

By: Senator(s) Frazier

To: Housing; Finance

SENATE BILL NO. 2477

1 AN ACT TO ESTABLISH THE MISSISSIPPI AFFORDABLE HOUSING TRUST
2 FUND; TO CREATE SECTION 43-33-801, MISSISSIPPI CODE OF 1972, TO
3 DEFINE CERTAIN TERMS RELATED TO THE TRUST FUND; TO CREATE SECTION
4 43-33-803, MISSISSIPPI CODE OF 1972, TO ESTABLISH AND PROVIDE FOR
5 THE ADMINISTRATION OF THE TRUST FUND; TO CREATE SECTION 43-33-805,
6 MISSISSIPPI CODE OF 1972, TO AUTHORIZE MISSISSIPPI HOME
7 CORPORATION TO IMPLEMENT AND ADMINISTER THE TRUST FUND; TO CREATE
8 SECTION 43-33-807, MISSISSIPPI CODE OF 1972, TO ESTABLISH THE
9 MISSISSIPPI AFFORDABLE HOUSING TRUST FUND OVERSIGHT BOARD; TO
10 CREATE SECTION 43-33-809, MISSISSIPPI CODE OF 1972, TO PROVIDE FOR
11 THE PERCENTAGE OF FUNDING AVAILABLE TO CERTAIN PERSONS OR TO
12 CERTAIN ACTIVITIES; TO CREATE SECTION 43-33-811, MISSISSIPPI CODE
13 OF 1972, TO ESTABLISH MINIMUM AFFORDABILITY PERIODS FOR
14 APPLICANTS; TO CREATE SECTION 43-33-813, MISSISSIPPI CODE OF 1972,
15 TO PROVIDE MINIMUM STANDARDS FOR THE TRUST FUND APPLICATION
16 PROCESS; TO CREATE SECTION 43-33-815, MISSISSIPPI CODE OF 1972, TO
17 AUTHORIZE MISSISSIPPI HOME CORPORATION TO ADMINISTER THE TRUST
18 FUND IN COMPLIANCE WITH STATE AND FEDERAL HOUSING PROGRAMS; TO
19 AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT
20 2.5% OF ALL TAXES COLLECTED BY THE DEPARTMENT OF REVENUE ON LUMBER
21 AND BUILDING MATERIALS SHALL BE CREDITED TO THE MISSISSIPPI
22 AFFORDABLE HOUSING TRUST FUND; AND FOR RELATED PURPOSES.

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

24 **SECTION 1.** The following shall be codified as Section
25 43-33-801, Mississippi Code of 1972:

26 43-33-801. (1) The Legislature hereby finds and declares
27 that there exists in the state a need to:



28 (a) Assist extremely low- to moderate-income persons in
29 accessing affordable rental and home ownership housing;

30 (b) Provide for the development, rehabilitation and
31 preservation of decent, safe and affordable housing for extremely
32 low- to moderate-income persons;

33 (c) Revitalize distressed neighborhoods and build
34 healthy, vibrant communities; and

35 (d) Leverage additional private investment in state
36 communities and contribute to economic growth through increased
37 housing production, employment and tax revenues.

38 (2) To address these needs, there is established the
39 Mississippi Affordable Housing Trust Fund. The trust fund shall
40 seek to:

41 (a) Fill the growing gap in the state's ability to
42 build affordable rental and ownership housing by encouraging the
43 dedication of permanent public and private revenue sources to fund
44 additional housing activities;

45 (b) Promote home ownership, address and prevent
46 homelessness, and produce, rehabilitate and preserve affordable
47 housing throughout the state for extremely low-income to
48 moderate-income individuals and families;

49 (c) Develop affordable rental housing for extremely
50 low-income to moderate-income individuals and families both in
51 mixed-income areas and in areas with the greatest economic
52 opportunities; and



53 (d) Promote accessible housing for individuals with
54 disabilities, down-payment assistance for eligible homebuyers,
55 housing and foreclosure counseling, technical assistance and
56 capacity building for nonprofit housing organizations.

57 (3) For the purposes of Sections 43-33-801 through
58 43-33-815, these words and phrases shall be defined as follows:

59 (a) "Affordability period" means the length of time
60 during which a housing project must comply with prescribed rental,
61 income and deed restrictions;

62 (b) "Area median income" means: (i) for a rural area,
63 the median income for the state, or (ii) for a nonrural area, the
64 greater of the median income for the state or the median income
65 for the applicable metropolitan area or county, all as determined
66 by the United States Department of Housing and Urban Development;

67 (c) "Corporation" means Mississippi Home Corporation;

68 (d) "Eligible" means persons or entities who meet the
69 qualifications to receive funds from the Mississippi Affordable
70 Housing Trust Fund;

71 (e) "Extremely low-income individual or family" means
72 an individual or family that, at the time of initial occupancy of
73 a unit, has a total annual gross household income at or below
74 thirty percent (30%) of the area median income, as adjusted for
75 family size;

76 (f) "Low-income individual or family" means an
77 individual or family that, at the time of initial occupancy of a



78 unit, has a total annual gross household income at or below eighty
79 percent (80%) of the area median income, as adjusted for family
80 size;

81 (g) "Nonrural area" means a county inside a
82 Metropolitan Statistical Area as designated by the United States
83 Office of Management and Budget;

84 (h) "Oversight board" means the Mississippi Affordable
85 Housing Trust Fund Oversight Board;

86 (i) "Rural area" means a county outside of a
87 Metropolitan Statistical Area as designated by the United States
88 Office of Management and Budget;

89 (j) "Trust fund" means the Mississippi Affordable
90 Housing Trust Fund; and

91 (k) "Very low-income individual or family" means an
92 individual or family that, at the time of initial occupancy of a
93 unit, has a total annual gross household income at or below fifty
94 (50%) of the area median income, as adjusted for family size.

95 **SECTION 2.** The following shall be codified as Section
96 43-33-803, Mississippi Code of 1972:

97 43-33-803. (1) There is hereby created within the State
98 Treasury a special fund to be known as the "Mississippi Affordable
99 Housing Trust Fund," which shall consist of funds required to be
100 deposited under Section 27-65-75 and funds designated for deposit
101 into the trust fund from any source. Unexpended and unencumbered
102 monies in the trust fund at the end of each fiscal year shall



103 remain in the trust fund. Except for the income that a recipient
104 earns and expends on a trust fund financed project, the following
105 amounts shall be deposited:

106 (a) No less than two and one-half percent (2.5%) of the
107 sales taxes collected on lumber and building materials;

108 (b) All receipts, including dividends, principal and
109 interest repayments attributable to any loans or agreements funded
110 from the trust fund;

111 (c) All proceeds of assets of whatever nature received
112 by the corporation that are attributable to the default of loans
113 or agreements funded from the trust fund;

114 (d) Any appropriations, grants, gifts of funds or
115 property, or financial or other assistance from any individual or
116 entity made to the trust fund;

117 (e) Any income received as a result of the investment
118 of monies in the trust fund; and

119 (f) All fees or charges collected related to the trust
120 fund.

121 (2) The corporation shall be responsible for the general
122 administration of the trust fund. The corporation shall
123 promulgate and enact the rules and regulations necessary to
124 distribute payments from the trust fund.

125 **SECTION 3.** The following shall be codified as Section
126 43-33-805, Mississippi Code of 1972:



127 43-33-805. (1) The corporation shall have the duty and
128 responsibility of managing and overseeing the trust fund.

129 (2) Consistent with the provisions of Sections 43-33-801
130 through 43-33-815, the corporation shall:

131 (a) Market the trust fund to eligible applicants;

132 (b) Receive, evaluate and approve applications for
133 trust fund awards;

134 (c) Develop annual monitoring reports to ensure that
135 the trust fund is expended in a manner consistent with Sections
136 43-33-801 through 43-33-815;

137 (d) Ensure that an independent auditor completes an
138 annual audit of the trust fund in accordance with generally
139 accepted accounting principles and that the auditor submits such
140 audit to the oversight board not later than one hundred eighty
141 (180) days after the end of each fiscal year;

142 (e) Produce an annual report on all activities and
143 accomplishments of the trust fund that shall be made available to
144 the public and be submitted to the Governor and to the Mississippi
145 Legislature;

146 (f) Receive and consider the recommendations of the
147 oversight board; and

148 (g) Promulgate and enact rules and regulations for the
149 trust fund. At a minimum, such rules and regulations shall
150 establish the:



- 151 (i) Percentage goals for trust fund awards
152 according to applicant income, project location and project type;
153 (ii) Eligible uses for trust fund awards;
154 (iii) Minimum applicable affordability periods;
155 (iv) Procedure for the annual verification of
156 rental and income levels of tenants;
157 (v) Procedure requiring the deed or other
158 applicable land title recordation document to a project financed
159 by the trust fund to provide for binding periods of affordability
160 and mandatory resale or recapture upon any transfer of title
161 during the affordability period;
162 (vi) Competitive application process for trust
163 fund awards; and
164 (vii) Procedure to ensure that recipients of trust
165 fund awards comply in all respects with applicable fair housing
166 laws and regulations.

167 **SECTION 4.** The following shall be codified as Section
168 43-33-807, Mississippi Code of 1972:

169 43-33-807. (1) There is created the Mississippi Affordable
170 Housing Trust Fund Oversight Board. The oversight board shall
171 consist of thirteen (13) members appointed on or before September
172 1, 2013 as follows:

- 173 (a) The Governor shall appoint:
174 (i) One (1) member nominated by the Mississippi
175 Bankers' Association from an entity that finances affordable



176 housing in distressed communities for an initial term that expires
177 on September 1, 2014;

178 (ii) One (1) member nominated by the Mississippi
179 Association of Affordable Housing Providers for an initial term
180 that expires on September 1, 2015;

181 (iii) One (1) member nominated by the state
182 chapter of the American Association of Retired Persons for an
183 initial term that expires on September 1, 2016;

184 (iv) One (1) member nominated by the Mississippi
185 Coalition for Citizens with Disabilities for an initial term that
186 expires on September 1, 2017; and

187 (v) One (1) member nominated by Housing
188 Mississippi for an initial term that expires on September 1, 2017.

189 (b) The Lieutenant Governor shall appoint:

190 (i) One (1) member from an intermediary involved
191 in financing or constructing affordable housing in the state for
192 an initial term that expires on September 1, 2014;

193 (ii) One (1) member from a community service
194 organization for an initial term that expires on September 1,
195 2015;

196 (iii) One (1) member nominated by the Home
197 Builders Association of Mississippi for an initial term that
198 expires on September 1, 2016; and

199 (iv) One (1) member who is an advocate for the
200 homeless for an initial term that expires on September 1, 2017.



201 (c) The Attorney General shall appoint:

202 (i) One (1) member from the legal services or fair
203 housing community for an initial term that expires on September 1,
204 2014;

205 (ii) One (1) member from a low-income family for
206 an initial term that expires on September 1, 2015;

207 (iii) One (1) member from a Community Housing
208 Development Organization, as defined by the United States
209 Department of Housing and Urban Development, for an initial term
210 that expires on September 1, 2016; and

211 (iv) One (1) member employed by a public housing
212 authority for an initial term that expires on September 1, 2017.

213 (2) The members of the oversight board shall be Mississippi
214 residents who reflect the demographics of the state with respect
215 to geography, race, gender and urban-rural mix. Members shall
216 have a demonstrated interest in the needs of low-income
217 individuals and families and the revitalization of distressed
218 neighborhoods.

219 (3) Upon expiration of any initial terms of service, members
220 of the oversight board shall serve a term of four (4) years and
221 shall be eligible for reappointment to two (2) additional terms of
222 service.

223 (4) Members of the oversight board shall serve without
224 compensation but shall be reimbursed from the trust fund for



225 necessary expenses and mileage incurred in the discharge of their
226 official duties.

227 (5) The oversight board is assigned to the corporation for
228 administrative purposes and shall advise the corporation on all
229 matters relating to the trust fund. The oversight board shall
230 have the duty and responsibility to:

231 (a) Review and make recommendations on all matters
232 related to the trust fund such as applicable rules and
233 regulations, compliance, set-asides or funding determinations;

234 (b) Complete and submit to the corporation an annual
235 review of the trust fund operations with any recommended changes
236 by July 1 of each year; and

237 (c) Prepare an annual legislative report for the trust
238 fund, including information about the trust fund's success in
239 meeting its intended purposes. Such report shall be submitted to
240 the Governor, the Lieutenant Governor and the Attorney General by
241 July 1 of each year.

242 **SECTION 5.** The following shall be codified as Section
243 43-33-809, Mississippi Code of 1972:

244 43-33-809. (1) The corporation shall expend the trust fund
245 to assist low-income and extremely low-income individuals and to
246 finance activities that benefit such individuals and families.
247 Eligible applicants may receive loans, loan guarantees, loan
248 subsidies, grants or other comparable forms of assistance from the
249 trust fund for the following activities:



250 (a) To construct, rehabilitate or adapt rental or
251 residential houses;

252 (b) To acquire land, single-family residential
253 buildings, multifamily residential buildings or other existing
254 dwellings that may be used in whole or in part for residential
255 purposes;

256 (c) To provide rental assistance payments;

257 (d) To provide down payment assistance for home
258 ownership;

259 (e) To preserve existing affordable housing, including
260 emergency repair and weatherization;

261 (f) To provide for housing related support services,
262 including home ownership education, financial counseling, down
263 payment assistance and foreclosure prevention; and

264 (g) To provide grants or loans to any organization
265 whose purpose is to address the affordable housing needs of
266 extremely low to moderate income individuals or families.

267 (2) Each fiscal year, the corporation shall disburse trust
268 fund awards consistent with the following guidelines:

269 (a) One hundred percent (100%) of funds disbursed for
270 affordable housing shall be used for persons or families who earn
271 up to one hundred twenty percent (120%) of the area median income;

272 (i) At least sixty percent (60%) of the trust fund
273 shall benefit low-income individuals or families; and



274 (ii) At least fifteen percent (15%) of the trust
275 fund shall benefit extremely-low income individuals or families.

276 (b) At least fifty-five percent (55%) of the trust fund
277 shall benefit rural areas;

278 (c) No more than five percent (5%) of the trust fund
279 may be awarded to nonprofit organizations, local government units,
280 Indian tribes or Indian tribal organizations to expand their
281 capacity to provide affordable housing and housing-related
282 services; and

283 (d) No more than five percent (5%) of the trust fund
284 shall be used to defray the administrative costs of the
285 corporation and the oversight board, but such administrative costs
286 shall not exceed Four Hundred Thousand Dollars (\$400,000.00).

287 **SECTION 6.** The following shall be codified as Section
288 43-33-811, Mississippi Code of 1972:

289 43-33-811. (1) All housing projects funded by the trust
290 fund shall meet a minimum applicable affordability period.

291 (2) Where the average per unit amount of trust fund monies
292 expended is less than Fifteen Thousand Dollars (\$15,000.00), the
293 minimum affordability period shall be five (5) years.

294 (3) Where the average per unit amount of trust fund monies
295 expended is equal to or greater than Fifteen Thousand Dollars
296 (\$15,000.00) but equal to or less than Forty Thousand Dollars
297 (\$40,000.00), the minimum affordability period shall be ten (10)
298 years.



299 (4) Where the average per unit amount of trust fund monies
300 expended is greater than Forty Thousand Dollars (\$40,000.00), the
301 minimum affordability period shall be fifteen (15) years.

302 **SECTION 7.** The following shall be codified as Section
303 43-33-813, Mississippi Code of 1972:

304 43-33-813. (1) The corporation shall establish and
305 administer a competitive application process to distribute trust
306 fund awards. The corporation shall evaluate applications and
307 award points based on the following minimum standards:

308 (a) The ability of the applicant to timely complete the
309 proposed construction or rehabilitation, as determined through
310 consideration of past history in completing projects of a similar
311 scale and nature;

312 (b) For rental housing, the property management history
313 of the developer and management agent;

314 (c) The timeliness with which the proposed project will
315 be placed in service and available for occupancy;

316 (d) The length of the affordability period for the
317 project beyond the minimum affordability periods as set forth in
318 Section 43-33-811 and the strength of the enforcement mechanisms
319 proposed by the applicant to ensure such long-term affordability;

320 (e) The percentage of units in the proposed project
321 that will be made available to extremely low-income individuals or
322 families;



323 (f) The degree to which trust fund monies will be used
324 to leverage additional funds for the proposed project or the time
325 frame for repayment of trust fund monies;

326 (g) The extent to which the applicant has addressed or
327 intends to address community concerns related to the proposed
328 project as described in any locally adopted plan;

329 (h) For the rehabilitation of existing projects, the
330 extent to which the applicant attempts to minimize the negative
331 impacts on existing tenants and community members, particularly
332 displacement of existing occupants;

333 (i) The extent to which the proposed project serves
334 occupants with special needs, including, but not limited to,
335 occupants who are elderly, disabled, mentally-ill or homeless;

336 (j) The extent to which the proposed project adheres to
337 energy-efficient standards and other such principles;

338 (k) The extent to which financial or home ownership
339 counseling will be provided to occupants;

340 (l) The extent to which the proposed project meets the
341 stated goals of the trust fund; and

342 (m) The applicant's previous similar experience.

343 (2) For applications for capacity building grants, the
344 corporation shall give funding priority to applications that:

345 (a) Benefit extremely low-income to moderate-income
346 individuals or families;



347 (b) Are submitted by applicants who have previously
348 provided housing-related services to extremely low-income to
349 moderate-income individuals or families; and

350 (c) Demonstrate a commitment of local resources, which
351 may include in-kind contributions.

352 **SECTION 8.** The following shall be codified as Section
353 43-33-815, Mississippi Code of 1972:

354 43-33-815. To the greatest extent possible, the corporation
355 shall implement and operate the trust fund in compliance with
356 other state and federal housing programs, including, but not
357 limited to, the HOME Investment Partnership program, the Community
358 Development Block Grant program, the Low-Income Housing Tax Credit
359 program, any United States Department of Housing and Urban
360 Development programs and any United States Department of
361 Agriculture Rural Housing programs.

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

364 27-65-75. On or before the fifteenth day of each month, the
365 revenue collected under the provisions of this chapter during the
366 preceding month shall be paid and distributed as follows:

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



372 business activities within a municipal corporation shall be
373 allocated for distribution to the municipality and paid to the
374 municipal corporation. On or before August 15, 1993, and each
375 succeeding month thereafter, eighteen and one-half percent
376 (18-1/2%) of the total sales tax revenue collected during the
377 preceding month under the provisions of this chapter, except that
378 collected under the provisions of Sections 27-65-15, 27-65-19(3),
379 27-65-21 and 27-65-24, on business activities within a municipal
380 corporation shall be allocated for distribution to the
381 municipality and paid to the municipal corporation.

382 A municipal corporation, for the purpose of distributing the
383 tax under this subsection, shall mean and include all incorporated
384 cities, towns and villages.

385 Monies allocated for distribution and credited to a municipal
386 corporation under this * * * paragraph may be pledged as security
387 for a loan if the distribution received by the municipal
388 corporation is otherwise authorized or required by law to be
389 pledged as security for such a loan.

390 In any county having a county seat that is not an
391 incorporated municipality, the distribution provided under this
392 subsection shall be made as though the county seat was an
393 incorporated municipality; however, the distribution to the
394 municipality shall be paid to the county treasury in which the
395 municipality is located, and those funds shall be used for road,
396 bridge and street construction or maintenance in the county.



397 (b) On or before August 15, 2006, and each succeeding
398 month thereafter, eighteen and one-half percent (18-1/2%) of the
399 total sales tax revenue collected during the preceding month under
400 the provisions of this chapter, except that collected under the
401 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
402 business activities on the campus of a state institution of higher
403 learning or community or junior college whose campus is not
404 located within the corporate limits of a municipality, shall be
405 allocated for distribution to the state institution of higher
406 learning or community or junior college and paid to the state
407 institution of higher learning or community or junior college.

408 (2) On or before September 15, 1987, and each succeeding
409 month thereafter, from the revenue collected under this chapter
410 during the preceding month, One Million One Hundred Twenty-five
411 Thousand Dollars (\$1,125,000.00) shall be allocated for
412 distribution to municipal corporations as defined under subsection
413 (1) of this section in the proportion that the number of gallons
414 of gasoline and diesel fuel sold by distributors to consumers and
415 retailers in each such municipality during the preceding fiscal
416 year bears to the total gallons of gasoline and diesel fuel sold
417 by distributors to consumers and retailers in municipalities
418 statewide during the preceding fiscal year. The Department of
419 Revenue shall require all distributors of gasoline and diesel fuel
420 to report to the department monthly the total number of gallons of
421 gasoline and diesel fuel sold by them to consumers and retailers



422 in each municipality during the preceding month. The Department
423 of Revenue shall have the authority to promulgate such rules and
424 regulations as is necessary to determine the number of gallons of
425 gasoline and diesel fuel sold by distributors to consumers and
426 retailers in each municipality. In determining the percentage
427 allocation of funds under this subsection for the fiscal year
428 beginning July 1, 1987, and ending June 30, 1988, the Department
429 of Revenue may consider gallons of gasoline and diesel fuel sold
430 for a period of less than one (1) fiscal year. For the purposes
431 of this subsection, the term "fiscal year" means the fiscal year
432 beginning July 1 of a year.

433 (3) On or before September 15, 1987, and on or before the
434 fifteenth day of each succeeding month, until the date specified
435 in Section 65-39-35, the proceeds derived from contractors' taxes
436 levied under Section 27-65-21 on contracts for the construction or
437 reconstruction of highways designated under the highway program
438 created under Section 65-3-97 shall, except as otherwise provided
439 in Section 31-17-127, be deposited into the State Treasury to the
440 credit of the State Highway Fund to be used to fund that highway
441 program. The Mississippi Department of Transportation shall
442 provide to the Department of Revenue such information as is
443 necessary to determine the amount of proceeds to be distributed
444 under this subsection.

445 (4) On or before August 15, 1994, and on or before the
446 fifteenth day of each succeeding month through July 15, 1999, from



447 the proceeds of gasoline, diesel fuel or kerosene taxes as
448 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
449 (\$4,000,000.00) shall be deposited in the State Treasury to the
450 credit of a special fund designated as the "State Aid Road Fund,"
451 created by Section 65-9-17. On or before August 15, 1999, and on
452 or before the fifteenth day of each succeeding month, from the
453 total amount of the proceeds of gasoline, diesel fuel or kerosene
454 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
455 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
456 one-fourth percent (23-1/4%) of those funds, whichever is the
457 greater amount, shall be deposited in the State Treasury to the
458 credit of the "State Aid Road Fund," created by Section 65-9-17.
459 Those funds shall be pledged to pay the principal of and interest
460 on state aid road bonds heretofore issued under Sections 19-9-51
461 through 19-9-77, in lieu of and in substitution for the funds
462 previously allocated to counties under this section. Those funds
463 may not be pledged for the payment of any state aid road bonds
464 issued after April 1, 1981; however, this prohibition against the
465 pledging of any such funds for the payment of bonds shall not
466 apply to any bonds for which intent to issue those bonds has been
467 published for the first time, as provided by law before March 29,
468 1981. From the amount of taxes paid into the special fund under
469 this subsection and subsection (9) of this section, there shall be
470 first deducted and paid the amount necessary to pay the expenses
471 of the Office of State Aid Road Construction, as authorized by the



472 Legislature for all other general and special fund agencies. The
473 remainder of the fund shall be allocated monthly to the several
474 counties in accordance with the following formula:

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

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

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

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

488 The amount of funds allocated to any county under this
489 subsection for any fiscal year after fiscal year 1994 shall not be
490 less than the amount allocated to the county for fiscal year 1994.

491 Any reference in the general laws of this state or the
492 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
493 construed to refer and apply to subsection (4) of Section
494 27-65-75.

495 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
496 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into



497 the special fund known as the "State Public School Building Fund"
498 created and existing under the provisions of Sections 37-47-1
499 through 37-47-67. Those payments into that fund are to be made on
500 the last day of each succeeding month hereafter.

501 (6) An amount each month beginning August 15, 1983, through
502 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
503 of 1983, shall be paid into the special fund known as the
504 Correctional Facilities Construction Fund created in Section 6 of
505 Chapter 542, Laws of 1983.

506 (7) On or before August 15, 1992, and each succeeding month
507 thereafter through July 15, 2000, two and two hundred sixty-six
508 one-thousandths percent (2.266%) of the total sales tax revenue
509 collected during the preceding month under the provisions of this
510 chapter, except that collected under the provisions of Section
511 27-65-17(2), shall be deposited by the commission into the School
512 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
513 or before August 15, 2000, and each succeeding month thereafter,
514 two and two hundred sixty-six one-thousandths percent (2.266%) of
515 the total sales tax revenue collected during the preceding month
516 under the provisions of this chapter, except that collected under
517 the provisions of Section 27-65-17(2), shall be deposited into the
518 School Ad Valorem Tax Reduction Fund created under Section
519 37-61-35 until such time that the total amount deposited into the
520 fund during a fiscal year equals Forty-two Million Dollars
521 (\$42,000,000.00). Thereafter, the amounts diverted under this



522 subsection (7) during the fiscal year in excess of Forty-two
523 Million Dollars (\$42,000,000.00) shall be deposited into the
524 Education Enhancement Fund created under Section 37-61-33 for
525 appropriation by the Legislature as other education needs and
526 shall not be subject to the percentage appropriation requirements
527 set forth in Section 37-61-33.

528 (8) On or before August 15, 1992, and each succeeding month
529 thereafter, nine and seventy-three one-thousandths percent
530 (9.073%) of the total sales tax revenue collected during the
531 preceding month under the provisions of this chapter, except that
532 collected under the provisions of Section 27-65-17(2), shall be
533 deposited into the Education Enhancement Fund created under
534 Section 37-61-33.

535 (9) On or before August 15, 1994, and each succeeding month
536 thereafter, from the revenue collected under this chapter during
537 the preceding month, Two Hundred Fifty Thousand Dollars
538 (\$250,000.00) shall be paid into the State Aid Road Fund.

539 (10) On or before August 15, 1994, and each succeeding month
540 thereafter through August 15, 1995, from the revenue collected
541 under this chapter during the preceding month, Two Million Dollars
542 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
543 Valorem Tax Reduction Fund established in Section 27-51-105.

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



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

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

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

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



572 the tax imposed in Section 27-65-23 that is derived from sales by
573 cotton compresses or cotton warehouses and that would otherwise be
574 paid into the General Fund shall be deposited in an amount not to
575 exceed Two Million Dollars (\$2,000,000.00) into the special fund
576 created under Section 69-37-39. On or before August 15, 2007, and
577 each succeeding month thereafter through July 15, 2010, that
578 portion of the avails of the tax imposed in Section 27-65-23 that
579 is derived from sales by cotton compresses or cotton warehouses
580 and that would otherwise be paid into the General Fund shall be
581 deposited in an amount not to exceed Two Million Dollars
582 (\$2,000,000.00) into the special fund created under Section
583 69-37-39 until all debts or other obligations incurred by the
584 Certified Cotton Growers Organization under the Mississippi Boll
585 Weevil Management Act before January 1, 2007, are satisfied in
586 full. On or before August 15, 2010, and each succeeding month
587 thereafter through July 15, 2011, fifty percent (50%) of that
588 portion of the avails of the tax imposed in Section 27-65-23 that
589 is derived from sales by cotton compresses or cotton warehouses
590 and that would otherwise be paid into the General Fund shall be
591 deposited into the special fund created under Section 69-37-39
592 until such time that the total amount deposited into the fund
593 during a fiscal year equals One Million Dollars (\$1,000,000.00).
594 On or before August 15, 2011, and each succeeding month
595 thereafter, that portion of the avails of the tax imposed in
596 Section 27-65-23 that is derived from sales by cotton compresses



597 or cotton warehouses and that would otherwise be paid into the
598 General Fund shall be deposited into the special fund created
599 under Section 69-37-39 until such time that the total amount
600 deposited into the fund during a fiscal year equals One Million
601 Dollars (\$1,000,000.00).

602 (15) Notwithstanding any other provision of this section to
603 the contrary, on or before September 15, 2000, and each succeeding
604 month thereafter, the sales tax revenue collected during the
605 preceding month under the provisions of Section
606 27-65-19(1)(e)(i)2, and 27-65-19(e)(i)3 shall be deposited,
607 without diversion, into the Telecommunications Ad Valorem Tax
608 Reduction Fund established in Section 27-38-7.

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

616 (b) On or before August 15, 2007, and each succeeding
617 month thereafter, eighty percent (80%) of the sales tax revenue
618 collected during the preceding month under the provisions of this
619 chapter from the operation of a tourism project under the
620 provisions of Sections 57-26-1 through 57-26-5, shall be
621 deposited, after the diversions required in subsections (7) and



622 (8) of this section, into the Tourism Project Sales Tax Incentive
623 Fund created in Section 57-26-3.

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

631 (18) [Repealed]

632 (19) (a) On or before August 15, 2005, and each succeeding
633 month thereafter, the sales tax revenue collected during the
634 preceding month under the provisions of this chapter on the gross
635 proceeds of sales of a business enterprise located within a
636 redevelopment project area under the provisions of Sections
637 57-91-1 through 57-91-11, and the revenue collected on the gross
638 proceeds of sales from sales made to a business enterprise located
639 in a redevelopment project area under the provisions of Sections
640 57-91-1 through 57-91-11 (provided that such sales made to a
641 business enterprise are made on the premises of the business
642 enterprise), shall, except as otherwise provided in this
643 subsection (19), be deposited, after all diversions, into the
644 Redevelopment Project Incentive Fund as created in Section
645 57-91-9.



646 (b) For a municipality participating in the Economic
647 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
648 the diversion provided for in subsection (1) of this section
649 attributable to the gross proceeds of sales of a business
650 enterprise located within a redevelopment project area under the
651 provisions of Sections 57-91-1 through 57-91-11, and attributable
652 to the gross proceeds of sales from sales made to a business
653 enterprise located in a redevelopment project area under the
654 provisions of Sections 57-91-1 through 57-91-11 (provided that
655 such sales made to a business enterprise are made on the premises
656 of the business enterprise), shall be deposited into the
657 Redevelopment Project Incentive Fund as created in Section
658 57-91-9, as follows:

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

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

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



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

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

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

686 (21) On or before April 15, 2007, and each succeeding month
687 thereafter, One Hundred Fifty Thousand Dollars (\$150,000.00) of
688 the sales tax revenue collected during the preceding month under
689 the provisions of this chapter shall be deposited into the MMEIA
690 Tax Incentive Fund created in Section 57-101-3.

691 (22) Notwithstanding any other provision of this section to
692 the contrary, on or before August 15, 2009, and each succeeding
693 month thereafter, the sales tax revenue collected during the
694 preceding month under the provisions of Section 27-65-201 shall be



695 deposited, without diversion, into the Motor Vehicle Ad Valorem
696 Tax Reduction Fund established in Section 27-51-105.

697 (23) Notwithstanding any other provision of this section to
698 the contrary, on or before August 15, 2013, and each succeeding
699 month thereafter, two and one-half percent (2-1/2%) of the sales
700 tax revenue collected during the preceding month under the
701 provisions of this chapter on retail sales of lumber and building
702 materials shall be deposited into the Affordable Housing Trust
703 Fund created in Section 43-33-803.

704 (* * *24) The remainder of the amounts collected under the
705 provisions of this chapter shall be paid into the State Treasury
706 to the credit of the General Fund.

707 (* * *25) It shall be the duty of the municipal officials
708 of any municipality that expands its limits, or of any community
709 that incorporates as a municipality, to notify the commissioner of
710 that action thirty (30) days before the effective date. Failure
711 to so notify the commissioner shall cause the municipality to
712 forfeit the revenue that it would have been entitled to receive
713 during this period of time when the commissioner had no knowledge
714 of the action. If any funds have been erroneously disbursed to
715 any municipality or any overpayment of tax is recovered by the
716 taxpayer, the commissioner may make correction and adjust the
717 error or overpayment with the municipality by withholding the
718 necessary funds from any later payment to be made to the
719 municipality.



720 **SECTION 10.** This act shall take effect and be in force from
721 and after July 1, 2013.

