

By: Senator(s) Horhn

To: Finance

SENATE BILL NO. 2840

1 AN ACT TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972,  
 2 TO PROVIDE FOR THE PAYMENT OF AN ADDITIONAL PERCENTAGE OF SALES  
 3 TAX REVENUE GENERATED FROM BUSINESS ACTIVITIES WITHIN THE CITY OF  
 4 JACKSON, MISSISSIPPI; TO PROVIDE THAT SUCH PAYMENT TO THE CITY OF  
 5 JACKSON IS FOR THE PURPOSE OF ASSISTING THE CITY TO DEFRAY THE AD  
 6 VALOREM TAX LOSS THE CITY SUSTAINS AS A RESULT OF THE STATE  
 7 OWNERSHIP OF PROPERTY IN THE CITY, AND FOR DEFRAYING INCREASED  
 8 INFRASTRUCTURE AND PUBLIC SAFETY COSTS INCURRED BY THE CITY AS A  
 9 RESULT OF BEING THE SEAT OF STATE GOVERNMENT; TO PROVIDE THE  
 10 PURPOSES FOR WHICH THE REVENUE FROM SUCH DIVERSION MAY BE SPENT;  
 11 TO CREATE A COMMITTEE TO DIRECT HOW THE CITY SHALL EXPEND THE  
 12 PORTION OF THE REVENUE REQUIRED TO BE SPENT IN THE CENTRAL  
 13 BUSINESS DISTRICT AND THE CAPITOL COMPLEX; AND FOR RELATED  
 14 PURPOSES.

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

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

18 27-65-75. On or before the fifteenth day of each month, the  
 19 revenue collected under the provisions of this chapter during the  
 20 preceding month shall be paid and distributed as follows:

21 (1) (a) On or before August 15, 1992, and each succeeding  
 22 month thereafter through July 15, 1993, eighteen percent (18%) of  
 23 the total sales tax revenue collected during the preceding month  
 24 under the provisions of this chapter, except that collected under  
 25 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
 26 business activities within a municipal corporation shall be  
 27 allocated for distribution to the municipality and paid to the  
 28 municipal corporation. On or before August 15, 1993, and each  
 29 succeeding month thereafter, eighteen and one-half percent  
 30 (18-1/2%) of the total sales tax revenue collected during the  
 31 preceding month under the provisions of this chapter, except that  
 32 collected under the provisions of Sections 27-65-15, 27-65-19(3)  
 33 and 27-65-21, on business activities within a municipal

34 corporation shall be allocated for distribution to the  
35 municipality and paid to the municipal corporation.

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

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

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

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

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

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

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

99           (4) On or before August 15, 1994, and on or before the  
100 fifteenth day of each succeeding month through July 15, 1999, from  
101 the proceeds of gasoline, diesel fuel or kerosene taxes as  
102 provided in Section 27-5-101(a)(ii)1, Four Million Dollars  
103 (\$4,000,000.00) shall be deposited in the State Treasury to the  
104 credit of a special fund designated as the "State Aid Road Fund,"  
105 created by Section 65-9-17. On or before August 15, 1999, and on  
106 or before the fifteenth day of each succeeding month, from the  
107 total amount of the proceeds of gasoline, diesel fuel or kerosene  
108 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million  
109 Dollars (\$4,000,000.00) or an amount equal to twenty-three and  
110 one-fourth percent (23-1/4%) of those funds, whichever is the  
111 greater amount, shall be deposited in the State Treasury to the  
112 credit of the "State Aid Road Fund," created by Section 65-9-17.  
113 Those funds shall be pledged to pay the principal of and interest  
114 on state aid road bonds heretofore issued under Sections 19-9-51  
115 through 19-9-77, in lieu of and in substitution for the funds  
116 previously allocated to counties under this section. Those funds  
117 may not be pledged for the payment of any state aid road bonds  
118 issued after April 1, 1981; however, this prohibition against the  
119 pledging of any such funds for the payment of bonds shall not  
120 apply to any bonds for which intent to issue those bonds has been  
121 published, for the first time, as provided by law before March 29,  
122 1981. From the amount of taxes paid into the special fund under  
123 this subsection and subsection (9) of this section, there shall be  
124 first deducted and paid the amount necessary to pay the expenses  
125 of the Office of State Aid Road Construction, as authorized by the  
126 Legislature for all other general and special fund agencies. The  
127 remainder of the fund shall be allocated monthly to the several  
128 counties in accordance with the following formula:

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

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

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

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

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

145           Any reference in the general laws of this state or the  
146 Mississippi Code of 1972 to Section 27-5-105 shall mean and be  
147 construed to refer and apply to subsection (4) of Section  
148 27-65-75.

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

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

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

164 chapter, except that collected under the provisions of Section  
165 27-65-17(2) shall be deposited by the commission into the School  
166 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On  
167 or before August 15, 2000, and each succeeding month thereafter,  
168 two and two hundred sixty-six one-thousandths percent (2.266%) of  
169 the total sales tax revenue collected during the preceding month  
170 under the provisions of this chapter, except that collected under  
171 the provisions of Section 27-65-17(2), shall be deposited into the  
172 School Ad Valorem Tax Reduction Fund created under Section  
173 37-61-35 until such time that the total amount deposited into the  
174 fund during a fiscal year equals Forty-two Million Dollars  
175 (\$42,000,000.00). Thereafter, the amounts diverted under this  
176 subsection (7) during the fiscal year in excess of Forty-two  
177 Million Dollars (\$42,000,000.00) shall be deposited into the  
178 Education Enhancement Fund created under Section 37-61-33 for  
179 appropriation by the Legislature as other education needs and  
180 shall not be subject to the percentage appropriation requirements  
181 set forth in Section 37-61-33.

182 (8) On or before August 15, 1992, and each succeeding month  
183 thereafter, nine and seventy-three one-thousandths percent  
184 (9.073%) of the total sales tax revenue collected during the  
185 preceding month under the provisions of this chapter, except that  
186 collected under the provisions of Section 27-65-17(2), shall be  
187 deposited into the Education Enhancement Fund created under  
188 Section 37-61-33.

189 (9) On or before August 15, 1994, and each succeeding month  
190 thereafter, from the revenue collected under this chapter during  
191 the preceding month, Two Hundred Fifty Thousand Dollars  
192 (\$250,000.00) shall be paid into the State Aid Road Fund.

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

196 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad  
197 Valorem Tax Reduction Fund established in Section 27-51-105.

198 (11) Notwithstanding any other provision of this section to  
199 the contrary, on or before February 15, 1995, and each succeeding  
200 month thereafter, the sales tax revenue collected during the  
201 preceding month under the provisions of Section 27-65-17(2) and  
202 the corresponding levy in Section 27-65-23 on the rental or lease  
203 of private carriers of passengers and light carriers of property  
204 as defined in Section 27-51-101 shall be deposited, without  
205 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund  
206 established in Section 27-51-105.

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

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

224 (14) On or before August 15, 1998, and each succeeding month  
225 thereafter through July 15, 2005, 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.

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

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

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

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

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



262 redevelopment project area under the provisions of Sections  
263 57-91-1 through 57-91-11, and the revenue collected on the gross  
264 proceeds of sales from sales made to a business enterprise located  
265 in a redevelopment project area under the provisions of Sections  
266 57-91-1 through 57-91-11 (provided that such sales made to a  
267 business enterprise are made on the premises of the business  
268 enterprise), shall, except as otherwise provided in this  
269 subsection (19), be deposited, after all diversions, into the  
270 Redevelopment Project Incentive Fund as created in Section  
271 57-91-9.

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

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

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

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

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

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

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

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

312 (21) On or before August 15, 2007, and each succeeding month  
313 thereafter, six and one-half percent (6-1/2%) of the total sales  
314 tax revenue collected during the preceding month under the  
315 provisions of this chapter, except that collected under the  
316 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
317 business activities within the City of Jackson, Mississippi, shall  
318 be allocated for distribution to the City of Jackson and paid to  
319 the city. The payment to the City of Jackson under this  
320 subsection is for the purpose of assisting the city to defray the  
321 ad valorem tax loss the city sustains as a result of the state  
322 ownership of property described in Section 27-31-1(b) and for  
323 defraying increased infrastructure and law enforcement and other  
324 public safety costs the city incurs as a result of being the seat  
325 of state government and shall be expended as follows:

326           (a) One-third (1/3) shall be utilized by the City of  
327 Jackson for police and fire protection and water and sewer  
328 improvements throughout the city.

329           (b) One-third (1/3) shall be utilized by the City of  
330 Jackson to pay debt service on bonds issued for capital  
331 improvements located in the city that have a statewide impact.

332           (c) One-third (1/3) shall be utilized by the City of  
333 Jackson for police and fire protection and infrastructure  
334 improvements in the central business district of the city and the  
335 Capitol Complex as recommended by the committee created pursuant  
336 to this paragraph.

337           There is created a committee to direct how the payments  
338 required to be utilized for police and fire protection and  
339 infrastructure improvements in the central business district and  
340 the Capitol Complex shall be expended by the City of Jackson. The  
341 committee shall consist of seven (7) members. Three (3) shall be  
342 appointed by the Mayor of the City of Jackson, two (2) shall be  
343 appointed by the Governor and two (2) shall be appointed by the  
344 Lieutenant Governor. Members of the committee shall serve for the  
345 term of the officer that appoints them. The committee shall  
346 annually elect from its membership a chairman and vice chairman  
347 and such other officers as it considers necessary. A majority of  
348 the committee members shall constitute a quorum. The committee  
349 shall meet at least quarterly or more frequently at the call of  
350 the chairman.

351           The amount paid to the City of Jackson under this subsection  
352 (21) shall be in addition to any other funds allocated for  
353 distribution to the city under subsection (1) or any other  
354 provision of this section.

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

358        (23) It shall be the duty of the municipal officials of any  
359 municipality that expands its limits, or of any community that  
360 incorporates as a municipality, to notify the commissioner of that  
361 action thirty (30) days before the effective date. Failure to so  
362 notify the commissioner shall cause the municipality to forfeit  
363 the revenue that it would have been entitled to receive during  
364 this period of time when the commissioner had no knowledge of the  
365 action. If any funds have been erroneously disbursed to any  
366 municipality or any overpayment of tax is recovered by the  
367 taxpayer, the commissioner may make correction and adjust the  
368 error or overpayment with the municipality by withholding the  
369 necessary funds from any later payment to be made to the  
370 municipality.

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