

By: Representative Formby

To: Insurance

HOUSE BILL NO. 1500

1 AN ACT TO CREATE THE MISSISSIPPI ECONOMIC GROWTH AND
2 REDEVELOPMENT ACT OF 2007, TO STIMULATE THE ECONOMIC GROWTH AND
3 REDEVELOPMENT WITHIN ALL AREAS OF THE STATE BY PROMOTING THE
4 AVAILABILITY OF AFFORDABLE COMMERCIAL AND RESIDENTIAL CASUALTY
5 LOSS INSURANCE; TO AMEND SECTIONS 83-34-5 AND 83-34-9, MISSISSIPPI
6 CODE OF 1972, TO AUTHORIZE THE MISSISSIPPI WINDSTORM UNDERWRITING
7 ASSOCIATION TO SET UNDERWRITING STANDARDS AND TO RETAIN ANY
8 PROFITS OR EXCESS RESERVES GENERATED TO BE USED TO OFFSET DEFICITS
9 INCURRED BY THE PLAN AND TO REINVEST SUCH EXCESS RESERVES; TO
10 AUTHORIZE PERMITTED INVESTMENTS OF SUCH EXCESS RESERVES; TO AMEND
11 SECTION 83-34-27, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE
12 COMMISSIONER OF INSURANCE AND THE STATE TREASURER TO AUDIT AND
13 EXAMINE ANY REINVESTMENT OF EXCESS RESERVES; TO CREATE NEW CODE
14 SECTION 83-34-14, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE BOARD
15 OF DIRECTORS OF THE MISSISSIPPI WINDSTORM UNDERWRITING ASSOCIATION
16 TO LEVY AN EMERGENCY ASSESSMENT WHEN A DEFICIT EXCEEDS THE AMOUNT
17 THAT WILL BE RECOVERED; TO AMEND SECTION 83-21-17, MISSISSIPPI
18 CODE OF 1972, TO AUTHORIZE THE COMMISSIONER OF INSURANCE TO IMPOSE
19 A FEE ON EACH NONADMITTED INSURER FOR THE PURPOSE OF DEFRAYING
20 DEFICITS OF THE MISSISSIPPI WINDSTORM UNDERWRITING ASSOCIATION; TO
21 AMEND SECTION 83-21-21, MISSISSIPPI CODE OF 1972, TO AUTHORIZE
22 FEES LEVIED BY THE MISSISSIPPI SURPLUS LINES ASSOCIATION TO BE
23 TRANSFERRED TO THE MISSISSIPPI WINDSTORM UNDERWRITING ASSOCIATION;
24 TO CREATE A SPECIAL FUND IN THE STATE TREASURY TO BE KNOWN AS THE
25 "MISSISSIPPI WINDSTORM UNDERWRITING ASSOCIATION REINSURANCE
26 ASSISTANCE FUND"; TO PROVIDE THAT MONIES IN THE SPECIAL FUND MAY
27 BE USED BY THE DEPARTMENT OF INSURANCE, UPON APPROPRIATION BY THE
28 LEGISLATURE, FOR THE PURPOSE OF ASSISTING THE MISSISSIPPI
29 WINDSTORM UNDERWRITING ASSOCIATION IN DEFRAYING EXPENSES AND COSTS
30 FOR REINSURANCE; TO PROVIDE THAT THE MISSISSIPPI WINDSTORM
31 UNDERWRITING ASSOCIATION MAY USE SUCH FUNDS FOR THE PURPOSE OF
32 DEFRAYING EXPENSES AND COSTS FOR REINSURANCE; TO PROVIDE THAT ANY
33 MONIES IN EXCESS OF \$50,000,000.00 REMAINING IN THE SPECIAL FUND
34 AT THE END OF A FISCAL YEAR THAT HAVE NOT BEEN APPROPRIATED WILL
35 LAPSE INTO THE STATE GENERAL FUND; TO REQUIRE THE COMMISSIONER OF
36 INSURANCE TO FILE A REPORT WITH THE JOINT LEGISLATIVE BUDGET
37 COMMITTEE NOT LATER THAN SEPTEMBER 1 OF EACH YEAR, RECOMMENDING
38 THE AMOUNT OF ASSISTANCE, IF ANY, NEEDED BY THE MISSISSIPPI
39 WINDSTORM UNDERWRITING ASSOCIATION FOR REINSURANCE EXPENSES AND
40 COSTS; TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972, TO
41 PROVIDE THAT A PORTION OF THE STATE SALES TAX REVENUE COLLECTED IN
42 HANCOCK, HARRISON, JACKSON, PEARL RIVER, STONE AND GEORGE COUNTIES
43 SHALL BE DEPOSITED INTO THE MISSISSIPPI WINDSTORM UNDERWRITING
44 ASSOCIATION REINSURANCE ASSISTANCE FUND; TO PROVIDE THAT A PORTION
45 OF THE STATE INSURANCE PREMIUM TAX REVENUE SHALL BE DEPOSITED INTO
46 THE MISSISSIPPI WINDSTORM UNDERWRITING ASSOCIATION REINSURANCE
47 ASSISTANCE FUND; TO PROVIDE AN ANNUAL CREDIT AGAINST STATE INCOME
48 TAXES TO CERTAIN TAXPAYERS IN THE AMOUNT OF THE INCREASED PREMIUMS
49 PAID BY SUCH TAXPAYERS ANNUALLY TO THE MISSISSIPPI WINDSTORM
50 UNDERWRITING ASSOCIATION; TO PROVIDE AN ANNUAL CREDIT AGAINST THE
51 STATE INSURANCE PREMIUM TAXES FOR DOMESTIC AND FOREIGN INSURANCE

52 COMPANIES FOR NEW POLICIES WRITTEN IN THE COASTAL COUNTIES OF THE
53 STATE; AND FOR RELATED PURPOSES.

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

55 **SECTION 1.** This act shall be known and may be cited as the
56 "Mississippi Economic Growth and Redevelopment Act of 2007."

57 **SECTION 2.** Section 83-34-5, Mississippi Code of 1972, is
58 amended as follows:

59 83-34-5. The association shall, pursuant to the provisions
60 of this chapter and the plan of operation, and with respect to
61 essential property insurance on insurable property, have the power
62 on behalf of its members:

63 (a) To cause to be issued, or issue, policies of
64 insurance to applicants;

65 (b) To assume reinsurance from its members; * * *

66 (c) To cede reinsurance to its members and to purchase
67 reinsurance in behalf of its members;

68 (d) To set underwriting standards under the plan
69 including, but not limited to, the authority to set deductibles in
70 an amount not to exceed five percent (5%) of the value of the
71 insured property; and

72 (e) To retain any profits or excess reserves generated,
73 from year to year, and to invest same. Such investments shall be
74 limited to those permitted investments provided for in Section
75 83-19-51.

76 **SECTION 3.** Section 83-34-27, Mississippi Code of 1972, is
77 amended as follows:

78 83-34-27. (1) The commissioner may from time to time make
79 an examination into the affairs of the association when he deems
80 prudent and, in undertaking such examination, may hold a public
81 hearing. The expenses of such examination shall be borne and paid
82 by the association.

83 (2) The commissioner, with advice and consent from the State
84 Treasurer, may from time to time audit and examine any and all
85 investments made pursuant to Section 83-34-5(e).

86 **SECTION 4.** Section 83-34-9, Mississippi Code of 1972, is
87 amended as follows:

88 83-34-9. All members of the association shall participate in
89 its writings, expenses, profits and losses in the proportion that
90 the net direct premiums of each such member written in this state
91 during the preceding calendar year bears to the aggregate net
92 direct premiums written in this state by all members of the
93 association, as certified to the association by the commissioner
94 after review of annual statements, other reports and any other
95 statistics the commissioner shall deem necessary to provide the
96 information herein required and which the commissioner is hereby
97 authorized and empowered to obtain from any member of the
98 association. A member shall, in accordance with the plan of
99 operation, annually receive credit for essential property
100 insurance voluntarily written in a Coast area, and its
101 participation in the writings of the association shall be reduced
102 in accordance with the provisions of the plan of operation. Each
103 member's participation in the association shall be determined
104 annually in the manner provided in the plan of operation. Any
105 insurer authorized to write and engage in writing any insurance,
106 the writing of which requires such insurer to be a member of the
107 association pursuant to the provisions of Section 83-34-3, who
108 engages in writing such insurance after the effective date of this
109 chapter, shall become a member of the association on the January 1
110 immediately following such authorization; and the determination of
111 such insurer's participation in the association shall be made as
112 of the date of such membership in the same manner as for all other
113 members of the association. The association shall retain any
114 profits or excess reserves generated, to be used to offset
115 deficits incurred by the plan.

116 **SECTION 5.** The following shall be codified as Section
117 83-34-14, Mississippi Code of 1972:

118 83-34-14. Upon a determination of the board of directors
119 that a deficit exceeds the amount that will be recovered, the
120 board may make an emergency assessment. Each member on behalf of
121 the association shall recoup the emergency assessment from its
122 policyholders by applying a surcharge for a period not less than
123 five (5) years and not to exceed seven (7) years, which period
124 shall be established by the commissioner, to all policies issued
125 or renewed in this state for subject lines of business. The
126 surcharge shall be a uniform percentage of premiums, but shall not
127 be subject to premium taxes, fees or commissions. Members shall
128 cease to collect the recoupment surcharge once the full amount of
129 the emergency assessment has been collected. Members shall notify
130 the Department of Insurance at least thirty (30) days in advance
131 of the commencement of the surcharge.

132 **SECTION 6.** Section 83-21-17, Mississippi Code of 1972, is
133 amended as follows:

134 83-21-17. (1) The Commissioner of Insurance shall annually
135 promulgate a list of nonadmitted insurers and each such insurer
136 shall meet the same requirements as to capital and surplus as is
137 required of a company licensed to do business in the State of
138 Mississippi and annually pay a filing fee of Five Hundred Dollars
139 (\$500.00) in order to be eligible for certification as a
140 nonadmitted insurer. An alien insurer shall be listed with the
141 nonadmitted Insurers Information Office of the National
142 Association of Insurance Commissioners. In the case of an alien
143 insurer authorized to transact insurance of the kind involved in
144 at least one (1) state of the United States, the insurer must have
145 unimpaired capital and/or surplus or an effective trust fund
146 amounting to at least One Million Five Hundred Thousand Dollars
147 (\$1,500,000.00) and, in the case of a group including incorporated
148 and individual unincorporated insurers, the trust fund must be in
149 the amount of not less than Fifty Million Dollars
150 (\$50,000,000.00). The incorporated members of the group shall not

151 be engaged in any business other than underwriting as a member of
152 the group and shall be subject to the same level of solvency
153 regulation and control by the group's domiciliary regulator as are
154 the unincorporated members. In the case of an alien insurer not
155 authorized to transact business in at least one (1) state of the
156 United States, the insurer must have an established trust fund of
157 at least One Million Five Hundred Thousand Dollars (\$1,500,000.00)
158 within the United States administered by a recognized financial
159 institution and held for the benefit of all its policyholders in
160 the United States. The Commissioner of Insurance is specifically
161 vested with authority to promulgate such rules and regulations as
162 deemed necessary to carry out the provisions hereof and to publish
163 a list of nonadmitted insurers found eligible for writing business
164 in the State of Mississippi on a nonadmitted basis. The
165 commissioner may, by giving seven (7) days' notice, at any time
166 remove a nonadmitted insurer from such eligible list when it
167 appears that such insurer no longer meets the requirements of the
168 statute or regulations of the commissioner. When a nonadmitted
169 insurer is placed upon or removed from the eligible list, all
170 agents holding licenses under Sections 83-21-17 through 83-21-31
171 shall be notified of such eligibility or removal. Any agent of
172 this state who places insurance with a nonadmitted insurer not on
173 the list of eligible insurers shall be deemed in violation of the
174 cited sections and shall be subject to revocation of license in
175 the manner provided by statute for revocation of license of fire
176 and casualty insurance agents.

177 (2) (a) In addition to the filing fee provided in
178 subsection (1) of this section, the Commissioner of Insurance
179 shall impose and collect a fee on each nonadmitted insurer for the
180 purpose of defraying deficits of the Mississippi Windstorm
181 Underwriting Association.

182 (b) The fee on each nonadmitted insurer shall be a
183 percentage of the total policy premium, but shall not be

184 considered premium and is not subject to premium taxes or
185 commissions; however, the failure to pay the nonadmitted insurance
186 fee shall be treated the same as the failure to pay premium.

187 (c) The nonadmitted insurer fee shall be set by the
188 commissioner and may be changed from time to time, but in no event
189 shall the nonadmitted insurer fee be an amount less than five
190 percent (5%) of the total policy premium.

191 (d) The fee shall be collected by the Commissioner of
192 Insurance for as many years as he deems necessary to assist in
193 covering the deficit and shall be transferred to the Mississippi
194 Windstorm Underwriting Association upon collection.

195 **SECTION 7.** Section 83-21-21, Mississippi Code of 1972, is
196 amended as follows:

197 83-21-21. (1) The Commissioner of Insurance may establish a
198 stamping procedure for all eligible nonadmitted/surplus lines
199 insurance policies sold on risks subject to the payment of premium
200 taxes to the State of Mississippi.

201 (2) The Commissioner of Insurance may rely upon the advice
202 and assistance of a duly constituted association of surplus lines
203 agents in carrying out the purposes of this chapter, if the
204 association files with the commissioner:

205 (a) A copy of the association's constitution and
206 articles of agreement of association or the association's
207 certificate of incorporation and bylaws and any rules and
208 regulations governing the association's activities;

209 (b) A list of the association's members; and

210 (c) The name and address of a resident of this state
211 upon whom notices or orders of the commissioner or process issued
212 by the commissioner may be served.

213 (3) The Commissioner of Insurance may examine the
214 association's records concerning the functions or duties performed
215 on behalf of the commissioner by the association.

216 (4) The association shall provide a means for the
217 examination of all surplus lines coverages written to determine
218 whether such coverages comply with the law and such rules or
219 regulations as may be issued by the Commissioner of Insurance.

220 (5) The Commissioner of Insurance may refuse to accept, or
221 may suspend or revoke the acceptance of, an association for any of
222 the following reasons:

223 (a) It reasonably appears that the association will not
224 be able to carry out the purposes of this chapter;

225 (b) The association does not maintain and enforce rules
226 and regulations which will ensure that members of the association
227 and persons associated with those members will comply with this
228 chapter, other applicable state law or rules or regulations
229 promulgated under either;

230 (c) The rules or regulations of the association do not
231 ensure a fair representation of its members in the selection of
232 directors and in the administration of its affairs;

233 (d) The rules or regulations of the association do not
234 provide for an equitable allocation of reasonable dues, fees and
235 other charges among members;

236 (e) The rules or regulations of the association impose
237 an undue burden on competition; or

238 (f) The association fails to meet other applicable
239 requirements prescribed in this chapter.

240 (6) A surplus lines agent shall cooperate with the
241 association and the Commissioner of Insurance in fulfilling the
242 surplus lines agent's statutory responsibility under this chapter.

243 (7) Upon request from the association, the Commissioner of
244 Insurance may approve the levy of an examination fee of not more
245 than one percent (1%) of premiums charged under this chapter for
246 the operation of the association to the extent that such operation
247 relieves the commissioner of duties otherwise required of the
248 Commissioner of Insurance under this chapter.

249 (8) The association may revoke the membership of, and the
250 Commissioner of Insurance may revoke the license in this state of,
251 any licensee who fails to pay the examination fee when due, if the
252 examination fee has been approved by the Commissioner of
253 Insurance.

254 (9) The fees levied and collected by the association
255 pursuant to this section have been and remain public funds and
256 shall be subject to transfer to the Department of Insurance
257 Special Fund or to the Mississippi Windstorm Underwriting
258 Association by act of the Legislature * * *.

259 **SECTION 8.** (1) (a) There is created in the State Treasury
260 a special fund to be designated as the "Mississippi Windstorm
261 Underwriting Association Reinsurance Assistance Fund." The fund
262 shall consist of monies deposited therein as provided under
263 Section 27-65-75(21), Section 10 of this act, and monies from any
264 other source designated for deposit into such fund. Unexpended
265 amounts remaining in the fund at the end of a fiscal year shall
266 not lapse into the State General Fund, and any interest earned or
267 investment earnings on amounts in the fund shall be deposited to
268 the credit of the fund; however, any monies in excess of Fifty
269 Million Dollars (\$50,000,000.00) remaining in the fund at the end
270 of a fiscal year that have not been appropriated shall lapse into
271 the State General Fund.

272 (b) Monies in the special fund may be used by the
273 Department of Insurance, upon appropriation by the Legislature,
274 only for the purpose of assisting the Mississippi Windstorm
275 Underwriting Association in defraying expenses and costs for
276 reinsurance under Section 83-34-1 et seq. The association may use
277 any such funds received from the Department of Insurance for the
278 sole purpose of defraying expenses and costs for reinsurance.
279 Monies in the fund used for the purposes described in this
280 paragraph (b) shall be in addition to other funds available from
281 any other source for such purposes.

282 (c) Monies in the special fund may not be used,
283 expended or transferred for any other purpose except upon
284 amendment to this section by a bill enacted by the Legislature
285 with a vote of not less than two-thirds (2/3) of the members of
286 each house present and voting.

287 (2) (a) The Commissioner of Insurance shall file a report
288 with the Joint Legislative Budget Committee not later than
289 September 1 of each year, recommending the amount of assistance,
290 if any, needed by the Mississippi Windstorm Underwriting
291 Association for reinsurance expenses and costs. The Commissioner
292 of Insurance also shall provide a copy of the report to the
293 Attorney General and the Executive Director of the Mississippi
294 Development Authority.

295 (b) The Mississippi Windstorm Underwriting Association
296 shall prepare and file detailed reports with the Clerk of the
297 House of Representatives, Secretary of the Senate, Commissioner of
298 Insurance, Attorney General and Executive Director of the
299 Mississippi Development Authority regarding the receipt and
300 expenditure of monies by the association under this section.

301 **SECTION 9.** Section 27-65-75, Mississippi Code of 1972, is
302 amended as follows:

303 27-65-75. On or before the fifteenth day of each month, the
304 revenue collected under the provisions of this chapter during the
305 preceding month shall be paid and distributed as follows:

306 (1) (a) On or before August 15, 1992, and each succeeding
307 month thereafter through July 15, 1993, eighteen percent (18%) of
308 the total sales tax revenue collected during the preceding month
309 under the provisions of this chapter, except that collected under
310 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
311 business activities within a municipal corporation shall be
312 allocated for distribution to the municipality and paid to the
313 municipal corporation. On or before August 15, 1993, and each
314 succeeding month thereafter, eighteen and one-half percent

315 (18-1/2%) of the total sales tax revenue collected during the
316 preceding month under the provisions of this chapter, except that
317 collected under the provisions of Sections 27-65-15, 27-65-19(3)
318 and 27-65-21, on business activities within a municipal
319 corporation shall be allocated for distribution to the
320 municipality and paid to the municipal corporation.

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

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

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

336 (b) On or before August 15, 2006, and each succeeding
337 month thereafter, eighteen and one-half percent (18-1/2%) of the
338 total sales tax revenue collected during the preceding month under
339 the provisions of this chapter, except that collected under the
340 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
341 business activities on the campus of a state institution of higher
342 learning or community or junior college whose campus is not
343 located within the corporate limits of a municipality, shall be
344 allocated for distribution to the state institution of higher
345 learning or community or junior college and paid to the state
346 institution of higher learning or community or junior college.

347 (2) On or before September 15, 1987, and each succeeding
348 month thereafter, from the revenue collected under this chapter
349 during the preceding month, One Million One Hundred Twenty-five
350 Thousand Dollars (\$1,125,000.00) shall be allocated for
351 distribution to municipal corporations as defined under subsection
352 (1) of this section in the proportion that the number of gallons
353 of gasoline and diesel fuel sold by distributors to consumers and
354 retailers in each such municipality during the preceding fiscal
355 year bears to the total gallons of gasoline and diesel fuel sold
356 by distributors to consumers and retailers in municipalities
357 statewide during the preceding fiscal year. The State Tax
358 Commission shall require all distributors of gasoline and diesel
359 fuel to report to the commission monthly the total number of
360 gallons of gasoline and diesel fuel sold by them to consumers and
361 retailers in each municipality during the preceding month. The
362 State Tax Commission shall have the authority to promulgate such
363 rules and regulations as is necessary to determine the number of
364 gallons of gasoline and diesel fuel sold by distributors to
365 consumers and retailers in each municipality. In determining the
366 percentage allocation of funds under this subsection for the
367 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
368 State Tax Commission may consider gallons of gasoline and diesel
369 fuel sold for a period of less than one (1) fiscal year. For the
370 purposes of this subsection, the term "fiscal year" means the
371 fiscal year beginning July 1 of a year.

372 (3) On or before September 15, 1987, and on or before the
373 fifteenth day of each succeeding month, until the date specified
374 in Section 65-39-35, the proceeds derived from contractors' taxes
375 levied under Section 27-65-21 on contracts for the construction or
376 reconstruction of highways designated under the highway program
377 created under Section 65-3-97 shall, except as otherwise provided
378 in Section 31-17-127, be deposited into the State Treasury to the
379 credit of the State Highway Fund to be used to fund that highway

380 program. The Mississippi Department of Transportation shall
381 provide to the State Tax Commission such information as is
382 necessary to determine the amount of proceeds to be distributed
383 under this subsection.

384 (4) On or before August 15, 1994, and on or before the
385 fifteenth day of each succeeding month through July 15, 1999, from
386 the proceeds of gasoline, diesel fuel or kerosene taxes as
387 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
388 (\$4,000,000.00) shall be deposited in the State Treasury to the
389 credit of a special fund designated as the "State Aid Road Fund,"
390 created by Section 65-9-17. On or before August 15, 1999, and on
391 or before the fifteenth day of each succeeding month, from the
392 total amount of the proceeds of gasoline, diesel fuel or kerosene
393 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
394 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
395 one-fourth percent (23-1/4%) of those funds, whichever is the
396 greater amount, shall be deposited in the State Treasury to the
397 credit of the "State Aid Road Fund," created by Section 65-9-17.
398 Those funds shall be pledged to pay the principal of and interest
399 on state aid road bonds heretofore issued under Sections 19-9-51
400 through 19-9-77, in lieu of and in substitution for the funds
401 previously allocated to counties under this section. Those funds
402 may not be pledged for the payment of any state aid road bonds
403 issued after April 1, 1981; however, this prohibition against the
404 pledging of any such funds for the payment of bonds shall not
405 apply to any bonds for which intent to issue those bonds has been
406 published, for the first time, as provided by law before March 29,
407 1981. From the amount of taxes paid into the special fund under
408 this subsection and subsection (9) of this section, there shall be
409 first deducted and paid the amount necessary to pay the expenses
410 of the Office of State Aid Road Construction, as authorized by the
411 Legislature for all other general and special fund agencies. The

412 remainder of the fund shall be allocated monthly to the several
413 counties in accordance with the following formula:

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

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

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

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

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

430 Any reference in the general laws of this state or the
431 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
432 construed to refer and apply to subsection (4) of Section
433 27-65-75.

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

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

445 (7) On or before August 15, 1992, and each succeeding month
446 thereafter through July 15, 2000, two and two hundred sixty-six
447 one-thousandths percent (2.266%) of the total sales tax revenue
448 collected during the preceding month under the provisions of this
449 chapter, except that collected under the provisions of Section
450 27-65-17(2) shall be deposited by the commission into the School
451 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
452 or before August 15, 2000, and each succeeding month thereafter,
453 two and two hundred sixty-six one-thousandths percent (2.266%) of
454 the total sales tax revenue collected during the preceding month
455 under the provisions of this chapter, except that collected under
456 the provisions of Section 27-65-17(2), shall be deposited into the
457 School Ad Valorem Tax Reduction Fund created under Section
458 37-61-35 until such time that the total amount deposited into the
459 fund during a fiscal year equals Forty-two Million Dollars
460 (\$42,000,000.00). Thereafter, the amounts diverted under this
461 subsection (7) during the fiscal year in excess of Forty-two
462 Million Dollars (\$42,000,000.00) shall be deposited into the
463 Education Enhancement Fund created under Section 37-61-33 for
464 appropriation by the Legislature as other education needs and
465 shall not be subject to the percentage appropriation requirements
466 set forth in Section 37-61-33.

467 (8) On or before August 15, 1992, and each succeeding month
468 thereafter, nine and seventy-three one-thousandths percent
469 (9.073%) of the total sales tax revenue collected during the
470 preceding month under the provisions of this chapter, except that
471 collected under the provisions of Section 27-65-17(2), shall be
472 deposited into the Education Enhancement Fund created under
473 Section 37-61-33.

474 (9) On or before August 15, 1994, and each succeeding month
475 thereafter, from the revenue collected under this chapter during
476 the preceding month, Two Hundred Fifty Thousand Dollars
477 (\$250,000.00) shall be paid into the State Aid Road Fund.

478 (10) On or before August 15, 1994, and each succeeding month
479 thereafter through August 15, 1995, from the revenue collected
480 under this chapter during the preceding month, Two Million Dollars
481 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
482 Valorem Tax Reduction Fund established in Section 27-51-105.

483 (11) Notwithstanding any other provision of this section to
484 the contrary, on or before February 15, 1995, and each succeeding
485 month thereafter, the sales tax revenue collected during the
486 preceding month under the provisions of Section 27-65-17(2) and
487 the corresponding levy in Section 27-65-23 on the rental or lease
488 of private carriers of passengers and light carriers of property
489 as defined in Section 27-51-101 shall be deposited, without
490 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
491 established in Section 27-51-105.

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

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

509 (14) On or before August 15, 1998, and each succeeding month
510 thereafter through July 15, 2005, that portion of the avails of

511 the tax imposed in Section 27-65-23 that is derived from sales by
512 cotton compresses or cotton warehouses and that would otherwise be
513 paid into the General Fund, shall be deposited in an amount not to
514 exceed Two Million Dollars (\$2,000,000.00) into the special fund
515 created under Section 69-37-39.

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

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

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

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

543 (19) (a) On or before August 15, 2005, and each succeeding
544 month thereafter, the sales tax revenue collected during the
545 preceding month under the provisions of this chapter on the gross
546 proceeds of sales of a business enterprise located within a
547 redevelopment project area under the provisions of Sections
548 57-91-1 through 57-91-11, and the revenue collected on the gross
549 proceeds of sales from sales made to a business enterprise located
550 in a redevelopment project area under the provisions of Sections
551 57-91-1 through 57-91-11 (provided that such sales made to a
552 business enterprise are made on the premises of the business
553 enterprise), shall, except as otherwise provided in this
554 subsection (19), be deposited, after all diversions, into the
555 Redevelopment Project Incentive Fund as created in Section
556 57-91-9.

557 (b) For a municipality participating in the Economic
558 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
559 the diversion provided for in subsection (1) of this section
560 attributable to the gross proceeds of sales of a business
561 enterprise located within a redevelopment project area under the
562 provisions of Sections 57-91-1 through 57-91-11, and attributable
563 to the gross proceeds of sales from sales made to a business
564 enterprise located in a redevelopment project area under the
565 provisions of Sections 57-91-1 through 57-91-11 (provided that
566 such sales made to a business enterprise are made on the premises
567 of the business enterprise), shall be deposited into the
568 Redevelopment Project Incentive Fund as created in Section
569 57-91-9, as follows:

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

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

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

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

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

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

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

597 (21) On or before August 15, 2007, and each succeeding month
598 thereafter, from the total sales tax revenue collected during the
599 preceding month under the provisions of this chapter in Hancock,
600 Harrison, Jackson, Pearl River, Stone and George Counties, One
601 Million Five Hundred Thousand Dollars (\$1,500,000.00), in the
602 aggregate, shall be deposited into the Mississippi Windstorm
603 Underwriting Association Reinsurance Assistance Fund created under
604 Section 8 of House Bill No. 1500, 2007 Regular Session.

605 (22) The remainder of the amounts collected under the
606 provisions of this chapter shall be paid into the State Treasury
607 to the credit of the General Fund.

608 (23) It shall be the duty of the municipal officials of any
609 municipality that expands its limits, or of any community that
610 incorporates as a municipality, to notify the commissioner of that
611 action thirty (30) days before the effective date. Failure to so
612 notify the commissioner shall cause the municipality to forfeit
613 the revenue that it would have been entitled to receive during
614 this period of time when the commissioner had no knowledge of the
615 action. If any funds have been erroneously disbursed to any
616 municipality or any overpayment of tax is recovered by the
617 taxpayer, the commissioner may make correction and adjust the
618 error or overpayment with the municipality by withholding the
619 necessary funds from any later payment to be made to the
620 municipality.

621 **SECTION 10.** Using state fiscal year 2005 (the fiscal year
622 ending June 30, 2005) as the base year, the State Tax Commission,
623 no less often than annually, shall pay over to the State Treasurer
624 for deposit into the special fund created in Section 8 of this
625 act, an amount representing any growth after the base year of the
626 portion of the insurance premium tax collected under Section
627 27-15-103 et seq. and allocated for distribution to the General
628 Fund.

629 **SECTION 11.** The following shall be codified as Section
630 27-7-22.33, Mississippi Code of 1972:

631 27-7-22.33. (1) There shall be allowed as a credit against
632 the tax imposed by this chapter an amount equal to the applicable
633 percentage of the excess of the annual premiums paid for policies
634 issued or renewed on or after October 1, 2006, by or on behalf of
635 a taxpayer for "essential property insurance," as defined in
636 Section 83-34-1(a), in any "Coast area," as defined in Section
637 83-34-1(f), to the Mississippi Windstorm Underwriting Association
638 over the amount of annual premiums that would have been paid to
639 the Mississippi Windstorm Underwriting Association if such policy
640 had been issued immediately prior to October 1, 2006. The amount

641 of such increase shall be determined by the Department of
642 Insurance and the State Tax Commission and published annually.
643 The applicable percentage shall be one hundred percent (100%) for
644 2007, and 2008 if no premium was paid between October 1 and
645 December 31, 2006, and shall decrease by twenty percent (20%) for
646 each year thereafter such that no taxpayer may claim a credit for
647 more than five (5) years.

648 (2) Premiums paid after October 1, 2006, and before January
649 1, 2007, shall be claimed and allowed on the first income tax
650 return that is due on or after January 1, 2007.

651 (3) Premiums paid on or after January 1, 2007, shall be
652 claimed and allowed on the first income tax return that is due in
653 the year after the payment.

654 (4) Any tax credit claimed under this section but not used
655 in any taxable year may be carried forward for three (3)
656 consecutive years from the close of the tax year in which the
657 credit was earned. The credit that may be utilized in any one (1)
658 tax year shall be limited to an amount not greater than the total
659 state income tax liability of the taxpayer for that year reduced
660 by the sum of all other income tax credits allowable to the
661 taxpayer, except credit for tax payments made by or on behalf of
662 the taxpayer.

663 **SECTION 12.** There shall be allowed as a credit against the
664 tax imposed under Sections 27-15-103 through 27-15-129, in an
665 amount equal to ten percent (10%) of the gross premium receipts on
666 new policies written, or covering risk, within the coastal
667 counties of this state on or after January 1, 2007, for any
668 domestic or foreign insurance company which writes policies within
669 the coastal counties; provided, however, the credit allowed
670 hereunder shall not exceed One Hundred Thousand Dollars
671 (\$100,000.00) during any calendar year. The Mississippi State Tax
672 Commission and the Mississippi Department of Insurance shall
673 determine what constitutes new policies written, or covering risk

674 within the coastal counties of this state. Any tax credit claimed
675 under this section but not used in any taxable year may be carried
676 forward for the three (3) succeeding tax years.

677 **SECTION 13.** Section 11 of this act shall take effect and be
678 in force from and after January 1, 2007. The remainder of this
679 act shall take effect and be in force from and after its passage.