

By: Representative Lamar

To: Ways and Means

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1163

1 AN ACT TO AMEND SECTION 27-65-21, MISSISSIPPI CODE OF 1972,
2 TO REVISE CERTAIN PROVISIONS REGARDING THE TYPE OF RESIDENTIAL
3 CONSTRUCTION THAT IS EXCLUDED FROM THE CONTRACTOR'S TAX; TO
4 PROVIDE THAT WHEN A PERSON ENGAGED IN ANY BUSINESS ON WHICH A
5 SALES TAX IS LEVIED UNDER CERTAIN SECTIONS OF LAW ALSO QUALIFIES
6 AS A CONTRACTOR, AND CONTRACTS TO PERFORM ANY SERVICES SUBJECT TO
7 THE CONTRACTOR'S TAX, SUCH PERSON SHALL PAY THE CONTRACTOR'S TAX
8 IN LIEU OF THE SALES TAXES IMPOSED BY THE OTHER SECTIONS OF LAW;
9 TO PROVIDE THAT A PERSON LIABLE FOR THE CONTRACTOR'S TAX MAY APPLY
10 FOR AND OBTAIN A MATERIAL PURCHASE CERTIFICATE FROM THE DEPARTMENT
11 OF REVENUE ON A PER CONTRACT BASIS OR ON AN ANNUAL BASIS; TO AMEND
12 SECTION 27-65-3, MISSISSIPPI CODE OF 1972, TO REVISE THE
13 DEFINITION OF THE TERM "INSTALLATION CHARGES" UNDER THE STATE
14 SALES TAX LAW TO EXCLUDE CHARGES FOR LABOR SERVICES IN CONNECTION
15 WITH THE APPLICATION OR REPAIR OF RESIDENTIAL ROOFING; TO AMEND
16 SECTIONS 19-5-9 AND 21-19-25, MISSISSIPPI CODE OF 1972, TO PROVIDE
17 THAT REGARDLESS OF WHETHER A COUNTY OR MUNICIPALITY HAS ADOPTED
18 CERTAIN CONSTRUCTION CODES, A COUNTY OR MUNICIPALITY, AS THE CASE
19 MAY BE, SHALL REQUIRE PERMITTING AS A CONDITION TO CONSTRUCTION
20 AND THAT SUCH PERMITS SHALL CONTAIN ON THEIR FACE, THE
21 CONTRACTOR'S MATERIAL PURCHASE CERTIFICATE NUMBER TO THE EXTENT
22 FURNISHED BY THE DEPARTMENT OF REVENUE AND THE CONTRACTOR'S
23 LICENSE OR CERTIFICATE OF RESPONSIBILITY NUMBER AS REQUIRED BY
24 CERTAIN SECTIONS OF LAW; TO AMEND SECTIONS 73-59-1, 73-59-3,
25 73-59-9 AND 73-59-15, MISSISSIPPI CODE OF 1972, WHICH ARE SECTIONS
26 OF LAWS REGULATING RESIDENTIAL BUILDERS AND REMODELERS, TO DEFINE
27 THE TERMS "CONSTRUCTION MANAGER" AND "RESIDENTIAL SOLAR
28 CONTRACTOR" FOR PURPOSES OF SUCH SECTIONS OF LAW, TO REVISE THE
29 PERSONS OR ENTITIES THAT MUST BE LICENSED BY THE STATE BOARD OF
30 CONTRACTORS UNDER SUCH LAWS, TO REVISE CERTAIN PROVISIONS
31 REGARDING PENALTIES FOR PERSONS WHO UNDERTAKE TO PERFORM THE
32 BUSINESS OF RESIDENTIAL CONSTRUCTION OR IMPROVEMENT WITHOUT FIRST
33 HAVING A LICENSE; TO REVISE THE TYPES OF REMEDIES AVAILABLE TO
34 SUCH PERSONS OR ENTITIES AND TO REVISE THE TYPES OF RESIDENTIAL



35 CONSTRUCTION TO WHICH SUCH SECTIONS OF LAWS DO NOT APPLY; TO BRING
36 FORWARD SECTIONS 27-65-17, 27-65-17.1, 27-65-20 AND 27-65-75,
37 MISSISSIPPI CODE OF 1972, WHICH ARE SECTIONS OF THE MISSISSIPPI
38 SALES TAX LAW; TO BRING FORWARD SECTION 73-59-17, MISSISSIPPI CODE
39 OF 1972, WHICH IS A SECTION OF THE LAW REGULATING BUILDERS AND
40 REMODELERS, FOR THE PURPOSES OF POSSIBLE AMENDMENT; AND FOR
41 RELATED PURPOSES.

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

43 **SECTION 1.** Section 27-65-21, Mississippi Code of 1972, is
44 amended as follows:

45 27-65-21. (1) (a) (i) Upon every person engaging or
46 continuing in this state in the business of contracting or
47 performing a contract or engaging in any of the activities, or
48 similar activities, listed below for a price, commission, fee or
49 wage, there is hereby levied, assessed and shall be collected a
50 tax equal to three and one-half percent (3-1/2%) of the total
51 contract price or compensation received, including all charges
52 related to the contract such as finance charges and late charges,
53 from constructing, building, erecting, repairing, grading,
54 excavating, drilling, exploring, testing or adding to any
55 building, highway, street, sidewalk, bridge, culvert, sewer,
56 irrigation or water system, drainage or dredging system, levee or
57 levee system or any part thereof, railway, reservoir, dam, power
58 plant, electrical system, air-conditioning system, heating system,
59 transmission line, pipeline, tower, dock, storage tank, wharf,
60 excavation, grading, water well, any other improvement or
61 structure or any part thereof when the compensation received
62 exceeds Ten Thousand Dollars (\$10,000.00). Such activities shall
63 not include constructing, repairing or adding to property which



64 retains its identity as personal property. The tax imposed in
65 this section is levied upon the prime contractor and shall be paid
66 by him.

67 (ii) Amounts included in the contract price or
68 compensation received representing the sale of manufacturing or
69 processing machinery for a manufacturer or custom processor shall
70 be taxed at the rate of one and one-half percent (1-1/2%) in lieu
71 of the three and one-half percent (3-1/2%).

72 (b) The following shall be excluded from the tax levied
73 by this section:

74 (i) The contract price or compensation received
75 for constructing, building * * * or erecting * * * a new "home",
76 as that term is defined in Section 83-58-3(c). * * * As used in
77 this section, the term "home" shall include homes, mobile homes,
78 summer cottages, fishing and hunting camp buildings and similar
79 buildings, but shall not include apartment buildings,
80 condominiums, hotels, motels, hospitals, nursing or retirement
81 homes, tourist cottages or other commercial establishments.

82 (ii) The portion of the total contract price
83 attributable to design or engineering services if:

84 1. The total contract price for the project
85 exceeds the sum of One Hundred Million Dollars (\$100,000,000.00);
86 or



87 2. The engineering services are performed by
88 a professional engineer as defined in Section 73-13-3, who is the
89 general or prime contractor.

90 (iii) The contract price or compensation received
91 to restore, repair or replace a utility distribution or
92 transmission system that has been damaged due to ice storm,
93 hurricane, flood, tornado, wind, earthquake or other natural
94 disaster if such restoration, repair or replacement is performed
95 by the entity providing the service at its cost.

96 (iv) The contract price or compensation received
97 for constructing, building, erecting, repairing or adding to any
98 building, facility or structure located at any refinery as defined
99 in Section 27-65-24.

100 (c) Sales of materials and services for use in the
101 activities hereby excluded from taxes imposed by this section,
102 except services used in activities excluded pursuant to paragraph
103 (b)(iii) of this subsection, shall be subject to taxes imposed by
104 other sections in this chapter.

105 (2) (a) Upon every person engaging or continuing in this
106 state in the business of contracting or performing a contract of
107 redrilling, or working over, or of drilling or completing an oil
108 well or a gas well, regardless of whether such well is productive
109 or nonproductive, for any valuable consideration, there is hereby
110 levied, assessed and shall be collected a tax equal to three and
111 one-half percent (3-1/2%) of the total contract price or



112 compensation received when such compensation exceeds Ten Thousand
113 Dollars (\$10,000.00).

114 (b) The words, terms and phrases as used in this
115 subsection shall have the meaning ascribed to them as follows:

116 (i) "Operator" - One who holds all or a fraction
117 of the working or operating rights in an oil or gas lease, and is
118 obligated for the costs of production either as a fee owner or
119 under a lease or any other form of contract creating working or
120 operating rights.

121 (ii) "Bottom-hole contribution" - Money or
122 property given to an operator for his use in the drilling of a
123 well on property in which the payor has no interest. The
124 contribution is payable whether the well is productive or
125 nonproductive.

126 (iii) "Dry-hole contribution" - Money or property
127 given to an operator for his use in the drilling of a well on
128 property in which the payor has no interest. Such contribution is
129 payable only in the event the well is found to be nonproductive.

130 (iv) "Turnkey drilling contract" - A contract for
131 the drilling of a well which requires the driller to drill a well
132 and, if commercial production is obtained, to equip the well to
133 such stage that the lessee or operator may turn a valve and the
134 oil will flow into a tank.

135 (v) "Total contract price or compensation
136 received" - As related to oil and gas well contractors, shall



137 include amounts received as compensation for all costs of
138 performing a turnkey drilling contract; amounts received or to be
139 received under assignment as dry-hole money or bottom-hole money;
140 and shall mean and include anything of value received by the
141 contractor as remuneration for services taxable hereunder. When
142 the kind and amount of compensation received by the contractor is
143 contingent upon production, the taxable amount shall be the total
144 compensation receivable in the event the well is a dry hole. The
145 taxable amount in the event of production when the contractor
146 receives a production interest of an undetermined value in lieu of
147 a fixed compensation shall be an amount equal to the compensation
148 to the contractor if the well had been a dry hole.

149 (3) (a) When the work to be performed under any contract is
150 sublet by the prime contractor to different persons, or in
151 separate contracts to the same persons, each such subcontractor
152 performing any part of said work shall be liable for the amount of
153 the tax which accrues on account of the work performed by such
154 person when the tax heretofore imposed has not been paid upon the
155 whole contract by the prime contractor.

156 (b) When a person engaged in any business on which a
157 tax is levied in Sections 27-65-17, 27-65-20 or 27-65-23, also
158 qualifies as a contractor, and contracts with the owner of any
159 project to perform any services in excess of Ten Thousand Dollars
160 (\$10,000.00) herein taxed, such person shall pay the tax imposed



161 by this section in lieu of the tax imposed by Sections 27-65-17,
162 27-65-20 or 27-65-23, as applicable.

163 (c) (i) Any person entering into any contract over
164 Seventy-five Thousand Dollars (\$75,000.00) as defined in this
165 section shall, before beginning the performance of such contract
166 or contracts, either pay the contractors' tax in advance, together
167 with any use taxes due under Section 27-67-5, or execute and file
168 with the commissioner a good and valid bond in a surety company
169 authorized to do business in this state, or with sufficient
170 sureties to be approved by the commissioner conditioned that all
171 taxes which may accrue to the State of Mississippi under this
172 chapter, or under Section 27-67-5 and Section 27-7-5, will be paid
173 when due. Such bonds shall be either (a) "job bonds" which
174 guarantee payment when due of the aforesaid taxes resulting from
175 performance of a specified job or activity regardless of date of
176 completion; or (b) "blanket bonds" which guarantee payment when
177 due of the aforesaid taxes resulting from performance of all jobs
178 or activities taxable under this section begun during the period
179 specified therein, regardless of date of completion. The payments
180 of the taxes due or the execution and filing of a surety bond
181 shall be a condition precedent to the commencing work on any
182 contract taxed hereunder. Provided, that when any bond is filed
183 in lieu of the prepayment of the tax under this section, that the
184 tax shall be payable monthly on the amount received during the
185 previous month, and any use taxes due shall be payable on or



186 before the twentieth day of the month following the month in which
187 the property is brought into Mississippi.

188 (ii) Any person failing either to execute any bond
189 herein provided, or to pay the taxes in advance, before beginning
190 the performance of any contract shall be denied the right to
191 perform such contract until he complies with such requirements,
192 and the commissioner is hereby authorized to proceed either under
193 Section 27-65-59, under Section 27-65-61 or by injunction to
194 prevent any activity in the performance of such contract until
195 either a satisfactory bond is executed and filed, or all taxes are
196 paid in advance, and a temporary injunction enjoining the
197 execution of such contract shall be granted without notice by any
198 judge or chancellor now authorized by law to grant injunctions.

199 (4) (a) Any person liable for a tax under this section may
200 apply for and obtain a material purchase certificate from the
201 commissioner which may entitle the holder to purchase materials
202 and services that are to become a component part of the structure
203 to be erected or repaired with no tax due. Provided, that the
204 contractor applying for the contractor's material purchase
205 certificate shall furnish the Department of Revenue a list of all
206 work sublet to others, indicating the amount of work to be
207 performed, and the names and addresses of each subcontractor.

208 (b) Any person liable for a tax under this section may
209 apply for and obtain a material purchase certificate from the
210 commissioner on a per contract basis or on an annual basis. If



211 the material purchase certificate issued by the commissioner is
212 issued to a person on an annual basis, then the material purchase
213 certificate may be used for all contracts entered into by the
214 person liable for a tax under this section during any calendar
215 year, and renewed each calendar year, thereafter.

216 **SECTION 2.** Section 27-65-3, Mississippi Code of 1972, is
217 amended as follows:

218 27-65-3. The words, terms and phrases, when used in this
219 chapter, shall have the meanings ascribed to them herein.

220 (a) "Tax Commission" or "department" means the
221 Department of Revenue of the State of Mississippi.

222 (b) "Commissioner" means the Commissioner of Revenue of
223 the Department of Revenue.

224 (c) "Person" means and includes any individual, firm,
225 copartnership, joint venture, association, corporation, promoter
226 of a temporary event, estate, trust or other group or combination
227 acting as a unit, and includes the plural as well as the singular
228 in number. "Person" shall include husband or wife, or both, where
229 joint benefits are derived from the operation of a business taxed
230 hereunder. "Person" shall also include any state, county,
231 municipal or other agency or association engaging in a business
232 taxable under this chapter.

233 (d) "Tax year" or "taxable year" means either the
234 calendar year or the taxpayer's fiscal year.



235 (e) "Taxpayer" means any person liable for or having
236 paid any tax to the State of Mississippi under the provisions of
237 this chapter. A taxpayer is required to obtain a sales tax permit
238 under Section 27-65-27 before engaging in business in this state.
239 If a taxpayer fails to obtain a sales tax permit before engaging
240 in business in this state, the taxpayer shall pay the retail rate
241 on all purchases of tangible personal property and/or services in
242 this state, even if purchased for resale. Upon obtaining a sales
243 tax permit, a previously unregistered taxpayer shall file sales
244 tax returns for all tax periods during which he engaged in
245 business in this state without a sales tax permit, and report and
246 pay the sales tax accruing from his operation during this period
247 and any applicable penalties and interest. On such return, the
248 taxpayer may take a credit for any sales taxes paid during the
249 period he operated without a sales tax permit on a purchase that
250 would have constituted a wholesale sale if the taxpayer had a
251 sales tax permit at the time of the purchase and if proper
252 documentation exists to substantiate a wholesale sale. This
253 credit may also be allowed in any audit of the taxpayer. Any
254 penalties and interest owed by the taxpayer on the return or in an
255 audit for a period during which he operated without a sales tax
256 permit may be determined based on the sales tax accruing from the
257 taxpayer's operation for that period after the taking of this
258 credit.



259 (f) "Sale" or "sales" includes the barter or exchange
260 of property as well as the sale thereof for money or other
261 consideration, and every closed transaction by which the title to
262 taxable property passes shall constitute a taxable event.

263 "Sale" shall also include the passing of title to property
264 for a consideration of coupons, trading stamps or by any other
265 means when redemption is subsequent to the original sale by which
266 the coupon, stamp or other obligation was created.

267 The situs of a sale for the purpose of distributing taxes to
268 municipalities shall be the same as the location of the business
269 from which the sale is made except that:

270 (i) Retail sales along a route from a vehicle or
271 otherwise by a transient vendor shall take the situs of delivery
272 to the customer.

273 (ii) The situs of wholesale sales of tangible
274 personal property taxed at wholesale rates, the amount of which is
275 allowed as a credit against the sales tax liability of the
276 retailer, shall be the same as the location of the business of the
277 retailer receiving the credit.

278 (iii) The situs of wholesale sales of tangible
279 personal property taxed at wholesale rates, the amount of which is
280 not allowed as a credit against the sales tax liability of the
281 retailer, shall have a rural situs.



282 (iv) Income received from the renting or leasing
283 of property used for transportation purposes between cities or
284 counties shall have a rural situs.

285 (g) "Delivery charges" shall mean and include any
286 expenses incurred by a seller in acquiring merchandise for sale in
287 the regular course of business commonly known as "freight-in" or
288 "transportation costs-in." "Delivery charges" also include any
289 charges made by the seller for delivery of property sold to the
290 purchaser.

291 (h) "Gross proceeds of sales" means the value
292 proceeding or accruing from the full sale price of tangible
293 personal property, including installation charges, without any
294 deduction for delivery charges, cost of property sold, other
295 expenses or losses, or taxes of any kind except those expressly
296 exempt by this chapter.

297 "Gross proceeds of sales" includes consideration received by
298 the seller from third parties if:

299 (i) The seller actually received consideration
300 from a party other than the purchaser and the consideration is
301 directly related to a price reduction or discount on the sale;

302 (ii) The seller has an obligation to pass the
303 price reduction or discount through to the purchaser;

304 (iii) The amount of the consideration attributable
305 to the sale is fixed and determinable by the seller at the time of
306 the sale of the item to the purchaser; and



307 (iv) One (1) of the following criteria is met:
308 1. The purchaser presents a coupon,
309 certificate or other documentation to the seller to claim a price
310 reduction or discount where the coupon, certificate or
311 documentation is authorized, distributed or granted by a third
312 party with the understanding that the third party will reimburse
313 any seller to whom the coupon, certificate or documentation is
314 presented;

315 2. The purchaser identified himself or
316 herself to the seller as a member of a group or organization
317 entitled to a price reduction or discount (a "preferred customer"
318 card that is available to any patron does not constitute
319 membership in such a group); or

320 3. The price reduction or discount is
321 identified as a third-party price reduction or discount on the
322 invoice received by the purchaser or on a coupon, certificate or
323 other documentation presented by the purchaser.

324 Where a trade-in is taken as part payment on tangible
325 personal property sold, "gross proceeds of sales" shall include
326 only the difference received between the selling price of the
327 tangible personal property and the amount allowed for a trade-in
328 of property of the same kind. When the trade-in is subsequently
329 sold, the selling price thereof shall be included in "gross
330 proceeds of sales."



331 "Gross proceeds of sales" shall include the value of any
332 goods, wares, merchandise or property purchased at wholesale or
333 manufactured, and any mineral or natural resources produced, which
334 are withdrawn or used from an established business or from the
335 stock in trade for consumption or any other use in the business or
336 by the owner. However, "gross proceeds of sales" does not include
337 meals prepared by a restaurant and provided at no charge to
338 employees of the restaurant or donated to a charitable
339 organization that regularly provides food to the needy and the
340 indigent and which has been granted exemption from the federal
341 income tax as an organization described in Section 501(c)(3) of
342 the Internal Revenue Code of 1986.

343 "Gross proceeds of sales" shall not include bad check or
344 draft service charges as provided for in Section 97-19-57.

345 "Gross proceeds of sales" does not include finance charges,
346 carrying charges or any other addition to the selling price as a
347 result of deferred payments by the purchaser.

348 (i) "Gross income" means the total charges for service
349 or the total receipts (actual or accrued) derived from trades,
350 business or commerce by reason of the investment of capital in the
351 business engaged in, including the sale or rental of tangible
352 personal property, compensation for labor and services performed,
353 and including the receipts from the sales of property retained as
354 toll, without any deduction for rebates, cost of property sold,



355 cost of materials used, labor costs, interest paid, losses or any
356 expense whatever.

357 "Gross income" shall also include the cost of property given
358 as compensation when the property is consumed by a person
359 performing a taxable service for the donor.

360 However, "gross income" or "gross proceeds of sales" shall
361 not be construed to include the value of goods returned by
362 customers when the total sale price is refunded either in cash or
363 by credit, or cash discounts allowed and taken on sales. Cash
364 discounts shall not include the value of trading stamps given with
365 a sale of property.

366 (j) "Tangible personal property" means personal
367 property perceptible to the human senses or by chemical analysis
368 as opposed to real property or intangibles and shall include
369 property sold on an installed basis which may become a part of
370 real or personal property.

371 (k) "Installation charges" shall mean and include the
372 charge for the application of tangible personal property to real
373 or personal property without regard to whether or not it becomes a
374 part of the real property or retains its personal property
375 classification. It shall include, but not be limited to, sales in
376 place of roofing, tile, glass, carpets, drapes, fences, awnings,
377 window air-conditioning units, gasoline pumps, window guards,
378 floor coverings, carports, store fixtures, aluminum and plastic
379 siding, tombstones and similar personal property. "Installation



380 charges" shall not include charges for labor services in
381 connection with the application or repair of residential roofing.

382 (1) "Newspaper" means a periodical which:

383 (i) Is not published primarily for advertising
384 purposes and has not contained more than seventy-five percent
385 (75%) advertising in more than one-half (1/2) of its issues during
386 any consecutive twelve-month period excluding separate advertising
387 supplements inserted into but separately identifiable from any
388 regular issue or issues;

389 (ii) Has been established and published
390 continuously for at least twelve (12) months;

391 (iii) Is regularly issued at stated intervals no
392 less frequently than once a week, bears a date of issue, and is
393 numbered consecutively; provided, however, that publication on
394 legal holidays of this state or of the United States and on
395 Saturdays and Sundays shall not be required, and failure to
396 publish not more than two (2) regular issues in any calendar year
397 shall not exclude a periodical from this definition;

398 (iv) Is issued from a known office of publication,
399 which shall be the principal public business office of the
400 newspaper and need not be the place at which the periodical is
401 printed and a newspaper shall be deemed to be "published" at the
402 place where its known office of publication is located;

403 (v) Is formed of printed sheets; provided,
404 however, that a periodical that is reproduced by the stencil,



405 mimeograph or hectograph process shall not be considered to be a
406 "newspaper"; and

407 (vi) Is originated and published for the
408 dissemination of current news and intelligence of varied, broad
409 and general public interest, announcements and notices, opinions
410 as editorials on a regular or irregular basis, and advertising and
411 miscellaneous reading matter.

412 The term "newspaper" shall include periodicals which are
413 designed primarily for free circulation or for circulation at
414 nominal rates as well as those which are designed for circulation
415 at more than a nominal rate.

416 The term "newspaper" shall not include a publication or
417 periodical which is published, sponsored by, is directly supported
418 financially by, or is published to further the interests of, or is
419 directed to, or has a circulation restricted, in whole or in part,
420 to any particular sect, denomination, labor or fraternal
421 organization or other special group or class or citizens.

422 For purposes of this paragraph, a periodical designed
423 primarily for free circulation or circulation at nominal rates
424 shall not be considered to be a newspaper unless such periodical
425 has made an application for such status to the department in the
426 manner prescribed by the department and has provided to the
427 department documentation satisfactory to the department showing
428 that such periodical meets the requirements of the definition of
429 the term "newspaper." However, if such periodical has been



430 determined to be a newspaper under action taken by the department
431 on or before April 11, 1996, such periodical shall be considered
432 to be a newspaper without the necessity of applying for such
433 status. A determination by the Department of Revenue that a
434 publication is a newspaper shall be limited to the application of
435 this chapter and shall not establish that the publication is a
436 newspaper for any other purpose.

437 (m) "MPC" or "Material Purchase Certificate" means a
438 certificate for which a person that is liable for the tax levy
439 under Section 27-65-21 can apply and obtain from the commissioner,
440 and when issued, entitles the holder to purchase materials and
441 services that are to become a component part of a structure to be
442 erected or repaired with no tax due. Any person taxable under
443 Section 27-65-21 who obtains an MPC for a project and purchases
444 materials and services in this state that are to become a
445 component part of a structure being erected or repaired in the
446 project and at any time pays sales tax on these purchases may,
447 after obtaining the MPC for the project, take a credit against his
448 sales taxes for the sales tax paid on these purchases if proper
449 documentation exists to substantiate the payment of the sales tax
450 on the purchase of component materials and services. This credit
451 may also be allowed in any audit of the taxpayer. Any penalties
452 and interest owed by the taxpayer on the return or in the audit
453 where this credit is taken may be determined based on the sales
454 tax due after the taking of this credit.



455 **SECTION 3.** Section 19-5-9, Mississippi Code of 1972, is
456 amended as follows:

457 19-5-9. (1) The construction codes published by a
458 nationally recognized code group which sets minimum standards and
459 has the proper provisions to maintain up-to-date amendments are
460 adopted as minimum standard guides for building, plumbing,
461 electrical, gas, sanitary, and other related codes in Mississippi.
462 Any county within the State of Mississippi, in the discretion of
463 the board of supervisors, may adopt building codes, plumbing
464 codes, electrical codes, sanitary codes, or other related codes
465 dealing with general public health, safety or welfare, or a
466 combination of the same, within but not exceeding the provisions
467 of the construction codes published by nationally recognized code
468 groups, by order or resolution in the manner prescribed in this
469 section, but those codes so adopted shall apply only to the
470 unincorporated areas of the county. However, those codes shall
471 not apply to the erection, maintenance, repair or extension of
472 farm buildings or farm structures, except as may be required under
473 the terms of the "Flood Disaster Protection Act of 1973," and
474 shall apply to a master planned community as defined in Section
475 19-5-10 only to the extent allowed in Section 19-5-10. The
476 provisions of this section shall not be construed to authorize the
477 adoption of any code which applies to the installation, repair or
478 maintenance of electric wires, pipelines, apparatus, equipment or
479 devices by or for a utility rendering public utility services,



480 required by it to be utilized in the rendition of its duly
481 authorized service to the public. Before any such code shall be
482 adopted, it shall be either printed or typewritten and shall be
483 presented in pamphlet form to the board of supervisors at a
484 regular meeting. The order or resolution adopting the code shall
485 not set out the code in full, but shall merely identify the same.
486 The vote or passage of the order or resolution shall be the same
487 as on any other order or resolution. After its adoption, the code
488 or codes shall be certified to by the president and clerk of the
489 board of supervisors and shall be filed as a permanent record in
490 the office of the clerk who shall not be required to transcribe
491 and record the same in the minute book as other orders and
492 resolutions.

493 (2) If the board of supervisors of any county adopts or has
494 adopted construction codes which do not have proper provisions to
495 maintain up-to-date amendments, specifications in such codes for
496 cements used in portland cement concrete shall be superseded by
497 nationally recognized specifications referenced in any code
498 adopted by the Mississippi Building Code Council.

499 (3) All provisions of this section shall apply to amendments
500 and revisions of the codes mentioned in this section. The
501 provisions of this section shall be in addition and supplemental
502 to any existing laws authorizing the adoption, amendment or
503 revision of county orders, resolutions or codes.



504 (4) Any code adopted under the provisions of this section
505 shall not be in operation or force until sixty (60) days have
506 elapsed from the adoption of same; however, any code adopted for
507 the immediate preservation of the public health, safety and
508 general welfare may be effective from and after its adoption by a
509 unanimous vote of the members of the board. Within five (5) days
510 after the adoption or passage of an order or resolution adopting
511 that code or codes the clerk of the board of supervisors shall
512 publish in a legal newspaper published in the county the full text
513 of the order or resolution adopting and approving the code, and
514 the publication shall be inserted at least three (3) times, and
515 shall be completed within thirty (30) days after the passage of
516 the order or resolution.

517 (5) Any person or persons objecting to the code or codes may
518 object in writing to the provisions of the code or codes within
519 sixty (60) days after the passage of the order or resolution
520 approving same, and if the board of supervisors adjudicates that
521 ten percent (10%) or more of the qualified electors residing in
522 the affected unincorporated areas of the county have objected in
523 writing to the code or codes, then in such event the code shall be
524 inoperative and not in effect unless adopted for the immediate
525 preservation of the public health, safety and general welfare
526 until approved by a special election called by the board of
527 supervisors as other special elections are called and conducted by
528 the election commissioners of the county as other special



529 elections are conducted, the special election to be participated
530 in by all the qualified electors of the county residing in the
531 unincorporated areas of the county. If the voters approve the
532 code or codes in the special election it shall be in force and in
533 operation thereafter until amended or modified as provided in this
534 section. If the majority of the qualified electors voting in the
535 special election vote against the code or codes, then, in such
536 event, the code or codes shall be void and of no force and effect,
537 and no other code or codes dealing with that subject shall be
538 adopted under the provisions of this section until at least two
539 (2) years thereafter.

540 (6) After any such code shall take effect the board of
541 supervisors is authorized to employ such directors and other
542 personnel as the board, in its discretion, deems necessary and to
543 expend general county funds or any other funds available to the
544 board to fulfill the purposes of this section.

545 (7) For the purpose of promoting health, safety, morals or
546 the general welfare of the community, the governing authority of
547 any municipality, and, with respect to the unincorporated part of
548 any county, the governing authority of any county, in its
549 discretion, is empowered to regulate the height, number of stories
550 and size of building and other structures, the percentage of lot
551 that may be occupied, the size of the yards, courts and other open
552 spaces, the density or population, and the location and use of
553 buildings, structures and land for trade, industry, residence or



554 other purposes, but no permits shall be required except as may be
555 required under the terms of the "Flood Disaster Protection Act of
556 1973" for the erection, maintenance, repair or extension of farm
557 buildings or farm structures outside the corporate limits of
558 municipalities.

559 (8) The authority granted in this section is cumulative and
560 supplemental to any other authority granted by law.

561 (9) Notwithstanding any provision of this section to the
562 contrary, any code adopted by a county before or after April 12,
563 2001, is subject to the provisions of Section 41-26-14(10).

564 (10) Notwithstanding any provision of this section to the
565 contrary, the Boards of Supervisors of Jackson, Harrison, Hancock,
566 Stone and Pearl River Counties shall enforce the requirements
567 imposed under Section 17-2-1 as provided in such section.

568 (11) Regardless of whether a county adopts or has adopted
569 codes, as set forth in this section, each and every county in this
570 State shall require permitting as a condition to construction
571 within the unincorporated areas of the county, and such permits
572 shall contain on their face, in conspicuous print, (a) the
573 contractor's material purchase certificate number to the extent
574 furnished by the Department of Revenue pursuant to Section
575 27-65-21(4), and a copy of such material purchase certificate
576 furnished by the Department of Revenue pursuant to Section
577 27-65-21(4) shall be required to be provided to the county as part
578 of the prime contractor's application for such permit, prior to



579 the issuance of such permit, and (b) the contractor's license or
580 certificate of responsibility number as required by either Section
581 31-3-14, et seq., 51-5-1, et seq. or 73-59-1, et seq.

582 **SECTION 4.** Section 21-19-25, Mississippi Code of 1972, is
583 amended as follows:

584 21-19-25. (1) Any municipality within the State of
585 Mississippi may, in the discretion of its governing authority,
586 adopt building codes, plumbing codes, electrical codes, gas codes,
587 sanitary codes, or any other codes dealing with general public
588 health, safety or welfare, or a combination of the same, by
589 ordinance, in the manner prescribed in this section. Before any
590 such code shall be adopted, it shall be either printed or
591 typewritten, and it shall be presented in pamphlet form to the
592 governing authority of the municipality at a regular meeting. The
593 ordinance adopting the code shall not set out the code in full,
594 but shall merely identify the same. The vote on passage of the
595 ordinance shall be the same as on any other ordinances. After its
596 adoption, the code shall be certified to by the mayor and clerk of
597 the municipality, and shall be filed as a permanent record in the
598 office of the clerk, who shall not be required to transcribe and
599 record the same in the ordinance book as other ordinances. It
600 shall not be necessary that the ordinance adopting the code or the
601 code itself be published in full, but notice of the adoption of
602 the code shall be given by publication in some newspaper of the
603 municipality for one (1) time, or if there be no such newspaper,



604 by posting at three (3) or more public places within the corporate
605 limits, a notice in substantially the following form:

606 Notice is given that the city (or town or village)
607 of _____, on the (give date of ordinance adopting
608 code), adopted (state type of code and other information
609 serving to identify the same) code.

610 (2) If the governing authority of any municipality adopts or
611 has adopted construction codes which do not have proper provisions
612 to maintain up-to-date amendments, specifications in such codes
613 for cements used in portland cement concrete shall be superseded
614 by nationally recognized specifications referenced in any code
615 adopted by the Mississippi Building Code Council.

616 (3) All the provisions of this section shall apply to
617 amendments and revisions of the code mentioned in this section.
618 Any code adopted in accordance with this section shall not be in
619 force for one (1) month after its passage, unless the municipal
620 authorities in the ordinance authorize to the contrary. The
621 provisions of this section shall be in addition and supplemental
622 to any existing laws authorizing the adoption, amendment or
623 revision of municipal ordinances or codes.

624 (4) Notwithstanding any provision of this section to the
625 contrary, any code adopted by a municipality before or after April
626 12, 2001, is subject to the provisions of Section 41-26-14(10).

627 (5) Notwithstanding any provision of this section to the
628 contrary, the governing authorities of each municipality in



629 Jackson, Harrison, Hancock, Stone and Pearl River Counties shall
630 enforce the requirements imposed under Section 17-2-1 as provided
631 in such section.

632 (6) Regardless of whether the governing authority of any
633 municipality adopts or has adopted construction codes, as set
634 forth in this section, each and every governing authority of any
635 municipality shall require permitting as a condition to
636 construction within the municipality's jurisdiction, and any and
637 all such permits shall contain on their faces, in conspicuous
638 print, (a) the contractor's material purchase certificate number
639 to the extent one is furnished by the Department of Revenue
640 pursuant to Section 27-65-21(4), and a copy of such material
641 purchase certificate furnished by the Department of Revenue
642 pursuant to Section 27-65-21(4) shall be required to be provided
643 to the governing authority of such municipality as part of the
644 contractor's application for such permit, prior to the issuance of
645 such permit, and (b) the contractor's license or certificate of
646 responsibility number as required by either Section 31-3-14, et
647 seq., 51-5-1, et seq. 73-59-1, et seq.

648 (7) The provisions of this section shall apply to all
649 municipalities of this state, whether operating under the code
650 charter, a special charter, commission form, or other form of
651 government.

652 **SECTION 5.** Section 73-59-1, Mississippi Code of 1972, is
653 amended as follows:



654 73-59-1. For the purposes of this chapter, the following
655 words shall have the meanings ascribed herein:

656 (a) "Board" means the State Board of Contractors
657 created in Section 31-3-3, Mississippi Code of 1972.

658 (b) "Residential builder" means any corporation,
659 partnership or individual who constructs a building or structure
660 for sale for use by another as a residence or who, for a fixed
661 price, commission, fee, wage or other compensation, undertakes or
662 offers to undertake the construction, or superintending of the
663 construction, of any building or structure which is not more than
664 three (3) floors in height, to be used by another as a residence,
665 when the total cost of the undertaking exceeds Fifty Thousand
666 Dollars (\$50,000.00).

667 (c) "Remodeler" means any corporation, partnership or
668 individual who, for a fixed price, commission, fee, wage or other
669 compensation, undertakes or offers to undertake the construction,
670 or superintending of the construction, of improvements to an
671 existing residence when the total cost of the improvements exceeds
672 Ten Thousand Dollars (\$10,000.00).

673 (d) "Residential construction" means any undertaking
674 described in paragraph (b) of this section performed by a
675 residential builder.

676 (e) "Residential improvement" means any undertaking
677 described in paragraph (c) of this section performed by a
678 remodeler.



679 (f) "Active licensee" means any builder or remodeler
680 licensed under this chapter and engaged in building and
681 remodeling.

682 (g) "Inactive licensee" means any builder or remodeler
683 licensed under this chapter and not engaged in building or
684 remodeling.

685 (h) "Construction manager" means any person or entity,
686 other than a residential builder, remodeler or owner, who has a
687 contract or agreement with the owner of the property for
688 residential construction or residential improvement, no matter if
689 that owner himself is the general contractor or a holder of a
690 building permit.

691 (i) "Residential solar contractor" means any person or
692 entity who installs, modifies, maintains, and repairs thermal and
693 photovoltaic solar energy systems.

694 **SECTION 6.** Section 73-59-3, Mississippi Code of 1972, is
695 amended as follows:

696 73-59-3. (1) Except as otherwise provided in Section
697 73-59-15 or Section 33-1-39, the following persons * * * or
698 entities shall be licensed by the board annually as an active
699 licensee or inactive licensee, as appropriate * * *:

700 (a) Persons or entities acting in the capacity as a
701 residential builder;

702 (b) Persons or entities acting in the capacity as a
703 residential remodeler;



704 (c) Persons or entities acting in the capacity as a
705 construction manager through a contract or an agreement with the
706 owner of the property being improved or constructed upon;

707 (d) Any sub-contractor, of any tier, performing the
708 following work or within the following trade, on any residential
709 construction or residential improvement project, no matter the
710 dollar amount of the construction or improvements:

711 (i) Electrical;

712 (ii) Plumbing;

713 (iii) Mechanical; and/or

714 (iv) Heating, ventilation and/or air conditioning;

715 and

716 (e) Persons or entities acting in the capacity as a
717 residential solar contractor. * * *

718 (2) As a prerequisite to obtaining a license or renewal
719 thereof, each of the persons or entities in subsection (1) of this
720 section shall submit to the board:

721 (a) Proof of workers' compensation insurance, if
722 required by applicable law; however, workers' compensation
723 insurance shall not be required for inactive licensees;

724 (b) A federal employment identification number or
725 social security number.

726 (* * *3) The board may require liability insurance to be
727 licensed under this chapter and it shall be reflected on the



728 certificate of licensure; however, liability insurance shall not
729 be required for inactive licensees.

730 (* * *4) The board shall issue or renew a license to * * *
731 persons or entities required by subsection (1) of this section to
732 be licensed, upon payment to the board of the license fee. The
733 initial license fee shall be Fifty Dollars (\$50.00). The license
734 fee may thereafter be increased or decreased by the board and
735 cannot exceed One Hundred Dollars (\$100.00); however, the receipts
736 from fees collected by the board shall be no greater than the
737 amount required to pay all costs and expenses incurred by the
738 board in enforcing the provisions of this chapter. Twenty-five
739 Dollars (\$25.00) of the fee required by this section which is
740 assessed to residential builders licensed under the provisions of
741 Section 73-59-1 et seq. shall be deposited to the Construction
742 Education Fund created pursuant to Section 31-3-14 and shall be
743 distributed to the Mississippi Housing Institute. The remaining
744 fees collected under this chapter shall be deposited into the
745 special fund in the State Treasury known as the "State Board of
746 Contractors Fund" created pursuant to Section 31-3-17 and shall be
747 used for the administration and enforcement of this chapter and as
748 provided in Section 31-3-14. Amounts in such fund shall not lapse
749 into the State General Fund at the end of a fiscal year. Interest
750 accrued to such fund shall remain in the fund. All expenditures
751 from the special fund shall be by requisition to the Department of
752 Finance and Administration, signed by the executive director of



753 the board and countersigned by the chairman or vice chairman of
754 the board.

755 (* * *5) Except as provided in Section 33-1-39, the license
756 shall expire on the last day of the twelfth month following its
757 issuance or renewal and shall become invalid unless renewed. The
758 board may notify by mail or e-mail every licensee under this
759 chapter of the date of the expiration of his license and the
760 amount of the fee required for renewal of the license for one (1)
761 year. To receive notification by e-mail, a licensee must notify
762 the board of his desire to receive notification by e-mail and
763 provide an e-mail address. Such notice may be mailed or e-mailed
764 within thirty (30) days prior to the expiration date of the
765 license. The failure on the part of any licensee to renew his
766 license annually in such twelfth month shall not deprive such
767 licensee of the right of renewal, provided that renewal is
768 effected within one hundred eighty (180) days after the expiration
769 date of the license by payment of the license fee plus a penalty
770 of ten percent (10%) of the license fee. A new license required
771 to replace a revoked, lost, mutilated or destroyed license may be
772 issued, subject to the rules of the board, for a charge of not
773 more than Fifty Dollars (\$50.00). An inactive licensee may become
774 an active licensee upon application meeting all the requirements
775 of this section.

776 (* * *6) Any person who is not a resident of the State of
777 Mississippi who desires to perform residential construction or



778 residential improvement shall be licensed to perform such
779 construction or improvement as provided by this chapter.

780 **SECTION 7.** Section 73-59-9, Mississippi Code of 1972, is
781 amended as follows:

782 73-59-9. (1) Any * * * person or entity required to have a
783 license under Section 73-59-3(1) who undertakes or attempts to
784 undertake the business of residential construction or improvement
785 without having a valid license as required by this chapter, or who
786 knowingly presents to the board, or files with the board, false
787 information for the purpose of obtaining such license, shall be
788 deemed guilty of a misdemeanor and, upon conviction, shall be
789 fined not less than One Hundred Dollars (\$100.00) and not more
790 than Five Thousand Dollars (\$5,000.00) or be imprisoned for not
791 less than thirty (30) nor more than sixty (60) days in the county
792 jail, or both.

793 * * *

794 (* * *2) * * * Any person or entity required to have a
795 license under Section 73-59-3(1) who does not have the license
796 provided by this chapter at the time construction, building or
797 remodeling services are rendered may not bring any action, either
798 at law or in equity, to enforce any contract for residential
799 building or remodeling or to enforce a sales contract, but instead
800 shall be only permitted to recover as damages actual documented
801 expenses for labor, materials or both, incurred as a result of the
802 construction, building or remodeling services rendered, but only



803 for those expenses which can be shown by clear and convincing
804 evidence.

805 (* * *3) The board shall have the authority to issue a
806 citation and may stop work of a residential builder or remodeler
807 performing work without having a valid license as required by this
808 chapter.

809 **SECTION 8.** Section 73-59-15, Mississippi Code of 1972, is
810 amended as follows:

811 73-59-15. (1) This chapter shall not apply to:

812 (a) Agricultural buildings, buildings used for
813 agricultural purposes, buildings constructed as a community
814 effort, or tenant houses;

815 (b) Any person who undertakes construction or
816 improvement on his own residence, or who acts as his own general
817 contractor in the performance of construction or improvement on
818 his own residence;

819 (c) Any person who undertakes residential construction
820 or improvement, or who acts as a general contractor in the
821 performance of residential construction or improvement, or who
822 acts under supervision of the owner-occupant with respect to
823 residential construction or improvement, when the owner of such
824 construction or improvement is related to such person by
825 consanguinity or direct affinity, and the property or improvement
826 will not be for sale, rent, public use or public assembly;



827 (d) The owners of property who supervise, superintend,
828 oversee, direct or in any manner assume charge of the
829 construction, alteration, repair, improvement, movement,
830 demolition, putting up, tearing down or maintenance of any
831 building, railroad, excavation, project, development, improvement,
832 plant facility or any other construction undertaking on such
833 property for use by such owner and which will not be for sale,
834 rent, public use or public assembly;

835 (e) Any contractor holding a valid license or
836 certificate of responsibility for general construction from the
837 board;

838 (f) Any nonresident contractor holding a valid license
839 or certificate of responsibility for * * * building construction;

840 (g) Any person who constructs two (2) single residences
841 or less within a period of one (1) year in any county or
842 municipality which does not require a building permit or any local
843 certification for such construction, provided that the person is
844 not building the residences for sale, profit or remuneration.

845 (2) A person specified in subsection (1)(b) or (c) shall not
846 make more than * * * one (1) application for a permit to construct
847 a single residence or shall not construct more than * * * one (1)
848 single residence within a period of one (1) year. There shall be
849 a rebuttable presumption that such person intends to construct for
850 the purpose of sale, lease, rent or any similar purpose if more
851 than * * * one (a) application is made for a permit to construct a



852 single residence or if more than * * * one (1) single
853 residence * * * is constructed within a period of one (1) year.

854 **SECTION 9.** Section 27-65-17, Mississippi Code of 1972, is
855 brought forward as follows:

856 27-65-17. (1) (a) Except as otherwise provided in this
857 section, upon every person engaging or continuing within this
858 state in the business of selling any tangible personal property
859 whatsoever there is hereby levied, assessed and shall be collected
860 a tax equal to seven percent (7%) of the gross proceeds of the
861 retail sales of the business.

862 (b) Retail sales of farm tractors and parts and labor
863 used to maintain and/or repair such tractors shall be taxed at the
864 rate of one and one-half percent (1-1/2%) when made to farmers for
865 agricultural purposes.

866 (c) (i) Retail sales of farm implements sold to
867 farmers and used directly in the production of poultry, ratite,
868 domesticated fish as defined in Section 69-7-501, livestock,
869 livestock products, agricultural crops or ornamental plant crops
870 or used for other agricultural purposes, and parts and labor used
871 to maintain and/or repair such implements, shall be taxed at the
872 rate of one and one-half percent (1-1/2%) when used on the farm.

873 (ii) The one and one-half percent (1-1/2%) rate
874 shall also apply to all equipment used in logging, pulpwood
875 operations or tree farming, and parts and labor used to maintain
876 and/or repair such equipment, which is either:



- 877 1. Self-propelled, or
878 2. Mounted so that it is permanently attached
879 to other equipment which is self-propelled or attached to other
880 equipment drawn by a vehicle which is self-propelled.

881 In order to be eligible for the rate of tax provided for in
882 this subparagraph (ii), such sales must be made to a professional
883 logger. For the purposes of this subparagraph (ii), a
884 "professional logger" is a person, corporation, limited liability
885 company or other entity, or an agent thereof, who possesses a
886 professional logger's permit issued by the Department of Revenue
887 and who presents the permit to the seller at the time of purchase.
888 The department shall establish an application process for a
889 professional logger's permit to be issued, which shall include a
890 requirement that the applicant submit a copy of documentation
891 verifying that the applicant is certified according to Sustainable
892 Forestry Initiative guidelines. Upon a determination that an
893 applicant is a professional logger, the department shall issue the
894 applicant a numbered professional logger's permit.

895 (d) Except as otherwise provided in subsection (3) of
896 this section, retail sales of aircraft, automobiles, trucks,
897 truck-tractors, semitrailers and manufactured or mobile homes
898 shall be taxed at the rate of three percent (3%).

899 (e) Sales of manufacturing machinery or manufacturing
900 machine parts when made to a manufacturer or custom processor for
901 plant use only when the machinery and machine parts will be used



902 exclusively and directly within this state in manufacturing a
903 commodity for sale, rental or in processing for a fee shall be
904 taxed at the rate of one and one-half percent (1-1/2%).

905 (f) Sales of machinery and machine parts when made to a
906 technology intensive enterprise for plant use only when the
907 machinery and machine parts will be used exclusively and directly
908 within this state for industrial purposes, including, but not
909 limited to, manufacturing or research and development activities,
910 shall be taxed at the rate of one and one-half percent (1-1/2%).
911 In order to be considered a technology intensive enterprise for
912 purposes of this paragraph:

913 (i) The enterprise shall meet minimum criteria
914 established by the Mississippi Development Authority;

915 (ii) The enterprise shall employ at least ten (10)
916 persons in full-time jobs;

917 (iii) At least ten percent (10%) of the workforce
918 in the facility operated by the enterprise shall be scientists,
919 engineers or computer specialists;

920 (iv) The enterprise shall manufacture plastics,
921 chemicals, automobiles, aircraft, computers or electronics; or
922 shall be a research and development facility, a computer design or
923 related facility, or a software publishing facility or other
924 technology intensive facility or enterprise as determined by the
925 Mississippi Development Authority;



926 (v) The average wage of all workers employed by
927 the enterprise at the facility shall be at least one hundred fifty
928 percent (150%) of the state average annual wage; and

929 (vi) The enterprise must provide a basic health
930 care plan to all employees at the facility.

931 (g) Sales of materials for use in track and track
932 structures to a railroad whose rates are fixed by the Interstate
933 Commerce Commission or the Mississippi Public Service Commission
934 shall be taxed at the rate of three percent (3%).

935 (h) Sales of tangible personal property to electric
936 power associations for use in the ordinary and necessary operation
937 of their generating or distribution systems shall be taxed at the
938 rate of one percent (1%).

939 (i) Wholesale sales of beer shall be taxed at the rate
940 of seven percent (7%), and the retailer shall file a return and
941 compute the retail tax on retail sales but may take credit for the
942 amount of the tax paid to the wholesaler on said return covering
943 the subsequent sales of same property, provided adequate invoices
944 and records are maintained to substantiate the credit.

945 (j) Wholesale sales of food and drink for human
946 consumption to full-service vending machine operators to be sold
947 through vending machines located apart from and not connected with
948 other taxable businesses shall be taxed at the rate of eight
949 percent (8%).



950 (k) Sales of equipment used or designed for the purpose
951 of assisting disabled persons, such as wheelchair equipment and
952 lifts, that is mounted or attached to or installed on a private
953 carrier of passengers or light carrier of property, as defined in
954 Section 27-51-101, at the time when the private carrier of
955 passengers or light carrier of property is sold shall be taxed at
956 the same rate as the sale of such vehicles under this section.

957 (1) Sales of the factory-built components of modular
958 homes, panelized homes and precut homes, and panel constructed
959 homes consisting of structural insulated panels, shall be taxed at
960 the rate of three percent (3%).

961 (m) Sales of materials used in the repair, renovation,
962 addition to, expansion and/or improvement of buildings and related
963 facilities used by a dairy producer shall be taxed at the rate of
964 three and one-half percent (3-1/2%). For the purposes of this
965 paragraph (m), "dairy producer" means any person engaged in the
966 production of milk for commercial use.

967 (2) From and after January 1, 1995, retail sales of private
968 carriers of passengers and light carriers of property, as defined
969 in Section 27-51-101, shall be taxed an additional two percent
970 (2%).

971 (3) A manufacturer selling at retail in this state shall be
972 required to make returns of the gross proceeds of such sales and
973 pay the tax imposed in this section.



974 **SECTION 10.** Section 27-65-17.1, Mississippi Code of 1972, is
975 brought forward as follows:

976 27-65-17.1. Sellers of modular homes, panelized homes and
977 precut homes, and panel constructed homes consisting of structural
978 insulated panels, shall disclose to the buyers of such homes the
979 amount of sales tax or use tax paid on the factory-built
980 components of such homes. The State Tax Commission shall
981 prescribe by regulation the manner in which such disclosure shall
982 be made.

983 **SECTION 11.** Section 27-65-20, Mississippi Code of 1972, is
984 brought forward as follows:

985 27-65-20. Upon every person engaging or continuing within
986 this state in the business of selling machinery, machine parts
987 and/or equipment to an operator or lessee of any structures,
988 facilities and lands acquired and operated or leased pursuant to
989 any of the provisions of Chapter 9, Title 59, Mississippi Code of
990 1972, which machinery, machine parts and/or equipment is to be
991 located on and used exclusively and directly in the operation of
992 such structures, facilities and lands, there is hereby levied,
993 assessed and shall be collected a tax equal to one and one-half
994 percent (1-1/2%) of the gross proceeds of such retail sales of the
995 business.

996 **SECTION 12.** Section 27-65-75, Mississippi Code of 1972, is
997 brought forward as follows:



998 27-65-75. On or before the fifteenth day of each month, the
999 revenue collected under the provisions of this chapter during the
1000 preceding month shall be paid and distributed as follows:

1001 (1) (a) On or before August 15, 1992, and each succeeding
1002 month thereafter through July 15, 1993, eighteen percent (18%) of
1003 the total sales tax revenue collected during the preceding month
1004 under the provisions of this chapter, except that collected under
1005 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
1006 business activities within a municipal corporation shall be
1007 allocated for distribution to the municipality and paid to the
1008 municipal corporation. Except as otherwise provided in this
1009 paragraph (a), on or before August 15, 1993, and each succeeding
1010 month thereafter, eighteen and one-half percent (18-1/2%) of the
1011 total sales tax revenue collected during the preceding month under
1012 the provisions of this chapter, except that collected under the
1013 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
1014 27-65-24, on business activities within a municipal corporation
1015 shall be allocated for distribution to the municipality and paid
1016 to the municipal corporation. However, in the event the State
1017 Auditor issues a certificate of noncompliance pursuant to Section
1018 21-35-31, the Department of Revenue shall withhold ten percent
1019 (10%) of the allocations and payments to the municipality that
1020 would otherwise be payable to the municipality under this
1021 paragraph (a) until such time that the department receives written



1022 notice of the cancellation of a certificate of noncompliance from
1023 the State Auditor.

1024 A municipal corporation, for the purpose of distributing the
1025 tax under this subsection, shall mean and include all incorporated
1026 cities, towns and villages.

1027 Monies allocated for distribution and credited to a municipal
1028 corporation under this paragraph may be pledged as security for a
1029 loan if the distribution received by the municipal corporation is
1030 otherwise authorized or required by law to be pledged as security
1031 for such a loan.

1032 In any county having a county seat that is not an
1033 incorporated municipality, the distribution provided under this
1034 subsection shall be made as though the county seat was an
1035 incorporated municipality; however, the distribution to the
1036 municipality shall be paid to the county treasury in which the
1037 municipality is located, and those funds shall be used for road,
1038 bridge and street construction or maintenance in the county.

1039 (b) On or before August 15, 2006, and each succeeding
1040 month thereafter, eighteen and one-half percent (18-1/2%) of the
1041 total sales tax revenue collected during the preceding month under
1042 the provisions of this chapter, except that collected under the
1043 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
1044 business activities on the campus of a state institution of higher
1045 learning or community or junior college whose campus is not
1046 located within the corporate limits of a municipality, shall be



1047 allocated for distribution to the state institution of higher
1048 learning or community or junior college and paid to the state
1049 institution of higher learning or community or junior college.

1050 (c) On or before August 15, 2018, and each succeeding
1051 month thereafter until August 14, 2019, two percent (2%) of the
1052 total sales tax revenue collected during the preceding month under
1053 the provisions of this chapter, except that collected under the
1054 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
1055 27-65-24, on business activities within the corporate limits of
1056 the City of Jackson, Mississippi, shall be deposited into the
1057 Capitol Complex Improvement District Project Fund created in
1058 Section 29-5-215. On or before August 15, 2019, and each
1059 succeeding month thereafter until August 14, 2020, four percent
1060 (4%) of the total sales tax revenue collected during the preceding
1061 month under the provisions of this chapter, except that collected
1062 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
1063 and 27-65-24, on business activities within the corporate limits
1064 of the City of Jackson, Mississippi, shall be deposited into the
1065 Capitol Complex Improvement District Project Fund created in
1066 Section 29-5-215. On or before August 15, 2020, and each
1067 succeeding month thereafter, six percent (6%) of the total sales
1068 tax revenue collected during the preceding month under the
1069 provisions of this chapter, except that collected under the
1070 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
1071 27-65-24, on business activities within the corporate limits of



1072 the City of Jackson, Mississippi, shall be deposited into the
1073 Capitol Complex Improvement District Project Fund created in
1074 Section 29-5-215.

1075 (d) (i) On or before the fifteenth day of the month
1076 that the diversion authorized by this section begins, and each
1077 succeeding month thereafter, eighteen and one-half percent
1078 (18-1/2%) of the total sales tax revenue collected during the
1079 preceding month under the provisions of this chapter, except that
1080 collected under the provisions of Sections 27-65-15, 27-65-19(3)
1081 and 27-65-21, on business activities within a redevelopment
1082 project area developed under a redevelopment plan adopted under
1083 the Tax Increment Financing Act (Section 21-45-1 et seq.) shall be
1084 allocated for distribution to the county in which the project area
1085 is located if:

1086 1. The county:

1087 a. Borders on the Mississippi Sound and
1088 the State of Alabama, or

1089 b. Is Harrison County, Mississippi, and
1090 the project area is within a radius of two (2) miles from the
1091 intersection of Interstate 10 and Menge Avenue;

1092 2. The county has issued bonds under Section
1093 21-45-9 to finance all or a portion of a redevelopment project in
1094 the redevelopment project area;

1095 3. Any debt service for the indebtedness
1096 incurred is outstanding; and



1097 4. A development with a value of Ten Million
1098 Dollars (\$10,000,000.00) or more is, or will be, located in the
1099 redevelopment area.

1100 (ii) Before any sales tax revenue may be allocated
1101 for distribution to a county under this paragraph, the county
1102 shall certify to the Department of Revenue that the requirements
1103 of this paragraph have been met, the amount of bonded indebtedness
1104 that has been incurred by the county for the redevelopment project
1105 and the expected date the indebtedness incurred by the county will
1106 be satisfied.

1107 (iii) The diversion of sales tax revenue
1108 authorized by this paragraph shall begin the month following the
1109 month in which the Department of Revenue determines that the
1110 requirements of this paragraph have been met. The diversion shall
1111 end the month the indebtedness incurred by the county is
1112 satisfied. All revenue received by the county under this
1113 paragraph shall be deposited in the fund required to be created in
1114 the tax increment financing plan under Section 21-45-11 and be
1115 utilized solely to satisfy the indebtedness incurred by the
1116 county.

1117 (2) On or before September 15, 1987, and each succeeding
1118 month thereafter, from the revenue collected under this chapter
1119 during the preceding month, One Million One Hundred Twenty-five
1120 Thousand Dollars (\$1,125,000.00) shall be allocated for
1121 distribution to municipal corporations as defined under subsection



1122 (1) of this section in the proportion that the number of gallons
1123 of gasoline and diesel fuel sold by distributors to consumers and
1124 retailers in each such municipality during the preceding fiscal
1125 year bears to the total gallons of gasoline and diesel fuel sold
1126 by distributors to consumers and retailers in municipalities
1127 statewide during the preceding fiscal year. The Department of
1128 Revenue shall require all distributors of gasoline and diesel fuel
1129 to report to the department monthly the total number of gallons of
1130 gasoline and diesel fuel sold by them to consumers and retailers
1131 in each municipality during the preceding month. The Department
1132 of Revenue shall have the authority to promulgate such rules and
1133 regulations as is necessary to determine the number of gallons of
1134 gasoline and diesel fuel sold by distributors to consumers and
1135 retailers in each municipality. In determining the percentage
1136 allocation of funds under this subsection for the fiscal year
1137 beginning July 1, 1987, and ending June 30, 1988, the Department
1138 of Revenue may consider gallons of gasoline and diesel fuel sold
1139 for a period of less than one (1) fiscal year. For the purposes
1140 of this subsection, the term "fiscal year" means the fiscal year
1141 beginning July 1 of a year.

1142 (3) On or before September 15, 1987, and on or before the
1143 fifteenth day of each succeeding month, until the date specified
1144 in Section 65-39-35, the proceeds derived from contractors' taxes
1145 levied under Section 27-65-21 on contracts for the construction or
1146 reconstruction of highways designated under the highway program



1147 created under Section 65-3-97 shall, except as otherwise provided
1148 in Section 31-17-127, be deposited into the State Treasury to the
1149 credit of the State Highway Fund to be used to fund that highway
1150 program. The Mississippi Department of Transportation shall
1151 provide to the Department of Revenue such information as is
1152 necessary to determine the amount of proceeds to be distributed
1153 under this subsection.

1154 (4) On or before August 15, 1994, and on or before the
1155 fifteenth day of each succeeding month through July 15, 1999, from
1156 the proceeds of gasoline, diesel fuel or kerosene taxes as
1157 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
1158 (\$4,000,000.00) shall be deposited in the State Treasury to the
1159 credit of a special fund designated as the "State Aid Road Fund,"
1160 created by Section 65-9-17. On or before August 15, 1999, and on
1161 or before the fifteenth day of each succeeding month, from the
1162 total amount of the proceeds of gasoline, diesel fuel or kerosene
1163 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
1164 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
1165 one-fourth percent (23-1/4%) of those funds, whichever is the
1166 greater amount, shall be deposited in the State Treasury to the
1167 credit of the "State Aid Road Fund," created by Section 65-9-17.
1168 Those funds shall be pledged to pay the principal of and interest
1169 on state aid road bonds heretofore issued under Sections 19-9-51
1170 through 19-9-77, in lieu of and in substitution for the funds
1171 previously allocated to counties under this section. Those funds



1172 may not be pledged for the payment of any state aid road bonds
1173 issued after April 1, 1981; however, this prohibition against the
1174 pledging of any such funds for the payment of bonds shall not
1175 apply to any bonds for which intent to issue those bonds has been
1176 published for the first time, as provided by law before March 29,
1177 1981. From the amount of taxes paid into the special fund under
1178 this subsection and subsection (9) of this section, there shall be
1179 first deducted and paid the amount necessary to pay the expenses
1180 of the Office of State Aid Road Construction, as authorized by the
1181 Legislature for all other general and special fund agencies. The
1182 remainder of the fund shall be allocated monthly to the several
1183 counties in accordance with the following formula:

1184 (a) One-third (1/3) shall be allocated to all counties
1185 in equal shares;

1186 (b) One-third (1/3) shall be allocated to counties
1187 based on the proportion that the total number of rural road miles
1188 in a county bears to the total number of rural road miles in all
1189 counties of the state; and

1190 (c) One-third (1/3) shall be allocated to counties
1191 based on the proportion that the rural population of the county
1192 bears to the total rural population in all counties of the state,
1193 according to the latest federal decennial census.

1194 For the purposes of this subsection, the term "gasoline,
1195 diesel fuel or kerosene taxes" means such taxes as defined in
1196 paragraph (f) of Section 27-5-101.



1197 The amount of funds allocated to any county under this
1198 subsection for any fiscal year after fiscal year 1994 shall not be
1199 less than the amount allocated to the county for fiscal year 1994.

1200 Any reference in the general laws of this state or the
1201 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
1202 construed to refer and apply to subsection (4) of Section
1203 27-65-75.

1204 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
1205 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
1206 the special fund known as the "State Public School Building Fund"
1207 created and existing under the provisions of Sections 37-47-1
1208 through 37-47-67. Those payments into that fund are to be made on
1209 the last day of each succeeding month hereafter.

1210 (6) An amount each month beginning August 15, 1983, through
1211 November 15, 1986, as specified in Section 6, Chapter 542, Laws of
1212 1983, shall be paid into the special fund known as the
1213 Correctional Facilities Construction Fund created in Section 6,
1214 Chapter 542, Laws of 1983.

1215 (7) On or before August 15, 1992, and each succeeding month
1216 thereafter through July 15, 2000, two and two hundred sixty-six
1217 one-thousandths percent (2.266%) of the total sales tax revenue
1218 collected during the preceding month under the provisions of this
1219 chapter, except that collected under the provisions of Section
1220 27-65-17(2), shall be deposited by the department into the School
1221 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On



1222 or before August 15, 2000, and each succeeding month thereafter,
1223 two and two hundred sixty-six one-thousandths percent (2.266%) of
1224 the total sales tax revenue collected during the preceding month
1225 under the provisions of this chapter, except that collected under
1226 the provisions of Section 27-65-17(2), shall be deposited into the
1227 School Ad Valorem Tax Reduction Fund created under Section
1228 37-61-35 until such time that the total amount deposited into the
1229 fund during a fiscal year equals Forty-two Million Dollars
1230 (\$42,000,000.00). Thereafter, the amounts diverted under this
1231 subsection (7) during the fiscal year in excess of Forty-two
1232 Million Dollars (\$42,000,000.00) shall be deposited into the
1233 Education Enhancement Fund created under Section 37-61-33 for
1234 appropriation by the Legislature as other education needs and
1235 shall not be subject to the percentage appropriation requirements
1236 set forth in Section 37-61-33.

1237 (8) On or before August 15, 1992, and each succeeding month
1238 thereafter, nine and seventy-three one-thousandths percent
1239 (9.073%) of the total sales tax revenue collected during the
1240 preceding month under the provisions of this chapter, except that
1241 collected under the provisions of Section 27-65-17(2), shall be
1242 deposited into the Education Enhancement Fund created under
1243 Section 37-61-33.

1244 (9) On or before August 15, 1994, and each succeeding month
1245 thereafter, from the revenue collected under this chapter during



1246 the preceding month, Two Hundred Fifty Thousand Dollars
1247 (\$250,000.00) shall be paid into the State Aid Road Fund.

1248 (10) On or before August 15, 1994, and each succeeding month
1249 thereafter through August 15, 1995, from the revenue collected
1250 under this chapter during the preceding month, Two Million Dollars
1251 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
1252 Valorem Tax Reduction Fund established in Section 27-51-105.

1253 (11) Notwithstanding any other provision of this section to
1254 the contrary, on or before February 15, 1995, and each succeeding
1255 month thereafter, the sales tax revenue collected during the
1256 preceding month under the provisions of Section 27-65-17(2) and
1257 the corresponding levy in Section 27-65-23 on the rental or lease
1258 of private carriers of passengers and light carriers of property
1259 as defined in Section 27-51-101 shall be deposited, without
1260 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
1261 established in Section 27-51-105.

1262 (12) Notwithstanding any other provision of this section to
1263 the contrary, on or before August 15, 1995, and each succeeding
1264 month thereafter, the sales tax revenue collected during the
1265 preceding month under the provisions of Section 27-65-17(1) on
1266 retail sales of private carriers of passengers and light carriers
1267 of property, as defined in Section 27-51-101 and the corresponding
1268 levy in Section 27-65-23 on the rental or lease of these vehicles,
1269 shall be deposited, after diversion, into the Motor Vehicle Ad
1270 Valorem Tax Reduction Fund established in Section 27-51-105.



1271 (13) On or before July 15, 1994, and on or before the
1272 fifteenth day of each succeeding month thereafter, that portion of
1273 the avails of the tax imposed in Section 27-65-22 that is derived
1274 from activities held on the Mississippi State Fairgrounds Complex
1275 shall be paid into a special fund that is created in the State
1276 Treasury and shall be expended upon legislative appropriation
1277 solely to defray the costs of repairs and renovation at the Trade
1278 Mart and Coliseum.

1279 (14) On or before August 15, 1998, and each succeeding month
1280 thereafter through July 15, 2005, that portion of the avails of
1281 the tax imposed in Section 27-65-23 that is derived from sales by
1282 cotton compresses or cotton warehouses and that would otherwise be
1283 paid into the General Fund shall be deposited in an amount not to
1284 exceed Two Million Dollars (\$2,000,000.00) into the special fund
1285 created under Section 69-37-39. On or before August 15, 2007, and
1286 each succeeding month thereafter through July 15, 2010, that
1287 portion of the avails of the tax imposed in Section 27-65-23 that
1288 is derived from sales by cotton compresses or cotton warehouses
1289 and that would otherwise be paid into the General Fund shall be
1290 deposited in an amount not to exceed Two Million Dollars
1291 (\$2,000,000.00) into the special fund created under Section
1292 69-37-39 until all debts or other obligations incurred by the
1293 Certified Cotton Growers Organization under the Mississippi Boll
1294 Weevil Management Act before January 1, 2007, are satisfied in
1295 full. On or before August 15, 2010, and each succeeding month



1296 thereafter through July 15, 2011, fifty percent (50%) of that
1297 portion of the avails of the tax imposed in Section 27-65-23 that
1298 is derived from sales by cotton compresses or cotton warehouses
1299 and that would otherwise be paid into the General Fund shall be
1300 deposited into the special fund created under Section 69-37-39
1301 until such time that the total amount deposited into the fund
1302 during a fiscal year equals One Million Dollars (\$1,000,000.00).
1303 On or before August 15, 2011, and each succeeding month
1304 thereafter, that portion of the avails of the tax imposed in
1305 Section 27-65-23 that is derived from sales by cotton compresses
1306 or cotton warehouses and that would otherwise be paid into the
1307 General Fund shall be deposited into the special fund created
1308 under Section 69-37-39 until such time that the total amount
1309 deposited into the fund during a fiscal year equals One Million
1310 Dollars (\$1,000,000.00).

1311 (15) Notwithstanding any other provision of this section to
1312 the contrary, on or before September 15, 2000, and each succeeding
1313 month thereafter, the sales tax revenue collected during the
1314 preceding month under the provisions of Section
1315 27-65-19(1)(d)(i)2, and 27-65-19(1)(d)(i)3 shall be deposited,
1316 without diversion, into the Telecommunications Ad Valorem Tax
1317 Reduction Fund established in Section 27-38-7.

1318 (16) (a) On or before August 15, 2000, and each succeeding
1319 month thereafter, the sales tax revenue collected during the
1320 preceding month under the provisions of this chapter on the gross



1321 proceeds of sales of a project as defined in Section 57-30-1 shall
1322 be deposited, after all diversions except the diversion provided
1323 for in subsection (1) of this section, into the Sales Tax
1324 Incentive Fund created in Section 57-30-3.

1325 (b) On or before August 15, 2007, and each succeeding
1326 month thereafter, eighty percent (80%) of the sales tax revenue
1327 collected during the preceding month under the provisions of this
1328 chapter from the operation of a tourism project under the
1329 provisions of Sections 57-26-1 through 57-26-5, shall be
1330 deposited, after the diversions required in subsections (7) and
1331 (8) of this section, into the Tourism Project Sales Tax Incentive
1332 Fund created in Section 57-26-3.

1333 (17) Notwithstanding any other provision of this section to
1334 the contrary, on or before April 15, 2002, and each succeeding
1335 month thereafter, the sales tax revenue collected during the
1336 preceding month under Section 27-65-23 on sales of parking
1337 services of parking garages and lots at airports shall be
1338 deposited, without diversion, into the special fund created under
1339 Section 27-5-101(d).

1340 (18) [Repealed]

1341 (19) (a) On or before August 15, 2005, and each succeeding
1342 month thereafter, the sales tax revenue collected during the
1343 preceding month under the provisions of this chapter on the gross
1344 proceeds of sales of a business enterprise located within a
1345 redevelopment project area under the provisions of Sections



1346 57-91-1 through 57-91-11, and the revenue collected on the gross
1347 proceeds of sales from sales made to a business enterprise located
1348 in a redevelopment project area under the provisions of Sections
1349 57-91-1 through 57-91-11 (provided that such sales made to a
1350 business enterprise are made on the premises of the business
1351 enterprise), shall, except as otherwise provided in this
1352 subsection (19), be deposited, after all diversions, into the
1353 Redevelopment Project Incentive Fund as created in Section
1354 57-91-9.

1355 (b) For a municipality participating in the Economic
1356 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
1357 the diversion provided for in subsection (1) of this section
1358 attributable to the gross proceeds of sales of a business
1359 enterprise located within a redevelopment project area under the
1360 provisions of Sections 57-91-1 through 57-91-11, and attributable
1361 to the gross proceeds of sales from sales made to a business
1362 enterprise located in a redevelopment project area under the
1363 provisions of Sections 57-91-1 through 57-91-11 (provided that
1364 such sales made to a business enterprise are made on the premises
1365 of the business enterprise), shall be deposited into the
1366 Redevelopment Project Incentive Fund as created in Section
1367 57-91-9, as follows:

1368 (i) For the first six (6) years in which payments
1369 are made to a developer from the Redevelopment Project Incentive



1370 Fund, one hundred percent (100%) of the diversion shall be
1371 deposited into the fund;

1372 (ii) For the seventh year in which such payments
1373 are made to a developer from the Redevelopment Project Incentive
1374 Fund, eighty percent (80%) of the diversion shall be deposited
1375 into the fund;

1376 (iii) For the eighth year in which such payments
1377 are made to a developer from the Redevelopment Project Incentive
1378 Fund, seventy percent (70%) of the diversion shall be deposited
1379 into the fund;

1380 (iv) For the ninth year in which such payments are
1381 made to a developer from the Redevelopment Project Incentive Fund,
1382 sixty percent (60%) of the diversion shall be deposited into the
1383 fund; and

1384 (v) For the tenth year in which such payments are
1385 made to a developer from the Redevelopment Project Incentive Fund,
1386 fifty percent (50%) of the funds shall be deposited into the fund.

1387 (20) On or before January 15, 2007, and each succeeding
1388 month thereafter, eighty percent (80%) of the sales tax revenue
1389 collected during the preceding month under the provisions of this
1390 chapter from the operation of a tourism project under the
1391 provisions of Sections 57-28-1 through 57-28-5 shall be deposited,
1392 after the diversions required in subsections (7) and (8) of this
1393 section, into the Tourism Sales Tax Incentive Fund created in
1394 Section 57-28-3.



1395 (21) (a) On or before April 15, 2007, and each succeeding
1396 month thereafter through June 15, 2013, One Hundred Fifty Thousand
1397 Dollars (\$150,000.00) of the sales tax revenue collected during
1398 the preceding month under the provisions of this chapter shall be
1399 deposited into the MMEIA Tax Incentive Fund created in Section
1400 57-101-3.

1401 (b) On or before July 15, 2013, and each succeeding
1402 month thereafter, One Hundred Fifty Thousand Dollars (\$150,000.00)
1403 of the sales tax revenue collected during the preceding month
1404 under the provisions of this chapter shall be deposited into the
1405 Mississippi Development Authority Job Training Grant Fund created
1406 in Section 57-1-451.

1407 (22) Notwithstanding any other provision of this section to
1408 the contrary, on or before August 15, 2009, and each succeeding
1409 month thereafter, the sales tax revenue collected during the
1410 preceding month under the provisions of Section 27-65-201 shall be
1411 deposited, without diversion, into the Motor Vehicle Ad Valorem
1412 Tax Reduction Fund established in Section 27-51-105.

1413 (23) (a) On or before August 15, 2019, and each month
1414 thereafter through July 15, 2020, one percent (1%) of the total
1415 sales tax revenue collected during the preceding month from
1416 restaurants and hotels shall be allocated for distribution to the
1417 Mississippi Development Authority Tourism Advertising Fund
1418 established under Section 57-1-64, to be used exclusively for the
1419 purpose stated therein. On or before August 15, 2020, and each



1420 month thereafter through July 15, 2021, two percent (2%) of the
1421 total sales tax revenue collected during the preceding month from
1422 restaurants and hotels shall be allocated for distribution to the
1423 Mississippi Development Authority Tourism Advertising Fund
1424 established under Section 57-1-64, to be used exclusively for the
1425 purpose stated therein. On or before August 15, 2021, and each
1426 month thereafter, three percent (3%) of the total sales tax
1427 revenue collected during the preceding month from restaurants and
1428 hotels shall be allocated for distribution to the Mississippi
1429 Development Authority Tourism Advertising Fund established under
1430 Section 57-1-64, to be used exclusively for the purpose stated
1431 therein. The revenue diverted pursuant to this subsection shall
1432 not be available for expenditure until February 1, 2020.

1433 (b) The Joint Legislative Committee on Performance
1434 Evaluation and Expenditure Review (PEER) must provide an annual
1435 report to the Legislature indicating the amount of funds deposited
1436 into the Mississippi Development Authority Tourism Advertising
1437 Fund established under Section 57-1-64, and a detailed record of
1438 how the funds are spent.

1439 (24) The remainder of the amounts collected under the
1440 provisions of this chapter shall be paid into the State Treasury
1441 to the credit of the General Fund.

1442 (25) (a) It shall be the duty of the municipal officials of
1443 any municipality that expands its limits, or of any community that
1444 incorporates as a municipality, to notify the commissioner of that



1445 action thirty (30) days before the effective date. Failure to so
1446 notify the commissioner shall cause the municipality to forfeit
1447 the revenue that it would have been entitled to receive during
1448 this period of time when the commissioner had no knowledge of the
1449 action.

1450 (b) (i) Except as otherwise provided in subparagraph
1451 (ii) of this paragraph, if any funds have been erroneously
1452 disbursed to any municipality or any overpayment of tax is
1453 recovered by the taxpayer, the commissioner may make correction
1454 and adjust the error or overpayment with the municipality by
1455 withholding the necessary funds from any later payment to be made
1456 to the municipality.

1457 (ii) Subject to the provisions of Sections
1458 27-65-51 and 27-65-53, if any funds have been erroneously
1459 disbursed to a municipality under subsection (1) of this section
1460 for a period of three (3) years or more, the maximum amount that
1461 may be recovered or withheld from the municipality is the total
1462 amount of funds erroneously disbursed for a period of three (3)
1463 years beginning with the date of the first erroneous disbursement.
1464 However, if during such period, a municipality provides written
1465 notice to the Department of Revenue indicating the erroneous
1466 disbursement of funds, then the maximum amount that may be
1467 recovered or withheld from the municipality is the total amount of
1468 funds erroneously disbursed for a period of one (1) year beginning
1469 with the date of the first erroneous disbursement.



1470 **SECTION 13.** Section 73-59-17, Mississippi Code of 1972, is
1471 brought forward as follows:

1472 73-59-17. The building official, or other authority charged
1473 with the duty of issuing building or similar permits, of any
1474 municipality or county, shall refuse to issue a permit for any
1475 undertaking which would classify the applicant as a residential
1476 builder or remodeler under this chapter unless the applicant has
1477 furnished evidence that he is either licensed as required by this
1478 chapter or exempt from the requirements of this chapter. The
1479 building official, or other authority charged with the duty of
1480 issuing building or similar permits, shall also report to the
1481 board the name and address of any person who, in his opinion, has
1482 violated this chapter by accepting, or contracting to accomplish,
1483 work which would classify the person as a residential builder or
1484 remodeler under this chapter without a license or acknowledgement.

1485 **SECTION 14.** This act shall take effect and be in force from
1486 and after July 1, 2022, and shall stand repealed on June 30, 2022.

