

By: Representatives Faulkner, Sykes,  
Williams-Barnes

To: Ways and Means

HOUSE BILL NO. 952

1 AN ACT TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972,  
 2 TO REQUIRE AN ADDITIONAL AMOUNT OF THE TOTAL SALES TAX REVENUE  
 3 COLLECTED ON BUSINESS ACTIVITIES IN MUNICIPALITIES TO BE DIVERTED  
 4 TO MUNICIPALITIES WITHIN THE STATE; TO PROVIDE THAT SUCH INCREASE  
 5 SHALL BE IMPLEMENTED ONLY IF SALES TAX REVENUE COLLECTIONS  
 6 INCREASE A CERTAIN AMOUNT; TO DESIGNATE SUCH DIVERSION OF REVENUE  
 7 AS THE ADDITIONAL SALES TAX REVENUE FOR THE MUNICIPAL  
 8 INFRASTRUCTURE PROGRAM; TO PROVIDE THAT REVENUE RECEIVED BY A  
 9 MUNICIPALITY UNDER SUCH PROGRAM SHALL NOT BE CONSIDERED BY A  
 10 MUNICIPALITY AS GENERAL FUND REVENUE AND MAY BE EXPENDED SOLELY  
 11 FOR WATER AND SEWER SYSTEM PROJECTS AND ROAD, STREET AND BRIDGE  
 12 REPAIR, RECONSTRUCTION AND RESURFACING PROJECTS; AND FOR RELATED  
 13 PURPOSES.

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

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

17 27-65-75. On or before the fifteenth day of each month, the  
 18 revenue collected under the provisions of this chapter during the  
 19 preceding month shall be paid and distributed as follows:

20 (1) (a) On or before August 15, 1992, and each succeeding  
 21 month thereafter through July 15, 1993, eighteen percent (18%) of  
 22 the total sales tax revenue collected during the preceding month  
 23 under the provisions of this chapter, except that collected under



24 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
25 business activities within a municipal corporation shall be  
26 allocated for distribution to the municipality and paid to the  
27 municipal corporation. Except as otherwise provided in this  
28 paragraph (a), on or before August 15, 1993, and each succeeding  
29 month thereafter, eighteen and one-half percent (18-1/2%) of the  
30 total sales tax revenue collected during the preceding month under  
31 the provisions of this chapter, except that collected under the  
32 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and  
33 27-65-24, on business activities within a municipal corporation  
34 shall be allocated for distribution to the municipality and paid  
35 to the municipal corporation. However, in the event the State  
36 Auditor issues a certificate of noncompliance pursuant to Section  
37 21-35-31, the Department of Revenue shall withhold ten percent  
38 (10%) of the allocations and payments to the municipality that  
39 would otherwise be payable to the municipality under this  
40 paragraph (a) until such time that the department receives written  
41 notice of the cancellation of a certificate of noncompliance from  
42 the State Auditor.

43 A municipal corporation, for the purpose of distributing the  
44 tax under this subsection, shall mean and include all incorporated  
45 cities, towns and villages.

46 Monies allocated for distribution and credited to a municipal  
47 corporation under this paragraph may be pledged as security for a  
48 loan if the distribution received by the municipal corporation is



49 otherwise authorized or required by law to be pledged as security  
50 for such a loan.

51 In any county having a county seat that is not an  
52 incorporated municipality, the distribution provided under this  
53 subsection shall be made as though the county seat was an  
54 incorporated municipality; however, the distribution to the  
55 municipality shall be paid to the county treasury in which the  
56 municipality is located, and those funds shall be used for road,  
57 bridge and street construction or maintenance in the county.

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

69 (c) On or before August 15, 2018, and each succeeding  
70 month thereafter until August 14, 2019, two percent (2%) of the  
71 total sales tax revenue collected during the preceding month under  
72 the provisions of this chapter, except that collected under the  
73 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and



74 27-65-24, on business activities within the corporate limits of  
75 the City of Jackson, Mississippi, shall be deposited into the  
76 Capitol Complex Improvement District Project Fund created in  
77 Section 29-5-215. On or before August 15, 2019, and each  
78 succeeding month thereafter until August 14, 2020, four percent  
79 (4%) of the total sales tax revenue collected during the preceding  
80 month under the provisions of this chapter, except that collected  
81 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21  
82 and 27-65-24, on business activities within the corporate limits  
83 of the City of Jackson, Mississippi, shall be deposited into the  
84 Capitol Complex Improvement District Project Fund created in  
85 Section 29-5-215. On or before August 15, 2020, and each  
86 succeeding month thereafter, six percent (6%) of the total sales  
87 tax revenue collected during the preceding month under the  
88 provisions of this chapter, except that collected under the  
89 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and  
90 27-65-24, on business activities within the corporate limits of  
91 the City of Jackson, Mississippi, shall be deposited into the  
92 Capitol Complex Improvement District Project Fund created in  
93 Section 29-5-215.

94 (d) (i) On or before August 15 of any fiscal year that  
95 follows a fiscal year in which the total sales tax revenue  
96 collected in such prior fiscal year exceeds by one percent (1%) or  
97 more the amount of sales tax revenue collected in the fiscal year  
98 immediately prior to that fiscal year (as certified by the



99 Commissioner of Revenue), and each succeeding month thereafter  
100 through July 15 of a fiscal year in which subparagraph (ii) of  
101 this paragraph is implemented, an additional three-tenths of one  
102 percent (3/10 of 1%) of the total sales tax revenue collected  
103 during the preceding month under the provisions of this chapter,  
104 except that collected under the provisions of Sections 27-65-15,  
105 27-65-19(3), 27-65-21 and 27-65-24, on business activities within  
106 a municipal corporation shall be allocated for distribution to the  
107 municipality and paid to the municipal corporation.

108 (ii) On or before August 15 of any fiscal year  
109 subsequent to the fiscal year in which the diversion provided for  
110 in subparagraph (i) of this paragraph is implemented that follows  
111 a fiscal year in which the total sales tax revenue collected in  
112 such prior fiscal year exceeds by one percent (1%) or more the  
113 amount of sales tax revenue collected in the year prior to that  
114 fiscal year (as certified by the Commissioner of Revenue), and  
115 each succeeding month thereafter through July 15 of a fiscal year  
116 in which subparagraph (iii) of this paragraph is implemented, an  
117 additional six-tenths of one percent (6/10 of 1%) of the total  
118 sales tax revenue collected during the preceding month under the  
119 provisions of this chapter, except that collected under the  
120 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and  
121 27-65-24, on business activities within a municipal corporation  
122 shall be allocated for distribution to the municipality and paid  
123 to the municipal corporation.



124                   (iii) On or before August 15 of any fiscal year  
125 subsequent to the fiscal year in which the diversion provided for  
126 in subparagraph (ii) of this paragraph is implemented that follows  
127 a fiscal year in which the total sales tax revenue collected in  
128 such prior fiscal year exceeds by one percent (1%) or more the  
129 amount of sales tax revenue collected in the year prior to that  
130 fiscal year (as certified by the Commissioner of Revenue), and  
131 each succeeding month thereafter through July 15 of a fiscal year  
132 in which subparagraph (iv) of this paragraph is implemented,  
133 nine-tenths of one percent (9/10 of 1%) of the total sales tax  
134 revenue collected during the preceding month under the provisions  
135 of this chapter, except that collected under the provisions of  
136 Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business  
137 activities within a municipal corporation shall be allocated for  
138 distribution to the municipality and paid to the municipal  
139 corporation.

140                   (iv) On or before August 15 of any fiscal year  
141 subsequent to the fiscal year in which the diversion provided for  
142 in subparagraph (iii) of this paragraph is implemented that  
143 follows a fiscal year in which the total sales tax revenue  
144 collected in such prior fiscal year exceeds by one percent (1%) or  
145 more the amount of sales tax revenue collected in the year prior  
146 to that fiscal year (as certified by the Commissioner of Revenue),  
147 and each succeeding month thereafter through July 15 of a fiscal  
148 year in which subparagraph (v) of this paragraph is implemented,



149 one and two-tenths percent (1-2/10%) of the total sales tax  
150 revenue collected during the preceding month under the provisions  
151 of this chapter, except that collected under the provisions of  
152 Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business  
153 activities within a municipal corporation shall be allocated for  
154 distribution to the municipality and paid to the municipal  
155 corporation.

156 (v) On or before August 15 of any fiscal year  
157 subsequent to the fiscal year in which the diversion provided for  
158 in subparagraph (iv) of this paragraph is implemented that follows  
159 a fiscal year in which the total sales tax revenue collected in  
160 such prior fiscal year exceeds by one percent (1%) or more the  
161 amount of sales tax revenue collected in the year prior to that  
162 fiscal year (as certified by the Commissioner of Revenue), and  
163 each succeeding month thereafter, one and one-half percent  
164 (1-1/2%) of the total sales tax revenue collected during the  
165 preceding month under the provisions of this chapter, except that  
166 collected under the provisions of Sections 27-65-15, 27-65-19(3),  
167 27-65-21 and 27-65-24, on business activities within a municipal  
168 corporation shall be allocated for distribution to the  
169 municipality and paid to the municipal corporation.

170 (vi) The allocation of revenue for distribution to  
171 municipalities under this paragraph shall be designated as the  
172 Additional Sales Tax Revenue for Municipal Infrastructure Program.  
173 Revenue received by a municipality under this paragraph shall not



174 be considered by a municipality as general fund revenue and may be  
175 expended by the municipality solely for water and sewer system  
176 projects and road, street and bridge repair, reconstruction and  
177 resurfacing projects.

178 (vii) The Commissioner of Revenue shall, after the  
179 close of each fiscal year, certify to the Legislative Budget  
180 Office and the Governor as to whether sales tax revenue  
181 collections for that fiscal year increased by one percent (1%) or  
182 more over the prior fiscal year. If the certified increase is one  
183 percent (1%) or more the appropriate increase in the allocation of  
184 revenue for distribution to municipalities authorized under this  
185 paragraph (c) shall be implemented.

186 (2) On or before September 15, 1987, and each succeeding  
187 month thereafter, from the revenue collected under this chapter  
188 during the preceding month, One Million One Hundred Twenty-five  
189 Thousand Dollars (\$1,125,000.00) shall be allocated for  
190 distribution to municipal corporations as defined under subsection  
191 (1) of this section in the proportion that the number of gallons  
192 of gasoline and diesel fuel sold by distributors to consumers and  
193 retailers in each such municipality during the preceding fiscal  
194 year bears to the total gallons of gasoline and diesel fuel sold  
195 by distributors to consumers and retailers in municipalities  
196 statewide during the preceding fiscal year. The Department of  
197 Revenue shall require all distributors of gasoline and diesel fuel  
198 to report to the department monthly the total number of gallons of





199 gasoline and diesel fuel sold by them to consumers and retailers  
200 in each municipality during the preceding month. The Department  
201 of Revenue shall have the authority to promulgate such rules and  
202 regulations as is necessary to determine the number of gallons of  
203 gasoline and diesel fuel sold by distributors to consumers and  
204 retailers in each municipality. In determining the percentage  
205 allocation of funds under this subsection for the fiscal year  
206 beginning July 1, 1987, and ending June 30, 1988, the Department  
207 of Revenue may consider gallons of gasoline and diesel fuel sold  
208 for a period of less than one (1) fiscal year. For the purposes  
209 of this subsection, the term "fiscal year" means the fiscal year  
210 beginning July 1 of a year.

211 (3) On or before September 15, 1987, and on or before the  
212 fifteenth day of each succeeding month, until the date specified  
213 in Section 65-39-35, the proceeds derived from contractors' taxes  
214 levied under Section 27-65-21 on contracts for the construction or  
215 reconstruction of highways designated under the highway program  
216 created under Section 65-3-97 shall, except as otherwise provided  
217 in Section 31-17-127, be deposited into the State Treasury to the  
218 credit of the State Highway Fund to be used to fund that highway  
219 program. The Mississippi Department of Transportation shall  
220 provide to the Department of Revenue such information as is  
221 necessary to determine the amount of proceeds to be distributed  
222 under this subsection.



223 (4) On or before August 15, 1994, and on or before the  
224 fifteenth day of each succeeding month through July 15, 1999, from  
225 the proceeds of gasoline, diesel fuel or kerosene taxes as  
226 provided in Section 27-5-101(a)(ii)1, Four Million Dollars  
227 (\$4,000,000.00) shall be deposited in the State Treasury to the  
228 credit of a special fund designated as the "State Aid Road Fund,"  
229 created by Section 65-9-17. On or before August 15, 1999, and on  
230 or before the fifteenth day of each succeeding month, from the  
231 total amount of the proceeds of gasoline, diesel fuel or kerosene  
232 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million  
233 Dollars (\$4,000,000.00) or an amount equal to twenty-three and  
234 one-fourth percent (23-1/4%) of those funds, whichever is the  
235 greater amount, shall be deposited in the State Treasury to the  
236 credit of the "State Aid Road Fund," created by Section 65-9-17.  
237 Those funds shall be pledged to pay the principal of and interest  
238 on state aid road bonds heretofore issued under Sections 19-9-51  
239 through 19-9-77, in lieu of and in substitution for the funds  
240 previously allocated to counties under this section. Those funds  
241 may not be pledged for the payment of any state aid road bonds  
242 issued after April 1, 1981; however, this prohibition against the  
243 pledging of any such funds for the payment of bonds shall not  
244 apply to any bonds for which intent to issue those bonds has been  
245 published for the first time, as provided by law before March 29,  
246 1981. From the amount of taxes paid into the special fund under  
247 this subsection and subsection (9) of this section, there shall be



248 first deducted and paid the amount necessary to pay the expenses  
249 of the Office of State Aid Road Construction, as authorized by the  
250 Legislature for all other general and special fund agencies. The  
251 remainder of the fund shall be allocated monthly to the several  
252 counties in accordance with the following formula:

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

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

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

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

266 The amount of funds allocated to any county under this  
267 subsection for any fiscal year after fiscal year 1994 shall not be  
268 less than the amount allocated to the county for fiscal year 1994.

269 Any reference in the general laws of this state or the  
270 Mississippi Code of 1972 to Section 27-5-105 shall mean and be  
271 construed to refer and apply to subsection (4) of Section  
272 27-65-75.



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

279 (6) An amount each month beginning August 15, 1983, through  
280 November 15, 1986, as specified in Section 6, Chapter 542, Laws of  
281 1983, shall be paid into the special fund known as the  
282 Correctional Facilities Construction Fund created in Section 6,  
283 Chapter 542, Laws of 1983.

284 (7) On or before August 15, 1992, and each succeeding month  
285 thereafter through July 15, 2000, two and two hundred sixty-six  
286 one-thousandths percent (2.266%) of the total sales tax revenue  
287 collected during the preceding month under the provisions of this  
288 chapter, except that collected under the provisions of Section  
289 27-65-17(2), shall be deposited by the department into the School  
290 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On  
291 or before August 15, 2000, and each succeeding month thereafter,  
292 two and two hundred sixty-six one-thousandths percent (2.266%) of  
293 the total sales tax revenue collected during the preceding month  
294 under the provisions of this chapter, except that collected under  
295 the provisions of Section 27-65-17(2), shall be deposited into the  
296 School Ad Valorem Tax Reduction Fund created under Section  
297 37-61-35 until such time that the total amount deposited into the



298 fund during a fiscal year equals Forty-two Million Dollars  
299 (\$42,000,000.00). Thereafter, the amounts diverted under this  
300 subsection (7) during the fiscal year in excess of Forty-two  
301 Million Dollars (\$42,000,000.00) shall be deposited into the  
302 Education Enhancement Fund created under Section 37-61-33 for  
303 appropriation by the Legislature as other education needs and  
304 shall not be subject to the percentage appropriation requirements  
305 set forth in Section 37-61-33.

306 (8) On or before August 15, 1992, and each succeeding month  
307 thereafter, nine and seventy-three one-thousandths percent  
308 (9.073%) of the total sales tax revenue collected during the  
309 preceding month under the provisions of this chapter, except that  
310 collected under the provisions of Section 27-65-17(2), shall be  
311 deposited into the Education Enhancement Fund created under  
312 Section 37-61-33.

313 (9) On or before August 15, 1994, and each succeeding month  
314 thereafter, from the revenue collected under this chapter during  
315 the preceding month, Two Hundred Fifty Thousand Dollars  
316 (\$250,000.00) shall be paid into the State Aid Road Fund.

317 (10) On or before August 15, 1994, and each succeeding month  
318 thereafter through August 15, 1995, from the revenue collected  
319 under this chapter during the preceding month, Two Million Dollars  
320 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad  
321 Valorem Tax Reduction Fund established in Section 27-51-105.



322           (11) Notwithstanding any other provision of this section to  
323 the contrary, on or before February 15, 1995, and each succeeding  
324 month thereafter, the sales tax revenue collected during the  
325 preceding month under the provisions of Section 27-65-17(2) and  
326 the corresponding levy in Section 27-65-23 on the rental or lease  
327 of private carriers of passengers and light carriers of property  
328 as defined in Section 27-51-101 shall be deposited, without  
329 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund  
330 established in Section 27-51-105.

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

340           (13) On or before July 15, 1994, and on or before the  
341 fifteenth day of each succeeding month thereafter, that portion of  
342 the avails of the tax imposed in Section 27-65-22 that is derived  
343 from activities held on the Mississippi State Fairgrounds Complex  
344 shall be paid into a special fund that is created in the State  
345 Treasury and shall be expended upon legislative appropriation



346 solely to defray the costs of repairs and renovation at the Trade  
347 Mart and Coliseum.

348 (14) On or before August 15, 1998, and each succeeding month  
349 thereafter through July 15, 2005, that portion of the avails of  
350 the tax imposed in Section 27-65-23 that is derived from sales by  
351 cotton compresses or cotton warehouses and that would otherwise be  
352 paid into the General Fund shall be deposited in an amount not to  
353 exceed Two Million Dollars (\$2,000,000.00) into the special fund  
354 created under Section 69-37-39. On or before August 15, 2007, and  
355 each succeeding month thereafter through July 15, 2010, that  
356 portion of the avails of the tax imposed in Section 27-65-23 that  
357 is derived from sales by cotton compresses or cotton warehouses  
358 and that would otherwise be paid into the General Fund shall be  
359 deposited in an amount not to exceed Two Million Dollars  
360 (\$2,000,000.00) into the special fund created under Section  
361 69-37-39 until all debts or other obligations incurred by the  
362 Certified Cotton Growers Organization under the Mississippi Boll  
363 Weevil Management Act before January 1, 2007, are satisfied in  
364 full. On or before August 15, 2010, and each succeeding month  
365 thereafter through July 15, 2011, fifty percent (50%) of that  
366 portion of the avails of the tax imposed in Section 27-65-23 that  
367 is derived from sales by cotton compresses or cotton warehouses  
368 and that would otherwise be paid into the General Fund shall be  
369 deposited into the special fund created under Section 69-37-39  
370 until such time that the total amount deposited into the fund



371 during a fiscal year equals One Million Dollars (\$1,000,000.00).  
372 On or before August 15, 2011, and each succeeding month  
373 thereafter, that portion of the avails of the tax imposed in  
374 Section 27-65-23 that is derived from sales by cotton compresses  
375 or cotton warehouses and that would otherwise be paid into the  
376 General Fund shall be deposited into the special fund created  
377 under Section 69-37-39 until such time that the total amount  
378 deposited into the fund during a fiscal year equals One Million  
379 Dollars (\$1,000,000.00).

380 (15) Notwithstanding any other provision of this section to  
381 the contrary, on or before September 15, 2000, and each succeeding  
382 month thereafter, the sales tax revenue collected during the  
383 preceding month under the provisions of Section  
384 27-65-19(1)(d)(i)2, and 27-65-19(1)(d)(i)3 shall be deposited,  
385 without diversion, into the Telecommunications Ad Valorem Tax  
386 Reduction Fund established in Section 27-38-7.

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

394 (b) On or before August 15, 2007, and each succeeding  
395 month thereafter, eighty percent (80%) of the sales tax revenue





396 collected during the preceding month under the provisions of this  
397 chapter from the operation of a tourism project under the  
398 provisions of Sections 57-26-1 through 57-26-5, shall be  
399 deposited, after the diversions required in subsections (7) and  
400 (8) of this section, into the Tourism Project Sales Tax Incentive  
401 Fund created in Section 57-26-3.

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

409 (18) [Repealed]

410 (19) (a) On or before August 15, 2005, and each succeeding  
411 month thereafter, the sales tax revenue collected during the  
412 preceding month under the provisions of this chapter on the gross  
413 proceeds of sales of a business enterprise located within a  
414 redevelopment project area under the provisions of Sections  
415 57-91-1 through 57-91-11, and the revenue collected on the gross  
416 proceeds of sales from sales made to a business enterprise located  
417 in a redevelopment project area under the provisions of Sections  
418 57-91-1 through 57-91-11 (provided that such sales made to a  
419 business enterprise are made on the premises of the business  
420 enterprise), shall, except as otherwise provided in this



421 subsection (19), be deposited, after all diversions, into the  
422 Redevelopment Project Incentive Fund as created in Section  
423 57-91-9.

424 (b) For a municipality participating in the Economic  
425 Redevelopment Act created in Sections 57-91-1 through 57-91-11,  
426 the diversion provided for in subsection (1) of this section  
427 attributable to the gross proceeds of sales of a business  
428 enterprise located within a redevelopment project area under the  
429 provisions of Sections 57-91-1 through 57-91-11, and attributable  
430 to the gross proceeds of sales from sales made to a business  
431 enterprise located in a redevelopment project area under the  
432 provisions of Sections 57-91-1 through 57-91-11 (provided that  
433 such sales made to a business enterprise are made on the premises  
434 of the business enterprise), shall be deposited into the  
435 Redevelopment Project Incentive Fund as created in Section  
436 57-91-9, as follows:

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

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



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

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

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

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

464 (21) (a) On or before April 15, 2007, and each succeeding  
465 month thereafter through June 15, 2013, One Hundred Fifty Thousand  
466 Dollars (\$150,000.00) of the sales tax revenue collected during  
467 the preceding month under the provisions of this chapter shall be  
468 deposited into the MMEIA Tax Incentive Fund created in Section  
469 57-101-3.



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

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

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

485 (24) (a) It shall be the duty of the municipal officials of  
486 any municipality that expands its limits, or of any community that  
487 incorporates as a municipality, to notify the commissioner of that  
488 action thirty (30) days before the effective date. Failure to so  
489 notify the commissioner shall cause the municipality to forfeit  
490 the revenue that it would have been entitled to receive during  
491 this period of time when the commissioner had no knowledge of the  
492 action.

493 (b) (i) Except as otherwise provided in subparagraph  
494 (ii) of this paragraph, if any funds have been erroneously



495 disbursed to any municipality or any overpayment of tax is  
496 recovered by the taxpayer, the commissioner may make correction  
497 and adjust the error or overpayment with the municipality by  
498 withholding the necessary funds from any later payment to be made  
499 to the municipality.

500 (ii) Subject to the provisions of Sections  
501 27-65-51 and 27-65-53, if any funds have been erroneously  
502 disbursed to a municipality under subsection (1) of this section  
503 for a period of three (3) years or more, the maximum amount that  
504 may be recovered or withheld from the municipality is the total  
505 amount of funds erroneously disbursed for a period of three (3)  
506 years beginning with the date of the first erroneous disbursement.  
507 However, if during such period, a municipality provides written  
508 notice to the Department of Revenue indicating the erroneous  
509 disbursement of funds, then the maximum amount that may be  
510 recovered or withheld from the municipality is the total amount of  
511 funds erroneously disbursed for a period of one (1) year beginning  
512 with the date of the first erroneous disbursement.

513 **SECTION 2.** This act shall take effect and be in force from  
514 and after July 1, 2018.

