

By: Representatives Bounds, Lamar, Gunn, Aguirre, Anderson (122nd), Barnett, Barton, Beckett, Bell (21st), Bell (65th), Bennett, Boyd, Byrd, Calvert, Carpenter, Clark, Crawford, Creekmore IV, Darnell, Denton, Deweese, Eure, Evans (45th), Felsher, Ford (73rd), Gibbs (36th), Goodin, Hobgood-Wilkes, Huddleston, Johnson, Kinkade, Lancaster, Mangold, Massengill, McCarty, McGee, McKnight, Mickens, Miles, Mims, Morgan, Newman, Oliver, Osborne, Owen, Paden, Patterson, Pigott, Powell, Read, Roberson, Robinson, Rushing, Scoggin, Smith, Stamps, Sanders, Taylor, Thompson, Tubb, Tullos, Walker, Wallace, White, Wright, Yancey, Reynolds

To: Ways and Means

COMMITTEE SUBSTITUTE
 FOR
 HOUSE BILL NO. 1064

1 AN ACT TO CREATE A SPECIAL FUND IN THE STATE TREASURY TO BE
 2 DESIGNATED AS THE MISSISSIPPI OUTDOOR STEWARDSHIP TRUST FUND; TO
 3 PROVIDE THAT MONIES IN THE SPECIAL FUND SHALL BE USED BY THE
 4 DEPARTMENT OF FINANCE AND ADMINISTRATION, BASED UPON THE
 5 RECOMMENDATION OF THE BOARD OF TRUSTEES OF THE MISSISSIPPI OUTDOOR
 6 STEWARDSHIP TRUST FUND TO PROVIDE ASSISTANCE TO COUNTIES,
 7 MUNICIPALITIES, STATE AGENCIES AND NONGOVERNMENTAL ENTITIES FOR
 8 THE SUPPORT OF WILDLIFE, NATURE AND OTHER OUTDOOR ACTIVITY
 9 CONSERVATION AND PROMOTION PURPOSES; TO CREATE THE BOARD OF
 10 TRUSTEES OF THE MISSISSIPPI OUTDOOR STEWARDSHIP TRUST FUND; TO
 11 PROVIDE FOR THE COMPOSITION OF THE BOARD OF TRUSTEES; TO PROVIDE
 12 THAT THE BOARD OF TRUSTEES OF THE MISSISSIPPI OUTDOOR STEWARDSHIP
 13 TRUST FUND SHALL REVIEW APPLICATIONS FOR ASSISTANCE UNDER THIS ACT
 14 AND MAKE RECOMMENDATIONS FOR ASSISTANCE TO THE DEPARTMENT OF
 15 FINANCE AND ADMINISTRATION; TO AMEND SECTION 27-65-75, MISSISSIPPI
 16 CODE OF 1972, TO PROVIDE THAT A PORTION OF THE STATE SALES TAX
 17 REVENUE DERIVED FROM SALES OF BUSINESSES WITH A CERTAIN NORTH
 18 AMERICAN INDUSTRY CLASSIFICATION SYSTEM CODE SHALL BE DEPOSITED
 19 INTO THE MISSISSIPPI OUTDOOR STEWARDSHIP TRUST FUND, AND FOR
 20 RELATED PURPOSES.

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

22 **SECTION 1.** For the purposes of Sections 1 through 4 of this
 23 act, the following words and phrases shall have the meanings
 24 ascribed in this section unless the context clearly indicates
 25 otherwise:



26 (a) "Board" means the Board of Trustees of the
27 Mississippi Outdoor Stewardship Trust Fund.

28 (b) "Conservation land" means land and water, or
29 interests therein, that are in their undeveloped, natural states
30 or that have been developed only to the extent consistent with, or
31 are restored to be consistent with, at least one (1) of the
32 following environmental values or conservation benefits:

33 (i) Water quality protection for wetlands, rivers,
34 streams, or lakes;

35 (ii) Protection of wildlife habitat;

36 (iii) Protection of cultural sites and
37 archeological and historic resources;

38 (iv) Protection of land around Mississippi's
39 military installations to ensure that missions are compatible with
40 surrounding communities and that encroachment on military
41 installations does not impair future missions;

42 (v) Support of economic development through
43 conservation projects;

44 (vi) Provision for recreation in the form of
45 archery, boating, hiking, camping, fishing, hunting, running,
46 jogging, biking, walking, shooting facilities or similar outdoor
47 activities; or

48 (vii) Recruiting and/or retention of recreation in
49 the form of archery, boating, hiking, camping, fishing, hunting,



50 running, jogging, biking, walking, shooting facilities or similar
51 outdoor activities.

52 (c) "Nongovernmental entity" means a nonprofit
53 organization primarily concerned with the protection and
54 conservation of land and natural resources, as evidenced by its
55 organizational documents.

56 (d) "Permanently protected conservation areas" means
57 those resources:

58 (i) Owned by the federal government and dedicated
59 for recreation or conservation or as a natural resource;

60 (ii) Owned by the State of Mississippi and
61 dedicated for recreation or conservation or as a natural resource;

62 (iii) Owned by a state, county or municipal unit
63 of government or authority and subject to:

64 1. A conservation easement ensuring that the
65 property will be maintained in a manner consistent with
66 conservation land;

67 2. Contractual arrangements ensuring that if
68 the protected status is discontinued on a parcel, such property
69 will be replaced by other conservation land which at the time of
70 such replacement is of equal or greater monetary and resource
71 protection value; or

72 3. A permanent restrictive covenant as
73 provided in state law; or



74 (iv) Owned by any person or entity and subject to
75 a conservation easement ensuring that the property will be
76 maintained in a manner consistent with conservation land.

77 (e) "Project proposal" means any application seeking
78 monies from the Mississippi Outdoor Stewardship Trust Fund.

79 (f) "State agency" means any agency, department,
80 commission or institution of the State of Mississippi.

81 **SECTION 2.** (1) (a) There is created in the State Treasury
82 a special fund to be designated as the "Mississippi Outdoor
83 Stewardship Trust Fund." The special fund shall consist of funds
84 appropriated or otherwise made available by the Legislature in any
85 manner and funds from any other source designated for deposit into
86 such fund. Funds shall be accounted for in such a manner to be
87 termed unobligated funds or obligated funds. Unexpended amounts
88 remaining in the fund at the end of a fiscal year shall not lapse
89 into the State General Fund, and any investment earnings or
90 interest earned on amounts in the fund shall be deposited to the
91 credit of the fund; however, any unobligated monies in excess of
92 Twenty Million Dollars (\$20,000,000.00) remaining in the fund at
93 the end of a fiscal year that have not been appropriated shall
94 lapse into the State General Fund. Monies in the fund may be used
95 by the Department of Finance and Administration, upon
96 appropriation by the Legislature, based upon the recommendation of
97 the Board of Trustees of the Mississippi Outdoor Stewardship Trust
98 Fund for the purposes of providing assistance to counties,



99 municipalities, state agencies and nongovernmental entities, as
100 provided in Sections 1 through 4 of this act. The board may use
101 not more than one percent (1%) of monies in the special fund to
102 defray the expenses of the board in carrying out its duties under
103 Sections 1 through 4 of this act. The Department of Finance and
104 Administration may use not more than three percent (3%) of monies
105 in the special fund to defray the expenses of the department in
106 carrying out its duties under Sections 1 through 4 of this act.

107 (b) Subject to the provisions of this subsection (1),
108 monies in the fund may be used and expended by the Department of
109 Finance and Administration, based upon the recommendation of the
110 Board of Trustees of the Mississippi Outdoor Stewardship Trust
111 Fund, to provide funds for:

112 (i) Grants to counties, municipalities, state
113 agencies and nongovernmental entities for:

114 1. Improvement of State Parks, and other
115 outdoor recreation features and trails of the State Parks;

116 2. Restoration or enhancement on privately
117 owned working agricultural lands and forests that support
118 conservation of soil, water, habitat of fish and wildlife
119 resources;

120 3. Providing funds to counties and
121 municipalities to acquire and improve parks and trails under the
122 control and within the jurisdiction of such counties and
123 municipalities;



124 4. Restoration or enhancement projects to
125 create or improve access to public waters and lands for public
126 outdoor recreation, conservation education, use or safe enjoyment
127 of permanently protected conservation land; and

128 5. Restoration or enhancement of wetlands,
129 native forests, native grasslands, and other unique habitats
130 important for Mississippi's fish and wildlife;

131 6. To acquire critical areas for the
132 provision or protection of clean water, wildlife, hunting or
133 fishing, for military installation buffering, or for natural
134 resource-based outdoor recreation. Real property may only be
135 acquired under this item 6 under the following circumstances:

136 a. Where such property is, at the time
137 of acquisition, being leased by the state as a wildlife management
138 area;

139 b. Where such property adjoins or is in
140 close proximity to state or federal wildlife management areas,
141 state parks, or would provide better public access to such areas;

142 c. Lands identified in any wildlife
143 action plan developed by a state agency;

144 d. Riparian lands so as to protect any
145 drinking water supply; and/or

146 e. Lands surrounding any military base
147 or military installation.



148 Acquisition of land under this item 6 may not be made through
149 the exercise of any power of eminent domain or condemnation
150 proceeding.

151 (ii) Loans to municipalities, counties,
152 nongovernmental entities and state agencies to defray the costs of
153 the projects described in subparagraph (i) of this paragraph.

154 (c) Unless otherwise authorized by the board, a county,
155 municipality, state agency or nongovernmental entity that receives
156 funds for a project under this section must expend the funds for
157 the project within two (2) years after receipt of the funds in
158 order to be eligible to apply for additional funds for the project
159 under this section. If a county, municipality, state agency or
160 nongovernmental entity receiving funds for a project does not
161 expend the funds within two (2) years after receipt of the funds,
162 then the county, municipality, state agency or nongovernmental
163 entity must provide an accounting of such unused funds and the
164 reason for failure to expend the funds.

165 (d) A county, municipality or state agency receiving
166 funds under this section may use the funds for purposes for which
167 the funds were provided to the county, municipality or state
168 agency.

169 (e) Monies in the special fund may not be used,
170 expended or transferred for any other purpose other than
171 authorized under Sections 1 through 4 of this act.



172 (2) (a) The board shall accept applications from counties,
173 municipalities, state agencies and nongovernmental entities for
174 project proposals eligible for funding under this section. The
175 board shall evaluate the proposals received in accordance with
176 this section and pursuant to priorities established by the board.

177 (b) (i) A county, municipality, state agency or
178 nongovernmental entity desiring assistance under this section must
179 submit a complete application to the board. The application must
180 include a description of the purpose for which assistance is
181 requested, the type and amount of assistance requested and any
182 other information required by the board.

183 (ii) The board shall review an application for
184 assistance and determine whether the applicant is eligible for
185 assistance under this section and whether the applicant should
186 receive assistance under this section. In reviewing applications,
187 the board shall give increased priority to projects:

188 1. That leverage or match other nonfederal
189 and/or federal funds which are available for similar purposes;

190 2. That support and promote hunting, fishing,
191 and provision for recreation in the form of archery, boating,
192 hiking, camping, fishing, hunting, running, jogging, biking,
193 walking, shooting facilities or similar outdoor activities;

194 3. That contribute to improving the quality
195 and quantity of surface water and ground water;



196 4. That contribute to the conservation of
197 soil, water, and fish and wildlife resources on privately owned
198 working agricultural lands or forests; and

199 5. That contribute to achieving the goals and
200 objectives of local, state, regional and national conservation or
201 outdoor recreational plans.

202 (c) If the board determines that an applicant should
203 receive assistance, then the board shall prepare a recommendation
204 for assistance. A recommendation for assistance shall provide the
205 purpose for which the assistance is to be provided, the type of
206 assistance to be provided, the amount of assistance to be provided
207 and any other information determined necessary by the board. The
208 board shall provide its recommendation for assistance to the
209 Department of Finance and Administration and the department shall
210 use funds from the Mississippi Outdoor Stewardship Trust Fund for
211 the purpose of providing the assistance.

212 **SECTION 3.** (1) (a) There is established the Board of
213 Trustees of the Mississippi Outdoor Stewardship Trust Fund, which
214 shall consist of twelve (12) members as follows:

215 (i) The State Forester, who is an ex-officio
216 nonvoting member;

217 (ii) The Executive Director of the Mississippi
218 Soil and Water Conservation Commission, who is an ex-officio
219 nonvoting member;



220 (iii) The Executive Director of the Mississippi
221 Commission on Marine Resources, who is an ex-officio nonvoting
222 member;

223 (iv) The Executive Director of the Mississippi
224 Department of Wildlife, Fisheries and Parks, who is an ex-officio
225 nonvoting member;

226 (v) The Commissioner of Agriculture and Commerce,
227 who is an ex-officio nonvoting member

228 (vi) Three (3) members appointed by the Governor;
229 and

230 (vii) Four (4) members appointed by the Lieutenant
231 Governor.

232 Two (2) of the members to be appointed by the Lieutenant
233 Governor shall be appointed only after consideration of
234 recommendations for those appointments made by the Speaker of the
235 House of Representatives to the Lieutenant Governor.

236 This board shall not approve any funding to a county,
237 municipality, state agency or nongovernmental entity whereby a
238 voting member of this board is an executive, other employee or is
239 a voting member of a governing board with such county,
240 municipality, state agency or nongovernmental entity.

241 The members of the board appointed by the Governor and
242 Lieutenant Governor shall be appointed from the following private
243 sectors: forestry, conservation, agriculture, marine resources,
244 hunting or fishing. Such members shall be and shall remain



245 Mississippi residents during their tenure on the board and shall
246 possess a demonstrated knowledge of and commitment to land
247 conservation and outdoor recreation.

248 (b) (i) One (1) person initially appointed by the
249 Governor and two (2) persons initially appointed by the Lieutenant
250 Governor shall serve for a term ending June 30, 2025; and (ii) one
251 (1) person initially appointed by the Governor and two (2) persons
252 initially appointed by the Lieutenant Governor shall serve for a
253 term ending June 30, 2026.

254 After the expiration of the initial terms, all such
255 appointments shall be for terms of four (4) years from the
256 expiration of the previous term.

257 (c) A majority of the voting members of the board shall
258 constitute a quorum for the conduct of meetings and all actions of
259 the board shall require a majority vote of the voting members of
260 the board.

261 (d) The board shall annually elect one (1) member to
262 serve as chairman of the board and one (1) member to serve as vice
263 chairman of the board. The vice chairman shall act as chairman in
264 the absence of or upon the disability of the chairman or if there
265 is a vacancy in the office of chairman.

266 (2) The members of the board appointed by the Governor and
267 Lieutenant Governor shall receive a per diem as provided in
268 Section 25-3-69, plus travel and necessary expenses incidental to



269 the attendance at each meeting of the board, including mileage, as
270 provided in Section 25-3-41.

271 (3) No member of the board shall use his official position
272 to obtain, or attempt to obtain, pecuniary benefit for himself
273 other than that compensation provided for by law, or to obtain, or
274 attempt to obtain, pecuniary benefit for any relative or any
275 business with which he is associated, as provided in Section
276 25-4-105.

277 (4) The Department of Finance and Administration shall
278 provide the office space, staff and other support necessary for
279 the board to perform its duties.

280 (5) Following the close of each state fiscal year, the board
281 shall submit an annual report of its activities for the preceding
282 state fiscal year pursuant to Sections 1 through 4 of this act to
283 the Governor, Lieutenant Governor, Speaker of the House of
284 Representatives, Chairman of the Ways and Means Committee of the
285 House of Representatives, Chairman of the Senate Finance
286 Committee, Chairman of the Appropriations Committee of the House
287 of Representatives and Chairman of the Appropriations Committee of
288 the Senate.

289 **SECTION 4.** The board shall have all powers necessary to
290 implement and administer Sections 1 through 3 of this act, and the
291 board shall promulgate rules and regulations, in accordance with
292 the Mississippi Administrative Procedures Law, necessary for the
293 implementation of Sections 1 through 3 of this act.



294 **SECTION 5.** Section 27-65-75, Mississippi Code of 1972, is
295 amended as follows:

296 27-65-75. On or before the fifteenth day of each month, the
297 revenue collected under the provisions of this chapter during the
298 preceding month shall be paid and distributed as follows:

299 (1) (a) On or before August 15, 1992, and each succeeding
300 month thereafter through July 15, 1993, eighteen percent (18%) of
301 the total sales tax revenue collected during the preceding month
302 under the provisions of this chapter, except that collected under
303 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
304 business activities within a municipal corporation shall be
305 allocated for distribution to the municipality and paid to the
306 municipal corporation. Except as otherwise provided in this
307 paragraph (a), on or before August 15, 1993, and each succeeding
308 month thereafter, eighteen and one-half percent (18-1/2%) of the
309 total sales tax revenue collected during the preceding month under
310 the provisions of this chapter, except that collected under the
311 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
312 27-65-24, on business activities within a municipal corporation
313 shall be allocated for distribution to the municipality and paid
314 to the municipal corporation. However, in the event the State
315 Auditor issues a certificate of noncompliance pursuant to Section
316 21-35-31, the Department of Revenue shall withhold ten percent
317 (10%) of the allocations and payments to the municipality that
318 would otherwise be payable to the municipality under this



319 paragraph (a) until such time that the department receives written
320 notice of the cancellation of a certificate of noncompliance from
321 the State Auditor.

322 A municipal corporation, for the purpose of distributing the
323 tax under this subsection, shall mean and include all incorporated
324 cities, towns and villages.

325 Monies allocated for distribution and credited to a municipal
326 corporation under this paragraph may be pledged as security for a
327 loan if the distribution received by the municipal corporation is
328 otherwise authorized or required by law to be pledged as security
329 for such a loan.

330 In any county having a county seat that is not an
331 incorporated municipality, the distribution provided under this
332 subsection shall be made as though the county seat was an
333 incorporated municipality; however, the distribution to the
334 municipality shall be paid to the county treasury in which the
335 municipality is located, and those funds shall be used for road,
336 bridge and street construction or maintenance in the county.

337 (b) On or before August 15, 2006, and each succeeding
338 month thereafter, eighteen and one-half percent (18-1/2%) of the
339 total sales tax revenue collected during the preceding month under
340 the provisions of this chapter, except that collected under the
341 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
342 business activities on the campus of a state institution of higher
343 learning or community or junior college whose campus is not



344 located within the corporate limits of a municipality, shall be
345 allocated for distribution to the state institution of higher
346 learning or community or junior college and paid to the state
347 institution of higher learning or community or junior college.

348 (c) On or before August 15, 2018, and each succeeding
349 month thereafter until August 14, 2019, two percent (2%) of the
350 total sales tax revenue collected during the preceding month under
351 the provisions of this chapter, except that collected under the
352 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
353 27-65-24, on business activities within the corporate limits of
354 the City of Jackson, Mississippi, shall be deposited into the
355 Capitol Complex Improvement District Project Fund created in
356 Section 29-5-215. On or before August 15, 2019, and each
357 succeeding month thereafter until August 14, 2020, four percent
358 (4%) of the total sales tax revenue collected during the preceding
359 month under the provisions of this chapter, except that collected
360 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
361 and 27-65-24, on business activities within the corporate limits
362 of the City of Jackson, Mississippi, shall be deposited into the
363 Capitol Complex Improvement District Project Fund created in
364 Section 29-5-215. On or before August 15, 2020, and each
365 succeeding month thereafter, six percent (6%) of the total sales
366 tax revenue collected during the preceding month under the
367 provisions of this chapter, except that collected under the
368 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and



369 27-65-24, on business activities within the corporate limits of
370 the City of Jackson, Mississippi, shall be deposited into the
371 Capitol Complex Improvement District Project Fund created in
372 Section 29-5-215.

373 (d) (i) On or before the fifteenth day of the month
374 that the diversion authorized by this section begins, and each
375 succeeding month thereafter, eighteen and one-half percent
376 (18-1/2%) of the total sales tax revenue collected during the
377 preceding month under the provisions of this chapter, except that
378 collected under the provisions of Sections 27-65-15, 27-65-19(3)
379 and 27-65-21, on business activities within a redevelopment
380 project area developed under a redevelopment plan adopted under
381 the Tax Increment Financing Act (Section 21-45-1 et seq.) shall be
382 allocated for distribution to the county in which the project area
383 is located if:

384 1. The county:

385 a. Borders on the Mississippi Sound and
386 the State of Alabama, or

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

390 2. The county has issued bonds under Section
391 21-45-9 to finance all or a portion of a redevelopment project in
392 the redevelopment project area;



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

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

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

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

415 (2) On or before September 15, 1987, and each succeeding
416 month thereafter, from the revenue collected under this chapter
417 during the preceding month, One Million One Hundred Twenty-five



418 Thousand Dollars (\$1,125,000.00) shall be allocated for
419 distribution to municipal corporations as defined under subsection
420 (1) of this section in the proportion that the number of gallons
421 of gasoline and diesel fuel sold by distributors to consumers and
422 retailers in each such municipality during the preceding fiscal
423 year bears to the total gallons of gasoline and diesel fuel sold
424 by distributors to consumers and retailers in municipalities
425 statewide during the preceding fiscal year. The Department of
426 Revenue shall require all distributors of gasoline and diesel fuel
427 to report to the department monthly the total number of gallons of
428 gasoline and diesel fuel sold by them to consumers and retailers
429 in each municipality during the preceding month. The Department
430 of Revenue shall have the authority to promulgate such rules and
431 regulations as is necessary to determine the number of gallons of
432 gasoline and diesel fuel sold by distributors to consumers and
433 retailers in each municipality. In determining the percentage
434 allocation of funds under this subsection for the fiscal year
435 beginning July 1, 1987, and ending June 30, 1988, the Department
436 of Revenue may consider gallons of gasoline and diesel fuel sold
437 for a period of less than one (1) fiscal year. For the purposes
438 of this subsection, the term "fiscal year" means the fiscal year
439 beginning July 1 of a year.

440 (3) On or before September 15, 1987, and on or before the
441 fifteenth day of each succeeding month, until the date specified
442 in Section 65-39-35, the proceeds derived from contractors' taxes



443 levied under Section 27-65-21 on contracts for the construction or
444 reconstruction of highways designated under the highway program
445 created under Section 65-3-97 shall, except as otherwise provided
446 in Section 31-17-127, be deposited into the State Treasury to the
447 credit of the State Highway Fund to be used to fund that highway
448 program. The Mississippi Department of Transportation shall
449 provide to the Department of Revenue such information as is
450 necessary to determine the amount of proceeds to be distributed
451 under this subsection.

452 (4) On or before August 15, 1994, and on or before the
453 fifteenth day of each succeeding month through July 15, 1999, from
454 the proceeds of gasoline, diesel fuel or kerosene taxes as
455 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
456 (\$4,000,000.00) shall be deposited in the State Treasury to the
457 credit of a special fund designated as the "State Aid Road Fund,"
458 created by Section 65-9-17. On or before August 15, 1999, and on
459 or before the fifteenth day of each succeeding month, from the
460 total amount of the proceeds of gasoline, diesel fuel or kerosene
461 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
462 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
463 one-fourth percent (23-1/4%) of those funds, whichever is the
464 greater amount, shall be deposited in the State Treasury to the
465 credit of the "State Aid Road Fund," created by Section 65-9-17.
466 Those funds shall be pledged to pay the principal of and interest
467 on state aid road bonds heretofore issued under Sections 19-9-51



468 through 19-9-77, in lieu of and in substitution for the funds
469 previously allocated to counties under this section. Those funds
470 may not be pledged for the payment of any state aid road bonds
471 issued after April 1, 1981; however, this prohibition against the
472 pledging of any such funds for the payment of bonds shall not
473 apply to any bonds for which intent to issue those bonds has been
474 published for the first time, as provided by law before March 29,
475 1981. From the amount of taxes paid into the special fund under
476 this subsection and subsection (9) of this section, there shall be
477 first deducted and paid the amount necessary to pay the expenses
478 of the Office of State Aid Road Construction, as authorized by the
479 Legislature for all other general and special fund agencies. The
480 remainder of the fund shall be allocated monthly to the several
481 counties in accordance with the following formula:

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

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

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



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

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

498 Any reference in the general laws of this state or the
499 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
500 construed to refer and apply to subsection (4) of Section
501 27-65-75.

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

508 (6) An amount each month beginning August 15, 1983, through
509 November 15, 1986, as specified in Section 6, Chapter 542, Laws of
510 1983, shall be paid into the special fund known as the
511 Correctional Facilities Construction Fund created in Section 6,
512 Chapter 542, Laws of 1983.

513 (7) On or before August 15, 1992, and each succeeding month
514 thereafter through July 15, 2000, two and two hundred sixty-six
515 one-thousandths percent (2.266%) of the total sales tax revenue
516 collected during the preceding month under the provisions of this



517 chapter, except that collected under the provisions of Section
518 27-65-17(2), shall be deposited by the department into the School
519 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
520 or before August 15, 2000, and each succeeding month thereafter,
521 two and two hundred sixty-six one-thousandths percent (2.266%) of
522 the total sales tax revenue collected during the preceding month
523 under the provisions of this chapter, except that collected under
524 the provisions of Section 27-65-17(2), shall be deposited into the
525 School Ad Valorem Tax Reduction Fund created under Section
526 37-61-35 until such time that the total amount deposited into the
527 fund during a fiscal year equals Forty-two Million Dollars
528 (\$42,000,000.00). Thereafter, the amounts diverted under this
529 subsection (7) during the fiscal year in excess of Forty-two
530 Million Dollars (\$42,000,000.00) shall be deposited into the
531 Education Enhancement Fund created under Section 37-61-33 for
532 appropriation by the Legislature as other education needs and
533 shall not be subject to the percentage appropriation requirements
534 set forth in Section 37-61-33.

535 (8) On or before August 15, 1992, and each succeeding month
536 thereafter, nine and seventy-three one-thousandths percent
537 (9.073%) of the total sales tax revenue collected during the
538 preceding month under the provisions of this chapter, except that
539 collected under the provisions of Section 27-65-17(2), shall be
540 deposited into the Education Enhancement Fund created under
541 Section 37-61-33.



542 (9) On or before August 15, 1994, and each succeeding month
543 thereafter, from the revenue collected under this chapter during
544 the preceding month, Two Hundred Fifty Thousand Dollars
545 (\$250,000.00) shall be paid into the State Aid Road Fund.

546 (10) On or before August 15, 1994, and each succeeding month
547 thereafter through August 15, 1995, from the revenue collected
548 under this chapter during the preceding month, Two Million Dollars
549 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
550 Valorem Tax Reduction Fund established in Section 27-51-105.

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

560 (12) Notwithstanding any other provision of this section to
561 the contrary, on or before August 15, 1995, and each succeeding
562 month thereafter, the sales tax revenue collected during the
563 preceding month under the provisions of Section 27-65-17(1) on
564 retail sales of private carriers of passengers and light carriers
565 of property, as defined in Section 27-51-101 and the corresponding
566 levy in Section 27-65-23 on the rental or lease of these vehicles,



567 shall be deposited, after diversion, into the Motor Vehicle Ad
568 Valorem Tax Reduction Fund established in Section 27-51-105.

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

577 (14) On or before August 15, 1998, and each succeeding month
578 thereafter through July 15, 2005, that portion of the avails of
579 the tax imposed in Section 27-65-23 that is derived from sales by
580 cotton compresses or cotton warehouses and that would otherwise be
581 paid into the General Fund shall be deposited in an amount not to
582 exceed Two Million Dollars (\$2,000,000.00) into the special fund
583 created under Section 69-37-39. On or before August 15, 2007, and
584 each succeeding month thereafter through July 15, 2010, that
585 portion of the avails of the tax imposed in Section 27-65-23 that
586 is derived from sales by cotton compresses or cotton warehouses
587 and that would otherwise be paid into the General Fund shall be
588 deposited in an amount not to exceed Two Million Dollars
589 (\$2,000,000.00) into the special fund created under Section
590 69-37-39 until all debts or other obligations incurred by the
591 Certified Cotton Growers Organization under the Mississippi Boll



592 Weevil Management Act before January 1, 2007, are satisfied in
593 full. On or before August 15, 2010, and each succeeding month
594 thereafter through July 15, 2011, fifty percent (50%) of that
595 portion of the avails of the tax imposed in Section 27-65-23 that
596 is derived from sales by cotton compresses or cotton warehouses
597 and that would otherwise be paid into the General Fund shall be
598 deposited into the special fund created under Section 69-37-39
599 until such time that the total amount deposited into the fund
600 during a fiscal year equals One Million Dollars (\$1,000,000.00).
601 On or before August 15, 2011, and each succeeding month
602 thereafter, that portion of the avails of the tax imposed in
603 Section 27-65-23 that is derived from sales by cotton compresses
604 or cotton warehouses and that would otherwise be paid into the
605 General Fund shall be deposited into the special fund created
606 under Section 69-37-39 until such time that the total amount
607 deposited into the fund during a fiscal year equals One Million
608 Dollars (\$1,000,000.00).

609 (15) Notwithstanding any other provision of this section to
610 the contrary, on or before September 15, 2000, and each succeeding
611 month thereafter, the sales tax revenue collected during the
612 preceding month under the provisions of Section
613 27-65-19(1)(d)(i)2, and 27-65-19(1)(d)(i)3 shall be deposited,
614 without diversion, into the Telecommunications Ad Valorem Tax
615 Reduction Fund established in Section 27-38-7.



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

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

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

638 (18) [Repealed]

639 (19) (a) On or before August 15, 2005, and each succeeding
640 month thereafter, the sales tax revenue collected during the



641 preceding month under the provisions of this chapter on the gross
642 proceeds of sales of a business enterprise located within a
643 redevelopment project area under the provisions of Sections
644 57-91-1 through 57-91-11, and the revenue collected on the gross
645 proceeds of sales from sales made to a business enterprise located
646 in a redevelopment project area under the provisions of Sections
647 57-91-1 through 57-91-11 (provided that such sales made to a
648 business enterprise are made on the premises of the business
649 enterprise), shall, except as otherwise provided in this
650 subsection (19), be deposited, after all diversions, into the
651 Redevelopment Project Incentive Fund as created in Section
652 57-91-9.

653 (b) For a municipality participating in the Economic
654 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
655 the diversion provided for in subsection (1) of this section
656 attributable to the gross proceeds of sales of a business
657 enterprise located within a redevelopment project area under the
658 provisions of Sections 57-91-1 through 57-91-11, and attributable
659 to the gross proceeds of sales from sales made to a business
660 enterprise located in a redevelopment project area under the
661 provisions of Sections 57-91-1 through 57-91-11 (provided that
662 such sales made to a business enterprise are made on the premises
663 of the business enterprise), shall be deposited into the
664 Redevelopment Project Incentive Fund as created in Section
665 57-91-9, as follows:



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

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

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

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

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

685 (20) On or before January 15, 2007, and each succeeding
686 month thereafter, eighty percent (80%) of the sales tax revenue
687 collected during the preceding month under the provisions of this
688 chapter from the operation of a tourism project under the
689 provisions of Sections 57-28-1 through 57-28-5 shall be deposited,
690 after the diversions required in subsections (7) and (8) of this



691 section, into the Tourism Sales Tax Incentive Fund created in
692 Section 57-28-3.

693 (21) (a) On or before April 15, 2007, and each succeeding
694 month thereafter through June 15, 2013, One Hundred Fifty Thousand
695 Dollars (\$150,000.00) of the sales tax revenue collected during
696 the preceding month under the provisions of this chapter shall be
697 deposited into the MMEIA Tax Incentive Fund created in Section
698 57-101-3.

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

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

711 (23) (a) On or before August 15, 2019, and each month
712 thereafter through July 15, 2020, one percent (1%) of the total
713 sales tax revenue collected during the preceding month from
714 restaurants and hotels shall be allocated for distribution to the
715 Mississippi Development Authority Tourism Advertising Fund



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

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

737 (24) On or before August 15, 2022, and each succeeding month
738 thereafter through July 15, 2023, Eight Hundred Thirty-three
739 Thousand Three Hundred Thirty-three Dollars and Thirty-four Cents
740 (\$833,333.34) of the total sales tax revenue collected during the



741 preceding month under the provisions of this chapter from
742 businesses with the North American Industry Classification System
743 Code of 451110 shall be deposited into the Mississippi Outdoor
744 Stewardship Trust Fund created in Section 2 of this act. On or
745 before August 15, 2023, and each succeeding month thereafter
746 through July 15, 2024, One Million Dollars (\$1,000,000.00) of the
747 total sales tax revenue collected during the preceding month under
748 the provisions of this chapter from businesses with the North
749 American Industry Classification System Code of 451110 shall be
750 deposited into the Mississippi Outdoor Stewardship Trust Fund
751 created in Section 2 of this act. On or before August 15, 2024,
752 and each succeeding month thereafter, One Million Two Hundred
753 Fifty Thousand Dollars (\$1,250,000.00) of the total sales tax
754 revenue collected during the preceding month under the provisions
755 of this chapter from businesses with the North American Industry
756 Classification System Code of 451110 shall be deposited into the
757 Mississippi Outdoor Stewardship Trust Fund created in Section 2 of
758 this act.

759 (* * *25) The remainder of the amounts collected under the
760 provisions of this chapter shall be paid into the State Treasury
761 to the credit of the General Fund.

762 (* * *26) (a) It shall be the duty of the municipal
763 officials of any municipality that expands its limits, or of any
764 community that incorporates as a municipality, to notify the
765 commissioner of that action thirty (30) days before the effective



766 date. Failure to so notify the commissioner shall cause the
767 municipality to forfeit the revenue that it would have been
768 entitled to receive during this period of time when the
769 commissioner had no knowledge of the action.

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

777 (ii) Subject to the provisions of Sections
778 27-65-51 and 27-65-53, if any funds have been erroneously
779 disbursed to a municipality under subsection (1) of this section
780 for a period of three (3) years or more, the maximum amount that
781 may be recovered or withheld from the municipality is the total
782 amount of funds erroneously disbursed for a period of three (3)
783 years beginning with the date of the first erroneous disbursement.
784 However, if during such period, a municipality provides written
785 notice to the Department of Revenue indicating the erroneous
786 disbursement of funds, then the maximum amount that may be
787 recovered or withheld from the municipality is the total amount of
788 funds erroneously disbursed for a period of one (1) year beginning
789 with the date of the first erroneous disbursement.



790 **SECTION 6.** This act shall take effect and be in force from
791 and after July 1, 2022.

