

By: Representative Hines

To: Appropriations

HOUSE BILL NO. 111

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

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

26 **SECTION 1.** The following shall be codified as Section
27 43-33-801, Mississippi Code of 1972:

28 43-33-801. (1) The Legislature finds and declares that
29 there exists in the state a need to:



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

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

35 (c) Revitalize distressed neighborhoods and build
36 healthy, vibrant communities; and

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

40 (2) To address these needs, there is established the
41 Mississippi Affordable Housing Opportunity Fund. The fund shall
42 seek to:

43 (a) Fill the growing gap in the state's ability to
44 build affordable rental and ownership housing by the dedication of
45 public revenue sources to fund additional needed housing
46 activities;

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

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



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

59 (3) For the purposes of this article, the following terms
60 shall be defined as provided in this subsection:

61 (a) "Advisory council" means the Mississippi Affordable
62 Housing Opportunity Fund Advisory Council.

63 (b) "Affordability period" means the length of time
64 during which a housing project must comply with prescribed rental,
65 income and deed restrictions.

66 (c) "Area median income" means: (i) for a rural area,
67 the median income for the state, or (ii) for a nonrural area, the
68 greater of the median income for the state or the median income
69 for the applicable metropolitan area or county, all as determined
70 by the United States Department of Housing and Urban Development.

71 (d) "Corporation" means Mississippi Home Corporation.

72 (e) "Eligible" means any for-profit entity, nonprofit
73 entity, tribal government, housing authority, political
74 subdivision of this state, or state agency who meets the
75 qualifications to receive funds from the Mississippi Housing
76 Opportunity Fund. An individual is not eligible to apply for
77 funding directly from the fund.

78 (f) "Extremely low-income individual or family" means
79 an individual or family that, at the time of initial occupancy of



80 a unit, has a total annual gross household income at or below
81 thirty percent (30%) of the area median income, as adjusted for
82 family size.

83 (g) "Fund" or "Housing Opportunity Fund" means the
84 Mississippi Affordable Housing Opportunity Fund.

85 (h) "Low-income individual or family" means an
86 individual or family that, at the time of initial occupancy of a
87 unit, has a total annual gross household income at or below eighty
88 percent (80%) of the area median income, as adjusted for family
89 size.

90 (i) "Nonrural area" means a county inside a
91 Metropolitan Statistical Area as designated by the United States
92 Office of Management and Budget.

93 (j) "Rural area" means a county outside of a
94 Metropolitan Statistical Area as designated by the United States
95 Office of Management and Budget.

96 (k) "Very low-income individual or family" means an
97 individual or family that, at the time of initial occupancy of a
98 unit, has a total annual gross household income at or below fifty
99 percent (50%) of the area median income, as adjusted for family
100 size.

101 **SECTION 2.** The following shall be codified as Section
102 43-33-803, Mississippi Code of 1972:

103 43-33-803. (1) There is created within the State Treasury a
104 special fund to be known as the "Mississippi Affordable Housing



105 Opportunity Fund," which shall consist of funds required to be
106 deposited into the fund under Section 27-65-75 and funds
107 designated for deposit into the fund from any source. Unexpended
108 and unencumbered monies in the fund at the end of each fiscal year
109 shall remain in the fund. Except for the income that a recipient
110 earns and expends on a Housing Opportunity Fund financed project,
111 the following amounts shall be deposited:

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

114 (b) All receipts, including dividends, principal and
115 interest repayments attributable to any loans or agreements funded
116 from the fund;

117 (c) All proceeds of assets of whatever nature received
118 by the corporation that are attributable to the default of loans
119 or agreements funded from the fund;

120 (d) Any appropriations, grants, gifts of funds or
121 property, or financial or other assistance from any individual or
122 entity made to the fund;

123 (e) Any income received as a result of the investment
124 of monies in the fund; and

125 (f) All fees or charges collected related to the fund.

126 (2) The corporation shall be responsible for the general
127 administration of the fund. The corporation shall promulgate and
128 enact the rules and regulations necessary to distribute payments
129 from the fund.



130 **SECTION 3.** The following shall be codified as Section
131 43-33-805, Mississippi Code of 1972:

132 43-33-805. (1) The corporation shall have the duty and
133 responsibility of managing and overseeing the fund.

134 (2) Consistent with the provisions of this article, the
135 corporation shall:

136 (a) Market the fund to eligible applicants;

137 (b) Receive, evaluate and approve applications for fund
138 awards;

139 (c) Ensure that an independent auditor completes an
140 annual audit of the fund in accordance with generally accepted
141 accounting principles and that the auditor submits the audit to
142 the advisory council not later than one hundred eighty (180) days
143 after the end of each fiscal year;

144 (d) Produce an annual report on all activities,
145 expenditures and accomplishments of the fund and an assessment of
146 the areas of the state with the greatest housing needs that shall
147 be made available to the public and be submitted to the Governor
148 and to the Mississippi Legislature;

149 (e) Receive and consider the recommendations of the
150 advisory council; and

151 (g) Promulgate and enact rules and regulations for the
152 fund. At a minimum, these rules and regulations shall establish a
153 competitive application process for making awards from the fund
154 and shall reflect the:



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

169 **SECTION 4.** The following shall be codified as Section
170 43-33-807, Mississippi Code of 1972:

171 43-33-807. (1) There is created the Mississippi Affordable
172 Housing Opportunity Fund Advisory Council, which shall consist of
173 at least eleven (11) members. The corporation shall appoint
174 council members based upon recommendations from affected
175 stakeholders. In the administration of the fund, the corporation
176 shall solicit and receive input from advisory council members,
177 affected stakeholders and their representatives, including, but
178 not limited to, the following: low-income, very low-income and
179 extremely low-income individuals and communities, senior citizens



180 and retired persons, disabled citizens, homeless individuals, the
181 Mississippi Association of Affordable Housing Providers, nonprofit
182 organizations that provide affordable housing assistance to
183 low-income or distressed communities, the University of
184 Mississippi Housing Law Clinic, representatives from the legal
185 services community, fair housing advocates and any other similar
186 individuals and organizations as may exist in the future to
187 promote the development of affordable housing.

188 (2) The members of the advisory council shall be Mississippi
189 residents who reflect the demographics of the state with respect
190 to geography, race, gender and urban-rural mix. Members shall
191 have a demonstrated interest in the needs of low-income
192 individuals and families and the revitalization of distressed
193 neighborhoods.

194 (3) Members of the advisory council shall serve for
195 four-year terms and shall be eligible for reappointment to two (2)
196 additional terms of service.

197 (4) Members of the advisory council shall serve without
198 compensation, but shall be reimbursed from the fund for necessary
199 expenses and mileage incurred in the discharge of their official
200 duties.

201 (5) The advisory council shall advise the corporation on all
202 matters relating to the fund. The advisory council shall have the
203 duty and responsibility to:



204 (a) Review and make recommendations on all matters
205 related to the operation of the fund such as applicable rules,
206 regulations and funding determinations; and

207 (b) Review and submit comments with any recommended
208 changes on the corporation's annual report on the fund operations,
209 expenditures and activities by July 1 of each year.

210 **SECTION 5.** The following shall be codified as Section
211 43-33-809, Mississippi Code of 1972:

212 43-33-809. (1) The corporation shall make distributions
213 from the fund to eligible applicants to conduct activities to
214 assist extremely low-income to moderate-income individuals and to
215 finance activities that benefit such individuals and families.
216 Eligible applicants may receive loans, loan guarantees, loan
217 subsidies, grants or other comparable forms of assistance from the
218 fund for the following activities:

219 (a) To construct, rehabilitate or adapt rental or
220 residential houses;

221 (b) To acquire land or other existing dwellings that
222 may be used, in whole or in part, for residential purposes;

223 (c) To provide rental assistance payments;

224 (d) To provide down payment assistance for home
225 ownership;

226 (e) To preserve existing affordable housing, including
227 emergency repair and weatherization; and



228 (f) To provide housing related support services,
229 including home ownership education, financial counseling and
230 foreclosure prevention.

231 (2) Each fiscal year, the corporation shall make
232 distributions from the fund consistent with the following
233 guidelines:

234 (a) One hundred percent (100%) of funds distributed for
235 affordable housing shall be used for persons or families who earn
236 up to one hundred twenty percent (120%) of the area median income;

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

239 (ii) At least fifteen percent (15%) of the fund
240 shall benefit extremely low-income individuals or families;

241 (b) At least fifty-five percent (55%) of the fund shall
242 benefit rural areas;

243 (c) No more than five percent (5%) of the fund may be
244 awarded to nonprofit organizations, Native American tribes, and
245 tribal organizations to expand their capacity to provide
246 affordable housing and housing-related services; and

247 (d) No more than eight percent (8%) of the fund may be
248 used to defray the administrative costs of the corporation and the
249 advisory council, but such administrative costs shall not exceed
250 Four Hundred Thousand Dollars (\$400,000.00).

251 (3) If sufficient acceptable applications are not received
252 to meet the set-aside funding priorities for each fiscal year, any



253 remaining available funds may be used for other eligible
254 activities outlined in this section.

255 **SECTION 6.** The following shall be codified as Section
256 43-33-811, Mississippi Code of 1972:

257 43-33-811. All housing projects financed by the fund shall
258 meet a minimum applicable affordability period of fifteen (15)
259 years.

260 **SECTION 7.** The following shall be codified as Section
261 43-33-813, Mississippi Code of 1972:

262 43-33-813. (1) The corporation shall establish, publish and
263 administer a competitive application process to receive
264 distributions from the fund. The corporation shall evaluate
265 applications and award points based on the following minimum
266 standards:

267 (a) The property management history of the developer
268 and management agent in maintaining quality housing;

269 (b) The timeliness with which the proposed project will
270 be placed in service and available for occupancy;

271 (c) The commitment to extend the required length of the
272 affordability period for the project;

273 (d) The percentage of units in the proposed project
274 that will be made available to extremely low-income individuals or
275 families;



276 (e) The degree to which fund monies will be used to
277 leverage additional funds for the proposed project or the time
278 frame for repayment of fund monies;

279 (f) Demonstration of the ability to minimize negative
280 impacts on existing tenants and community members and to avoid the
281 displacement of existing occupants;

282 (g) The extent to which the proposed project serves
283 individuals with all types of disabilities and the families of
284 those members;

285 (h) The extent to which the proposed project serves the
286 housing needs of elderly individuals;

287 (i) The extent to which special needs and elderly
288 individuals are integrated into mixed affordable housing
289 communities; and

290 (j) The extent to which the proposed project adheres to
291 energy-efficient standards and other such principles.

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

294 (a) Benefit extremely low-income individuals or
295 families;

296 (b) Are submitted by applicants who have previously
297 provided housing-related services to extremely low-income
298 individuals or families; and

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



301 **SECTION 8.** The following shall be codified as Section
302 43-33-815, Mississippi Code of 1972:

303 43-33-815. To the greatest extent possible, the corporation
304 shall implement and operate the fund in coordination with other
305 state and federal housing programs, including, but not limited to,
306 the HOME Investment Partnership program, the Community Development
307 Block Grant program, the Low-Income Housing Tax Credit program,
308 any United States Department of Housing and Urban Development
309 programs and any United States Department of Agriculture Rural
310 Housing programs.

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

313 27-65-75. On or before the fifteenth day of each month, the
314 revenue collected under the provisions of this chapter during the
315 preceding month shall be paid and distributed as follows:

316 (1) (a) On or before August 15, 1992, and each succeeding
317 month thereafter through July 15, 1993, eighteen percent (18%) of
318 the total sales tax revenue collected during the preceding month
319 under the provisions of this chapter, except that collected under
320 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
321 business activities within a municipal corporation shall be
322 allocated for distribution to the municipality and paid to the
323 municipal corporation. Except as otherwise provided in this
324 paragraph (a), on or before August 15, 1993, and each succeeding
325 month thereafter, eighteen and one-half percent (18-1/2%) of the



326 total sales tax revenue collected during the preceding month under
327 the provisions of this chapter, except that collected under the
328 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
329 27-65-24, on business activities within a municipal corporation
330 shall be allocated for distribution to the municipality and paid
331 to the municipal corporation. However, in the event the State
332 Auditor issues a certificate of noncompliance pursuant to Section
333 21-35-31, the Department of Revenue shall withhold ten percent
334 (10%) of the allocations and payments to the municipality that
335 would otherwise be payable to the municipality under this
336 paragraph (a) until such time that the department receives written
337 notice of the cancellation of a certificate of noncompliance from
338 the State Auditor.

339 A municipal corporation, for the purpose of distributing the
340 tax under this subsection, shall mean and include all incorporated
341 cities, towns and villages.

342 Monies allocated for distribution and credited to a municipal
343 corporation under this paragraph may be pledged as security for a
344 loan if the distribution received by the municipal corporation is
345 otherwise authorized or required by law to be pledged as security
346 for such a loan.

347 In any county having a county seat that is not an
348 incorporated municipality, the distribution provided under this
349 subsection shall be made as though the county seat was an
350 incorporated municipality; however, the distribution to the



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

354 (b) On or before August 15, 2006, and each succeeding
355 month thereafter, eighteen and one-half percent (18-1/2%) of the
356 total sales tax revenue collected during the preceding month under
357 the provisions of this chapter, except that collected under the
358 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
359 business activities on the campus of a state institution of higher
360 learning or community or junior college whose campus is not
361 located within the corporate limits of a municipality, shall be
362 allocated for distribution to the state institution of higher
363 learning or community or junior college and paid to the state
364 institution of higher learning or community or junior college.

365 (c) On or before August 15, 2018, and each succeeding
366 month thereafter until August 14, 2019, two percent (2%) of the
367 total sales tax revenue collected during the preceding month under
368 the provisions of this chapter, except that collected under the
369 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
370 27-65-24, on business activities within the corporate limits of
371 the City of Jackson, Mississippi, shall be deposited into the
372 Capitol Complex Improvement District Project Fund created in
373 Section 29-5-215. On or before August 15, 2019, and each
374 succeeding month thereafter until August 14, 2020, four percent
375 (4%) of the total sales tax revenue collected during the preceding



376 month under the provisions of this chapter, except that collected
377 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
378 and 27-65-24, on business activities within the corporate limits
379 of the City of Jackson, Mississippi, shall be deposited into the
380 Capitol Complex Improvement District Project Fund created in
381 Section 29-5-215. On or before August 15, 2020, and each
382 succeeding month thereafter, six percent (6%) of the total sales
383 tax revenue collected during the preceding month under the
384 provisions of this chapter, except that collected under the
385 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
386 27-65-24, on business activities within the corporate limits of
387 the City of Jackson, Mississippi, shall be deposited into the
388 Capitol Complex Improvement District Project Fund created in
389 Section 29-5-215.

390 (2) On or before September 15, 1987, and each succeeding
391 month thereafter, from the revenue collected under this chapter
392 during the preceding month, One Million One Hundred Twenty-five
393 Thousand Dollars (\$1,125,000.00) shall be allocated for
394 distribution to municipal corporations as defined under subsection
395 (1) of this section in the proportion that the number of gallons
396 of gasoline and diesel fuel sold by distributors to consumers and
397 retailers in each such municipality during the preceding fiscal
398 year bears to the total gallons of gasoline and diesel fuel sold
399 by distributors to consumers and retailers in municipalities
400 statewide during the preceding fiscal year. The Department of



401 Revenue shall require all distributors of gasoline and diesel fuel
402 to report to the department monthly the total number of gallons of
403 gasoline and diesel fuel sold by them to consumers and retailers
404 in each municipality during the preceding month. The Department
405 of Revenue shall have the authority to promulgate such rules and
406 regulations as is necessary to determine the number of gallons of
407 gasoline and diesel fuel sold by distributors to consumers and
408 retailers in each municipality. In determining the percentage
409 allocation of funds under this subsection for the fiscal year
410 beginning July 1, 1987, and ending June 30, 1988, the Department
411 of Revenue may consider gallons of gasoline and diesel fuel sold
412 for a period of less than one (1) fiscal year. For the purposes
413 of this subsection, the term "fiscal year" means the fiscal year
414 beginning July 1 of a year.

415 (3) On or before September 15, 1987, and on or before the
416 fifteenth day of each succeeding month, until the date specified
417 in Section 65-39-35, the proceeds derived from contractors' taxes
418 levied under Section 27-65-21 on contracts for the construction or
419 reconstruction of highways designated under the highway program
420 created under Section 65-3-97 shall, except as otherwise provided
421 in Section 31-17-127, be deposited into the State Treasury to the
422 credit of the State Highway Fund to be used to fund that highway
423 program. The Mississippi Department of Transportation shall
424 provide to the Department of Revenue such information as is



425 necessary to determine the amount of proceeds to be distributed
426 under this subsection.

427 (4) On or before August 15, 1994, and on or before the
428 fifteenth day of each succeeding month through July 15, 1999, from
429 the proceeds of gasoline, diesel fuel or kerosene taxes as
430 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
431 (\$4,000,000.00) shall be deposited in the State Treasury to the
432 credit of a special fund designated as the "State Aid Road Fund,"
433 created by Section 65-9-17. On or before August 15, 1999, and on
434 or before the fifteenth day of each succeeding month, from the
435 total amount of the proceeds of gasoline, diesel fuel or kerosene
436 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
437 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
438 one-fourth percent (23-1/4%) of those funds, whichever is the
439 greater amount, shall be deposited in the State Treasury to the
440 credit of the "State Aid Road Fund," created by Section 65-9-17.
441 Those funds shall be pledged to pay the principal of and interest
442 on state aid road bonds heretofore issued under Sections 19-9-51
443 through 19-9-77, in lieu of and in substitution for the funds
444 previously allocated to counties under this section. Those funds
445 may not be pledged for the payment of any state aid road bonds
446 issued after April 1, 1981; however, this prohibition against the
447 pledging of any such funds for the payment of bonds shall not
448 apply to any bonds for which intent to issue those bonds has been
449 published for the first time, as provided by law before March 29,



450 1981. From the amount of taxes paid into the special fund under
451 this subsection and subsection (9) of this section, there shall be
452 first deducted and paid the amount necessary to pay the expenses
453 of the Office of State Aid Road Construction, as authorized by the
454 Legislature for all other general and special fund agencies. The
455 remainder of the fund shall be allocated monthly to the several
456 counties in accordance with the following formula:

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

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

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

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

470 The amount of funds allocated to any county under this
471 subsection for any fiscal year after fiscal year 1994 shall not be
472 less than the amount allocated to the county for fiscal year 1994.

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



475 construed to refer and apply to subsection (4) of Section
476 27-65-75.

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

483 (6) An amount each month beginning August 15, 1983, through
484 November 15, 1986, as specified in Section 6, Chapter 542, Laws of
485 1983, shall be paid into the special fund known as the
486 Correctional Facilities Construction Fund created in Section 6,
487 Chapter 542, Laws of 1983.

488 (7) On or before August 15, 1992, and each succeeding month
489 thereafter through July 15, 2000, two and two hundred sixty-six
490 one-thousandths percent (2.266%) of the total sales tax revenue
491 collected during the preceding month under the provisions of this
492 chapter, except that collected under the provisions of Section
493 27-65-17(2), shall be deposited by the department into the School
494 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
495 or before August 15, 2000, and each succeeding month thereafter,
496 two and two hundred sixty-six one-thousandths percent (2.266%) of
497 the total sales tax revenue collected during the preceding month
498 under the provisions of this chapter, except that collected under
499 the provisions of Section 27-65-17(2), shall be deposited into the



500 School Ad Valorem Tax Reduction Fund created under Section
501 37-61-35 until such time that the total amount deposited into the
502 fund during a fiscal year equals Forty-two Million Dollars
503 (\$42,000,000.00). Thereafter, the amounts diverted under this
504 subsection (7) during the fiscal year in excess of Forty-two
505 Million Dollars (\$42,000,000.00) shall be deposited into the
506 Education Enhancement Fund created under Section 37-61-33 for
507 appropriation by the Legislature as other education needs and
508 shall not be subject to the percentage appropriation requirements
509 set forth in Section 37-61-33.

510 (8) On or before August 15, 1992, and each succeeding month
511 thereafter, nine and seventy-three one-thousandths percent
512 (9.073%) of the total sales tax revenue collected during the
513 preceding month under the provisions of this chapter, except that
514 collected under the provisions of Section 27-65-17(2), shall be
515 deposited into the Education Enhancement Fund created under
516 Section 37-61-33.

517 (9) On or before August 15, 1994, and each succeeding month
518 thereafter, from the revenue collected under this chapter during
519 the preceding month, Two Hundred Fifty Thousand Dollars
520 (\$250,000.00) shall be paid into the State Aid Road Fund.

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



524 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
525 Valorem Tax Reduction Fund established in Section 27-51-105.

526 (11) Notwithstanding any other provision of this section to
527 the contrary, on or before February 15, 1995, and each succeeding
528 month thereafter, the sales tax revenue collected during the
529 preceding month under the provisions of Section 27-65-17(2) and
530 the corresponding levy in Section 27-65-23 on the rental or lease
531 of private carriers of passengers and light carriers of property
532 as defined in Section 27-51-101 shall be deposited, without
533 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
534 established in Section 27-51-105.

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

544 (13) On or before July 15, 1994, and on or before the
545 fifteenth day of each succeeding month thereafter, that portion of
546 the avails of the tax imposed in Section 27-65-22 that is derived
547 from activities held on the Mississippi State Fairgrounds Complex
548 shall be paid into a special fund that is created in the State



549 Treasury and shall be expended upon legislative appropriation
550 solely to defray the costs of repairs and renovation at the Trade
551 Mart and Coliseum.

552 (14) On or before August 15, 1998, and each succeeding month
553 thereafter through July 15, 2005, that portion of the avails of
554 the tax imposed in Section 27-65-23 that is derived from sales by
555 cotton compresses or cotton warehouses and that would otherwise be
556 paid into the General Fund shall be deposited in an amount not to
557 exceed Two Million Dollars (\$2,000,000.00) into the special fund
558 created under Section 69-37-39. On or before August 15, 2007, and
559 each succeeding month thereafter through July 15, 2010, that
560 portion of the avails of the tax imposed in Section 27-65-23 that
561 is derived from sales by cotton compresses or cotton warehouses
562 and that would otherwise be paid into the General Fund shall be
563 deposited in an amount not to exceed Two Million Dollars
564 (\$2,000,000.00) into the special fund created under Section
565 69-37-39 until all debts or other obligations incurred by the
566 Certified Cotton Growers Organization under the Mississippi Boll
567 Weevil Management Act before January 1, 2007, are satisfied in
568 full. On or before August 15, 2010, and each succeeding month
569 thereafter through July 15, 2011, fifty percent (50%) of that
570 portion of the avails of the tax imposed in Section 27-65-23 that
571 is derived from sales by cotton compresses or cotton warehouses
572 and that would otherwise be paid into the General Fund shall be
573 deposited into the special fund created under Section 69-37-39



574 until such time that the total amount deposited into the fund
575 during a fiscal year equals One Million Dollars (\$1,000,000.00).
576 On or before August 15, 2011, and each succeeding month
577 thereafter, that portion of the avails of the tax imposed in
578 Section 27-65-23 that is derived from sales by cotton compresses
579 or cotton warehouses and that would otherwise be paid into the
580 General Fund shall be deposited into the special fund created
581 under Section 69-37-39 until such time that the total amount
582 deposited into the fund during a fiscal year equals One Million
583 Dollars (\$1,000,000.00).

584 (15) Notwithstanding any other provision of this section to
585 the contrary, on or before September 15, 2000, and each succeeding
586 month thereafter, the sales tax revenue collected during the
587 preceding month under the provisions of Section
588 27-65-19(1)(d)(i)2, and 27-65-19(1)(d)(i)3 shall be deposited,
589 without diversion, into the Telecommunications Ad Valorem Tax
590 Reduction Fund established in Section 27-38-7.

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



598 (b) On or before August 15, 2007, and each succeeding
599 month thereafter, eighty percent (80%) of the sales tax revenue
600 collected during the preceding month under the provisions of this
601 chapter from the operation of a tourism project under the
602 provisions of Sections 57-26-1 through 57-26-5, shall be
603 deposited, after the diversions required in subsections (7) and
604 (8) of this section, into the Tourism Project Sales Tax Incentive
605 Fund created in Section 57-26-3.

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

613 (18) [Repealed]

614 (19) (a) On or before August 15, 2005, and each succeeding
615 month thereafter, the sales tax revenue collected during the
616 preceding month under the provisions of this chapter on the gross
617 proceeds of sales of a business enterprise located within a
618 redevelopment project area under the provisions of Sections
619 57-91-1 through 57-91-11, and the revenue collected on the gross
620 proceeds of sales from sales made to a business enterprise located
621 in a redevelopment project area under the provisions of Sections
622 57-91-1 through 57-91-11 (provided that such sales made to a



623 business enterprise are made on the premises of the business
624 enterprise), shall, except as otherwise provided in this
625 subsection (19), be deposited, after all diversions, into the
626 Redevelopment Project Incentive Fund as created in Section
627 57-91-9.

628 (b) For a municipality participating in the Economic
629 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
630 the diversion provided for in subsection (1) of this section
631 attributable to the gross proceeds of sales of a business
632 enterprise located within a redevelopment project area under the
633 provisions of Sections 57-91-1 through 57-91-11, and attributable
634 to the gross proceeds of sales from sales made to a business
635 enterprise located in a redevelopment project area under the
636 provisions of Sections 57-91-1 through 57-91-11 (provided that
637 such sales made to a business enterprise are made on the premises
638 of the business enterprise), shall be deposited into the
639 Redevelopment Project Incentive Fund as created in Section
640 57-91-9, as follows:

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

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



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

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

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

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

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

668 (21) (a) On or before April 15, 2007, and each succeeding
669 month thereafter through June 15, 2013, One Hundred Fifty Thousand
670 Dollars (\$150,000.00) of the sales tax revenue collected during
671 the preceding month under the provisions of this chapter shall be



672 deposited into the MMEIA Tax Incentive Fund created in Section
673 57-101-3.

674 (b) On or before July 15, 2013, and each succeeding
675 month thereafter, One Hundred Fifty Thousand Dollars (\$150,000.00)
676 of the sales tax revenue collected during the preceding month
677 under the provisions of this chapter shall be deposited into the
678 Mississippi Development Authority Job Training Grant Fund created
679 in Section 57-1-451.

680 (22) Notwithstanding any other provision of this section to
681 the contrary, on or before August 15, 2009, and each succeeding
682 month thereafter, the sales tax revenue collected during the
683 preceding month under the provisions of Section 27-65-201 shall be
684 deposited, without diversion, into the Motor Vehicle Ad Valorem
685 Tax Reduction Fund established in Section 27-51-105.

686 (23) Notwithstanding any other provision of this section to
687 the contrary, on or before August 15, 2018, and each succeeding
688 month thereafter, two and one-half percent (2-1/2%) of the sales
689 tax revenue collected during the preceding month under the
690 provisions of this chapter on retail sales of lumber and building
691 materials shall be deposited into the Affordable Housing
692 Opportunity Fund created in Section 43-33-803.

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



696 (* * * 25) (a) It shall be the duty of the municipal
697 officials of any municipality that expands its limits, or of any
698 community that incorporates as a municipality, to notify the
699 commissioner of that action thirty (30) days before the effective
700 date. Failure to so notify the commissioner shall cause the
701 municipality to forfeit the revenue that it would have been
702 entitled to receive during this period of time when the
703 commissioner had no knowledge of the action.

704 (b) (i) Except as otherwise provided in subparagraph
705 (ii) of this paragraph, if any funds have been erroneously
706 disbursed to any municipality or any overpayment of tax is
707 recovered by the taxpayer, the commissioner may make correction
708 and adjust the error or overpayment with the municipality by
709 withholding the necessary funds from any later payment to be made
710 to the municipality.

711 (ii) Subject to the provisions of Sections
712 27-65-51 and 27-65-53, if any funds have been erroneously
713 disbursed to a municipality under subsection (1) of this section
714 for a period of three (3) years or more, the maximum amount that
715 may be recovered or withheld from the municipality is the total
716 amount of funds erroneously disbursed for a period of three (3)
717 years beginning with the date of the first erroneous disbursement.
718 However, if during such period, a municipality provides written
719 notice to the Department of Revenue indicating the erroneous
720 disbursement of funds, then the maximum amount that may be



721 recovered or withheld from the municipality is the total amount of
722 funds erroneously disbursed for a period of one (1) year beginning
723 with the date of the first erroneous disbursement.

724 **SECTION 10.** Sections 1 through 8 of this act shall be
725 codified as a new Article 13 in Chapter 33, Title 43, Mississippi
726 Code of 1972.

727 **SECTION 11.** This act shall take effect and be in force from
728 and after July 1, 2018.

