

By: Representative Eaton

To: Agriculture; Ways and  
Means

## HOUSE BILL NO. 861

1 AN ACT TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972,  
2 TO PROVIDE THAT A PORTION OF THE AVAILS OF THE TAX IMPOSED IN  
3 SECTION 27-65-23, MISSISSIPPI CODE OF 1972, THAT IS DERIVED FROM  
4 SALES BY COTTON COMPRESSES OR COTTON WAREHOUSES SHALL BE DEPOSITED  
5 INTO THE BOLL WEEVIL MANAGEMENT FUND UNTIL ALL DEBTS OR OTHER  
6 OBLIGATIONS INCURRED BY THE CERTIFIED COTTON GROWERS ORGANIZATION  
7 UNDER THE MISSISSIPPI BOLL WEEVIL MANAGEMENT ACT BEFORE JULY 1,  
8 2007, ARE SATISFIED; AND FOR RELATED PURPOSES.

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

10 **SECTION 1.** Section 27-65-75, Mississippi Code of 1972, is  
11 amended as follows:

12 27-65-75. On or before the fifteenth day of each month, the  
13 revenue collected under the provisions of this chapter during the  
14 preceding month shall be paid and distributed as follows:

15 (1) (a) On or before August 15, 1992, and each succeeding  
16 month thereafter through July 15, 1993, eighteen percent (18%) of  
17 the total sales tax revenue collected during the preceding month  
18 under the provisions of this chapter, except that collected under  
19 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
20 business activities within a municipal corporation shall be  
21 allocated for distribution to the municipality and paid to the  
22 municipal corporation. On or before August 15, 1993, and each  
23 succeeding month thereafter, eighteen and one-half percent  
24 (18-1/2%) of the total sales tax revenue collected during the  
25 preceding month under the provisions of this chapter, except that  
26 collected under the provisions of Sections 27-65-15, 27-65-19(3)  
27 and 27-65-21, on business activities within a municipal  
28 corporation shall be allocated for distribution to the  
29 municipality and paid to the municipal corporation.

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

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

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

45 (b) On or before August 15, 2006, and each succeeding  
46 month thereafter, eighteen and one-half percent (18-1/2%) of the  
47 total sales tax revenue collected during the preceding month under  
48 the provisions of this chapter, except that collected under the  
49 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
50 business activities on the campus of a state institution of higher  
51 learning or community or junior college whose campus is not  
52 located within the corporate limits of a municipality, shall be  
53 allocated for distribution to the state institution of higher  
54 learning or community or junior college and paid to the state  
55 institution of higher learning or community or junior college.

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

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

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

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

96 provided in Section 27-5-101(a)(ii)1, Four Million Dollars  
97 (\$4,000,000.00) shall be deposited in the State Treasury to the  
98 credit of a special fund designated as the "State Aid Road Fund,"  
99 created by Section 65-9-17. On or before August 15, 1999, and on  
100 or before the fifteenth day of each succeeding month, from the  
101 total amount of the proceeds of gasoline, diesel fuel or kerosene  
102 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million  
103 Dollars (\$4,000,000.00) or an amount equal to twenty-three and  
104 one-fourth percent (23-1/4%) of those funds, whichever is the  
105 greater amount, shall be deposited in the State Treasury to the  
106 credit of the "State Aid Road Fund," created by Section 65-9-17.  
107 Those funds shall be pledged to pay the principal of and interest  
108 on state aid road bonds heretofore issued under Sections 19-9-51  
109 through 19-9-77, in lieu of and in substitution for the funds  
110 previously allocated to counties under this section. Those funds  
111 may not be pledged for the payment of any state aid road bonds  
112 issued after April 1, 1981; however, this prohibition against the  
113 pledging of any such funds for the payment of bonds shall not  
114 apply to any bonds for which intent to issue those bonds has been  
115 published, for the first time, as provided by law before March 29,  
116 1981. From the amount of taxes paid into the special fund under  
117 this subsection and subsection (9) of this section, there shall be  
118 first deducted and paid the amount necessary to pay the expenses  
119 of the Office of State Aid Road Construction, as authorized by the  
120 Legislature for all other general and special fund agencies. The  
121 remainder of the fund shall be allocated monthly to the several  
122 counties in accordance with the following formula:

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

125           (b) One-third (1/3) shall be allocated to counties  
126 based on the proportion that the total number of rural road miles  
127 in a county bears to the total number of rural road miles in all  
128 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 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad Valorem Tax Reduction Fund established in Section 27-51-105.

(11) Notwithstanding any other provision of this section to the contrary, on or before February 15, 1995, and each succeeding month thereafter, the sales tax revenue collected during the

195 preceding month under the provisions of Section 27-65-17(2) and  
196 the corresponding levy in Section 27-65-23 on the rental or lease  
197 of private carriers of passengers and light carriers of property  
198 as defined in Section 27-51-101 shall be deposited, without  
199 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund  
200 established in Section 27-51-105.

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

210 (13) On or before July 15, 1994, and on or before the  
211 fifteenth day of each succeeding month thereafter, that portion of  
212 the avails of the tax imposed in Section 27-65-22 that is derived  
213 from activities held on the Mississippi State Fairgrounds Complex,  
214 shall be paid into a special fund that is created in the State  
215 Treasury and shall be expended upon legislative appropriation  
216 solely to defray the costs of repairs and renovation at the Trade  
217 Mart and Coliseum.

218 (14) On or before August 15, 1998, and each succeeding month  
219 thereafter through July 15, 2005, that portion of the avails of  
220 the tax imposed in Section 27-65-23 that is derived from sales by  
221 cotton compresses or cotton warehouses and that would otherwise be  
222 paid into the General Fund, shall be deposited in an amount not to  
223 exceed Two Million Dollars (\$2,000,000.00) into the special fund  
224 created under Section 69-37-39. On or before August 15, 2007, and  
225 each succeeding month thereafter, that portion of the avails of  
226 the tax imposed in Section 27-65-23 that is derived from sales by  
227 cotton compresses or cotton warehouses and that would otherwise be

228 paid into the General Fund, shall be deposited in an amount not to  
229 exceed Two Million Dollars (\$2,000,000.00) into the special fund  
230 created under Section 69-37-39 until all debts or other  
231 obligations incurred by the Certified Cotton Growers Organization  
232 under the Mississippi Boll Weevil Management Act before July 1,  
233 2007, are satisfied in full.

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

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

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

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



261           (19) (a) On or before August 15, 2005, and each succeeding  
262 month thereafter, the sales tax revenue collected during the  
263 preceding month under the provisions of this chapter on the gross  
264 proceeds of sales of a business enterprise located within a  
265 redevelopment project area under the provisions of Sections  
266 57-91-1 through 57-91-11, and the revenue collected on the gross  
267 proceeds of sales from sales made to a business enterprise located  
268 in a redevelopment project area under the provisions of Sections  
269 57-91-1 through 57-91-11 (provided that such sales made to a  
270 business enterprise are made on the premises of the business  
271 enterprise), shall, except as otherwise provided in this  
272 subsection (19), be deposited, after all diversions, into the  
273 Redevelopment Project Incentive Fund as created in Section  
274 57-91-9.

275           (b) For a municipality participating in the Economic  
276 Redevelopment Act created in Sections 57-91-1 through 57-91-11,  
277 the diversion provided for in subsection (1) of this section  
278 attributable to the gross proceeds of sales of a business  
279 enterprise located within a redevelopment project area under the  
280 provisions of Sections 57-91-1 through 57-91-11, and attributable  
281 to the gross proceeds of sales from sales made to a business  
282 enterprise located in a redevelopment project area under the  
283 provisions of Sections 57-91-1 through 57-91-11 (provided that  
284 such sales made to a business enterprise are made on the premises  
285 of the business enterprise), shall be deposited into the  
286 Redevelopment Project Incentive Fund as created in Section  
287 57-91-9, as follows:

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

292                   (ii) For the seventh year in which such payments  
293 are made to a developer from the Redevelopment Project Incentive

294 Fund, eighty percent (80%) of the diversion shall be deposited  
295 into the fund;

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

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

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

307 (20) On or before January 15, 2007, and each succeeding  
308 month thereafter, eighty percent (80%) of the sales tax revenue  
309 collected during the preceding month under the provisions of this  
310 chapter from the operation of a tourism project under the  
311 provisions of Sections 57-28-1 through 57-28-5, shall be  
312 deposited, after the diversions required in subsections (7) and  
313 (8) of this section, into the Tourism Sales Tax Incentive Fund  
314 created in Section 57-28-3.

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

318 (22) It shall be the duty of the municipal officials of any  
319 municipality that expands its limits, or of any community that  
320 incorporates as a municipality, to notify the commissioner of that  
321 action thirty (30) days before the effective date. Failure to so  
322 notify the commissioner shall cause the municipality to forfeit  
323 the revenue that it would have been entitled to receive during  
324 this period of time when the commissioner had no knowledge of the  
325 action. If any funds have been erroneously disbursed to any  
326 municipality or any overpayment of tax is recovered by the

327 taxpayer, the commissioner may make correction and adjust the  
328 error or overpayment with the municipality by withholding the  
329 necessary funds from any later payment to be made to the  
330 municipality.

331       **SECTION 2.** This act shall take effect and be in force from  
332 and after July 1, 2007.