

By: Representative Currie

To: Judiciary B

HOUSE BILL NO. 438

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



122 month under the provisions of this chapter, except that collected  
123 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21  
124 and 27-65-24, on business activities within the corporate limits  
125 of the City of Jackson, Mississippi, shall be deposited into the  
126 Capitol Complex Improvement District Project Fund created in  
127 Section 29-5-215. On or before August 15, 2020, and each  
128 succeeding month thereafter, six percent (6%) of the total sales  
129 tax revenue collected during the preceding month under the  
130 provisions of this chapter, except that collected under the  
131 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and  
132 27-65-24, on business activities within the corporate limits of  
133 the City of Jackson, Mississippi, shall be deposited into the  
134 Capitol Complex Improvement District Project Fund created in  
135 Section 29-5-215.

136           (d) (i) On or before the fifteenth day of the month  
137 that the diversion authorized by this section begins, and each  
138 succeeding month thereafter, eighteen and one-half percent  
139 (18-1/2%) of the total sales tax revenue collected during the  
140 preceding month under the provisions of this chapter, except that  
141 collected under the provisions of Sections 27-65-15, 27-65-19(3)  
142 and 27-65-21, on business activities within a redevelopment  
143 project area developed under a redevelopment plan adopted under  
144 the Tax Increment Financing Act (Section 21-45-1 et seq.) shall be  
145 allocated for distribution to the county in which the project area  
146 is located if:



- 147                   1. The county:
- 148                    a. Borders on the Mississippi Sound and
- 149 the State of Alabama, or
- 150                    b. Is Harrison County, Mississippi, and
- 151 the project area is within a radius of two (2) miles from the
- 152 intersection of Interstate 10 and Menge Avenue;
- 153                   2. The county has issued bonds under Section
- 154 21-45-9 to finance all or a portion of a redevelopment project in
- 155 the redevelopment project area;
- 156                   3. Any debt service for the indebtedness
- 157 incurred is outstanding; and
- 158                   4. A development with a value of Ten Million
- 159 Dollars (\$10,000,000.00) or more is, or will be, located in the
- 160 redevelopment area.

161                   (ii) Before any sales tax revenue may be allocated

162 for distribution to a county under this paragraph, the county

163 shall certify to the Department of Revenue that the requirements

164 of this paragraph have been met, the amount of bonded indebtedness

165 that has been incurred by the county for the redevelopment project

166 and the expected date the indebtedness incurred by the county will

167 be satisfied.

168                   (iii) The diversion of sales tax revenue

169 authorized by this paragraph shall begin the month following the

170 month in which the Department of Revenue determines that the

171 requirements of this paragraph have been met. The diversion shall



172 end the month the indebtedness incurred by the county is  
173 satisfied. All revenue received by the county under this  
174 paragraph shall be deposited in the fund required to be created in  
175 the tax increment financing plan under Section 21-45-11 and be  
176 utilized solely to satisfy the indebtedness incurred by the  
177 county.

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





197 allocation of funds under this subsection for the fiscal year  
198 beginning July 1, 1987, and ending June 30, 1988, the Department  
199 of Revenue may consider gallons of gasoline and diesel fuel sold  
200 for a period of less than one (1) fiscal year. For the purposes  
201 of this subsection, the term "fiscal year" means the fiscal year  
202 beginning July 1 of a year.

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

215 (4) On or before August 15, 1994, and on or before the  
216 fifteenth day of each succeeding month through July 15, 1999, from  
217 the proceeds of gasoline, diesel fuel or kerosene taxes as  
218 provided in Section 27-5-101(a)(ii)1, Four Million Dollars  
219 (\$4,000,000.00) shall be deposited in the State Treasury to the  
220 credit of a special fund designated as the "State Aid Road Fund,"  
221 created by Section 65-9-17. On or before August 15, 1999, and on



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

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



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

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

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

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

261 Any reference in the general laws of this state or the  
262 Mississippi Code of 1972 to Section 27-5-105 shall mean and be  
263 construed to refer and apply to subsection (4) of Section  
264 27-65-75.

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



271 (6) An amount each month beginning August 15, 1983, through  
272 November 15, 1986, as specified in Section 6, Chapter 542, Laws of  
273 1983, shall be paid into the special fund known as the  
274 Correctional Facilities Construction Fund created in Section 6,  
275 Chapter 542, Laws of 1983.

276 (7) On or before August 15, 1992, and each succeeding month  
277 thereafter through July 15, 2000, two and two hundred sixty-six  
278 one-thousandths percent (2.266%) of the total sales tax revenue  
279 collected during the preceding month under the provisions of this  
280 chapter, except that collected under the provisions of Section  
281 27-65-17(2), shall be deposited by the department into the School  
282 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On  
283 or before August 15, 2000, and each succeeding month thereafter,  
284 two and two hundred sixty-six one-thousandths percent (2.266%) of  
285 the total sales tax revenue collected during the preceding month  
286 under the provisions of this chapter, except that collected under  
287 the provisions of Section 27-65-17(2), shall be deposited into the  
288 School Ad Valorem Tax Reduction Fund created under Section  
289 37-61-35 until such time that the total amount deposited into the  
290 fund during a fiscal year equals Forty-two Million Dollars  
291 (\$42,000,000.00). Thereafter, the amounts diverted under this  
292 subsection (7) during the fiscal year in excess of Forty-two  
293 Million Dollars (\$42,000,000.00) shall be deposited into the  
294 Education Enhancement Fund created under Section 37-61-33 for  
295 appropriation by the Legislature as other education needs and



296 shall not be subject to the percentage appropriation requirements  
297 set forth in Section 37-61-33.

298 (8) On or before August 15, 1992, and each succeeding month  
299 thereafter, nine and seventy-three one-thousandths percent  
300 (9.073%) of the total sales tax revenue collected during the  
301 preceding month under the provisions of this chapter, except that  
302 collected under the provisions of Section 27-65-17(2), shall be  
303 deposited into the Education Enhancement Fund created under  
304 Section 37-61-33.

305 (9) On or before August 15, 1994, and each succeeding month  
306 thereafter, from the revenue collected under this chapter during  
307 the preceding month, Two Hundred Fifty Thousand Dollars  
308 (\$250,000.00) shall be paid into the State Aid Road Fund.

309 (10) On or before August 15, 1994, and each succeeding month  
310 thereafter through August 15, 1995, from the revenue collected  
311 under this chapter during the preceding month, Two Million Dollars  
312 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad  
313 Valorem Tax Reduction Fund established in Section 27-51-105.

314 (11) Notwithstanding any other provision of this section to  
315 the contrary, on or before February 15, 1995, and each succeeding  
316 month thereafter, the sales tax revenue collected during the  
317 preceding month under the provisions of Section 27-65-17(2) and  
318 the corresponding levy in Section 27-65-23 on the rental or lease  
319 of private carriers of passengers and light carriers of property  
320 as defined in Section 27-51-101 shall be deposited, without



321 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund  
322 established in Section 27-51-105.

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

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

340 (14) On or before August 15, 1998, and each succeeding month  
341 thereafter through July 15, 2005, that portion of the avails of  
342 the tax imposed in Section 27-65-23 that is derived from sales by  
343 cotton compresses or cotton warehouses and that would otherwise be  
344 paid into the General Fund shall be deposited in an amount not to  
345 exceed Two Million Dollars (\$2,000,000.00) into the special fund



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



370 deposited into the fund during a fiscal year equals One Million  
371 Dollars (\$1,000,000.00).

372 (15) Notwithstanding any other provision of this section to  
373 the contrary, on or before September 15, 2000, and each succeeding  
374 month thereafter, the sales tax revenue collected during the  
375 preceding month under the provisions of Section  
376 27-65-19(1)(d)(i)2, and 27-65-19(1)(d)(i)3 shall be deposited,  
377 without diversion, into the Telecommunications Ad Valorem Tax  
378 Reduction Fund established in Section 27-38-7.

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

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





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

401 (18) [Repealed]

402 (19) (a) On or before August 15, 2005, and each succeeding  
403 month thereafter, the sales tax revenue collected during the  
404 preceding month under the provisions of this chapter on the gross  
405 proceeds of sales of a business enterprise located within a  
406 redevelopment project area under the provisions of Sections  
407 57-91-1 through 57-91-11, and the revenue collected on the gross  
408 proceeds of sales from sales made to a business enterprise located  
409 in a redevelopment project area under the provisions of Sections  
410 57-91-1 through 57-91-11 (provided that such sales made to a  
411 business enterprise are made on the premises of the business  
412 enterprise), shall, except as otherwise provided in this  
413 subsection (19), be deposited, after all diversions, into the  
414 Redevelopment Project Incentive Fund as created in Section  
415 57-91-9.

416 (b) For a municipality participating in the Economic  
417 Redevelopment Act created in Sections 57-91-1 through 57-91-11,  
418 the diversion provided for in subsection (1) of this section



419 attributable to the gross proceeds of sales of a business  
420 enterprise located within a redevelopment project area under the  
421 provisions of Sections 57-91-1 through 57-91-11, and attributable  
422 to the gross proceeds of sales from sales made to a business  
423 enterprise located in a redevelopment project area under the  
424 provisions of Sections 57-91-1 through 57-91-11 (provided that  
425 such sales made to a business enterprise are made on the premises  
426 of the business enterprise), shall be deposited into the  
427 Redevelopment Project Incentive Fund as created in Section  
428 57-91-9, as follows:

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

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

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

441           (iv) For the ninth year in which such payments are  
442 made to a developer from the Redevelopment Project Incentive Fund,



443 sixty percent (60%) of the diversion shall be deposited into the  
444 fund; and

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

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

456 (21) (a) On or before April 15, 2007, and each succeeding  
457 month thereafter through June 15, 2013, One Hundred Fifty Thousand  
458 Dollars (\$150,000.00) of the sales tax revenue collected during  
459 the preceding month under the provisions of this chapter shall be  
460 deposited into the MMEIA Tax Incentive Fund created in Section  
461 57-101-3.

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



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

474           (23) (a) On or before August 15, 2019, and each month  
475 thereafter through July 15, 2020, one percent (1%) of the total  
476 sales tax revenue collected during the preceding month from  
477 restaurants and hotels shall be allocated for distribution to the  
478 Mississippi Development Authority Tourism Advertising Fund  
479 established under Section 57-1-64, to be used exclusively for the  
480 purpose stated therein. On or before August 15, 2020, and each  
481 month thereafter through July 15, 2021, two percent (2%) of the  
482 total sales tax revenue collected during the preceding month from  
483 restaurants and hotels shall be allocated for distribution to the  
484 Mississippi Development Authority Tourism Advertising Fund  
485 established under Section 57-1-64, to be used exclusively for the  
486 purpose stated therein. On or before August 15, 2021, and each  
487 month thereafter, three percent (3%) of the total sales tax  
488 revenue collected during the preceding month from restaurants and  
489 hotels shall be allocated for distribution to the Mississippi  
490 Development Authority Tourism Advertising Fund established under  
491 Section 57-1-64, to be used exclusively for the purpose stated



492 therein. The revenue diverted pursuant to this subsection shall  
493 not be available for expenditure until February 1, 2020.

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

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

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

511 (b) (i) Except as otherwise provided in subparagraph  
512 (ii) of this paragraph, if any funds have been erroneously  
513 disbursed to any municipality or any overpayment of tax is  
514 recovered by the taxpayer, the commissioner may make correction  
515 and adjust the error or overpayment with the municipality by



516 withholding the necessary funds from any later payment to be made  
517 to the municipality.

518                   (ii) Subject to the provisions of Sections  
519 27-65-51 and 27-65-53, if any funds have been erroneously  
520 disbursed to a municipality under subsection (1) of this section  
521 for a period of three (3) years or more, the maximum amount that  
522 may be recovered or withheld from the municipality is the total  
523 amount of funds erroneously disbursed for a period of three (3)  
524 years beginning with the date of the first erroneous disbursement.  
525 However, if during such period, a municipality provides written  
526 notice to the Department of Revenue indicating the erroneous  
527 disbursement of funds, then the maximum amount that may be  
528 recovered or withheld from the municipality is the total amount of  
529 funds erroneously disbursed for a period of one (1) year beginning  
530 with the date of the first erroneous disbursement.

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

