

By: Representatives Smith, Dixon

To: Ways and Means

HOUSE BILL NO. 1183
(As Passed the House)

1 AN ACT TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972,
2 TO DELETE THE PROVISION THAT PROVIDES FOR A DIVERSION OF SALES TAX
3 REVENUE TO THE MISSISSIPPI DEVELOPMENT AUTHORITY JOB TRAINING
4 GRANT FUND; TO REPEAL SECTION 57-1-451, MISSISSIPPI CODE OF 1972,
5 WHICH CREATES THE MISSISSIPPI DEVELOPMENT AUTHORITY JOB TRAINING
6 GRANT FUND AND TO PROVIDE THAT THE REMAINING BALANCE IN THE FUND
7 SHALL BE TRANSFERRED TO THE STATE GENERAL FUND; AND FOR RELATED
8 PURPOSES.

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

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

12 27-65-75. On or before the fifteenth day of each month, the
13 revenue collected under the provisions of this chapter during the
14 preceding month shall be paid and distributed as follows:

15 (1) (a) On or before August 15, 1992, and each succeeding
16 month thereafter through July 15, 1993, eighteen percent (18%) of
17 the total sales tax revenue collected during the preceding month
18 under the provisions of this chapter, except that collected under
19 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
20 business activities within a municipal corporation shall be
21 allocated for distribution to the municipality and paid to the



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

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

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



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

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

64 (c) On or before August 15, 2018, and each succeeding
65 month thereafter until August 14, 2019, two percent (2%) of the
66 total sales tax revenue collected during the preceding month under
67 the provisions of this chapter, except that collected under the
68 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
69 27-65-24, on business activities within the corporate limits of
70 the City of Jackson, Mississippi, shall be deposited into the



Capitol Complex Improvement District Project Fund created in
Section 29-5-215. On or before August 15, 2019, and each
succeeding month thereafter until August 14, 2020, four percent
(4%) of the total sales tax revenue collected during the preceding
month under the provisions of this chapter, except that collected
under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
and 27-65-24, on business activities within the corporate limits
of the City of Jackson, Mississippi, shall be deposited into the
Capitol Complex Improvement District Project Fund created in
Section 29-5-215. On or before August 15, 2020, and each
succeeding month thereafter, six percent (6%) of the total sales
tax revenue collected during the preceding month under the
provisions of this chapter, except that collected under the
provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
27-65-24, on business activities within the corporate limits of
the City of Jackson, Mississippi, shall be deposited into the
Capitol Complex Improvement District Project Fund created in
Section 29-5-215.

(2) On or before September 15, 1987, and each succeeding
month thereafter, from the revenue collected under this chapter
during the preceding month, One Million One Hundred Twenty-five
Thousand Dollars (\$1,125,000.00) shall be allocated for
distribution to municipal corporations as defined under subsection
(1) of this section in the proportion that the number of gallons
of gasoline and diesel fuel sold by distributors to consumers and



96 retailers in each such municipality during the preceding fiscal
97 year bears to the total gallons of gasoline and diesel fuel sold
98 by distributors to consumers and retailers in municipalities
99 statewide during the preceding fiscal year. The Department of
100 Revenue shall require all distributors of gasoline and diesel fuel
101 to report to the department monthly the total number of gallons of
102 gasoline and diesel fuel sold by them to consumers and retailers
103 in each municipality during the preceding month. The Department
104 of Revenue shall have the authority to promulgate such rules and
105 regulations as is necessary to determine the number of gallons of
106 gasoline and diesel fuel sold by distributors to consumers and
107 retailers in each municipality. In determining the percentage
108 allocation of funds under this subsection for the fiscal year
109 beginning July 1, 1987, and ending June 30, 1988, the Department
110 of Revenue may consider gallons of gasoline and diesel fuel sold
111 for a period of less than one (1) fiscal year. For the purposes
112 of this subsection, the term "fiscal year" means the fiscal year
113 beginning July 1 of a year.

114 (3) On or before September 15, 1987, and on or before the
115 fifteenth day of each succeeding month, until the date specified
116 in Section 65-39-35, the proceeds derived from contractors' taxes
117 levied under Section 27-65-21 on contracts for the construction or
118 reconstruction of highways designated under the highway program
119 created under Section 65-3-97 shall, except as otherwise provided
120 in Section 31-17-127, be deposited into the State Treasury to the



121 credit of the State Highway Fund to be used to fund that highway
122 program. The Mississippi Department of Transportation shall
123 provide to the Department of Revenue such information as is
124 necessary to determine the amount of proceeds to be distributed
125 under this subsection.

126 (4) On or before August 15, 1994, and on or before the
127 fifteenth day of each succeeding month through July 15, 1999, from
128 the proceeds of gasoline, diesel fuel or kerosene taxes as
129 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
130 (\$4,000,000.00) shall be deposited in the State Treasury to the
131 credit of a special fund designated as the "State Aid Road Fund,"
132 created by Section 65-9-17. On or before August 15, 1999, and on
133 or before the fifteenth day of each succeeding month, from the
134 total amount of the proceeds of gasoline, diesel fuel or kerosene
135 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
136 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
137 one-fourth percent (23-1/4%) of those funds, whichever is the
138 greater amount, shall be deposited in the State Treasury to the
139 credit of the "State Aid Road Fund," created by Section 65-9-17.
140 Those funds shall be pledged to pay the principal of and interest
141 on state aid road bonds heretofore issued under Sections 19-9-51
142 through 19-9-77, in lieu of and in substitution for the funds
143 previously allocated to counties under this section. Those funds
144 may not be pledged for the payment of any state aid road bonds
145 issued after April 1, 1981; however, this prohibition against the



pledging of any such funds for the payment of bonds shall not apply to any bonds for which intent to issue those bonds has been published for the first time, as provided by law before March 29, 1981. From the amount of taxes paid into the special fund under this subsection and subsection (9) of this section, there shall be first deducted and paid the amount necessary to pay the expenses of the Office of State Aid Road Construction, as authorized by the Legislature for all other general and special fund agencies. The remainder of the fund shall be allocated monthly to the several counties in accordance with the following formula:

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

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

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

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



169 The amount of funds allocated to any county under this
170 subsection for any fiscal year after fiscal year 1994 shall not be
171 less than the amount allocated to the county for fiscal year 1994.

172 Any reference in the general laws of this state or the
173 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
174 construed to refer and apply to subsection (4) of Section
175 27-65-75.

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

182 (6) An amount each month beginning August 15, 1983, through
183 November 15, 1986, as specified in Section 6, Chapter 542, Laws of
184 1983, shall be paid into the special fund known as the
185 Correctional Facilities Construction Fund created in Section 6,
186 Chapter 542, Laws of 1983.

187 (7) On or before August 15, 1992, and each succeeding month
188 thereafter through July 15, 2000, two and two hundred sixty-six
189 one-thousandths percent (2.266%) of the total sales tax revenue
190 collected during the preceding month under the provisions of this
191 chapter, except that collected under the provisions of Section
192 27-65-17(2), shall be deposited by the department into the School
193 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On



194 or before August 15, 2000, and each succeeding month thereafter,
195 two and two hundred sixty-six one-thousandths percent (2.266%) of
196 the total sales tax revenue collected during the preceding month
197 under the provisions of this chapter, except that collected under
198 the provisions of Section 27-65-17(2), shall be deposited into the
199 School Ad Valorem Tax Reduction Fund created under Section
200 37-61-35 until such time that the total amount deposited into the
201 fund during a fiscal year equals Forty-two Million Dollars
202 (\$42,000,000.00). Thereafter, the amounts diverted under this
203 subsection (7) during the fiscal year in excess of Forty-two
204 Million Dollars (\$42,000,000.00) shall be deposited into the
205 Education Enhancement Fund created under Section 37-61-33 for
206 appropriation by the Legislature as other education needs and
207 shall not be subject to the percentage appropriation requirements
208 set forth in Section 37-61-33.

209 (8) On or before August 15, 1992, and each succeeding month
210 thereafter, nine and seventy-three one-thousandths percent
211 (9.073%) of the total sales tax revenue collected during the
212 preceding month under the provisions of this chapter, except that
213 collected under the provisions of Section 27-65-17(2), shall be
214 deposited into the Education Enhancement Fund created under
215 Section 37-61-33.

216 (9) On or before August 15, 1994, and each succeeding month
217 thereafter, from the revenue collected under this chapter during



the preceding month, Two Hundred Fifty Thousand Dollars
(\$250,000.00) shall be paid into the State Aid Road Fund.

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

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

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



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

(14) On or before August 15, 1998, and each succeeding month thereafter through July 15, 2005, that portion of the avails of the tax imposed in Section 27-65-23 that is derived from sales by cotton compresses or cotton warehouses and that would otherwise be paid into the General Fund shall be deposited in an amount not to exceed Two Million Dollars (\$2,000,000.00) into the special fund created under Section 69-37-39. On or before August 15, 2007, and each succeeding month thereafter through July 15, 2010, that portion of the avails of the tax imposed in Section 27-65-23 that is derived from sales by cotton compresses or cotton warehouses and that would otherwise be paid into the General Fund shall be deposited in an amount not to exceed Two Million Dollars (\$2,000,000.00) into the special fund created under Section 69-37-39 until all debts or other obligations incurred by the Certified Cotton Growers Organization under the Mississippi Boll Weevil Management Act before January 1, 2007, are satisfied in full. On or before August 15, 2010, and each succeeding month



thereafter through July 15, 2011, fifty percent (50%) of that portion of the avails of the tax imposed in Section 27-65-23 that is derived from sales by cotton compresses or cotton warehouses and that would otherwise be paid into the General Fund shall be deposited into the special fund created under Section 69-37-39 until such time that the total amount deposited into the fund during a fiscal year equals One Million Dollars (\$1,000,000.00). On or before August 15, 2011, and each succeeding month thereafter, that portion of the avails of the tax imposed in Section 27-65-23 that is derived from sales by cotton compresses or cotton warehouses and that would otherwise be paid into the General Fund shall be deposited into the special fund created under Section 69-37-39 until such time that the total amount deposited into the fund during a fiscal year equals One Million Dollars (\$1,000,000.00).

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

(16) (a) On or before August 15, 2000, and each succeeding month thereafter, the sales tax revenue collected during the preceding month under the provisions of this chapter on the gross



proceeds of sales of a project as defined in Section 57-30-1 shall be deposited, after all diversions except the diversion provided for in subsection (1) of this section, into the Sales Tax Incentive Fund created in Section 57-30-3.

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

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

(18) [Repealed]

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



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

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

(i) For the first six (6) years in which payments are made to a developer from the Redevelopment Project Incentive



Fund, one hundred percent (100%) of the diversion shall be deposited into the fund;

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

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

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

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

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



(21) * * * [Deleted]

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

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

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

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



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

SECTION 2. Section 57-1-451, Mississippi Code of 1972, which creates the Mississippi Development Authority Job Training Fund, is repealed and the remaining balance in the fund shall be transferred to the General Fund.

SECTION 3. This act shall take effect and be in force from and after July 1, 2019, and shall stand repealed from and after June 30, 2019.

