

By: Senator(s) Robertson

To: Finance

SENATE BILL NO. 2732

1 AN ACT TO CREATE THE HURRICANE KATRINA RELIEF FUND AND TO
2 REQUIRE THE STATE TAX COMMISSION TO MAKE PAYMENTS FROM SUCH FUND
3 TO THE THREE MOST SOUTHERN COUNTIES OF THE STATE COVERED BY THE
4 PRESIDENTIAL DECLARATION OF MAJOR DISASTER FOR THE STATE OF
5 MISSISSIPPI (FEMA-1604-DR) DATED AUGUST 29, 2005, AND THE
6 MUNICIPALITIES IN SUCH COUNTIES; TO PROVIDE THAT MONEY FROM SUCH
7 FUND SHALL BE DISTRIBUTED TO EACH COUNTY IN PROPORTION TO THE
8 POPULATION OF THE COUNTY OUTSIDE ANY INCORPORATED MUNICIPALITY IN
9 THE COUNTY BEARS TO THE TOTAL POPULATION OF ALL THREE COUNTIES AND
10 TO EACH MUNICIPALITY IN PROPORTION THAT THE POPULATION OF THE
11 MUNICIPALITY BEARS TO THE TOTAL POPULATION OF ALL THREE COUNTIES;
12 TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972, TO PROVIDE
13 THAT FROM AND AFTER JULY 1, 2006, THROUGH JUNE 30, 2008, SALES TAX
14 DISTRIBUTIONS TO MUNICIPALITIES SHALL NOT EXCEED 105% OF THE
15 CORRESPONDING MONTH IN FISCAL YEAR 2005 AND THAT AMOUNTS IN EXCESS
16 OF 105% THAT WOULD HAVE OTHERWISE BEEN DISTRIBUTED TO A
17 MUNICIPALITY SHALL BE DEPOSITED INTO THE HURRICANE KATRINA RELIEF
18 FUND; AND FOR RELATED PURPOSES.

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

20 **SECTION 1.** (1) There is created in the State Treasury a
21 special fund known as the Hurricane Katrina Relief Fund which
22 shall be comprised of the money required to be deposited into the
23 fund under Section 27-65-75(1)(b). Money in the fund shall be
24 expended by the State Tax Commission to make payments to the three
25 (3) most southern counties of the state covered by the
26 Presidential Declaration of Major Disaster for the State of
27 Mississippi (FEMA-1604-DR) dated August 29, 2005, and the
28 municipalities in such counties as required by this section.
29 Unexpended amounts remaining in the special fund at the end of a
30 fiscal year shall not lapse into the State General Fund, and any
31 interest earned or investment earnings on amounts in the special
32 fund shall be deposited to the credit of the special fund.

33 (2) On or before July 15, 2006, and each succeeding month
34 thereafter, the State Tax Commission shall distribute from the
35 special fund the amount required to be deposited in the special

36 fund during the preceding month under Section 27-65-75(1)(b) to
37 each of three (3) most southern counties of the state covered by
38 the Presidential Declaration of Major Disaster for the State of
39 Mississippi (FEMA-1604-DR) dated August 29, 2005, an amount equal
40 to the proportion that the population in each such county outside
41 the corporate limits of municipalities in the county bears to the
42 total population of all three (3) counties, and to each
43 municipality in such counties in the proportion that the
44 population of each municipality bears to the total population of
45 all three (3) counties. The population figures used in the
46 calculation to determine the amount of the distribution to each
47 governmental entity shall be the population of each governmental
48 entity according to the 2000 federal decennial census.

49 (3) This section shall stand repealed from and after July 1,
50 2008.

51 **SECTION 2.** Section 27-65-75, Mississippi Code of 1972, is
52 amended as follows:

53 27-65-75. On or before the fifteenth day of each month, the
54 revenue collected under the provisions of this chapter during the
55 preceding month shall be paid and distributed as follows:

56 **[Through June 30, 2008, this section shall read as follows:]**

57 (1) (a) Except as otherwise provided in this paragraph, on
58 or before August 15, 1992, and each succeeding month thereafter
59 through July 15, 1993, eighteen percent (18%) of the total sales
60 tax revenue collected during the preceding month under the
61 provisions of this chapter, except that collected under the
62 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
63 business activities within a municipal corporation shall be
64 allocated for distribution to the municipality and paid to the
65 municipal corporation. On or before August 15, 1993, and each
66 succeeding month thereafter, eighteen and one-half percent
67 (18-1/2%) of the total sales tax revenue collected during the
68 preceding month under the provisions of this chapter, except that

collected under the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on business activities within a municipal corporation shall be allocated for distribution to the municipality and paid to the municipal corporation.

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

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

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

(b) From and after July 1, 2006, through June 30, 2008, monthly distributions to any municipality under this paragraph shall not exceed one hundred and five percent (105%) of the amount distributed to such municipality in the corresponding month in fiscal year 2006. Amounts in excess of such amount which, but for this provision, would have been distributed to municipalities, shall be deposited into the Hurricane Katrina Relief Fund established in Section 1 of Senate Bill No. 2732, 2006 Regular Session.

(2) On or before September 15, 1987, and each succeeding month thereafter, from the revenue collected under this chapter during the preceding month, One Million One Hundred Twenty-five Thousand Dollars (\$1,125,000.00) shall be allocated for distribution to municipal corporations as defined under subsection

(1) of this section in the proportion that the number of gallons of gasoline and diesel fuel sold by distributors to consumers and retailers in each such municipality during the preceding fiscal year bears to the total gallons of gasoline and diesel fuel sold by distributors to consumers and retailers in municipalities statewide during the preceding fiscal year. The State Tax Commission shall require all distributors of gasoline and diesel fuel to report to the commission monthly the total number of gallons of gasoline and diesel fuel sold by them to consumers and retailers in each municipality during the preceding month. The State Tax Commission shall have the authority to promulgate such rules and regulations as is necessary to determine the number of gallons of gasoline and diesel fuel sold by distributors to consumers and retailers in each municipality. In determining the percentage allocation of funds under this subsection for the fiscal year beginning July 1, 1987, and ending June 30, 1988, the State Tax Commission may consider gallons of gasoline and diesel fuel sold for a period of less than one (1) fiscal year. For the purposes of this subsection, the term "fiscal year" means the fiscal year beginning July 1 of a year.

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

(4) On or before August 15, 1994, and on or before the fifteenth day of each succeeding month through July 15, 1999, from the proceeds of gasoline, diesel fuel or kerosene taxes as provided in Section 27-5-101(a)(ii)1, Four Million Dollars (\$4,000,000.00) shall be deposited in the State Treasury to the credit of a special fund designated as the "State Aid Road Fund," created by Section 65-9-17. On or before August 15, 1999, and on or before the fifteenth day of each succeeding month, from the total amount of the proceeds of gasoline, diesel fuel or kerosene taxes apportioned by Section 27-5-101(a)(ii)1, Four Million Dollars (\$4,000,000.00) or an amount equal to twenty-three and one-fourth percent (23-1/4%) of those funds, whichever is the greater amount, shall be deposited in the State Treasury to the credit of the "State Aid Road Fund," created by Section 65-9-17. Those funds shall be pledged to pay the principal of and interest on state aid road bonds heretofore issued under Sections 19-9-51 through 19-9-77, in lieu of and in substitution for the funds previously allocated to counties under this section. Those funds may not be pledged for the payment of any state aid road bonds issued after April 1, 1981; however, this prohibition against the pledging of any such funds for the payment of bonds shall not apply to any bonds for which intent to issue those bonds has been published, for the first time, as provided by law before March 29, 1981. From the amount of taxes paid into the special fund under this subsection and subsection (9) of this section, there shall be first deducted and paid the amount necessary to pay the expenses of the Office of State Aid Road Construction, as authorized by the Legislature for all other general and special fund agencies. The remainder of the fund shall be allocated monthly to the several counties in accordance with the following formula:

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

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

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

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

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

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

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

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

(7) On or before August 15, 1992, and each succeeding month thereafter through July 15, 2000, two and two hundred sixty-six one-thousandths percent (2.266%) of the total sales tax revenue collected during the preceding month under the provisions of this

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

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

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

(10) On or before August 15, 1994, and each succeeding month thereafter through August 15, 1995, from the revenue collected under this chapter during the preceding month, Two Million Dollars

231 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
232 Valorem Tax Reduction Fund established in Section 27-51-105.

233 (11) Notwithstanding any other provision of this section to
234 the contrary, on or before February 15, 1995, and each succeeding
235 month thereafter, the sales tax revenue collected during the
236 preceding month under the provisions of Section 27-65-17(2) and
237 the corresponding levy in Section 27-65-23 on the rental or lease
238 of private carriers of passengers and light carriers of property
239 as defined in Section 27-51-101 shall be deposited, without
240 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
241 established in Section 27-51-105.

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

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

259 (14) On or before August 15, 1998, and each succeeding month
260 thereafter through July 15, 2005, that portion of the avails of
261 the tax imposed in Section 27-65-23 that is derived from sales by
262 cotton compresses or cotton warehouses and that would otherwise be
263 paid into the General Fund, shall be deposited in an amount not to

264 exceed Two Million Dollars (\$2,000,000.00) into the special fund
265 created under Section 69-37-39.

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

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

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

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

293 (19) (a) On or before August 15, 2005, and each succeeding
294 month thereafter, the sales tax revenue collected during the
295 preceding month under the provisions of this chapter on the gross
296 proceeds of sales of a business enterprise located within a

297 redevelopment project area under the provisions of Sections
298 57-91-1 through 57-91-11, and the revenue collected on the gross
299 proceeds of sales from sales made to a business enterprise located
300 in a redevelopment project area under the provisions of Sections
301 57-91-1 through 57-91-11 (provided that such sales made to a
302 business enterprise are made on the premises of the business
303 enterprise), shall, except as otherwise provided in this
304 subsection (19), be deposited, after all diversions, into the
305 Redevelopment Project Incentive Fund as created in Section
306 57-91-9.

307 (b) For a municipality participating in the Economic
308 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
309 the diversion provided for in subsection (1) of this section
310 attributable to the gross proceeds of sales of a business
311 enterprise located within a redevelopment project area under the
312 provisions of Sections 57-91-1 through 57-91-11, and attributable
313 to the gross proceeds of sales from sales made to a business
314 enterprise located in a redevelopment project area under the
315 provisions of Sections 57-91-1 through 57-91-11 (provided that
316 such sales made to a business enterprise are made on the premises
317 of the business enterprise), shall be deposited into the
318 Redevelopment Project Incentive Fund as created in Section
319 57-91-9, as follows:

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

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

328 (iii) For the eighth year in which such payments
329 are made to a developer from the Redevelopment Project Incentive

330 Fund, seventy percent (70%) of the diversion shall be deposited
331 into the fund;

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

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

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

342 (21) It shall be the duty of the municipal officials of any
343 municipality that expands its limits, or of any community that
344 incorporates as a municipality, to notify the commissioner of that
345 action thirty (30) days before the effective date. Failure to so
346 notify the commissioner shall cause the municipality to forfeit
347 the revenue that it would have been entitled to receive during
348 this period of time when the commissioner had no knowledge of the
349 action. If any funds have been erroneously disbursed to any
350 municipality or any overpayment of tax is recovered by the
351 taxpayer, the commissioner may make correction and adjust the
352 error or overpayment with the municipality by withholding the
353 necessary funds from any later payment to be made to the
354 municipality.

355 **[From and after July 1, 2008, this section shall read as**
356 **follows:]**

357 27-65-75. On or before the fifteenth day of each month, the
358 revenue collected under the provisions of this chapter during the
359 preceding month shall be paid and distributed as follows:

360 (1) On or before August 15, 1992, and each succeeding month
361 thereafter through July 15, 1993, eighteen percent (18%) of the
362 total sales tax revenue collected during the preceding month under

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

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

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

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

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

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

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

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

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

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

(b) One-third (1/3) shall be allocated to counties based on the proportion that the total number of rural road miles

in a county bears to the total number of rural road miles in all counties of the state; and

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

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

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

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

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

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

(7) On or before August 15, 1992, and each succeeding month thereafter through July 15, 2000, two and two hundred sixty-six one-thousandths percent (2.266%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Section 27-65-17(2) shall be deposited by the commission into the School

494 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
495 or before August 15, 2000, and each succeeding month thereafter,
496 two and two hundred sixty-six one-thousandths percent (2.266%) of
497 the total sales tax revenue collected during the preceding month
498 under the provisions of this chapter, except that collected under
499 the provisions of Section 27-65-17(2), shall be deposited into the
500 School Ad Valorem Tax Reduction Fund created under Section
501 37-61-35 until such time that the total amount deposited into the
502 fund during a fiscal year equals Forty-two Million Dollars
503 (\$42,000,000.00). Thereafter, the amounts diverted under this
504 subsection (7) during the fiscal year in excess of Forty-two
505 Million Dollars (\$42,000,000.00) shall be deposited into the
506 Education Enhancement Fund created under Section 37-61-33 for
507 appropriation by the Legislature as other education needs and
508 shall not be subject to the percentage appropriation requirements
509 set forth in Section 37-61-33.

510 (8) On or before August 15, 1992, and each succeeding month
511 thereafter, nine and seventy-three one-thousandths percent
512 (9.073%) of the total sales tax revenue collected during the
513 preceding month under the provisions of this chapter, except that
514 collected under the provisions of Section 27-65-17(2), shall be
515 deposited into the Education Enhancement Fund created under
516 Section 37-61-33.

517 (9) On or before August 15, 1994, and each succeeding month
518 thereafter, from the revenue collected under this chapter during
519 the preceding month, Two Hundred Fifty Thousand Dollars
520 (\$250,000.00) shall be paid into the State Aid Road Fund.

521 (10) On or before August 15, 1994, and each succeeding month
522 thereafter through August 15, 1995, from the revenue collected
523 under this chapter during the preceding month, Two Million Dollars
524 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
525 Valorem Tax Reduction Fund established in Section 27-51-105.

526 (11) Notwithstanding any other provision of this section to
527 the contrary, on or before February 15, 1995, and each succeeding
528 month thereafter, the sales tax revenue collected during the
529 preceding month under the provisions of Section 27-65-17(2) and
530 the corresponding levy in Section 27-65-23 on the rental or lease
531 of private carriers of passengers and light carriers of property
532 as defined in Section 27-51-101 shall be deposited, without
533 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
534 established in Section 27-51-105.

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

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

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

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

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

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

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

586 (19) (a) On or before August 15, 2005, and each succeeding
587 month thereafter, the sales tax revenue collected during the
588 preceding month under the provisions of this chapter on the gross
589 proceeds of sales of a business enterprise located within a
590 redevelopment project area under the provisions of Sections
591 57-91-1 through 57-91-11, and the revenue collected on the gross

592 proceeds of sales from sales made to a business enterprise located
593 in a redevelopment project area under the provisions of Sections
594 57-91-1 through 57-91-11 (provided that such sales made to a
595 business enterprise are made on the premises of the business
596 enterprise), shall, except as otherwise provided in this
597 subsection (19), be deposited, after all diversions, into the
598 Redevelopment Project Incentive Fund as created in Section
599 57-91-9.

600 (b) For a municipality participating in the Economic
601 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
602 the diversion provided for in subsection (1) of this section
603 attributable to the gross proceeds of sales of a business
604 enterprise located within a redevelopment project area under the
605 provisions of Sections 57-91-1 through 57-91-11, and attributable
606 to the gross proceeds of sales from sales made to a business
607 enterprise located in a redevelopment project area under the
608 provisions of Sections 57-91-1 through 57-91-11 (provided that
609 such sales made to a business enterprise are made on the premises
610 of the business enterprise), shall be deposited into the
611 Redevelopment Project Incentive Fund as created in Section
612 57-91-9, as follows:

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

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

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

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

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

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

635 (21) It shall be the duty of the municipal officials of any
636 municipality that expands its limits, or of any community that
637 incorporates as a municipality, to notify the commissioner of that
638 action thirty (30) days before the effective date. Failure to so
639 notify the commissioner shall cause the municipality to forfeit
640 the revenue that it would have been entitled to receive during
641 this period of time when the commissioner had no knowledge of the
642 action. If any funds have been erroneously disbursed to any
643 municipality or any overpayment of tax is recovered by the
644 taxpayer, the commissioner may make correction and adjust the
645 error or overpayment with the municipality by withholding the
646 necessary funds from any later payment to be made to the
647 municipality.

648 **SECTION 3.** This act shall take effect and be in force from
649 and after July 1, 2006.