

By: Representatives Currie, Barnett,  
Crawford

To: Appropriations

HOUSE BILL NO. 442

1 AN ACT TO PROHIBIT MUNICIPALITIES FROM DEFUNDING POLICE  
2 DEPARTMENTS; TO PROVIDE CERTAIN DEFINITIONS; TO PROVIDE THAT IF A  
3 POLICY IS IMPLEMENTED OR ADOPTED BY A MUNICIPALITY TO DEFUND ITS  
4 POLICE DEPARTMENT, THEN THE DEPARTMENT OF REVENUE SHALL WITHHOLD  
5 TEN PERCENT OF THE SALES TAX REVENUE THAT WOULD OTHERWISE BE  
6 PAYABLE TO THE MUNICIPALITY UNTIL SUCH TIME THE DEPARTMENT  
7 RECEIVES CERTAIN NOTICE THAT THE MUNICIPALITY NO LONGER IMPLEMENTS  
8 SUCH POLICY; TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972,  
9 IN CONFORMITY THERETO; AND FOR RELATED PURPOSES.

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

11 **SECTION 1.** (1) For purposes of this act, the following  
12 words and terms shall have the meanings ascribed in this section  
13 unless the context clearly indicates otherwise:

14 (a) "Defunding the police policy" means any municipal  
15 policy, order or ordinance that:

16 (i) Abolishes or disbands the police department  
17 with no intention of reconstituting the municipality's police  
18 department; or

19 (ii) Significantly reduces a police department's  
20 budget without reallocating a portion of that money to any other



21 community policing program, provided that the municipality did not  
22 face a significant decrease in revenues in the previous year.

23 (b) "Municipality" means any city, town or village as  
24 defined in Section 21-1-1.

25 (2) No municipality shall adopt or enact any defunding the  
26 police policy. Any municipality that enacts or adopts such a  
27 policy shall not receive any distribution of sales tax revenue  
28 under Section 27-65-75(1)(a) until the policy is repealed or is no  
29 longer in effect.

30 (3) Before the monthly distribution of sales tax revenue  
31 under Section 27-65-75(1), any member of the Mississippi House of  
32 Representatives or Senate may request that the Attorney General of  
33 the State of Mississippi issue an opinion stating whether a  
34 municipality has current polices that violate the provisions of  
35 this section.

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

38 27-65-75. On or before the fifteenth day of each month, the  
39 revenue collected under the provisions of this chapter during the  
40 preceding month shall be paid and distributed as follows:

41 (1) (a) On or before August 15, 1992, and each succeeding  
42 month thereafter through July 15, 1993, eighteen percent (18%) of  
43 the total sales tax revenue collected during the preceding month  
44 under the provisions of this chapter, except that collected under  
45 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on



46 business activities within a municipal corporation shall be  
47 allocated for distribution to the municipality and paid to the  
48 municipal corporation. Except as otherwise provided in this  
49 paragraph (a), on or before August 15, 1993, and each succeeding  
50 month thereafter, eighteen and one-half percent (18-1/2%) of the  
51 total sales tax revenue collected during the preceding month under  
52 the provisions of this chapter, except that collected under the  
53 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and  
54 27-65-24, on business activities within a municipal corporation  
55 shall be allocated for distribution to the municipality and paid  
56 to the municipal corporation. However, in the event the State  
57 Auditor issues a certificate of noncompliance pursuant to Section  
58 21-35-31, the Department of Revenue shall withhold ten percent  
59 (10%) of the allocations and payments to the municipality that  
60 would otherwise be payable to the municipality under this  
61 paragraph (a) until such time that the department receives written  
62 notice of the cancellation of a certificate of noncompliance from  
63 the State Auditor. Also, the Department of Revenue shall withhold  
64 ten percent (10%) of the allocations and payments to the  
65 municipality that would otherwise be payable under this paragraph  
66 (a) until such time that the department receives notice that the  
67 municipality has complied with the requirements of Section 1 of  
68 this act.



69           A municipal corporation, for the purpose of distributing the  
70 tax under this subsection, shall mean and include all incorporated  
71 cities, towns and villages.

72           Monies allocated for distribution and credited to a municipal  
73 corporation under this paragraph may be pledged as security for a  
74 loan if the distribution received by the municipal corporation is  
75 otherwise authorized or required by law to be pledged as security  
76 for such a loan.

77           In any county having a county seat that is not an  
78 incorporated municipality, the distribution provided under this  
79 subsection shall be made as though the county seat was an  
80 incorporated municipality; however, the distribution to the  
81 municipality shall be paid to the county treasury in which the  
82 municipality is located, and those funds shall be used for road,  
83 bridge and street construction or maintenance in the county.

84           (b) On or before August 15, 2006, and each succeeding  
85 month thereafter, eighteen and one-half percent (18-1/2%) of the  
86 total sales tax revenue collected during the preceding month under  
87 the provisions of this chapter, except that collected under the  
88 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
89 business activities on the campus of a state institution of higher  
90 learning or community or junior college whose campus is not  
91 located within the corporate limits of a municipality, shall be  
92 allocated for distribution to the state institution of higher



93 learning or community or junior college and paid to the state  
94 institution of higher learning or community or junior college.

95 (c) On or before August 15, 2018, and each succeeding  
96 month thereafter until August 14, 2019, two percent (2%) of the  
97 total sales tax revenue collected during the preceding month under  
98 the provisions of this chapter, except that collected under the  
99 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and  
100 27-65-24, on business activities within the corporate limits of  
101 the City of Jackson, Mississippi, shall be deposited into the  
102 Capitol Complex Improvement District Project Fund created in  
103 Section 29-5-215. On or before August 15, 2019, and each  
104 succeeding month thereafter until August 14, 2020, four percent  
105 (4%) of the total sales tax revenue collected during the preceding  
106 month under the provisions of this chapter, except that collected  
107 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21  
108 and 27-65-24, on business activities within the corporate limits  
109 of the City of Jackson, Mississippi, shall be deposited into the  
110 Capitol Complex Improvement District Project Fund created in  
111 Section 29-5-215. On or before August 15, 2020, and each  
112 succeeding month thereafter, six percent (6%) of the total sales  
113 tax revenue collected during the preceding month under the  
114 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.

120 (d) (i) On or before the fifteenth day of the month  
121 that the diversion authorized by this section begins, and each  
122 succeeding month thereafter, eighteen and one-half percent  
123 (18-1/2%) of the total sales tax revenue collected during the  
124 preceding month under the provisions of this chapter, except that  
125 collected under the provisions of Sections 27-65-15, 27-65-19(3)  
126 and 27-65-21, on business activities within a redevelopment  
127 project area developed under a redevelopment plan adopted under  
128 the Tax Increment Financing Act (Section 21-45-1 et seq.) shall be  
129 allocated for distribution to the county in which the project area  
130 is located if:

131 1. The county:

132 a. Borders on the Mississippi Sound and  
133 the State of Alabama, or

134 b. Is Harrison County, Mississippi, and  
135 the project area is within a radius of two (2) miles from the  
136 intersection of Interstate 10 and Menge Avenue;

137 2. The county has issued bonds under Section  
138 21-45-9 to finance all or a portion of a redevelopment project in  
139 the redevelopment project area;

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



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

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

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

162                   (2) On or before September 15, 1987, and each succeeding  
163 month thereafter, from the revenue collected under this chapter  
164 during the preceding month, One Million One Hundred Twenty-five  
165 Thousand Dollars (\$1,125,000.00) shall be allocated for  
166 distribution to municipal corporations as defined under subsection



167 (1) of this section in the proportion that the number of gallons  
168 of gasoline and diesel fuel sold by distributors to consumers and  
169 retailers in each such municipality during the preceding fiscal  
170 year bears to the total gallons of gasoline and diesel fuel sold  
171 by distributors to consumers and retailers in municipalities  
172 statewide during the preceding fiscal year. The Department of  
173 Revenue shall require all distributors of gasoline and diesel fuel  
174 to report to the department monthly the total number of gallons of  
175 gasoline and diesel fuel sold by them to consumers and retailers  
176 in each municipality during the preceding month. The Department  
177 of Revenue shall have the authority to promulgate such rules and  
178 regulations as is necessary to determine the number of gallons of  
179 gasoline and diesel fuel sold by distributors to consumers and  
180 retailers in each municipality. In determining the percentage  
181 allocation of funds under this subsection for the fiscal year  
182 beginning July 1, 1987, and ending June 30, 1988, the Department  
183 of Revenue may consider gallons of gasoline and diesel fuel sold  
184 for a period of less than one (1) fiscal year. For the purposes  
185 of this subsection, the term "fiscal year" means the fiscal year  
186 beginning July 1 of a year.

187 (3) On or before September 15, 1987, and on or before the  
188 fifteenth day of each succeeding month, until the date specified  
189 in Section 65-39-35, the proceeds derived from contractors' taxes  
190 levied under Section 27-65-21 on contracts for the construction or  
191 reconstruction of highways designated under the highway program





192 created under Section 65-3-97 shall, except as otherwise provided  
193 in Section 31-17-127, be deposited into the State Treasury to the  
194 credit of the State Highway Fund to be used to fund that highway  
195 program. The Mississippi Department of Transportation shall  
196 provide to the Department of Revenue such information as is  
197 necessary to determine the amount of proceeds to be distributed  
198 under this subsection.

199 (4) On or before August 15, 1994, and on or before the  
200 fifteenth day of each succeeding month through July 15, 1999, from  
201 the proceeds of gasoline, diesel fuel or kerosene taxes as  
202 provided in Section 27-5-101(a)(ii)1, Four Million Dollars  
203 (\$4,000,000.00) shall be deposited in the State Treasury to the  
204 credit of a special fund designated as the "State Aid Road Fund,"  
205 created by Section 65-9-17. On or before August 15, 1999, and on  
206 or before the fifteenth day of each succeeding month, from the  
207 total amount of the proceeds of gasoline, diesel fuel or kerosene  
208 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million  
209 Dollars (\$4,000,000.00) or an amount equal to twenty-three and  
210 one-fourth percent (23-1/4%) of those funds, whichever is the  
211 greater amount, shall be deposited in the State Treasury to the  
212 credit of the "State Aid Road Fund," created by Section 65-9-17.  
213 Those funds shall be pledged to pay the principal of and interest  
214 on state aid road bonds heretofore issued under Sections 19-9-51  
215 through 19-9-77, in lieu of and in substitution for the funds  
216 previously allocated to counties under this section. Those funds



217 may not be pledged for the payment of any state aid road bonds  
218 issued after April 1, 1981; however, this prohibition against the  
219 pledging of any such funds for the payment of bonds shall not  
220 apply to any bonds for which intent to issue those bonds has been  
221 published for the first time, as provided by law before March 29,  
222 1981. From the amount of taxes paid into the special fund under  
223 this subsection and subsection (9) of this section, there shall be  
224 first deducted and paid the amount necessary to pay the expenses  
225 of the Office of State Aid Road Construction, as authorized by the  
226 Legislature for all other general and special fund agencies. The  
227 remainder of the fund shall be allocated monthly to the several  
228 counties in accordance with the following formula:

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

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

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

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



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

245           Any reference in the general laws of this state or the  
246 Mississippi Code of 1972 to Section 27-5-105 shall mean and be  
247 construed to refer and apply to subsection (4) of Section  
248 27-65-75.

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

255           (6) An amount each month beginning August 15, 1983, through  
256 November 15, 1986, as specified in Section 6, Chapter 542, Laws of  
257 1983, shall be paid into the special fund known as the  
258 Correctional Facilities Construction Fund created in Section 6,  
259 Chapter 542, Laws of 1983.

260           (7) On or before August 15, 1992, and each succeeding month  
261 thereafter through July 15, 2000, two and two hundred sixty-six  
262 one-thousandths percent (2.266%) of the total sales tax revenue  
263 collected during the preceding month under the provisions of this  
264 chapter, except that collected under the provisions of Section  
265 27-65-17(2), shall be deposited by the department into the School  
266 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On



267 or before August 15, 2000, and each succeeding month thereafter,  
268 two and two hundred sixty-six one-thousandths percent (2.266%) of  
269 the total sales tax revenue collected during the preceding month  
270 under the provisions of this chapter, except that collected under  
271 the provisions of Section 27-65-17(2), shall be deposited into the  
272 School Ad Valorem Tax Reduction Fund created under Section  
273 37-61-35 until such time that the total amount deposited into the  
274 fund during a fiscal year equals Forty-two Million Dollars  
275 (\$42,000,000.00). Thereafter, the amounts diverted under this  
276 subsection (7) during the fiscal year in excess of Forty-two  
277 Million Dollars (\$42,000,000.00) shall be deposited into the  
278 Education Enhancement Fund created under Section 37-61-33 for  
279 appropriation by the Legislature as other education needs and  
280 shall not be subject to the percentage appropriation requirements  
281 set forth in Section 37-61-33.

282 (8) On or before August 15, 1992, and each succeeding month  
283 thereafter, nine and seventy-three one-thousandths percent  
284 (9.073%) of the total sales tax revenue collected during the  
285 preceding month under the provisions of this chapter, except that  
286 collected under the provisions of Section 27-65-17(2), shall be  
287 deposited into the Education Enhancement Fund created under  
288 Section 37-61-33.

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



291 the preceding month, Two Hundred Fifty Thousand Dollars  
292 (\$250,000.00) shall be paid into the State Aid Road Fund.

293 (10) On or before August 15, 1994, and each succeeding month  
294 thereafter through August 15, 1995, from the revenue collected  
295 under this chapter during the preceding month, Two Million Dollars  
296 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad  
297 Valorem Tax Reduction Fund established in Section 27-51-105.

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

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



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

324 (14) On or before August 15, 1998, and each succeeding month  
325 thereafter through July 15, 2005, that portion of the avails of  
326 the tax imposed in Section 27-65-23 that is derived from sales by  
327 cotton compresses or cotton warehouses and that would otherwise be  
328 paid into the General Fund shall be deposited in an amount not to  
329 exceed Two Million Dollars (\$2,000,000.00) into the special fund  
330 created under Section 69-37-39. On or before August 15, 2007, and  
331 each succeeding month thereafter through July 15, 2010, that  
332 portion of the avails of the tax imposed in Section 27-65-23 that  
333 is derived from sales by cotton compresses or cotton warehouses  
334 and that would otherwise be paid into the General Fund shall be  
335 deposited in an amount not to exceed Two Million Dollars  
336 (\$2,000,000.00) into the special fund created under Section  
337 69-37-39 until all debts or other obligations incurred by the  
338 Certified Cotton Growers Organization under the Mississippi Boll  
339 Weevil Management Act before January 1, 2007, are satisfied in  
340 full. On or before August 15, 2010, and each succeeding month



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

356 (15) Notwithstanding any other provision of this section to  
357 the contrary, on or before September 15, 2000, and each succeeding  
358 month thereafter, the sales tax revenue collected during the  
359 preceding month under the provisions of Section  
360 27-65-19(1)(d)(i)2, and 27-65-19(1)(d)(i)3 shall be deposited,  
361 without diversion, into the Telecommunications Ad Valorem Tax  
362 Reduction Fund established in Section 27-38-7.

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



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

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

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

385 (18) [Repealed]

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





391 57-91-1 through 57-91-11, and the revenue collected on the gross  
392 proceeds of sales from sales made to a business enterprise located  
393 in a redevelopment project area under the provisions of Sections  
394 57-91-1 through 57-91-11 (provided that such sales made to a  
395 business enterprise are made on the premises of the business  
396 enterprise), shall, except as otherwise provided in this  
397 subsection (19), be deposited, after all diversions, into the  
398 Redevelopment Project Incentive Fund as created in Section  
399 57-91-9.

400 (b) For a municipality participating in the Economic  
401 Redevelopment Act created in Sections 57-91-1 through 57-91-11,  
402 the diversion provided for in subsection (1) of this section  
403 attributable to the gross proceeds of sales of a business  
404 enterprise located within a redevelopment project area under the  
405 provisions of Sections 57-91-1 through 57-91-11, and attributable  
406 to the gross proceeds of sales from sales made to a business  
407 enterprise located in a redevelopment project area under the  
408 provisions of Sections 57-91-1 through 57-91-11 (provided that  
409 such sales made to a business enterprise are made on the premises  
410 of the business enterprise), shall be deposited into the  
411 Redevelopment Project Incentive Fund as created in Section  
412 57-91-9, as follows:

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



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

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

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

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

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

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



440 (21) (a) On or before April 15, 2007, and each succeeding  
441 month thereafter through June 15, 2013, One Hundred Fifty Thousand  
442 Dollars (\$150,000.00) of the sales tax revenue collected during  
443 the preceding month under the provisions of this chapter shall be  
444 deposited into the MMEIA Tax Incentive Fund created in Section  
445 57-101-3.

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

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

458 (23) (a) On or before August 15, 2019, and each month  
459 thereafter through July 15, 2020, one percent (1%) of the total  
460 sales tax revenue collected during the preceding month from  
461 restaurants and hotels shall be allocated for distribution to the  
462 Mississippi Development Authority Tourism Advertising Fund  
463 established under Section 57-1-64, to be used exclusively for the  
464 purpose stated therein. On or before August 15, 2020, and each



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

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

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

487 (25) (a) It shall be the duty of the municipal officials of  
488 any municipality that expands its limits, or of any community that  
489 incorporates as a municipality, to notify the commissioner of that



490 action thirty (30) days before the effective date. Failure to so  
491 notify the commissioner shall cause the municipality to forfeit  
492 the revenue that it would have been entitled to receive during  
493 this period of time when the commissioner had no knowledge of the  
494 action.

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

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



515           **SECTION 3.** This act shall take effect and be in force from  
516 and after July 1, 2022.

