

By: Senator(s) Robertson

To: Finance

SENATE BILL NO. 2282

1 AN ACT TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972,
 2 TO REQUIRE THAT A PORTION OF THE SALES TAX REVENUE COLLECTED
 3 DURING FISCAL YEAR 2008 ON BUSINESS ACTIVITIES IN HANCOCK,
 4 HARRISON, JACKSON AND PEARL RIVER COUNTIES AND THE MUNICIPALITIES
 5 WITHIN SUCH COUNTIES SHALL BE ALLOCATED AND PAID TO SUCH COUNTIES
 6 AND MUNICIPALITIES TO ASSIST IN RECOVERY FROM THE HURRICANE
 7 KATRINA DISASTER; AND FOR RELATED PURPOSES.

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

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

11 27-65-75. On or before the fifteenth day of each month, the
 12 revenue collected under the provisions of this chapter during the
 13 preceding month shall be paid and distributed as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

138 Any reference in the general laws of this state or the
139 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
140 construed to refer and apply to subsection (4) of Section
141 27-65-75.

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

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

153 (7) On or before August 15, 1992, and each succeeding month
154 thereafter through July 15, 2000, two and two hundred sixty-six
155 one-thousandths percent (2.266%) of the total sales tax revenue
156 collected during the preceding month under the provisions of this
157 chapter, except that collected under the provisions of Section
158 27-65-17(2) shall be deposited by the commission into the School
159 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
160 or before August 15, 2000, and each succeeding month thereafter,

161 two and two hundred sixty-six one-thousandths percent (2.266%) of
162 the total sales tax revenue collected during the preceding month
163 under the provisions of this chapter, except that collected under
164 the provisions of Section 27-65-17(2), shall be deposited into the
165 School Ad Valorem Tax Reduction Fund created under Section
166 37-61-35 until such time that the total amount deposited into the
167 fund during a fiscal year equals Forty-two Million Dollars
168 (\$42,000,000.00). Thereafter, the amounts diverted under this
169 subsection (7) during the fiscal year in excess of Forty-two
170 Million Dollars (\$42,000,000.00) shall be deposited into the
171 Education Enhancement Fund created under Section 37-61-33 for
172 appropriation by the Legislature as other education needs and
173 shall not be subject to the percentage appropriation requirements
174 set forth in Section 37-61-33.

175 (8) On or before August 15, 1992, and each succeeding month
176 thereafter, nine and seventy-three one-thousandths percent
177 (9.073%) of the total sales tax revenue collected during the
178 preceding month under the provisions of this chapter, except that
179 collected under the provisions of Section 27-65-17(2), shall be
180 deposited into the Education Enhancement Fund created under
181 Section 37-61-33.

182 (9) On or before August 15, 1994, and each succeeding month
183 thereafter, from the revenue collected under this chapter during
184 the preceding month, Two Hundred Fifty Thousand Dollars
185 (\$250,000.00) shall be paid into the State Aid Road Fund.

186 (10) On or before August 15, 1994, and each succeeding month
187 thereafter through August 15, 1995, from the revenue collected
188 under this chapter during the preceding month, Two Million Dollars
189 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
190 Valorem Tax Reduction Fund established in Section 27-51-105.

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

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

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

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

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

224 (15) Notwithstanding any other provision of this section to
225 the contrary, on or before September 15, 2000, and each succeeding
226 month thereafter, the sales tax revenue collected during the

227 preceding month under the provisions of Section 27-65-19(1)(f) and
228 (g)(i)2, shall be deposited, without diversion, into the
229 Telecommunications Ad Valorem Tax Reduction Fund established in
230 Section 27-38-7.

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

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

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

251 (19) (a) On or before August 15, 2005, and each succeeding
252 month thereafter, the sales tax revenue collected during the
253 preceding month under the provisions of this chapter on the gross
254 proceeds of sales of a business enterprise located within a
255 redevelopment project area under the provisions of Sections
256 57-91-1 through 57-91-11, and the revenue collected on the gross
257 proceeds of sales from sales made to a business enterprise located
258 in a redevelopment project area under the provisions of Sections
259 57-91-1 through 57-91-11 (provided that such sales made to a

260 business enterprise are made on the premises of the business
261 enterprise), shall, except as otherwise provided in this
262 subsection (19), be deposited, after all diversions, into the
263 Redevelopment Project Incentive Fund as created in Section
264 57-91-9.

265 (b) For a municipality participating in the Economic
266 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
267 the diversion provided for in subsection (1) of this section
268 attributable to the gross proceeds of sales of a business
269 enterprise located within a redevelopment project area under the
270 provisions of Sections 57-91-1 through 57-91-11, and attributable
271 to the gross proceeds of sales from sales made to a business
272 enterprise located in a redevelopment project area under the
273 provisions of Sections 57-91-1 through 57-91-11 (provided that
274 such sales made to a business enterprise are made on the premises
275 of the business enterprise), shall be deposited into the
276 Redevelopment Project Incentive Fund as created in Section
277 57-91-9, as follows:

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

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

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

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

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

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

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

305 (21) In order to assist recovery efforts in the areas of the
306 state that suffered the most extensive damage during Hurricane
307 Katrina:

308 (a) On or before August 15, 2007, and each succeeding
309 month thereafter through August 15, 2008, fourteen and two hundred
310 eighty-six one-thousandths percent (14.286%) of the total sales
311 tax revenue collected during the preceding month under the
312 provisions of this chapter, except that collected under the
313 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21 and
314 except that collected under the provisions of Section 27-65-17 on
315 items that are taxed at less than the seven percent (7%) rate, on
316 business activities within Harrison, Hancock, Jackson and Pearl
317 River Counties that occur outside the corporate limits of a
318 municipality, shall be allocated for distribution to the county in
319 which the business activity occurs and paid to the appropriate
320 county.

321 (b) On or before August 15, 2007, and each succeeding
322 month thereafter through August 15, 2008, fourteen and two hundred
323 eighty-six one-thousandths percent (14.286%) of the total sales
324 tax revenue collected during the preceding month under the

325 provisions of this chapter, except that collected under the
326 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21 and
327 except that collected under the provisions of Section 27-65-17 on
328 items that are taxed at less than the seven percent (7%) rate, on
329 business activities within municipalities located in Harrison,
330 Hancock, Jackson and Pearl River Counties, shall be allocated for
331 distribution to the county in which the municipality is located
332 and the municipality in which the business activity occurs.
333 One-half (1/2) of the amount so allocated shall be paid to the
334 county in which the municipality is located and the remainder
335 shall be paid to the municipality in which the business activity
336 occurred.

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

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

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