

By: Representative Crawford

To: Appropriations

HOUSE BILL NO. 962

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 TO CONFORM TO THE PRECEDING SECTION; 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28 under Section 27-65-75(1) (a) until the policy is repealed or is no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.

