

By: Representative Currie

To: County Affairs;
Municipalities

HOUSE BILL NO. 116

1 AN ACT TO CREATE THE "MISSISSIPPI POLICE FUNDING PROTECTION
2 ACT"; TO REQUIRE THE GOVERNING AUTHORITY OF ANY COUNTY OR
3 MUNICIPALITY TO NOTIFY THE JOINT LEGISLATIVE BUDGET COMMITTEE IF
4 THE OPERATING BUDGET FOR ANY MUNICIPAL POLICE DEPARTMENT OR
5 SHERIFF'S DEPARTMENT, AS THE CASE MAY BE, IS REDUCED BY TEN
6 PERCENT OR MORE AND SUCH REDUCTION IS NOT THE RESULT OF DECREASED
7 TAX COLLECTIONS; TO PROVIDE THAT AFTER CERTAIN DETERMINATIONS ARE
8 MADE BY THE JOINT LEGISLATIVE COMMITTEE PERTAINING TO THE
9 REDUCTIONS, A COUNTY OR MUNICIPALITY MAY BE SUBJECT TO CERTAIN
10 PENALTIES; TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972, TO
11 CONFORM TO THE PRECEDING SECTION; AND FOR RELATED PURPOSES.

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

13 **SECTION 1.** (1) This section shall be known and may be cited
14 as the "Mississippi Police Funding Protection Act."

15 (2) The governing authority of any county or municipality
16 shall notify the Joint Legislative Budget Committee if the annual
17 operating budget for the municipal police department or sheriff's
18 department or municipal police department, as the case may be, for
19 the ensuing fiscal year indicates a decrease of ten percent (10%)
20 or greater as compared to the current fiscal year. The governing
21 authority shall notify the committee in writing no later than



22 fifteen (15) days prior to the beginning of the ensuing fiscal
23 year.

24 (3) The governing authority shall notify the Joint
25 Legislative Budget Committee if the annual operating budget for
26 the municipal police department or sheriff's department is
27 reduced by ten percent (10%) or greater at any point in the
28 current fiscal year. The governing authority shall notify the
29 committee in writing no later than fifteen (15) days following
30 the effective date of the reduction.

31 (4) Upon receipt of notification pursuant to subsection (2)
32 of this section, the Joint Legislative Budget Committee may
33 require the governing authority to appear before the committee and
34 provide a description of the proposed budget reductions and the
35 effect of the reductions on the governing authority's ability to
36 provide for public safety.

37 (5) If the committee determines the reductions submitted
38 pursuant to this section will have a significant and harmful
39 effect on public safety, the governing authority shall be
40 ineligible to apply for or receive funding for any new capital
41 outlay projects for the ensuing fiscal year and to receive
42 appropriations from sales tax dedications for the ensuing fiscal
43 year.

44 (6) The provisions of this section shall not be applicable
45 to any political subdivision which decreases the annual operating
46 budget for its municipal police department or sheriff's department



47 by ten percent (10%) or more if the decrease in the operating
48 budget for its municipal police department or sheriff's department
49 is the result of an overall decrease in tax collections within the
50 political subdivision.

51 **SECTION 2.** Section 27-65-75, Mississippi Code of 1972, is
52 amended as follows:

53 27-65-75. On or before the fifteenth day of each month, the
54 revenue collected under the provisions of this chapter during the
55 preceding month shall be paid and distributed as follows:

56 (1) (a) On or before August 15, 1992, and each succeeding
57 month thereafter through July 15, 1993, eighteen percent (18%) of
58 the total sales tax revenue collected during the preceding month
59 under the provisions of this chapter, except that collected under
60 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
61 business activities within a municipal corporation shall be
62 allocated for distribution to the municipality and paid to the
63 municipal corporation. Except as otherwise provided in this
64 paragraph (a), on or before August 15, 1993, and each succeeding
65 month thereafter, eighteen and one-half percent (18-1/2%) 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 a municipal corporation
70 shall be allocated for distribution to the municipality and paid
71 to the municipal corporation. However, in the event the State



72 Auditor issues a certificate of noncompliance pursuant to Section
73 21-35-31, the Department of Revenue shall withhold ten percent
74 (10%) of the allocations and payments to the municipality that
75 would otherwise be payable to the municipality under this
76 paragraph (a) until such time that the department receives written
77 notice of the cancellation of a certificate of noncompliance from
78 the State Auditor. Also, subject to Section 1 of this act that
79 pertains to the reduction of the budget of any municipal police
80 department budget by ten percent (10%) or more when such reduction
81 is not due to an overall decrease in tax collection within a
82 municipality, the Department of Revenue shall withhold allocations
83 and payments to the municipality that would otherwise be payable
84 under this paragraph (a).

85 A municipal corporation, for the purpose of distributing the
86 tax under this subsection, shall mean and include all incorporated
87 cities, towns and villages.

88 Monies allocated for distribution and credited to a municipal
89 corporation under this paragraph may be pledged as security for a
90 loan if the distribution received by the municipal corporation is
91 otherwise authorized or required by law to be pledged as security
92 for such a loan.

93 In any county having a county seat that is not an
94 incorporated municipality, the distribution provided under this
95 subsection shall be made as though the county seat was an
96 incorporated municipality; however, the distribution to the



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

100 (b) On or before August 15, 2006, and each succeeding
101 month thereafter, eighteen and one-half percent (18-1/2%) of the
102 total sales tax revenue collected during the preceding month under
103 the provisions of this chapter, except that collected under the
104 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
105 business activities on the campus of a state institution of higher
106 learning or community or junior college whose campus is not
107 located within the corporate limits of a municipality, shall be
108 allocated for distribution to the state institution of higher
109 learning or community or junior college and paid to the state
110 institution of higher learning or community or junior college.

111 (c) On or before August 15, 2018, and each succeeding
112 month thereafter until August 14, 2019, two percent (2%) of the
113 total sales tax revenue collected during the preceding month under
114 the provisions of this chapter, except that collected under the
115 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
116 27-65-24, on business activities within the corporate limits of
117 the City of Jackson, Mississippi, shall be deposited into the
118 Capitol Complex Improvement District Project Fund created in
119 Section 29-5-215. On or before August 15, 2019, and each
120 succeeding month thereafter until August 14, 2020, four percent
121 (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.

(d) (i) On or before the fifteenth day of the month that the diversion authorized by this section begins, and each succeeding month thereafter, eighteen and one-half percent (18-1/2%) 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) and 27-65-21, on business activities within a redevelopment project area developed under a redevelopment plan adopted under the Tax Increment Financing Act (Section 21-45-1 et seq.) shall be allocated for distribution to the county in which the project area is located if:



1. The county borders on the Mississippi Sound and the State of Alabama;

2. The county has issued bonds under Section 21-45-9 to finance all or a portion of a redevelopment project in the redevelopment project area;

3. Any debt service for the indebtedness incurred is outstanding; and

4. A development with a value of Ten Million Dollars (\$10,000,000.00) or more is, or will be, located in the redevelopment area.

(ii) Before any sales tax revenue may be allocated for distribution to a county under this paragraph, the county shall certify to the Department of Revenue that the requirements of this paragraph have been met, the amount of bonded indebtedness that has been incurred by the county for the redevelopment project and the expected date the indebtedness incurred by the county will be satisfied.

(iii) The diversion of sales tax revenue authorized by this paragraph shall begin the month following the month in which the Department of Revenue determines that the requirements of this paragraph have been met. The diversion shall end the month the indebtedness incurred by the county is satisfied. All revenue received by the county under this paragraph shall be deposited in the fund required to be created in the tax increment financing plan under Section 21-45-11 and be



utilized solely to satisfy the indebtedness incurred by the county.

(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 retailers in each such municipality during the preceding fiscal year bears to the total gallons of gasoline and diesel fuel sold by distributors to consumers and retailers in municipalities statewide during the preceding fiscal year. The Department of Revenue shall require all distributors of gasoline and diesel fuel to report to the department monthly the total number of gallons of gasoline and diesel fuel sold by them to consumers and retailers in each municipality during the preceding month. The Department of Revenue shall have the authority to promulgate such rules and regulations as is necessary to determine the number of gallons of gasoline and diesel fuel sold by distributors to consumers and retailers in each municipality. In determining the percentage allocation of funds under this subsection for the fiscal year beginning July 1, 1987, and ending June 30, 1988, the Department of Revenue may consider gallons of gasoline and diesel fuel sold for a period of less than one (1) fiscal year. For the purposes



of this subsection, the term "fiscal year" means the fiscal year beginning July 1 of a year.

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

(4) On or before August 15, 1994, and on or before the fifteenth day of each succeeding month through July 15, 1999, from the proceeds of gasoline, diesel fuel or kerosene taxes as provided in Section 27-5-101(a)(ii)1, Four Million Dollars (\$4,000,000.00) shall be deposited in the State Treasury to the credit of a special fund designated as the "State Aid Road Fund," created by Section 65-9-17. On or before August 15, 1999, and on or before the fifteenth day of each succeeding month, from the total amount of the proceeds of gasoline, diesel fuel or kerosene taxes apportioned by Section 27-5-101(a)(ii)1, Four Million Dollars (\$4,000,000.00) or an amount equal to twenty-three and



one-fourth percent (23-1/4%) of those funds, whichever is the greater amount, shall be deposited in the State Treasury to the credit of the "State Aid Road Fund," created by Section 65-9-17. Those funds shall be pledged to pay the principal of and interest on state aid road bonds heretofore issued under Sections 19-9-51 through 19-9-77, in lieu of and in substitution for the funds previously allocated to counties under this section. Those funds may not be pledged for the payment of any state aid road bonds 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.

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

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

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

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



(7) On or before August 15, 1992, and each succeeding month thereafter through July 15, 2000, two and two hundred sixty-six one-thousandths percent (2.266%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Section 27-65-17(2), shall be deposited by the department into the School Ad Valorem Tax Reduction Fund created under Section 37-61-35. On or before August 15, 2000, and each succeeding month thereafter, two and two hundred sixty-six one-thousandths percent (2.266%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Section 27-65-17(2), shall be deposited into the School Ad Valorem Tax Reduction Fund created under Section 37-61-35 until such time that the total amount deposited into the fund during a fiscal year equals Forty-two Million Dollars (\$42,000,000.00). Thereafter, the amounts diverted under this subsection (7) during the fiscal year in excess of Forty-two Million Dollars (\$42,000,000.00) shall be deposited into the Education Enhancement Fund created under Section 37-61-33 for appropriation by the Legislature as other education needs and shall not be subject to the percentage appropriation requirements set forth in Section 37-61-33.

(8) On or before August 15, 1992, and each succeeding month thereafter, nine and seventy-three one-thousandths percent (9.073%) of the total sales tax revenue collected during the



preceding month under the provisions of this chapter, except that collected under the provisions of Section 27-65-17(2), shall be deposited into the Education Enhancement Fund created under Section 37-61-33.

(9) On or before August 15, 1994, and each succeeding month 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



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

368 (15) Notwithstanding any other provision of this section to
369 the contrary, on or before September 15, 2000, and each succeeding
370 month thereafter, the sales tax revenue collected during the
371 preceding month under the provisions of Section



372 27-65-19(1)(d)(i)2, and 27-65-19(1)(d)(i)3 shall be deposited,
373 without diversion, into the Telecommunications Ad Valorem Tax
374 Reduction Fund established in Section 27-38-7.

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

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

390 (17) Notwithstanding any other provision of this section to
391 the contrary, on or before April 15, 2002, and each succeeding
392 month thereafter, the sales tax revenue collected during the
393 preceding month under Section 27-65-23 on sales of parking
394 services of parking garages and lots at airports shall be
395 deposited, without diversion, into the special fund created under
396 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) (a) On or before April 15, 2007, and each succeeding month thereafter through June 15, 2013, One Hundred Fifty Thousand Dollars (\$150,000.00) of the sales tax revenue collected during the preceding month under the provisions of this chapter shall be deposited into the MMEIA Tax Incentive Fund created in Section 57-101-3.

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

(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) (a) On or before August 15, 2019, and each month thereafter through July 15, 2020, one percent (1%) of the total



sales tax revenue collected during the preceding month from restaurants and hotels shall be allocated for distribution to the Mississippi Development Authority Tourism Advertising Fund established under Section 57-1-64, to be used exclusively for the purpose stated therein. On or before August 15, 2020, and each month thereafter through July 15, 2021, two percent (2%) of the total sales tax revenue collected during the preceding month from restaurants and hotels shall be allocated for distribution to the Mississippi Development Authority Tourism Advertising Fund established under Section 57-1-64, to be used exclusively for the purpose stated therein. On or before August 15, 2021, and each month thereafter, three percent (3%) of the total sales tax revenue collected during the preceding month from restaurants and hotels shall be allocated for distribution to the Mississippi Development Authority Tourism Advertising Fund established under Section 57-1-64, to be used exclusively for the purpose stated therein. The revenue diverted pursuant to this subsection shall not be available for expenditure until February 1, 2020.

(b) The Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER) must provide an annual report to the Legislature indicating the amount of funds deposited into the Mississippi Development Authority Tourism Advertising Fund established under Section 57-1-64, and a detailed record of how the funds are spent.



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

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

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

514 (ii) Subject to the provisions of Sections
515 27-65-51 and 27-65-53, if any funds have been erroneously
516 disbursed to a municipality under subsection (1) of this section
517 for a period of three (3) years or more, the maximum amount that
518 may be recovered or withheld from the municipality is the total
519 amount of funds erroneously disbursed for a period of three (3)
520 years beginning with the date of the first erroneous disbursement.



521 However, if during such period, a municipality provides written
522 notice to the Department of Revenue indicating the erroneous
523 disbursement of funds, then the maximum amount that may be
524 recovered or withheld from the municipality is the total amount of
525 funds erroneously disbursed for a period of one (1) year beginning
526 with the date of the first erroneous disbursement.

527 **SECTION 3.** This act shall take effect and be in force
528 from and after its passage.

