

By: Senator(s) Bryan

To: Finance

SENATE BILL NO. 3205

1 AN ACT TO AMEND SECTION 27-69-13, MISSISSIPPI CODE OF 1972,
 2 TO INCREASE THE EXCISE TAX ON CIGARETTES; TO AMEND SECTION
 3 27-65-75, MISSISSIPPI CODE OF 1972, TO INCREASE THE PERCENTAGE OF
 4 SALES TAX COLLECTED ON RETAIL SALES OF SUCH FOOD WITHIN
 5 MUNICIPALITIES THAT IS DISTRIBUTED TO MUNICIPALITIES, AND TO
 6 REQUIRE A PORTION OF THE MONTHLY TOBACCO TAX REVENUE TO BE
 7 DEPOSITED IN THE EDUCATION ENHANCEMENT FUND AND THE SCHOOL AD
 8 VALOREM TAX REDUCTION FUND; TO CREATE A SPECIAL FUND INTO WHICH
 9 CERTAIN SALES TAX REVENUE SHALL BE DEPOSITED AND TO PROVIDE THAT
 10 MONEY IN THE FUND SHALL BE USED TO MAKE CERTAIN PAYMENTS TO
 11 MUNICIPALITIES; TO AMEND SECTION 27-69-31, MISSISSIPPI CODE OF
 12 1972, TO PROVIDE FOR A DISCOUNT ON THE ADDITIONAL FACE VALUE OF
 13 STAMPS PURCHASED TO COMPLY WITH CERTAIN CIGARETTE EXCISE TAX
 14 INCREASES; TO CREATE A NEW SECTION 27-65-26, MISSISSIPPI CODE OF
 15 1972, TO IMPOSE A SEPARATE SALES TAX LEVY ON RETAIL SALES OF
 16 CERTAIN FOOD FOR HUMAN CONSUMPTION AND TO REDUCE THE SALES TAX
 17 RATE ON SUCH FOOD; TO AMEND SECTION 27-65-17, MISSISSIPPI CODE OF
 18 1972, IN CONFORMITY THERETO; TO IMPOSE A FEE ON
 19 NONSETTLING-MANUFACTURER CIGARETTES; TO REQUIRE MONTHLY REPORTING
 20 OF THE NUMBER AND DENOMINATION OF STAMPS AFFIXED TO PACKAGES OF
 21 NONSETTLING-MANUFACTURER CIGARETTES, THE NUMBER OF INDIVIDUAL
 22 PACKAGES OF NONSETTLING-MANUFACTURER CIGARETTES SOLD OR PURCHASED
 23 IN THIS STATE OR OTHERWISE DISTRIBUTED IN THIS STATE FOR SALE IN
 24 THE UNITED STATES AND ANY OTHER INFORMATION THE STATE TAX
 25 COMMISSION CONSIDERS NECESSARY OR APPROPRIATE TO DETERMINE THE
 26 AMOUNT OF THE FEE IMPOSED BY THIS ACT OR TO ENFORCE THIS ACT; TO
 27 REQUIRE REGISTRATION OF NONSETTLING MANUFACTURERS WITH THE
 28 ATTORNEY GENERAL; TO REQUIRE DEVELOPMENT, MAINTENANCE AND
 29 PUBLICATION BY THE ATTORNEY GENERAL OF A LIST OF NONSETTLING
 30 MANUFACTURERS THAT HAVE CERTIFIED THEIR COMPLIANCE WITH THIS ACT;
 31 TO PROVIDE FOR ENFORCEMENT OF THE REQUIREMENTS IMPOSED BY THIS
 32 ACT; TO GRANT PROTECTIONS FROM CIVIL LIABILITY TO NONSETTLING
 33 MANUFACTURERS THAT COMPLY WITH THE PROVISIONS OF THIS ACT; AND FOR
 34 RELATED PURPOSES.

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

36 **SECTION 1.** Section 27-69-13, Mississippi Code of 1972, is
 37 amended as follows:

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

39 27-69-13. (1) There is hereby imposed, levied and assessed,
 40 to be collected and paid as hereinafter provided in this chapter,
 41 an excise tax on each person or dealer in cigarettes, cigars,
 42 stogies, snuff, chewing tobacco, and smoking tobacco, or

43 substitutes therefor, upon the sale, use, consumption, handling or
44 distribution in the State of Mississippi, as follows:

45 (a) On cigarettes, the rate of tax shall be Four Cents
46 (4¢) on each cigarette sold with a maximum length of one hundred
47 twenty (120) millimeters; any cigarette in excess of this length
48 shall be taxed as if it were two (2) or more cigarettes.
49 Provided, however, if the federal tax rate on cigarettes in effect
50 June 1, 1985, is reduced, then the rate as provided herein shall
51 be increased by the amount of the federal tax reduction. Such tax
52 increase shall take effect on the first day of the month following
53 the effective date of such reduction in the federal tax rate.

54 (b) On cigars, cheroots, stogies, snuff, chewing and
55 smoking tobacco and all other tobacco products except cigarettes,
56 the rate of tax shall be fifteen percent (15%) of the
57 manufacturer's list price.

58 (2) No stamp evidencing the tax * * * levied on cigarettes
59 by this section shall be of a denomination of less than One Cent
60 (1¢), and whenever the tax computed at the rates * * * prescribed
61 on cigarettes in this section is a specified amount, plus a
62 fractional part of One Cent (1¢), the package shall be stamped for
63 the next full cent. * * *

64 (3) Every wholesaler shall purchase stamps as provided in
65 this chapter, and affix the stamps to all packages of cigarettes
66 handled by him as * * * provided in this chapter.

67 (4) The * * * tax levied by this section is levied upon the
68 sale, use, gift, possession or consumption of tobacco within the
69 State of Mississippi, and the impact of the tax levied by this
70 section is * * * declared to be on the vendee, user, consumer or
71 possessor of tobacco in this state. * * * When the tax is paid by
72 any other person, the payment shall be considered as an advance
73 payment and shall thereafter be added to the price of the tobacco
74 and recovered from the ultimate consumer or user.

75 [From and after July 1, 2008, this section shall read as
76 follows:]

77 27-69-13. (1) There is hereby imposed, levied and assessed,
78 to be collected and paid as hereinafter provided in this chapter,
79 an excise tax on each person or dealer in cigarettes, cigars,
80 stogies, snuff, chewing tobacco, and smoking tobacco, or
81 substitutes therefor, upon the sale, use, consumption, handling or
82 distribution in the State of Mississippi, as follows:

83 (a) On cigarettes, the rate of tax shall be Five Cents
84 (5¢) on each cigarette sold with a maximum length of one hundred
85 twenty (120) millimeters; any cigarette in excess of this length
86 shall be taxed as if it were two (2) or more cigarettes.
87 Provided, however, if the federal tax rate on cigarettes in effect
88 June 1, 1985, is reduced, then the rate as provided herein shall
89 be increased by the amount of the federal tax reduction. Such tax
90 increase shall take effect on the first day of the month following
91 the effective date of such reduction in the federal tax rate.

92 (b) On cigars, cheroots, stogies, snuff, chewing and
93 smoking tobacco and all other tobacco products except cigarettes,
94 the rate of tax shall be fifteen percent (15%) of the
95 manufacturer's list price.

96 (2) No stamp evidencing the tax * * * levied on cigarettes
97 by this section shall be of a denomination of less than One Cent
98 (1¢), and whenever the tax computed at the rates * * * prescribed
99 on cigarettes in this section is a specified amount, plus a
100 fractional part of One Cent (1¢), the package shall be stamped for
101 the next full cent. * * *

102 (3) Every wholesaler shall purchase stamps as provided in
103 this chapter, and affix the stamps to all packages of cigarettes
104 handled by him as * * * provided in this chapter.

105 (4) The * * * tax levied by this section is levied upon the
106 sale, use, gift, possession or consumption of tobacco within the
107 State of Mississippi, and the impact of the tax levied by this

108 section is * * * declared to be on the vendee, user, consumer or
109 possessor of tobacco in this state. * * * When the tax is paid by
110 any other person, the payment shall be considered as an advance
111 payment and shall thereafter be added to the price of the tobacco
112 and recovered from the ultimate consumer or user.

113 **SECTION 2.** (1) There is created in the State Treasury a
114 special fund into which shall be deposited the money specified in
115 Section 27-65-75(22). Money in the fund shall used for the
116 purposes of making payments to certain municipalities as provided
117 for in this section. The fund shall be administered by the State
118 Tax Commission, and money in the fund shall be expended upon
119 appropriation by the Legislature. Unexpended amounts remaining in
120 the fund at the end of the fiscal year shall not lapse into the
121 State General fund, and any interest earned or investment earnings
122 on amounts in the fund shall be deposited to the credit of the
123 fund.

124 (2) On or before July 15, 2008, and on or before July 15 of
125 each year thereafter through 2010:

126 (a) The State Tax Commission shall distribute from the
127 fund to each municipal corporation in the six (6) southernmost
128 counties of the state, an amount that when added to the sales tax
129 revenue that was distributed to the municipal corporation during
130 the fiscal year pursuant to Section 27-65-75(1), is equal to the
131 amount that was distributed to the municipal corporation to
132 Section 27-65-75(1) during state fiscal year 2005.

133 (b) From the amount remaining in the fund after the
134 distribution made pursuant to paragraph (a) of this subsection,
135 the State Tax Commission shall distribute Twenty Thousand Dollars
136 (\$20,000.00) to each municipal corporation that received
137 distributions of sales tax during the fiscal year pursuant to
138 Section 27-65-75(1).

139 (c) The amount remaining in the fund after the
140 distributions made pursuant to paragraphs (a) and (b) of this

141 subsection, shall be distributed by the State Tax Commission to
142 each municipal corporation that receives distributions pursuant to
143 Section 27-65-75(1) in the proportion that the population
144 according to the latest federal decennial census of the municipal
145 corporation bears to the population according to the latest
146 decennial census of all municipal corporations that receive
147 distributions pursuant to Section 27-65-75(1).

148 (3) On or before August 15, 2011, and on or before August 15
149 of each year thereafter:

150 (a) The State Tax Commission shall distribute Twenty
151 Thousand Dollars (\$20,000.00) from the fund to each municipal
152 corporation that received distributions of sales tax revenue
153 during the state fiscal year pursuant to Section 27-65-75(1).

154 (b) The amount remaining in the fund after the
155 distributions made pursuant to paragraphs (a) of this subsection,
156 shall be distributed by the State Tax Commission to each municipal
157 corporation that receives distributions pursuant to Section
158 27-65-75(1) during the state fiscal year in the proportion that
159 the population according to the latest federal decennial census of
160 the municipal corporation bears to the population according to the
161 latest federal decennial census of all municipal corporations that
162 receive distributions pursuant to Section 27-65-75(1) during the
163 state fiscal year.

164 **SECTION 3.** Section 27-65-75, Mississippi Code of 1972, is
165 amended as follows:

166 27-65-75. On or before the fifteenth day of each month, the
167 revenue collected under the provisions of this chapter during the
168 preceding month shall be paid and distributed as follows:

169 (1) (a) On or before August 15, 1992, and each succeeding
170 month thereafter through July 15, 1993, eighteen percent (18%) of
171 the total sales tax revenue collected during the preceding month
172 under the provisions of this chapter, except that collected under
173 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on

174 business activities within a municipal corporation shall be
175 allocated for distribution to the municipality and paid to the
176 municipal corporation. On or before August 15, 1993, and each
177 succeeding month thereafter through August 15, 2007, eighteen and
178 one-half percent (18-1/2%) of the total sales tax revenue
179 collected during the preceding month under the provisions of this
180 chapter, except that collected under the provisions of Sections
181 27-65-15, 27-65-19(3) and 27-65-21, on business activities within
182 a municipal corporation shall be allocated for distribution to the
183 municipality and paid to the municipal corporation. On or before
184 September 15, 2007, and each succeeding month thereafter, eighteen
185 and one-half percent (18-1/2%) of the total sales tax revenue
186 collected during the preceding month under the provisions of this
187 chapter, except that collected under the provisions of Sections
188 27-65-15, 27-65-19(3), 27-65-21 and 27-65-26, on business
189 activities within a municipal corporation and thirty-seven percent
190 (37%) of the total sales tax revenue collected during the
191 preceding month under the provisions of Section 27-65-26 on
192 business activities within a municipal corporation shall be
193 allocated for distribution to the municipality and paid to the
194 municipal corporation.

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

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

203 In any county having a county seat that is not an
204 incorporated municipality, the distribution provided under this
205 subsection shall be made as though the county seat was an
206 incorporated municipality; however, the distribution to the

207 municipality shall be paid to the county treasury in which the
208 municipality is located, and those funds shall be used for road,
209 bridge and street construction or maintenance in the county.

210 (b) On or before August 15, 2006, and each succeeding
211 month thereafter, eighteen and one-half percent (18-1/2%) of the
212 total sales tax revenue collected during the preceding month under
213 the provisions of this chapter, except that collected under the
214 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
215 business activities on the campus of a state institution of higher
216 learning or community or junior college whose campus is not
217 located within the corporate limits of a municipality, shall be
218 allocated for distribution to the state institution of higher
219 learning or community or junior college and paid to the state
220 institution of higher learning or community or junior college.

221 (2) On or before September 15, 1987, and each succeeding
222 month thereafter, from the revenue collected under this chapter
223 during the preceding month, One Million One Hundred Twenty-five
224 Thousand Dollars (\$1,125,000.00) shall be allocated for
225 distribution to municipal corporations as defined under subsection
226 (1) of this section in the proportion that the number of gallons
227 of gasoline and diesel fuel sold by distributors to consumers and
228 retailers in each such municipality during the preceding fiscal
229 year bears to the total gallons of gasoline and diesel fuel sold
230 by distributors to consumers and retailers in municipalities
231 statewide during the preceding fiscal year. The State Tax
232 Commission shall require all distributors of gasoline and diesel
233 fuel to report to the commission monthly the total number of
234 gallons of gasoline and diesel fuel sold by them to consumers and
235 retailers in each municipality during the preceding month. The
236 State Tax Commission shall have the authority to promulgate such
237 rules and regulations as is necessary to determine the number of
238 gallons of gasoline and diesel fuel sold by distributors to
239 consumers and retailers in each municipality. In determining the

240 percentage allocation of funds under this subsection for the
241 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
242 State Tax Commission may consider gallons of gasoline and diesel
243 fuel sold for a period of less than one (1) fiscal year. For the
244 purposes of this subsection, the term "fiscal year" means the
245 fiscal year beginning July 1 of a year.

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

258 (4) On or before August 15, 1994, and on or before the
259 fifteenth day of each succeeding month through July 15, 1999, from
260 the proceeds of gasoline, diesel fuel or kerosene taxes as
261 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
262 (\$4,000,000.00) shall be deposited in the State Treasury to the
263 credit of a special fund designated as the "State Aid Road Fund,"
264 created by Section 65-9-17. On or before August 15, 1999, and on
265 or before the fifteenth day of each succeeding month, from the
266 total amount of the proceeds of gasoline, diesel fuel or kerosene
267 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
268 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
269 one-fourth percent (23-1/4%) of those funds, whichever is the
270 greater amount, shall be deposited in the State Treasury to the
271 credit of the "State Aid Road Fund," created by Section 65-9-17.
272 Those funds shall be pledged to pay the principal of and interest

273 on state aid road bonds heretofore issued under Sections 19-9-51
274 through 19-9-77, in lieu of and in substitution for the funds
275 previously allocated to counties under this section. Those funds
276 may not be pledged for the payment of any state aid road bonds
277 issued after April 1, 1981; however, this prohibition against the
278 pledging of any such funds for the payment of bonds shall not
279 apply to any bonds for which intent to issue those bonds has been
280 published, for the first time, as provided by law before March 29,
281 1981. From the amount of taxes paid into the special fund under
282 this subsection and subsection (9) of this section, there shall be
283 first deducted and paid the amount necessary to pay the expenses
284 of the Office of State Aid Road Construction, as authorized by the
285 Legislature for all other general and special fund agencies. The
286 remainder of the fund shall be allocated monthly to the several
287 counties in accordance with the following formula:

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

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

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

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

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

304 Any reference in the general laws of this state or the
305 Mississippi Code of 1972 to Section 27-5-105 shall mean and be

306 construed to refer and apply to subsection (4) of Section
307 27-65-75.

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

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

319 (7) On or before August 15, 1992, and each succeeding month
320 thereafter through July 15, 2000, two and two hundred sixty-six
321 one-thousandths percent (2.266%) of the total sales tax revenue
322 collected during the preceding month under the provisions of this
323 chapter, except that collected under the provisions of Section
324 27-65-17(2) shall be deposited by the commission into the School
325 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
326 or before August 15, 2000, and each succeeding month thereafter,
327 two and two hundred sixty-six one-thousandths percent (2.266%) of
328 the total sales tax revenue collected during the preceding month
329 under the provisions of this chapter, except that collected under
330 the provisions of Section 27-65-17(2), shall be deposited into the
331 School Ad Valorem Tax Reduction Fund created under Section
332 37-61-35 until such time that the total amount deposited into the
333 fund during a fiscal year equals Forty-two Million Dollars
334 (\$42,000,000.00). Thereafter, the amounts diverted under this
335 subsection (7) during the fiscal year in excess of Forty-two
336 Million Dollars (\$42,000,000.00) shall be deposited into the
337 Education Enhancement Fund created under Section 37-61-33 for
338 appropriation by the Legislature as other education needs and

339 shall not be subject to the percentage appropriation requirements
340 set forth in Section 37-61-33.

341 (8) On or before August 15, 1992, and each succeeding month
342 thereafter, nine and seventy-three one-thousandths percent
343 (9.073%) of the total sales tax revenue collected during the
344 preceding month under the provisions of this chapter, except that
345 collected under the provisions of Section 27-65-17(2), shall be
346 deposited into the Education Enhancement Fund created under
347 Section 37-61-33.

348 (9) On or before August 15, 1994, and each succeeding month
349 thereafter, from the revenue collected under this chapter during
350 the preceding month, Two Hundred Fifty Thousand Dollars
351 (\$250,000.00) shall be paid into the State Aid Road Fund.

352 (10) On or before August 15, 1994, and each succeeding month
353 thereafter through August 15, 1995, from the revenue collected
354 under this chapter during the preceding month, Two Million Dollars
355 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
356 Valorem Tax Reduction Fund established in Section 27-51-105.

357 (11) Notwithstanding any other provision of this section to
358 the contrary, on or before February 15, 1995, and each succeeding
359 month thereafter, the sales tax revenue collected during the
360 preceding month under the provisions of Section 27-65-17(2) and
361 the corresponding levy in Section 27-65-23 on the rental or lease
362 of private carriers of passengers and light carriers of property
363 as defined in Section 27-51-101 shall be deposited, without
364 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
365 established in Section 27-51-105.

366 (12) Notwithstanding any other provision of this section to
367 the contrary, on or before August 15, 1995, and each succeeding
368 month thereafter, the sales tax revenue collected during the
369 preceding month under the provisions of Section 27-65-17(1) on
370 retail sales of private carriers of passengers and light carriers
371 of property, as defined in Section 27-51-101 and the corresponding

372 levy in Section 27-65-23 on the rental or lease of these vehicles,
373 shall be deposited, after diversion, into the Motor Vehicle Ad
374 Valorem Tax Reduction Fund established in Section 27-51-105.

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

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

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

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

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

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

417 (19) (a) On or before August 15, 2005, and each succeeding
418 month thereafter, the sales tax revenue collected during the
419 preceding month under the provisions of this chapter on the gross
420 proceeds of sales of a business enterprise located within a
421 redevelopment project area under the provisions of Sections
422 57-91-1 through 57-91-11, and the revenue collected on the gross
423 proceeds of sales from sales made to a business enterprise located
424 in a redevelopment project area under the provisions of Sections
425 57-91-1 through 57-91-11 (provided that such sales made to a
426 business enterprise are made on the premises of the business
427 enterprise), shall, except as otherwise provided in this
428 subsection (19), be deposited, after all diversions, into the
429 Redevelopment Project Incentive Fund as created in Section
430 57-91-9.

431 (b) For a municipality participating in the Economic
432 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
433 the diversion provided for in subsection (1) of this section
434 attributable to the gross proceeds of sales of a business
435 enterprise located within a redevelopment project area under the
436 provisions of Sections 57-91-1 through 57-91-11, and attributable

437 to the gross proceeds of sales from sales made to a business
438 enterprise located in a redevelopment project area under the
439 provisions of Sections 57-91-1 through 57-91-11 (provided that
440 such sales made to a business enterprise are made on the premises
441 of the business enterprise), shall be deposited into the
442 Redevelopment Project Incentive Fund as created in Section
443 57-91-9, as follows:

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

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

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

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

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

463 (20) On or before January 15, 2007, and each succeeding
464 month thereafter, eighty percent (80%) of the sales tax revenue
465 collected during the preceding month under the provisions of this
466 chapter from the operation of a tourism project under the
467 provisions of Sections 57-28-1 through 57-28-5, shall be
468 deposited, after the diversions required in subsections (7) and

469 (8) of this section, into the Tourism Sales Tax Incentive Fund
470 created in Section 57-28-3.

471 (21) On or before September 15, 2007, and each succeeding
472 month thereafter, the following amount of sales tax revenue
473 collected during the preceding month under the provisions of this
474 chapter shall be deposited, after all diversions, into the
475 following funds:

476 (a) One Million Three Hundred Five Thousand Dollars
477 (\$1,305,000.00) into the Education Enhancement Fund created under
478 Section 37-61-33.

479 (b) Three Hundred Twenty-six Thousand Dollars
480 (\$326,000.00) into the School Ad Valorem Tax Reduction Fund
481 created under Section 37-61-35.

482 (22) On or before August 15, 2007, and each succeeding
483 August 15 thereafter, from the revenue collected under this
484 chapter during the preceding month, Ten Million Dollars
485 (\$10,000,000.00) shall be paid into the special fund created
486 pursuant to Section 2 of Senate Bill No. _____, 2007 Regular
487 Session.

488 (23) The remainder of the amounts collected under the
489 provisions of this chapter shall be paid into the State Treasury
490 to the credit of the General Fund.

491 (24) It shall be the duty of the municipal officials of any
492 municipality that expands its limits, or of any community that
493 incorporates as a municipality, to notify the commissioner of that
494 action thirty (30) days before the effective date. Failure to so
495 notify the commissioner shall cause the municipality to forfeit
496 the revenue that it would have been entitled to receive during
497 this period of time when the commissioner had no knowledge of the
498 action. If any funds have been erroneously disbursed to any
499 municipality or any overpayment of tax is recovered by the
500 taxpayer, the commissioner may make correction and adjust the
501 error or overpayment with the municipality by withholding the

502 necessary funds from any later payment to be made to the
503 municipality.

504 **SECTION 4.** Section 27-69-31, Mississippi Code of 1972, is
505 amended as follows:

506 27-69-31. Dealers subject to the provisions of this chapter
507 shall be allowed, as compensation for their services in affixing
508 the stamps * * * required by this chapter, a sum equal to eight
509 percent (8%) of the face value of the stamps purchased by them;
510 however, the additional face value of stamps purchased to comply
511 with taxes imposed by Section 27-69-31 after June 1, 1985, and
512 prior to July 1, 2007, shall be subject to a four percent (4%)
513 discount or compensation to dealers for their services rather than
514 the eight percent (8%) discount or compensation allowed by this
515 section, and the additional face value of stamps purchased to
516 comply with taxes imposed by Section 27-69-31 on or after July 1,
517 2007, shall be subject to a one percent (1%) discount rather than
518 the eight percent (8%) discount or compensation allowed by this
519 section. The commission shall allow no discount on the purchase
520 of stamps by wholesalers of an aggregate amount of less than One
521 Hundred Dollars (\$100.00), and by retailers of an aggregate amount
522 of less than Fifty Dollars (\$50.00) in any one order.

523 * * * The commissioner may, in his discretion, either
524 reduce the compensation allowed, or disallow any compensation for
525 the affixing of stamps, for failure of the dealer to comply with
526 any provisions of the law or rules and regulations promulgated by
527 the commissioner.

528 **SECTION 5.** The following provision shall be codified as
529 Section 27-65-26, Mississippi Code of 1972:

530 27-65-26. From and after July 1, 2007, retail sales of food
531 for human consumption not purchased with food stamps issued by the
532 United States Department of Agriculture, or other federal agency,
533 but which would be exempt under paragraph (o) of Section 27-65-111
534 from the taxes imposed by this chapter if the food items were

535 purchased with food stamps, shall be taxed at the rate of three
536 and one-half percent (3-1/2%).

537 **SECTION 6.** Section 27-65-17, Mississippi Code of 1972, is
538 amended as follows:

539 27-65-17. (1) (a) Except as otherwise provided in this
540 section, upon every person engaging or continuing within this
541 state in the business of selling any tangible personal property
542 whatsoever there is hereby levied, assessed and shall be collected
543 a tax equal to seven percent (7%) of the gross proceeds of the
544 retail sales of the business.

545 (b) Retail sales of farm tractors shall be taxed at the
546 rate of one percent (1%) when made to farmers for agricultural
547 purposes.

548 (c) Retail sales of farm implements sold to farmers and
549 used directly in the production of poultry, ratite, domesticated
550 fish as defined in Section 69-7-501, livestock, livestock
551 products, agricultural crops or ornamental plant crops or used for
552 other agricultural purposes shall be taxed at the rate of three
553 percent (3%) when used on the farm. The three percent (3%) rate
554 shall also apply to all equipment used in logging, pulpwood
555 operations or tree farming which is either:

556 (i) Self-propelled, or

557 (ii) Mounted so that it is permanently attached to
558 other equipment which is self-propelled or permanently attached to
559 other equipment drawn by a vehicle which is self-propelled.

560 (d) Except as otherwise provided in subsection (3) of
561 this section, retail sales of aircraft, automobiles, trucks,
562 truck-tractors, semitrailers and manufactured or mobile homes
563 shall be taxed at the rate of three percent (3%).

564 (e) Sales of manufacturing machinery or manufacturing
565 machine parts when made to a manufacturer or custom processor for
566 plant use only when the machinery and machine parts will be used
567 exclusively and directly within this state in manufacturing a

568 commodity for sale, rental or in processing for a fee shall be
569 taxed at the rate of one and one-half percent (1-1/2%).

570 (f) Sales of machinery and machine parts when made to a
571 technology intensive enterprise for plant use only when the
572 machinery and machine parts will be used exclusively and directly
573 within this state for industrial purposes, including, but not
574 limited to, manufacturing or research and development activities,
575 shall be taxed at the rate of one and one-half percent (1-1/2%).
576 In order to be considered a technology intensive enterprise for
577 purposes of this paragraph:

578 (i) The enterprise shall meet minimum criteria
579 established by the Mississippi Development Authority;

580 (ii) The enterprise shall employ at least ten (10)
581 persons in full-time jobs;

582 (iii) At least ten percent (10%) of the workforce
583 in the facility operated by the enterprise shall be scientists,
584 engineers or computer specialists;

585 (iv) The enterprise shall manufacture plastics,
586 chemicals, automobiles, aircraft, computers or electronics; or
587 shall be a research and development facility, a computer design or
588 related facility, or a software publishing facility or other
589 technology intensive facility or enterprise as determined by the
590 Mississippi Development Authority;

591 (v) The average wage of all workers employed by
592 the enterprise at the facility shall be at least one hundred fifty
593 percent (150%) of the state average annual wage; and

594 (vi) The enterprise must provide a basic health
595 care plan to all employees at the facility.

596 (g) Sales of materials for use in track and track
597 structures to a railroad whose rates are fixed by the Interstate
598 Commerce Commission or the Mississippi Public Service Commission
599 shall be taxed at the rate of three percent (3%).

600 (h) Sales of tangible personal property to electric
601 power associations for use in the ordinary and necessary operation
602 of their generating or distribution systems shall be taxed at the
603 rate of one percent (1%).

604 (i) Wholesale sales of beer shall be taxed at the rate
605 of seven percent (7%), and the retailer shall file a return and
606 compute the retail tax on retail sales but may take credit for the
607 amount of the tax paid to the wholesaler on said return covering
608 the subsequent sales of same property, provided adequate invoices
609 and records are maintained to substantiate the credit.

610 (j) Wholesale sales of food and drink for human
611 consumption to full service vending machine operators to be sold
612 through vending machines located apart from and not connected with
613 other taxable businesses shall be taxed at the rate of eight
614 percent (8%).

615 (k) Sales of equipment used or designed for the purpose
616 of assisting disabled persons, such as wheelchair equipment and
617 lifts, that is mounted or attached to or installed on a private
618 carrier of passengers or light carrier of property, as defined in
619 Section 27-51-101, at the time when the private carrier of
620 passengers or light carrier of property is sold shall be taxed at
621 the same rate as the sale of such vehicles under this section.

622 (l) Sales of the factory-built components of modular
623 homes, panelized homes and precut homes, and panel constructed
624 homes consisting of structural insulated panels, shall be taxed at
625 the rate of three percent (3%).

626 (m) From and after July 1, 2007, retail sales of food
627 for human consumption not purchased with food stamps issued by the
628 United States Department of Agriculture, or other federal agency,
629 but which would be exempt under paragraph (o) of Section 27-65-111
630 from the taxes imposed by this chapter if the food items were
631 purchased with food stamps, shall be taxed as provided for in
632 Section 27-65-26.

633 (2) From and after January 1, 1995, retail sales of private
634 carriers of passengers and light carriers of property, as defined
635 in Section 27-51-101, shall be taxed an additional two percent
636 (2%).

637 (3) In lieu of the tax levied in subsection (1) of this
638 section, there is levied on retail sales of truck-tractors and
639 semitrailers used in interstate commerce and registered under the
640 International Registration Plan (IRP) or any similar reciprocity
641 agreement or compact relating to the proportional registration of
642 commercial vehicles entered into as provided for in Section
643 27-19-143, a tax at the rate of three percent (3%) of the portion
644 of the sale that is attributable to the usage of such
645 truck-tractor or semitrailer in Mississippi. The portion of the
646 retail sale that is attributable to the usage of such
647 truck-tractor or semitrailer in Mississippi is the retail sales
648 price of the truck-tractor or semitrailer multiplied by the
649 percentage of the total miles traveled by the vehicle that are
650 traveled in Mississippi. The tax levied pursuant to this
651 subsection (3) shall be collected by the State Tax Commission from
652 the purchaser of such truck-tractor or semitrailer at the time of
653 registration of such truck-tractor or semitrailer.

654 (4) A manufacturer selling at retail in this state shall be
655 required to make returns of the gross proceeds of such sales and
656 pay the tax imposed in this section.

657 (5) Any person exercising any privilege taxable under
658 Section 27-65-15 and selling his natural resource products at
659 wholesale or to exempt persons shall pay the tax levied by said
660 section in lieu of the tax levied by this section.

661 **SECTION 7.** The purpose of Sections 7 through 19 of this act
662 is to:

663 (a) Prevent nonsettling manufacturers from undermining
664 this state's policy of discouraging underage smoking by offering
665 cigarettes and cigarette tobacco products at prices that are

666 substantially below the prices of cigarettes and cigarette tobacco
667 products of other manufacturers;

668 (b) Protect the tobacco settlement agreement, and
669 funding, which has been reduced because of the growth of sales of
670 nonsettling-manufacturer cigarettes and cigarette tobacco
671 products, for programs that are funded wholly or partly by
672 payments to this state under the tobacco settlement agreement and
673 recoup for this state settlement payment revenue lost because of
674 sales of nonsettling-manufacturer cigarettes and cigarette tobacco
675 products;

676 (c) Provide funding to enforce and administer Sections
677 7 through 19 of this act and any legislation relating to
678 nonsettling manufacturers; and

679 (d) Provide funding for any other purpose the
680 Legislature determines.

681 **SECTION 8.** As used in Sections 7 through 19 of this act:

682 (a) "Brand family" means each style of cigarettes or
683 cigarette tobacco products sold under the same trademark and
684 differentiated from one another by means of additional modifiers,
685 including "menthol," "lights," "kings," and "100s." The term
686 includes any style of cigarettes or cigarette tobacco products
687 that have a brand name, trademark, logo, symbol, motto, selling
688 message, recognizable pattern of colors, or other indication of
689 product identification that is identical to, similar to, or
690 identifiable with a previously known brand of cigarettes or
691 cigarette tobacco products.

692 (b) "Cigarette" means any product that contains
693 nicotine and is intended to be burned or heated under ordinary
694 conditions of use. The term includes:

695 (i) A roll of tobacco wrapped in paper or another
696 substance that does not contain tobacco;

697 (ii) Tobacco, in any form, that is functional in a
698 product that, because of the product's appearance, the type of

699 tobacco used in the filler, or the product's packaging and
700 labeling, is likely to be offered to or purchased by a consumer as
701 a cigarette; or

702 (iii) A roll of tobacco wrapped in any substance
703 containing tobacco that, because of the product's appearance, the
704 type of tobacco used in the filler, or the product's packaging and
705 labeling, is likely to be offered to or purchased by a consumer as
706 a cigarette.

707 (c) "Cigarette tobacco product" means roll-your-own
708 tobacco or tobacco that, because of the tobacco's appearance,
709 type, packaging, or labeling, is suitable for use in making
710 cigarettes and is likely to be offered to or purchased by a
711 consumer for that purpose.

712 (d) "Commissioner" means the Chairman of the State Tax
713 Commission and his authorized agents and employees.

714 (e) "Manufacturer" means a person that manufactures,
715 fabricates or assembles cigarettes for sale or distribution. For
716 purposes of Sections 7 through 19 of this act, the term includes a
717 person that is the first importer into the United States of
718 cigarettes and cigarette tobacco products manufactured outside the
719 United States.

720 (f) "Master settlement agreement" means the settlement
721 agreement and related documents entered into in 1998 by forty-six
722 (46) states and leading United States tobacco manufacturers.

723 (g) "Nonsettling manufacturer" means a manufacturer of
724 cigarettes that did not sign the tobacco settlement agreement.

725 (h) "Nonsettling-manufacturer cigarettes" means
726 cigarettes manufactured, fabricated, assembled or imported by a
727 nonsettling manufacturer.

728 (i) "Nonsettling-manufacturer cigarette tobacco
729 products" means cigarette tobacco products manufactured,
730 fabricated assembled or imported by a nonsettling manufacturer.

731 (j) "Tobacco settlement agreement" means the
732 Comprehensive Settlement Agreement and Release filed December 29,
733 1997, in the Chancery Court of Jackson County, State of
734 Mississippi, in the case styled In Re Mike Moore, Attorney
735 General, ex rel. State of Mississippi Tobacco Litigation, Cause
736 No. 94-1429, and all subsequent amendments thereto.

737 (k) "Distributor" shall have the same meaning ascribed
738 to that term in Section 27-69-3.

739 **SECTION 9.** (1) A fee is imposed on the sale, use,
740 consumption or distribution in this state of:

741 (a) Nonsettling-manufacturer cigarettes if a stamp is
742 required to be affixed to a package of those cigarettes under the
743 Tobacco Tax Law;

744 (b) Nonsettling-manufacturer cigarettes that are sold,
745 purchased or distributed in this state but that are not required
746 to have a stamp affixed to a package of those cigarettes under the
747 Tobacco Tax Law; and

748 (c) Nonsettling-manufacturer cigarette tobacco products
749 that are subject to the tax imposed by Section 27-69-13.

750 (2) The fee imposed by Sections 7 through 19 of this act
751 does not apply to cigarettes or cigarette tobacco products that
752 are included in computing payments due to be made by a settling
753 manufacturer under the tobacco settlement agreement.

754 (3) The fee imposed by Sections 7 through 19 of this act is
755 in addition to any other privilege, license, fee or tax required
756 or imposed by state law.

757 (4) Except as otherwise provided by Sections 7 through 19 of
758 this act, the fee imposed by Sections 7 through 19 of this act is
759 imposed, collected, paid, administered, and enforced in the same
760 manner, taking into account that the fee is imposed on nonsettling
761 manufacturers, as the taxes imposed by the Tobacco Tax Law, as
762 appropriate.

763 **SECTION 10.** (1) Except as provided by subsection (2) of
764 this section, the fee is imposed at the rate of Two and
765 Three-twentieths Cents (2-3/20¢) for:

766 (a) Each nonsettling-manufacturer cigarette; and

767 (b) Each nine one-hundredths (0.09) ounce of
768 nonsettling-manufacturer cigarette tobacco product.

769 (2) On January 1 of each year, the fee prescribed by
770 subsection (1) of this section shall increase by the greater of:

771 (a) Three percent (3%); or

772 (b) The percentage increase in the most recent annual
773 revised Consumer Price Index for all Urban Consumers, as published
774 by the Federal Bureau of Labor Statistics of the United States
775 Department of Labor.

776 (3) The revenue collected from the fee imposed by this
777 section shall be deposited into the State General Fund.

778 **SECTION 11.** (1) A distributor required to file a monthly
779 report under Section 27-69-35, shall, in addition to the
780 information required by that section, include in the report the
781 following information:

782 (a) The number and denominations of stamps affixed to
783 individual packages of nonsettling-manufacturer cigarettes during
784 the preceding month;

785 (b) The number of individual packages of
786 nonsettling-manufacturer cigarettes sold or purchased in this
787 state or otherwise distributed in this state for sale in the
788 United States; and

789 (c) Any other information the commissioner considers
790 necessary or appropriate to determine the amount of the fee
791 imposed by Sections 7 through 19 of this act or to enforce
792 Sections 7 through 19 of this act.

793 (2) The information required by subsection (1)(a) and (b)
794 must be itemized for each place of business and by manufacturer
795 and brand family.

796 (3) The requirement to report information under this section
797 shall be enforced in the same manner as the requirement to deliver
798 to or file with the comptroller a report required under the
799 Tobacco Tax Law.

800 **SECTION 12.** (1) Each month, not later than the 10th day
801 after the date the commissioner receives the information required
802 by Section 11 of this act, the commissioner shall:

803 (a) Compute the amount of the fee imposed by Sections 7
804 through 19 of this act that each nonsettling manufacturer owes for
805 that reporting period based on that information and any other
806 information available to the commissioner; and

807 (b) Mail to each nonsettling manufacturer a notice of
808 the amount of fee the manufacturer owes.

809 (2) Not later than the 15th day of the month after the month
810 in which the commissioner mails a nonsettling manufacturer a
811 notice under subsection (1) of this section, the nonsettling
812 manufacturer shall send to the commissioner the amount of the fee
813 due according to the notice.

814 **SECTION 13.** (1) Not later than the first day of each month,
815 a nonsettling manufacturer who is required to pay the fee imposed
816 by Sections 7 through 19 of this act shall certify to the Attorney
817 General that the manufacturer is in compliance with Sections 7
818 through 19 of this act and has paid in full the fee imposed by
819 Sections 7 through 19 of this act.

820 (2) The Attorney General shall develop, maintain and publish
821 on the Attorney General's Internet Web site a directory listing of
822 all nonsettling manufacturers that have been provided current,
823 accurate and complete certifications. The listing shall also
824 include all manufacturers of cigarettes that signed the tobacco
825 settlement agreement.

826 (3) The Attorney General shall provide the list described by
827 subsection (2) of this section to any person on request.

828 SECTION 14. (1) If cigarettes or cigarette tobacco products
829 of a nonsettling manufacturer are not offered for sale or
830 distribution in this state on September 1, 2007, the nonsettling
831 manufacturer may not offer those cigarettes or cigarette tobacco
832 products for sale or distribution in this state after that date
833 unless the manufacturer first prepays the fee imposed by Sections
834 7 through 19 of this act for sales of cigarettes and cigarette
835 tobacco products that will occur in the first calendar month in
836 which they are sold or distributed in this state.

837 (2) The amount a nonsettling manufacturer is required to
838 prepay under this section is equal to the greater of:

839 (a) The rate prescribed by Section 10 of this act in
840 effect on that date multiplied by:

841 (i) The number of cigarettes the commissioner
842 reasonably projects that the nonsettling manufacturer will sell or
843 distribute in this state during that calendar month; and

844 (ii) Each nine one-hundredths (0.09) ounce of
845 nonsettling-manufacturer cigarette tobacco products the
846 commissioner reasonably projects that the nonsettling manufacturer
847 will sell or distribute in this state during that calendar month;

848 or

849 (b) Fifty Thousand Dollars (\$50,000.00).

850 (3) The fee imposed by this section does not apply to
851 cigarettes or cigarette tobacco products that are included in
852 computing payments due to be made by a settling manufacturer under
853 the tobacco settlement agreement.

854 (4) The commissioner may require a nonsettling manufacturer
855 to provide any information reasonably necessary to determine the
856 prepayment amount.

857 (5) The commissioner shall establish procedures to:

858 (a) Reimburse a nonsettling manufacturer if the actual
859 sales or distributions in the first calendar month are less than
860 the projected sales or distributions; and

861 (b) Require additional payments if the actual sales or
862 distributions in the first calendar month are greater than the
863 projected sales or distributions.

864 (6) A nonsettling manufacturer shall pay the fee imposed by
865 Sections 7 through 19 of this act in the manner provided by
866 Section 27-69-91, beginning in the second calendar month in which
867 the manufacturer offers the cigarettes or cigarette tobacco
868 products for sale or distribution in this state.

869 **SECTION 15.** (1) In addition to prepaying the fee required
870 by Section 14 of this act, a nonsettling manufacturer described by
871 Section 14(1) of this act shall, before the date the cigarettes or
872 cigarette tobacco products are offered for sale or distribution in
873 this state, provide to the Attorney General on a form prescribed
874 by the Attorney General:

875 (a) The nonsettling manufacturer's complete name,
876 address and telephone number;

877 (b) The date that the nonsettling manufacturer will
878 begin offering cigarettes or cigarette tobacco products for sale
879 or distribution in this state;

880 (c) The names of the brand families of the cigarettes
881 or cigarette tobacco products that the nonsettling manufacturer
882 will offer for sale or distribution in this state;

883 (d) A statement that the nonsettling manufacturer
884 intends to comply with Sections 7 through 19 of this act; and

885 (e) The name, address, telephone number and signature
886 of an officer of the nonsettling manufacturer attesting to all of
887 the included information.

888 (2) The Attorney General shall make the information provided
889 under this section available to the commissioner.

890 **SECTION 16.** (1) Cigarettes and cigarette tobacco products
891 of a nonsettling manufacturer that has not complied with Sections
892 7 through 19 of this act, including full payment of the fee
893 imposed by Sections 7 through 19 of this act, shall be treated as

894 tobacco for which the tax assessed by the Tobacco Tax Law, has not
895 been paid, and the manufacturer is subject to all penalties
896 imposed by that act for violations of that act.

897 (2) The commissioner shall provide to a nonsettling
898 manufacturer and each distributor authorized to affix tax stamps
899 pursuant to the Tobacco Tax Act, a notice of noncompliance with
900 Sections 7 through 19 of this act if the manufacturer:

901 (a) Does not pay in full the fee imposed by Sections 7
902 through 19 of this act; or

903 (b) Is not included on the list described by Section
904 13(2) of this act.

905 (3) If a nonsettling manufacturer does not appear in the
906 Attorney General's directory required by Section 13(2) of this
907 act, or upon receipt of the notice of noncompliance described in
908 subsection (2) of this section with respect to a nonsettling
909 manufacturer, no distributor may, with respect to cigarettes
910 manufactured by such nonsettling manufacturer:

911 (a) Pay the tax imposed by the Tobacco Tax Law;

912 (b) Affix to a package of cigarettes the stamp required
913 by Section 27-69-15; or

914 (c) Otherwise purchase, sell or distribute cigarettes
915 manufactured by such nonsettling manufacturer in this state.

916 **SECTION 17.** Any nonsettling manufacturer that complies with
917 the provisions of Sections 7 through 19 of this act shall be
918 entitled to the same protections from civil liability as set forth
919 in the tobacco settlement agreement for settling manufacturers
920 only if the nonsettling manufacturer also strictly follows the
921 mandates and restrictions in the tobacco settlement agreement.

922 **SECTION 18.** Sections 7 through 19 of this act applies
923 without regard to Section 27-69-19, or any other law that might be
924 read to create an exemption for interstate sales.

925 **SECTION 19.** (1) Not later than September 30, 2007, a
926 nonsettling manufacturer that is offering cigarettes or cigarette

927 tobacco products for sale or distribution in this state on
928 September 1, 2007, shall provide to the Attorney General on a form
929 prescribed by the Attorney General:

930 (a) The nonsettling manufacturer's complete name,
931 address, and telephone number;

932 (b) The date that the nonsettling manufacturer began
933 offering cigarettes or cigarette tobacco products for sale or
934 distribution in this state;

935 (c) The names of the brand families of the cigarettes
936 or cigarette tobacco products that the nonsettling manufacturer
937 offers for sale or distribution in this state;

938 (d) A statement that the nonsettling manufacturer
939 intends to comply with Sections 7 through 19 of this act; and

940 (e) The name, address, telephone number and signature
941 of an officer of the nonsettling manufacturer attesting to all of
942 the included information.

943 (2) The Attorney General shall make the information provided
944 under subsection (1) of this section available to the
945 commissioner.

946 **SECTION 20.** This act shall take effect and be in force from
947 and after July 1, 2007.