7088 show the expense incurred in managing the property and the amount  
7089 received therefrom. The reports shall also show a summary of the  
7090 gross receipts and gross disbursements for each year and shall  
7091 show the money on hand at the beginning of the fiscal period of  
7092 the institution next preceding each session of the Legislature and  
7093 the necessary amount of expense to be incurred from said date to  
7094 January 1 following. The board shall keep the annual expenditures  
7095 of each institution herein mentioned within the income derived  
7096 from legislative appropriations and other sources, but in case of  
7097 emergency arising from acts of providence, epidemics, fire or  
7098 storm with the written approval of the Governor and by written  
7099 consent of a majority of the senators and of the representatives  
7100 it may exceed the income. The board shall require a surety bond  
7101 in a surety company authorized to do business in this state, of  
7102 every employee who is the custodian of funds belonging to one or  
7103 more of the institutions mentioned herein, which bond shall be in  
7104 a sum to be fixed by the board in an amount that will properly  
7105 safeguard the said funds, the premium for which shall be paid out  
7106 of the funds appropriated for said institutions.

7107 (f) The board shall have the power and authority to elect  
7108 the heads of the various institutions of higher learning and to  
7109 contract with all deans, professors, and other members of the  
7110 teaching staff, and all administrative employees of said  
7111 institutions for a term of not exceeding four (4) years. The

7112 board shall have the power and authority to terminate any such  
7113 contract at any time for malfeasance, inefficiency, or  
7114 contumacious conduct, but never for political reasons. It shall  
7115 be the policy of the board to permit the executive head of each  
7116 institution to nominate for election by the board all subordinate  
7117 employees of the institution over which he presides. It shall be  
7118 the policy of the board to elect all officials for a definite  
7119 tenure of service and to reelect during the period of satisfactory  
7120 service. The board shall have the power to make any adjustments  
7121 it thinks necessary between the various departments and schools of  
7122 any institution or between the different institutions.

7123 (g) The board shall keep complete minutes and records of all  
7124 proceedings which shall be open for inspection by any citizen of  
7125 the state.

7126 (h) The board shall have the power to contract, on a  
7127 shared-savings, lease or lease-purchase basis, for energy  
7128 efficiency services and/or equipment as prescribed in Section  
7129 31-7-14, not to exceed ten (10) years.

7130 (i) The Board of Trustees of State Institutions of Higher  
7131 Learning, for and on behalf of Jackson State University, is hereby  
7132 authorized to convey by donation or otherwise easements across  
7133 portions of certain real estate located in the City of Jackson,  
7134 Hinds County, Mississippi, for right-of-way required for the Metro  
7135 Parkway Project.

7136 (j) In connection with any international contract between  
7137 the board or one of the state's institutions of higher learning  
7138 and any party outside of the United States, the board or  
7139 institution that is the party to the international contract is  
7140 hereby authorized and empowered to include in the contract a  
7141 provision for the resolution by arbitration of any controversy  
7142 between the parties to the contract relating to such contract or  
7143 the failure or refusal to perform any part of the contract. Such  
7144 provision shall be valid, enforceable and irrevocable without

7145 regard to the justiciable character of the controversy. Provided,  
7146 however, that in the event either party to such contract initiates  
7147 litigation against the other with respect to the contract, the  
7148 arbitration provision shall be deemed waived unless asserted as a  
7149 defense on or before the responding party is required to answer  
7150 such litigation.

7151         **SECTION 96.** Section 41-29-107, Mississippi Code of 1972, is  
7152 amended as follows:

7153         41-29-107. (1) The State Police shall enforce the  
7154 provisions of this chapter. The State Police shall have a  
7155 director who shall be appointed by the Chief of the State Police.  
7156 The director may assign to the appropriate offices of the  
7157 department such powers and duties deemed appropriate to carry out  
7158 the lawful functions of the department.

7159         (2) The director is empowered to employ or appoint necessary  
7160 agents. The director may also employ such secretarial, clerical  
7161 and administrative personnel, including a duly licensed attorney,  
7162 as necessary for the operation of the department, and shall have  
7163 such quarters, equipment and facilities as needed. The salary and  
7164 qualifications of the attorney authorized by this section shall be  
7165 fixed by the director, but the salary shall not exceed the salary  
7166 authorized for an assistant attorney general who performs similar  
7167 duties.

7168         (3) The director and agents so appointed shall be citizens  
7169 of the United States and of the State of Mississippi, and of good  
7170 moral character. The agents shall be not less than twenty-one  
7171 (21) years of age at the time of such appointment. In addition  
7172 thereto, those appointed shall have satisfactorily completed at  
7173 least two (2) years of college studies. However, two (2) years of  
7174 satisfactory service as a law enforcement officer and the  
7175 completion of the prescribed course of study at a school operated  
7176 by the Bureau of Narcotics and Dangerous Drugs, United States  
7177 Justice Department, shall satisfy one (1) year of such college



7178 studies, and four (4) years of satisfactory service as a law  
7179 enforcement officer and the completion of the prescribed course of  
7180 study at such federal bureau school as stated heretofore shall  
7181 fully satisfy the two (2) years of college requirement.

7182 During the period of the first twelve (12) months after  
7183 appointment, any employee of the State Police enforcing this  
7184 chapter shall be subject to dismissal at the will of the director.  
7185 After twelve (12) months service, no such employee \* \* \* shall be  
7186 subject to dismissal unless charges have been filed with the  
7187 director, showing cause for dismissal of the employee of the State  
7188 Police. A date shall be set for hearing before the director and  
7189 the employee notified in writing of the date of such hearing and  
7190 of the charges filed. The hearing shall be held not less than ten  
7191 (10) days after notification to the employee. After the hearing,  
7192 at which the employee shall be entitled to legal counsel, a  
7193 written order of the director shall be necessary for dismissal and  
7194 the decision shall be final. Any such order of the director shall  
7195 be a public record and subject to inspection as such.

7196 (4) The Commissioner of Public Safety may assign members of  
7197 the Mississippi Highway Safety Patrol, regardless of age, to  
7198 assist in the enforcement of this chapter; however, when any  
7199 highway patrolman or other employee, agent or official of the  
7200 Mississippi Department of Public Safety is assigned to duty with,  
7201 or is employed, for the enforcement of this chapter, he shall not  
7202 be subject to assignment or transfer to any other office or  
7203 department within the Mississippi Department of Public Safety  
7204 except by the commissioner. Any highway patrolman assigned to  
7205 duty regarding the enforcement of this chapter shall retain his  
7206 status as a highway patrolman, but shall be under the supervision  
7207 of the director. For purposes of seniority within the Highway  
7208 Safety Patrol and for purposes of retirement under the Mississippi  
7209 Highway Safety Patrol Retirement System, highway patrolmen  
7210 assigned to enforcement of this chapter will be credited as if

7211 performing duty with the Highway Safety Patrol. The commissioner  
7212 may assign employees of the Highway Safety Patrol to assist in the  
7213 enforcement of this chapter; however, any employees so assigned  
7214 must meet all established requirements for the duties to which  
7215 they are assigned.

7216 (5) The director may enter into agreements with bureaus or  
7217 departments of other states or of the United States for the  
7218 exchange or temporary assignment of agents for special undercover  
7219 assignments and for performance of specific duties.

7220 (6) The director may assign agents charged with enforcing  
7221 this chapter to such duty and to request and accept agents from  
7222 such other bureaus or departments for such duty.

7223 (7) (a) All funds, property and/or PINs belonging to the  
7224 Mississippi Bureau of Narcotics are transferred to the State  
7225 Police on July 1, 2006. Any funds, property or PINs that are  
7226 appropriated to or otherwise received by the bureau, or  
7227 appropriated to, transferred to or otherwise received by the State  
7228 Police for the use of the State Police, shall be budgeted and  
7229 maintained by the department as funds of the department.  
7230 Personnel occupying PINs transferred from the bureau to the  
7231 department shall serve on a probationary basis during the twelve  
7232 (12) months after July 1, 2004.

7233 (b) In transferring the responsibilities of the  
7234 Mississippi Bureau of Narcotics to the State Police, the  
7235 commissioner and the director \* \* \* shall develop and implement  
7236 written security precautions that shall be observed by all  
7237 affected employees. The commissioner and the director shall  
7238 review, modify and approve the plan before the effective date of  
7239 the merger of responsibilities of the bureau and the State Police.

7240 **SECTION 97.** Section 49-1-12, Mississippi Code of 1972, is  
7241 amended as follows:

7242 49-1-12. (1) The term "conservation officer" means a law  
7243 enforcement officer of the State Police.

7244 (2) Wherever the terms "warden," "game warden," or "game and  
7245 fish warden" appear, the same shall mean an officer of the State  
7246 Police.

7247 **SECTION 98.** Section 49-1-16, Mississippi Code of 1972, is  
7248 amended as follows:

7249 49-1-16. (a) There is hereby created a Conservation  
7250 Officers' Reserve Unit, hereinafter termed "the reserve," to  
7251 assist the conservation officers in the performance of their  
7252 duties. The reserve shall consist of volunteers who are approved  
7253 by the Chief of the State Police or his designated representative,  
7254 and the members of the reserve shall serve without pay. Reserve  
7255 officers shall be in such numbers as determined by the enforcement  
7256 needs, with the maximum strength of reserve officers limited to  
7257 the same number as conservation officers.

7258 (b) In order to be eligible for membership in the reserve,  
7259 an applicant must be twenty-one (21) years of age, be a high  
7260 school graduate or its equivalent, be in good physical condition,  
7261 have a Mississippi driver's license, be in good standing with the  
7262 community, be available for training and duty, not be a member of  
7263 any police, auxiliary police, civil defense, or private security  
7264 agency, have never been convicted of a felony, and have one (1) of  
7265 the following:

7266 (i) An honorable discharge or honorable separation  
7267 certificate from one (1) of the United States military services;

7268 (ii) Three (3) years of responsible post-high school  
7269 work experience that required the ability to deal effectively with  
7270 individuals and groups of persons;

7271 (iii) Successful completion of sixty (60) semester  
7272 hours at an accredited college or university; or

7273 (iv) Such qualifications as are outlined in this  
7274 section for enforcement officers.

7275 Members of the immediate family of conservation officers  
7276 shall not be eligible for the reserve unless a special waiver is  
7277 granted by the commission.

7278 Upon acceptance into the reserve, members shall receive a  
7279 temporary appointment for one (1) year. During this year of  
7280 temporary status, members must successfully complete the required  
7281 training and must qualify on the same firearms course as  
7282 conservation officers.

7283 (c) The reserve shall be under the leadership and direction  
7284 of the Chief of the State Police, who may designate an officer to  
7285 coordinate the actions of the reserve. The training of the  
7286 reserve shall be conducted by a State Police officer. The reserve  
7287 shall meet at least once each month for the purpose of training  
7288 and transacting such business as may come before it. The  
7289 chief \* \* \* shall be notified in writing of all meetings of the  
7290 reserve and the time and place of such meetings shall be recorded  
7291 with the chief \* \* \*. The chief \* \* \* shall prepare a reserve  
7292 officer's manual with the advice and consent of the commission.  
7293 The manual shall include, but is not limited to, the following:  
7294 activities and operations, training, administration and duties.  
7295 During active service, the reserve shall be under the direction of  
7296 the chief \* \* \* or his designated representative. When a reserve  
7297 officer is on active duty and assigned to a specific conservation  
7298 officer, he shall be under the direct supervision of that officer.  
7299 Reserve officers serve at the discretion of the chief \* \* \* and  
7300 may be dismissed by him \* \* \*. Reserve officers shall furnish  
7301 their own uniforms and other personal equipment if the State  
7302 Police does not provide such items.

7303 (d) The chief may, by regulation, require members of the  
7304 Conservation Officers' Reserve Unit to attend officer reserve  
7305 training programs conducted by county or municipal agencies or at  
7306 the Mississippi Law Enforcement Officers Training Academy at the

7307 expense of the State Police if the chief deems such training  
7308 necessary or desirable.

7309 (e) The State Police may issue uniforms to such reserve  
7310 officers and may authorize the issuance of any state equipment  
7311 necessary for the reserve officers to adequately assist law  
7312 enforcement officers. The chief is authorized to develop a  
7313 reserve officer identification system to accomplish the issuance  
7314 of such items in accordance with the State Auditor guidelines.

7315 (f) In the event the chief shall determine that a member of  
7316 the Conservation Officers' Reserve Unit may attend a training  
7317 program as authorized under the provisions of this section, the  
7318 chief shall require that any such reserve officer shall sign an  
7319 agreement, prior to attending a training program, which shall  
7320 stipulate that if the reserve officer accepts employment from any  
7321 other public or private law enforcement agency within three (3)  
7322 years after completion of his training program, the reserve  
7323 officer or the respective hiring law enforcement agency shall  
7324 reimburse the State Police for the total cost of his training  
7325 program. By October 1 of each year, the chief shall provide the  
7326 Game and Fish Committee of the Mississippi House of  
7327 Representatives and the Wildlife and Marine Resources Committee of  
7328 the Mississippi Senate a listing which contains each name and the  
7329 respective cost of training each reserve officer received during  
7330 the previous year.

7331 **SECTION 99.** Section 49-1-44, Mississippi Code of 1972, is  
7332 amended as follows:

7333 49-1-44. In addition to the regulations of the commission  
7334 and the statutes relating to protection and preservation of  
7335 wildlife and the environment, conservation officers of the State  
7336 Police are hereby authorized to assist in the detection and  
7337 apprehension of violators of the laws of this state which pertain  
7338 to theft of cattle, to enforce and apprehend violators of the laws  
7339 of this state which pertain to unauthorized dumping of garbage,

7340 obstructing streams and littering, as set forth specifically in  
7341 Sections 97-15-13, 97-15-21, 97-15-23, 97-15-25, 97-15-27,  
7342 97-15-29, 97-15-31, 97-15-39, 97-15-41, 97-15-43, 97-15-45,  
7343 97-17-53, 97-17-79, 97-17-81 and 97-17-83, but not limited  
7344 thereto, and in addition to any other powers and duties otherwise  
7345 delegated or assigned to conservation officers of the State  
7346 Police.

7347         **SECTION 100.** Section 65-1-131, Mississippi Code of 1972, is  
7348 amended as follows:

7349         65-1-131. (1) The Chief of the State Police may appoint and  
7350 commission qualified persons as security officers of the  
7351 Mississippi Department of Transportation. Any such security  
7352 officer so appointed shall be a full-time employee of the State  
7353 Police and shall not be employed by any privately owned guard or  
7354 security service, and shall at all times be answerable and  
7355 responsible to the Chief of the State Police.

7356         (2) A security officer appointed and commissioned as  
7357 provided in subsection (1) of this section shall, before entering  
7358 upon his duties as such officer, take the oath of office  
7359 prescribed by Section 268, Mississippi Constitution of 1890, which  
7360 shall be endorsed upon his commission. The commission, with the  
7361 oath endorsed upon it, shall be entered in the official minute  
7362 book of the Transportation Commission.

7363         (3) A security officer appointed and commissioned pursuant  
7364 to the provisions of subsection (1) of this section, shall, while  
7365 engaged in the performance of his duties, carry on his person a  
7366 badge identifying him as a security officer of the Mississippi  
7367 Department of Transportation and an identification card issued by  
7368 the Transportation Commission. When in uniform, each such  
7369 security officer shall wear his badge in plain view.

7370         (4) A security officer appointed and commissioned under  
7371 subsection (1) of this section may exercise the same powers of  
7372 arrest and the right to bear firearms that may be exercised by any

7373 state, municipal or other police officer in this state, \* \* \*  
7374 with emphasis to violations of law which are committed on or  
7375 within buildings, property or facilities owned by or under the  
7376 jurisdiction of the Transportation Commission or the  
7377 Transportation Department. Any right granted under this  
7378 subsection in no way relieves the requirements of appropriate  
7379 affidavit and warrant for arrest from the appropriate jurisdiction  
7380 and authority pursuant to the laws of this state.

7381 (5) On behalf of each person who is employed as a security  
7382 officer under subsection (1) of this section and who is trained as  
7383 a security officer at the Mississippi Law Enforcement Officers'  
7384 Training Academy, the State Police shall be required to pay to the  
7385 academy at least an amount equal to the per student cost of  
7386 operation of said academy as tuition.

7387 **SECTION 101.** Section 69-29-1, Mississippi Code of 1972, is  
7388 amended as follows:

7389 69-29-1. (1) (a) There is established the Mississippi  
7390 Agricultural and Livestock Theft Bureau.

7391 (b) The Chief of the State Police shall appoint a  
7392 director of the Mississippi Agricultural and Livestock Theft  
7393 Bureau. Such director shall have at least five (5) years of law  
7394 enforcement experience. Such director shall be responsible solely  
7395 to the supervision of the Chief of the State Police and to no  
7396 other person or entity. Such director may be discharged only for  
7397 just cause shown.

7398 (c) The State Police may employ nine (9) agricultural  
7399 and livestock theft investigators, one (1) from each highway  
7400 patrol district, and each investigator is required to reside  
7401 within the highway patrol district from which he or she is  
7402 selected. Each investigator shall be certified as a law  
7403 enforcement officer, successfully completing at least a nine-week  
7404 training course, in accordance with Section 45-6-11. The  
7405 curriculum for the training of constables shall not be sufficient

7406 for meeting the certification requirements of this paragraph. In  
7407 the selection of investigators under this section, preference  
7408 shall be given to persons who have previous law enforcement  
7409 experience.

7410 (d) The director appointed under this section, under  
7411 the direction, control and supervision of the Chief of the State  
7412 Police, and the investigators provided under this section shall  
7413 perform only the duties described in subsection (2) of this  
7414 section and shall not be assigned any other duties.

7415 (2) The director appointed under this section and the  
7416 investigators provided by the State Police under this section  
7417 shall have the following powers, duties and authority:

7418 (a) To enforce all of the provisions of Sections  
7419 69-29-9 and 69-29-11, and particularly those portions requiring  
7420 persons transporting livestock to have a bill of sale in their  
7421 possession; to make investigations of violations of such sections  
7422 and to arrest persons violating same;

7423 (b) To enforce all of the laws of this state enacted  
7424 for the purpose of preventing the theft of livestock, poultry,  
7425 timber and agricultural, aquacultural and timber products and  
7426 implements; to make investigations of violations thereof and to  
7427 arrest persons violating same;

7428 (c) To cooperate with all regularly constituted law  
7429 enforcement officers relative to the matters herein set forth;

7430 (d) To serve warrants and other process emanating from  
7431 any court of lawful jurisdiction, including search warrants, in  
7432 all matters herein set forth;

7433 (e) To carry proper credentials evidencing their  
7434 authority, which shall be exhibited to any person making demand  
7435 therefor;

7436 (f) To make arrests without warrant in all matters  
7437 herein set forth in cases where same is authorized under the  
7438 constitutional and general laws of this state;



7439                   (g) To handle the registration of brands of cattle and  
7440 livestock;

7441                   (h) To investigate, prevent, apprehend and arrest those  
7442 persons anywhere in the state who are violating any of the laws  
7443 administered by the Department of Agriculture and Commerce,  
7444 including, but not limited to, all agriculture-related crimes;

7445                   (i) To access and examine records of any person,  
7446 business or entity that harvests, loads, carries, receives or  
7447 manufactures timber products as defined in this section. Each  
7448 such person or entity shall permit the director or any  
7449 investigator provided by the State Police to examine records of  
7450 the sale, transfer or purchase of timber or timber products,  
7451 including, but not limited to, contracts, load tickets, settlement  
7452 sheets, drivers' logs, invoices, checks and any other records or  
7453 documents related to an ongoing investigation of the Mississippi  
7454 Agricultural and Livestock Theft Bureau.

7455                   (3) The State Police shall furnish such investigators with  
7456 such vehicles, equipment and supplies as may be necessary. All  
7457 expenses of same, and all other expenses incurred in the  
7458 administration of this section, shall be paid from such  
7459 appropriation as may be made by the Legislature.

7460                   (4) The State Tax Commission and its agents and employees  
7461 shall cooperate with such investigators by furnishing to them  
7462 information as to any possible or suspected violations of any of  
7463 the laws mentioned herein, including specifically Section  
7464 69-29-27, and in any other lawful manner.

7465                   (5) The conservation officers of the Department of Wildlife,  
7466 Fisheries and Parks are authorized to cooperate with and assist  
7467 the agricultural and livestock theft investigators in the  
7468 enforcement and apprehension of violators of laws regarding  
7469 agricultural and livestock theft.

7470                   (6) The Mississippi Forestry Commission employees are  
7471 excluded from any timber and timber products theft investigative

7472 responsibilities except when technical expertise is needed and  
7473 requested through the State Forester or his designee.

7474 (7) For the purposes of this section, "timber product" means  
7475 timber of all kinds, species or sizes, including, but not limited  
7476 to, logs, lumber, poles, pilings, posts, blocks, bolts, cordwood  
7477 and pulpwood, pine stumpwood, pine knots or other distillate wood,  
7478 crossties, turpentine (crude gum), pine straw, firewood and all  
7479 other products derived from timber or trees that have a sale or  
7480 commercial value.

7481 **SECTION 102.** Section 75-76-17, Mississippi Code of 1972, is  
7482 amended as follows:

7483 75-76-17. (1) From and after July 1, 2006, there are hereby  
7484 created, for supervision by the Chief of the State Police, two (2)  
7485 divisions which are entitled the Enforcement Division and the  
7486 Investigation Division of the State Police which shall be  
7487 responsible for enforcing the provisions of this chapter excluding  
7488 an audit division.

7489 (2) The Chief of the State Police shall employ division  
7490 directors that possess training and experience in the fields of  
7491 investigation, law enforcement, law or gaming.

7492 **SECTION 103.** Section 77-1-21, Mississippi Code of 1972, is  
7493 amended as follows:

7494 77-1-21. For the purpose of enforcing the provisions of the  
7495 Mississippi Motor Carrier Regulatory Law of 1938, the Chief of the  
7496 State Police is hereby authorized to employ, in addition to  
7497 personnel already employed by the commission, one (1) chief  
7498 enforcement officer and twenty-one (21) inspectors, the salaries  
7499 of whom shall be fixed by the Chief of the State Police. The  
7500 chief enforcement officer and the inspectors shall devote their  
7501 full time to the performance of their duties and shall take an  
7502 oath faithfully to perform the duties of their position. The  
7503 chief shall require bonds to be carried on such employees as the  
7504 chief may deem necessary, the cost thereof to be paid by the State

7505 Police. The chief enforcement officer and inspectors shall be  
7506 qualified by experience and training in law enforcement or  
7507 investigative work, and shall attend and satisfactorily complete  
7508 an appropriate course of instruction established by the  
7509 Commissioner of Public Safety at the law enforcement officers  
7510 training academy. The chief enforcement officer and the  
7511 inspectors herein referred to shall be selected after an  
7512 examination as to physical and mental fitness. Such employees  
7513 shall be citizens of the United States and the State of  
7514 Mississippi, and of good moral character. All such members of  
7515 staff shall be appointed by the chief and shall be subject to  
7516 removal at any time by the chief.

7517 **SECTION 104.** Sections 49-1-9, 49-1-13 and 49-1-15,  
7518 Mississippi Code of 1972, which provide for conservation officers  
7519 of the Department of Wildlife, Fisheries and Parks, are repealed.

7520 **SECTION 105.** Section 49-2-5, Mississippi Code of 1972, is  
7521 amended as follows:

7522 49-2-5. (1) There is hereby created the Mississippi  
7523 Commission on Environmental Quality, to be composed of seven (7)  
7524 persons appointed by the Governor, with the advice and consent of  
7525 the Senate, for a term of seven (7) years. One (1) person shall  
7526 be appointed from each congressional district as constituted  
7527 January 1, 1978, and two (2) members shall be appointed from the  
7528 state at large. The initial terms of the members from  
7529 congressional districts shall be for one (1), two (2), three (3),  
7530 four (4) and five (5) years respectively, and the initial terms of  
7531 the members from the state at large shall be one (1) for six (6)  
7532 years and one (1) for seven (7) years. Thereafter, all terms  
7533 shall be for seven (7) years. The members serving on the  
7534 predecessor Commission on Natural Resources on June 30, 1989,  
7535 shall continue to serve as members of the successor Commission on  
7536 Environmental Quality until the expiration of the term of their  
7537 appointment to the predecessor commission.

7538           (2) The commission shall elect from its membership a  
7539 chairman who shall preside over meetings and a vice chairman who  
7540 shall preside in the absence of the chairman or when the chairman  
7541 shall be excused.

7542           (3) The commission shall adopt rules and regulations  
7543 governing times and places for meetings, and governing the manner  
7544 of conducting its business. Each member of the commission shall  
7545 take the oath prescribed by Section 268 of the Constitution and  
7546 shall enter into bond in the amount of Thirty Thousand Dollars  
7547 (\$30,000.00) to be approved by the Secretary of State, conditioned  
7548 according to law and payable to the State of Mississippi before  
7549 assuming the duties of office. Any member who shall not attend  
7550 three (3) consecutive regular meetings of the commission shall be  
7551 subject to removal by a majority vote of the commission members.

7552           (4) The members of the commission shall receive no annual  
7553 salary, but shall receive per diem compensation as authorized by  
7554 law for each day devoted to the discharge of official duties, and  
7555 shall be entitled to reimbursement for all actual and necessary  
7556 expenses incurred in the discharge of their duties, including  
7557 mileage as authorized by law.

7558           The commission shall be composed of persons with extensive  
7559 knowledge of or practical experience in at least one (1) of the  
7560 matters of jurisdiction of the commission.

7561           (5) The commission is authorized and empowered to use and  
7562 expend any funds received by it from any source for the purposes  
7563 of this chapter. Such funds shall be expended in accordance with  
7564 the statutes governing the expenditure of state funds.

7565           (6) In any state fiscal year in which the State Legislature  
7566 does not appropriate sufficient funds to the department to operate  
7567 a certain program or programs that the department currently  
7568 operates, then the department shall no longer operate that program  
7569 or programs and the operation of that program or programs shall be  
7570 transferred to the federal government. If the operation of any

7571 program or programs of the department is transferred to the  
7572 federal government, then in the sections of law applicable to that  
7573 program or programs, the term "department" or "commission" or  
7574 "board" or "office" shall be construed to mean the appropriate  
7575 agency of the federal government, unless the context requires  
7576 otherwise.

7577       **SECTION 106.** Section 49-2-7, Mississippi Code of 1972, is  
7578 amended as follows:

7579       49-2-7. The Department of Environmental Quality shall be the  
7580 Mississippi Department of Natural Resources with the exception of  
7581 the Office of Parks and Recreation, and shall retain all powers  
7582 and duties granted by law to the Mississippi Department of Natural  
7583 Resources with the exception of the Office of Parks and  
7584 Recreation, and wherever the term "Mississippi Department of  
7585 Natural Resources" appears in any law the same shall mean the  
7586 Department of Environmental Quality. The Executive Director of  
7587 the Department of Environmental Quality may assign to the  
7588 appropriate offices any powers and duties deemed appropriate to  
7589 carry out the lawful duties of the department.

7590       The department shall be composed of the following offices:

- 7591           (a) Office of Geology and Energy Resources;  
7592           (b) Office of Land and Water Resources; and  
7593           (c) Office of Pollution Control.

7594       Each office shall be composed of the administrative units set  
7595 forth in the consolidation plan adopted by the commission, subject  
7596 to changes by the executive director, with approval of the  
7597 commission, as hereinafter set forth.

7598       The department is designated as the single state department  
7599 to receive and expend any federal funds being received or expended  
7600 by any agency transferred to the department by Chapter 484, Laws  
7601 of 1978, and to receive and expend any federal funds made  
7602 available for matters within the jurisdiction of the department.

7603       In any state fiscal year in which the State Legislature does  
7604 not appropriate sufficient funds to the commission to operate a  
7605 certain program or programs that the commission currently  
7606 operates, then the commission shall no longer operate that program  
7607 or programs and the operation of that program or programs shall be  
7608 transferred to the federal government. If the operation of any  
7609 program or programs of the commission is transferred to the  
7610 federal government, then in the sections of law applicable to that  
7611 program or programs, the term "department" or "commission" or  
7612 "board" or "office" shall be construed to mean the appropriate  
7613 agency of the federal government, unless the context requires  
7614 otherwise.

7615       The department shall be responsible for conserving, managing,  
7616 developing and protecting the natural resources of the State of  
7617 Mississippi within the jurisdiction of the department, with the  
7618 exception of functions of the Office of Recreation and Parks. The  
7619 department shall coordinate all functions of state government  
7620 related to natural resources within the jurisdiction of the  
7621 department. The department shall not exercise any of its  
7622 authority or powers granted under the provisions of this section  
7623 in a manner which would be inconsistent with the provisions of  
7624 Section 29-1-1.

7625       **SECTION 107.** This act shall take effect and be in force from  
7626 and after July 1, 2006, except for Sections 1, 2, 21 and 22, which  
7627 shall take effect and be in force from and after the passage of  
7628 this act.