

By: Senator(s) DeBar

To: Education;
AppropriationsCOMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 2430

1 AN ACT TO BRING FORWARD SECTIONS 37-47-1, 37-47-3, 37-47-5,
2 37-47-7, 37-47-9, 37-47-11, 37-47-13, 37-47-15, 37-47-17,
3 37-47-19, 37-47-21, 37-47-23, 37-47-25, 37-47-27, 37-47-29,
4 37-47-31, 37-47-33, 37-47-35, 37-47-37, 37-47-39, 37-47-41,
5 37-47-43, 37-47-45, 37-47-47, 37-47-49, 37-47-51, 37-47-53,
6 37-47-55, 37-47-57, 37-47-59, 37-47-61, 37-47-63, 37-47-65 AND
7 37-47-67, MISSISSIPPI CODE OF 1972, WHICH PROVIDE FOR THE STATE
8 AID FOR CONSTRUCTION OF SCHOOL FACILITIES, FOR THE PURPOSES OF
9 POSSIBLE AMENDMENT; TO BRING FORWARD SECTION 27-65-75, MISSISSIPPI
10 CODE OF 1972, WHICH PROVIDES FOR THE DISTRIBUTION OF TAX REVENUES,
11 FOR THE PURPOSES OF POSSIBLE AMENDMENT; TO BRING FORWARD SECTIONS
12 37-7-401 AND 37-7-409, MISSISSIPPI CODE OF 1972, WHICH PROVIDE FOR
13 THE LAND ACQUISITION AND THE FUNDING OF CONSTRUCTION OF SCHOOL
14 BUILDINGS, FOR THE PURPOSE OF POSSIBLE AMENDMENT; TO BRING FORWARD
15 SECTION 37-27-55, MISSISSIPPI CODE OF 1972, WHICH PROVIDES FOR THE
16 FUND ALLOCATION FOR AGRICULTURAL HIGH SCHOOLS, FOR THE PURPOSE OF
17 POSSIBLE AMENDMENT; TO BRING FORWARD SECTION 37-131-7, MISSISSIPPI
18 CODE OF 1972, WHICH PROVIDES FOR THE ALLOTMENT OF FUNDS IN
19 GENERAL, FOR THE PURPOSE OF POSSIBLE AMENDMENT; AND FOR RELATED
20 PURPOSES.

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

22 **SECTION 1.** Section 37-47-1, Mississippi Code of 1972, is
23 brought forward as follows:

24 37-47-1. The terms and provisions of this chapter shall be
25 administered and executed by the state educational finance
26 commission. For the purpose of this chapter, the term



"commission" shall mean "state educational finance commission" except where the context clearly indicates otherwise.

SECTION 2. Section 37-47-3, Mississippi Code of 1972, is brought forward as follows:

37-47-3. The term "school district" as used in this chapter shall be defined as including all public school districts and public charter schools in this state and also all agricultural high schools not located on the campus of a junior college.

SECTION 3. Section 37-47-5, Mississippi Code of 1972, is brought forward as follows:

37-47-5. For the purposes of this chapter, the term "capital improvement" shall mean the cost of (1) erecting, repairing, equipping, remodeling and enlarging school buildings and related facilities, including, but not being limited to, gymnasiums, auditoriums, lunch rooms, vocational training buildings, libraries, teachers' homes, school barns, garages for transportation vehicles, and (2) providing necessary water, lights, heating, air conditioning and sewerage facilities for school buildings. Such term shall not include the cost of the acquisition of land whereon to construct or establish any of the facilities named above.

SECTION 4. Section 37-47-7, Mississippi Code of 1972, is brought forward as follows:

37-47-7. There shall be, and there is hereby, created in the state treasury a special fund to be known as the "state public



52 school building fund". The said fund shall consist of such amounts
53 as may be paid into said fund by appropriation or other
54 legislative authorization.

55 **SECTION 5.** Section 37-47-9, Mississippi Code of 1972, is
56 brought forward as follows:

57 37-47-9. It is found and determined that the state should
58 make an annual grant of Twenty-four Dollars (\$24.00) for each
59 child in average daily attendance in the public schools of the
60 various school districts of this state during each school year,
61 and that such monies should be applied for the purpose of
62 establishing and maintaining adequate physical facilities for the
63 public school district and/or the payment of existing debt
64 therefor.

65 The grant to which each public school is entitled under the
66 provisions of this section shall be credited to the school
67 district of which such school is part. If any change is made in
68 the operation or boundaries of any such school district, equitable
69 reallocations shall be made by the commission of all balances to
70 the credit of such school district, and all debits charged against
71 the districts affected by the change in the boundaries or system
72 of operation. The obligation of the state to make remittance of
73 the sums appropriated or otherwise provided to make the annual
74 grants provided by this section shall be subordinate to the pledge
75 made to secure the state school bonds authorized under this
76 chapter and the sinking fund created for their retirement. The



77 grants shall be computed annually as soon as practicable after the
78 end of the school year, and shall be based on the average daily
79 attendance for such school year in all of the public schools
80 operated by each school district as determined by the State
81 Department of Education.

82 **SECTION 6.** Section 37-47-11, Mississippi Code of 1972, is
83 brought forward as follows:

84 37-47-11. The sums becoming due to any school district shall
85 be disposed of in the following order of priority and for the
86 following purposes and for no others:

87 (a) To discharge the principal and interest due the
88 commission by reason of any advance or loan made to any such
89 school district by the commission;

90 (b) To be applied by the school district, subject to
91 the approval of the commission, to defray the cost of any capital
92 improvement;

93 (c) To pay the principal and interest of school
94 district indebtedness represented by bonds or notes issued before
95 July 1, 1954, for capital improvements, provided that the capital
96 improvements for which such bonds or notes were issued fulfill the
97 rules and requirement for new capital improvements and district
98 organization as provided by the commission, or for bonds or notes
99 issued on or after July 1, 1954, for capital improvements which
100 have been approved by the commission as provided in this chapter.



101 **SECTION 7.** Section 37-47-13, Mississippi Code of 1972, is
102 brought forward as follows:

103 37-47-13. When the amounts of the annual grants to school
104 districts have been computed as provided in Section 37-47-9, the
105 commission shall credit each such school district with the amount
106 of the annual grant to which it is entitled and shall issue to
107 each such school district a certificate of credit for the amount
108 of such annual grant. All such certificates of credit shall be
109 signed by the chairman of the commission and countersigned by the
110 executive secretary thereof. Such certificates shall constitute an
111 indebtedness of the State of Mississippi but shall be
112 non-transferable and non-negotiable and shall bear no interest.
113 All such certificates so issued shall be held and retained by the
114 school district to which same are issued until the expenditure of
115 the funds to the credit of such school district shall be approved
116 by the commission as is otherwise provided in this chapter. Such
117 certificates shall be surrendered to the commission at the time
118 the funds to which the school district is entitled are withdrawn
119 from the public school building fund and deposited to the credit
120 of the school district entitled thereto.

121 **SECTION 8.** Section 37-47-15, Mississippi Code of 1972, is
122 brought forward as follows:

123 37-47-15. No grants accruing to any school district shall be
124 expended for any purpose unless such expenditure has been approved
125 by the commission. In order to guide the commission in passing



126 upon requests for the use of grants, the school boards of the
127 respective school districts are directed to prepare a survey of
128 necessary capital improvements and/or a plan for tax relief on
129 school indebtedness within each school district. Such surveys
130 shall show existing facilities, desirable consolidations, the new
131 construction and new facilities necessary and desirable for the
132 efficient operation of the public schools of the school districts,
133 proper compliance with state energy conservation standards, and
134 the plan of tax reduction in the school districts by use of such
135 funds in retiring any outstanding indebtedness for school
136 facilities. The commission shall not approve any application for
137 the use of funds of the said public school building fund from the
138 school board of any school district until such time as an
139 acceptable and reasonably satisfactory plan, looking particularly
140 to efficiency through consolidations of school attendance centers,
141 has been submitted by the school board.

142 Furthermore, the commission shall not approve any application
143 for the use of funds of the public school building fund until such
144 time as an acceptable plan has been submitted by the appropriate
145 board which complies with improved design, heating, cooling,
146 ventilation, lighting, insulation and architectural standards
147 provided by the State of Mississippi to promote maximum energy
148 conservation in new and existing public buildings.

149 All applications from school districts shall conform to the
150 plan of the school board.



151 **SECTION 9.** Section 37-47-17, Mississippi Code of 1972, is
152 brought forward as follows:

153 37-47-17. Applications for the expenditure of funds to the
154 credit of any school district in the state public school building
155 fund shall originate with the school board of the school district
156 entitled to such funds. Before any funds to the credit of a
157 school district shall be expended for capital improvements or the
158 retirement of outstanding bonded indebtedness, the school board of
159 such school district shall prepare and submit an application in
160 such form as may be prescribed by the commission. There shall be
161 included with such application a statement in which there is set
162 forth the enrollment and average daily attendance in the schools
163 of the district divided as to schools and grades, the number of
164 teachers employed, the facilities in use, the facilities to be
165 provided with the funds to be expended, the outstanding school
166 indebtedness, and such other information as the commission may
167 require. Such application and statement shall be submitted
168 directly to the commission and approved or disapproved by it. The
169 decision of the commission shall be final, unless an appeal to the
170 chancery court shall be taken in the manner provided by law. In
171 the event any application shall be disapproved by the commission,
172 the school board submitting same shall be notified of such
173 disapproval, which notice of disapproval shall be accompanied by a
174 statement of the reason or reasons for such disapproval.



175 The commission shall approve only those applications which
176 are found to be proper under the provisions of this chapter and
177 the applicable rules and regulations of the commission. When an
178 application is approved for the expenditure of funds for capital
179 improvements, the contract for the construction of such capital
180 improvements shall be entered into and awarded by the school board
181 of the school district in the manner provided in this chapter;
182 however, the contract for construction of a secondary vocational
183 and technical training center for exclusive use and operation by a
184 school district may be entered into and awarded by the board of
185 trustees of a junior college district where a grant of federal
186 funds by the Appalachian Commission has been made to the board of
187 trustees of such junior college district to assist in financing
188 construction of such secondary vocational and technical training
189 facility for such school district.

190 **SECTION 10.** Section 37-47-19, Mississippi Code of 1972, is
191 brought forward as follows:

192 37-47-19. Where the expenditure of any funds to which any
193 school district may be entitled has been authorized, as provided
194 in Section 37-47-17, such funds shall be withdrawn from the public
195 school building fund by the commission and deposited in the school
196 depository to the credit of the school district entitled thereto
197 as a special fund to be known as the "Public School Building Fund"
198 of the school district entitled thereto. Such money so deposited
199 shall be paid out and expended in the same manner as may be now or



hereafter provided by law for the expenditure of other school funds belonging to such district; however, where the contract for construction of a secondary vocational and technical training center shall have been entered into and awarded by the board of trustees of a junior college district as authorized by Section 37-47-29, the money so deposited in the public school building fund of the school district for which said facility is being constructed may be paid out and expended to pay a part of the cost of construction of such facility.

SECTION 11. Section 37-47-21, Mississippi Code of 1972, is brought forward as follows:

37-47-21. All funds, if any, which may accumulate in the state public school building fund under the provisions of this chapter because school districts entitled thereto do not make application for the expenditure of same for the purposes authorized by this chapter at the time same are credited to such school district may be used as a revolving fund for the purpose of making loans or advances to other school districts as is provided in Section 37-47-25.

SECTION 12. Section 37-47-23, Mississippi Code of 1972, is brought forward as follows:

37-47-23. When any school district holding certificates of credit shall desire to expend funds which have accumulated to its credit under the provisions of this chapter and the expenditure thereof has been approved by the commission but insufficient funds



are available in the state public school building fund because of loans or advances having been made to other school districts, the commission shall forthwith transmit to the state bond commission its request for the issuance of state school bonds, as is otherwise provided in this chapter, in an amount sufficient to provide the funds to which the school district holding the certificate of credit is entitled, or such portion of such funds as such school district then desires to expend.

SECTION 13. Section 37-47-25, Mississippi Code of 1972, is brought forward as follows:

37-47-25. Whenever the State Department of Education shall determine that any school district is in need of capital improvements to an extent in excess of that which may be financed by the credit then due such school district by the department, the department shall be empowered to advance or lend said school district such sums as in the opinion of the department are necessary to be expended for capital improvements by said school district. Such loans or advances shall be evidenced by appropriate agreements, and shall be repayable in principal by the school district from the annual grants to which the school district shall become entitled and from such other funds as may be available. Such loans or advances shall not constitute a debt of the school district within the meaning of any provision or limitation of the Constitution or statutes of the State of Mississippi. The department shall not advance or lend to any



250 school district any sum in excess of seventy-five percent (75%) of
251 the estimated sum which will accrue to the said school district on
252 account of grants to be made to the said school district within
253 the twenty (20) years next following the date of the loan or
254 advance. In determining the maximum allowable advance or loan,
255 the department shall assume that the average daily attendance in
256 the schools of the school district for the past preceding
257 scholastic year as confirmed by the audit of average daily
258 attendance made by the State Department of Audit will continue for
259 the period during which the loan is to be repaid.

260 **SECTION 14.** Section 37-47-27, Mississippi Code of 1972, is
261 brought forward as follows:

262 37-47-27. All capital improvements by any school district
263 which are financed, in whole or in part, with funds received from
264 the State Public School Building Fund pursuant to an application
265 approved by the * * * State Board of Education, shall be
266 constructed by contract entered into and awarded by the board of
267 trustees or other governing body of such school district. The
268 awarding of such contract shall be in the sole province of such
269 board of trustees or other governing body except as is herein
270 provided. No such contract shall be entered into unless and until
271 the site for the location of and the plans and specifications for
272 the construction of the capital improvements shall have been
273 approved by the * * * State Board of Education. The * * * State
274 Board of Education shall not exclude from approval plans and



specifications which involve the use of preengineered steel building systems. Plans and specifications for preengineered steel building systems, in order to be approved by the * * * State Board of Education, must be submitted to and certified by an architect or professional engineer registered in the State of Mississippi and not an employee of the contractor, as meeting the minimum requirements of the local building, plumbing and electrical codes, the Southern Standard Building Code, Coastal Region Loading, the Metal Building Manufacturers Association, the American Institute of Steel Construction and the American Iron and Steel Institute, as to design, materials and construction.

SECTION 15. Section 37-47-29, Mississippi Code of 1972, is brought forward as follows:

37-47-29. All contracts for capital improvements by any school district which are financed in whole or in part with funds received from the state public school building fund pursuant to an application approved by the commission shall be awarded and entered into upon receipt of sealed bids or proposals after the time and place of letting such contracts and the manner of bidding has been duly advertised. The contract shall be let and awarded to the lowest and best bidder but the board of trustees or other governing body of the school district shall have the power to reject any and all bids. No such contract shall be finally awarded or entered into without the prior written approval of the commission. It is hereby expressly provided that in order to bid



upon and be awarded contracts for the construction of school facilities under the provisions of this chapter, if such contract, subcontract or undertaking is less than Fifty Thousand Dollars (\$50,000.00), it shall not be necessary that the bidder obtain a certificate of responsibility from the Board of Public Contractors under the provisions of Chapter 3, Title 31, of the Mississippi Code of 1972, or otherwise be qualified under said chapter, and none of the provisions of said chapter shall be applicable to such contracts for the construction of school facilities under the provisions hereof. Notwithstanding the foregoing provisions of this section or any other provisions of law, the contract for construction of a secondary vocational and technical training center for exclusive use and operation by a county school district may be entered into and awarded by the board of trustees of a junior college district where a grant of federal funds by the Appalachian Commission has been made to the board of trustees of such junior college district to assist in financing construction of such secondary vocational and technical training facility for such county school district.

SECTION 16. Section 37-47-31, Mississippi Code of 1972, is brought forward as follows:

37-47-31. The state bond commission now consisting of the governor, attorney general and treasurer of the State of Mississippi, each acting ex officio, is hereby continued in existence for the purpose of this chapter and with full power and



authority to issue state school bonds to the extent, for the purposes, and in the manner and subject to the limitations set forth in this chapter.

SECTION 17. Section 37-47-33, Mississippi Code of 1972, is brought forward as follows:

37-47-33. For the purpose of (a) providing funds to enable the State Board of Education to make loans or advances to school districts as provided by Section 37-47-25, and for the purpose of (b) providing funds for the payment and redemption of certificates of credit issued to school districts under Section 37-47-23, when such funds are not otherwise available, or for the purpose of (c) providing funds in an amount not exceeding Twenty Million Dollars (\$20,000,000.00) for the payment of allocations of Mississippi Adequate Education Program funds to school districts for capital expenditures approved by the State Board of Education which have not been pledged for debt by the school district, when such funds are not otherwise available, or for any of such purposes, the State Bond Commission is authorized and empowered to issue state school bonds under the conditions prescribed in this chapter. The aggregate principal amount of such bonds outstanding at any one (1) time, after deducting the amount of the sinking fund provided for the retirement of bonds issued for such purposes, shall never exceed the sum of One Hundred Million Dollars (\$100,000,000.00). Within such limits, however, state school bonds may be issued from time to time under the conditions prescribed in this chapter.



None of such bonds so issued shall have a maturity date later than July 1, 2021.

SECTION 18. Section 37-47-35, Mississippi Code of 1972, is brought forward as follows:

37-47-35. Before any state school bonds are issued as authorized by this chapter, the state educational finance commission shall transmit to the state bond commission a request for the issuance thereof in the form of a resolution adopted by said state educational finance commission. Said request shall embody the following:

(a) A schedule showing the aggregate of bonds issued pursuant to previous requests, the purposes for which the same were issued, the annual payments required to retire such bonds and the interest thereon, and the amount of sinking fund applicable to the retirement of such outstanding bonds;

(b) The amount of bonds sought to be issued, the purpose or purposes for which such bonds are to be issued, and the amount intended for each purpose;

(c) A schedule showing future annual principal requirements and estimated annual interest requirements on the bonds requested to be issued;

(d) The estimated amount of the advances which the commission intends to make within the then current fiscal year;



(e) The aggregate amount for which advances have been approved, but which await completion because the funds necessary to make the same are not available;

(f) The aggregate amount of certificates of credit issued to school districts which are to be paid or redeemed by the commission with the proceeds of such bonds and for which no funds are otherwise available.

SECTION 19. Section 37-47-37, Mississippi Code of 1972, is brought forward as follows:

37-47-37. If it shall appear to the satisfaction of the state bond commission from the request provided for in Section 37-47-35:

(a) That the estimate of the needs for the then current fiscal year as shown pursuant to the requirement of Section 37-47-35, requires bonds to be issued in the amount requested; and

(b) That the issue will be within the limitations prescribed by Section 37-47-33;

then it shall be the duty of the state bond commission to issue state school bonds in accordance with said request.

SECTION 20. Section 37-47-39, Mississippi Code of 1972, is brought forward as follows:

37-47-39. For the purpose of paying the principal of and interest upon all state school bonds issued under the authority of this chapter, there shall be and there is hereby pledged the full faith, credit, and taxing power of the State of Mississippi.



398 **SECTION 21.** Section 37-47-41, Mississippi Code of 1972, is
399 brought forward as follows:

400 37-47-41. All state school bonds issued under the provisions
401 of this chapter shall be signed by the governor, or by his
402 facsimile signature, and attested by the secretary of state. The
403 great seal of the State of Mississippi shall be affixed to or
404 impressed upon each of them. Coupons attached to such bonds may
405 bear only the facsimile signatures of both the governor and
406 secretary of state. Subject to the provisions of this chapter the
407 state bond commission shall have full discretion in providing for
408 the issuance of such bonds and in fixing the terms and details
409 thereof. Said state bond commission may provide for the issuance
410 of such bonds in such form, either coupon or registered, with such
411 registration privileges, and executed in such manner and payable
412 in such medium and at such place or places, and containing such
413 terms, covenants and provisions as the state bond commission may,
414 by resolution or resolutions, provide. All or any part of the
415 bonds issued under the authority of this chapter may be made
416 optional for redemption prior to maturity in the discretion of the
417 state bond commission, and in such case such bonds shall specify
418 the manner in and premiums at which the bonds shall be so
419 redeemable. Such bonds shall not be redeemable before maturity
420 unless same expressly so provide.

421 **SECTION 22.** Section 37-47-43, Mississippi Code of 1972, is
422 brought forward as follows:



37-47-43. All bonds issued under the authority of this chapter shall be lithographed or engraved and printed in two (2) or more colors to prevent counterfeiting. Such bonds shall be issued in denominations as shall be specified by the State Bond Commission. No bond shall bear more than one (1) rate of interest; each bond shall bear interest from its date to its stated maturity date at the interest rate specified in the bid; all bonds of the same maturity shall bear the same rate of interest from date to maturity; all interest accruing on such bonds so issued shall be payable semiannually or annually, except that the first interest coupon attached to any such bond may be for any period not exceeding one (1) year.

No interest payment shall be evidenced by more than one (1) coupon and neither cancelled nor supplemental coupons shall be permitted. The interest rate of any one (1) interest coupon shall not exceed eight percent (8%) except that the interest rate of any one (1) coupon issued after March 31, 1981, shall not exceed seven percent (7%).

SECTION 23. Section 37-47-45, Mississippi Code of 1972, is brought forward as follows:

37-47-45. All bonds issued under the authority of this chapter shall mature annually. None of such bonds shall have a final maturity date of more than twenty (20) years from the date of the issuance thereof, and in no event shall the final maturity date of any such bonds be later than July 1, 2004. In issuing such



bonds, the state bond commission shall be authorized and empowered to provide maturities therefor in such amounts and at such times as the state bond commission shall deem appropriate, proper and feasible. No bonds shall be issued and sold under the provisions of this chapter for less than par and accrued interest.

SECTION 24. Section 37-47-47, Mississippi Code of 1972, is brought forward as follows:

37-47-47. All state school bonds issued under the provisions of this chapter shall be sold by the said state bond commission upon sealed competitive bids or proposals after advertisement therefor and publication of the notice of such sale in the manner provided by law.

The proceeds of the sale of all state school bonds shall be placed in the "State Public School Building Fund" and shall be expended only for the purposes authorized by this chapter. However, the premium, if any, received for any such bonds and the accrued interest paid thereon, if any, shall be placed in the sinking fund established for the payment of said bonds.

SECTION 25. Section 37-47-49, Mississippi Code of 1972, is brought forward as follows:

37-47-49. In anticipation of the issuance of any bonds authorized under the provisions of this chapter, the state bond commission may authorize and issue interim certificates payable to bearer or to the purchaser of the bonds. Such interim certificates may be in such form and may contain such terms, conditions, or



473 provisions and such agreement or agreements relative to their
474 discharge, either through payment or through the delivery of the
475 bonds, as the commission, by resolution or resolutions,
476 determines.

477 Notwithstanding the foregoing provisions of this section,
478 bonds referred to hereinabove may be issued pursuant to the
479 supplemental powers and authorizations conferred by the provisions
480 of the Registered Bond Act, being Sections 31-21-1 through
481 31-21-7.

482 **SECTION 26.** Section 37-47-51, Mississippi Code of 1972, is
483 brought forward as follows:

484 37-47-51. All bonds issued under the provisions of this
485 chapter and all interim certificates issued under the provisions
486 of this chapter, except those fully registered, shall be fully
487 negotiable within the meaning and for all the purposes of the
488 Uniform Commercial Code.

489 **SECTION 27.** Section 37-47-53, Mississippi Code of 1972, is
490 brought forward as follows:

491 37-47-53. All bonds and interim certificates issued under
492 the provisions of this chapter and all interest thereon and income
493 therefrom shall be exempt from all taxation, except gift,
494 transfer, and inheritance taxes.

495 **SECTION 28.** Section 37-47-55, Mississippi Code of 1972, is
496 brought forward as follows:



37-47-55. The state treasurer shall keep a record in his office of the issuance of all bonds issued under the provisions of this chapter, and he shall execute a certificate to that effect on the back of each bond, which certificate may be signed by either the original or the facsimile signature of the state treasurer. The state treasurer shall also keep proper records relating to the sale and issuance of bonds under the provisions of this chapter, and the amounts received therefor and paid into the state treasury for the purposes provided in this chapter. He shall also keep a full and complete record of all registered bonds issued under the provisions of this chapter.

SECTION 29. Section 37-47-57, Mississippi Code of 1972, is brought forward as follows:

37-47-57. The state educational finance commission is hereby authorized and directed to pay, on approval of the governor, out of any funds derived from the issuance of state school bonds or otherwise in its hands and available for such purpose, any expense which may be incurred by the state bond commission or by the State of Mississippi or its officials in connection with the authorization and issuance of bonds and interim certificates under the provisions of this chapter, including the expense of preparing and delivering said bonds or interim certificates, legal fees, and all other expenses necessarily incurred in connection with the issuance, sale, and delivery of any such bonds and interim certificates.



522 **SECTION 30.** Section 37-47-59, Mississippi Code of 1972, is
523 brought forward as follows:

524 37-47-59. All bonds issued under the authority of this
525 chapter may, in the discretion of the state bond commission, be
526 validated in the chancery court of Hinds County, Mississippi, in
527 the manner and with the force and effect now or hereafter provided
528 by Chapter 13, Title 31, of the Mississippi Code of 1972. In the
529 event of such validation, the necessary papers shall be
530 transmitted to the state bond attorney by the secretary of said
531 state bond commission and the required notice shall be addressed
532 to the taxpayers of the State of Mississippi and shall be
533 published in a newspaper of general circulation published in the
534 City of Jackson, Mississippi.

535 **SECTION 31.** Section 37-47-61, Mississippi Code of 1972, is
536 brought forward as follows:

537 37-47-61. For the purpose of providing for the payment of
538 the principal of and interest upon bonds issued under the
539 provisions of this chapter according to the terms thereof, there
540 shall be and there is hereby established in the state treasury a
541 sinking fund for such payment. Said sinking fund shall consist of
542 the premiums and accrued interest paid upon any such bonds so
543 issued and of such other amount as shall be paid into such fund by
544 appropriation or other authorization by the legislature. In cases
545 where the loan or advance to a school district was made from the
546 proceeds of bonds issued under the provisions of this chapter, the



state educational finance commission shall annually pay into said sinking fund the amounts of annual grants to which any school district is entitled and which are used for the repayment of the principal of and interest upon a loan or grant made to such school district under the authority of Section 37-47-25. However, where the loan or advance was made from accumulations in the state public school building fund the amounts of the annual grants to which the school districts are entitled which are used for the repayment of principal of and interest upon such loan or grant shall be paid into the state public school building fund and not into the bond and interest sinking fund.

SECTION 32. Section 37-47-63, Mississippi Code of 1972, is brought forward as follows:

37-47-63. In consideration of the acceptance and purchase of the bonds authorized under the provisions of this chapter, by those who shall hold the same from time to time, this chapter shall be deemed and shall constitute a contract between the State of Mississippi and such holders and shall be irrepealable until such time as all bonds and interim certificates issued under the provisions of this chapter shall have been fully paid.

SECTION 33. Section 37-47-65, Mississippi Code of 1972, is brought forward as follows:

37-47-65. Nothing in this chapter shall be construed to prohibit a school district from issuing its bonds, negotiable notes, or certificates of indebtedness for the purposes, in the



manner, to the extent, and subject to the limitations provided by Sections 37-59-1 through 37-59-45, or any other applicable sections, and the authority granted by this chapter shall be construed as being additional, supplemental, and cumulative thereto. The proceeds of the sale of any such bonds, negotiable notes, or certificates of indebtedness so issued by any such school district may be used for the purpose for which they were issued and may be expended in conjunction with funds provided by the state educational finance commission under the provisions of this chapter, or may be expended without such funds, if same be not available.

SECTION 34. Section 37-47-67, Mississippi Code of 1972, is brought forward as follows:

37-47-67. Any county board of education or board of trustees of any school district, including a municipal separate school district, which may be aggrieved by any final rule, regulation, or order of the state educational finance commission adopted under the provisions of this chapter shall have the right to appeal therefrom to the chancery court of the county in which the school district involved or any part thereof is located in like manner, within the same time, with like effect, and subject in all other respects to appeals from orders, rules, and regulations of the state educational finance commission as provided in Chapter 45 of this Title, the provisions of which are hereby made applicable in



all respects to appeals from orders, rules, and regulations of the commission under the provisions of this chapter.

SECTION 35. Section 27-65-75, Mississippi Code of 1972, is brought forward as follows:

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

(1) (a) On or before August 15, 1992, and each succeeding month thereafter through July 15, 1993, eighteen percent (18%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on business activities within a municipal corporation shall be allocated for distribution to the municipality and paid to the municipal corporation. Except as otherwise provided in this paragraph (a), on or before August 15, 1993, and each succeeding month thereafter, eighteen and one-half percent (18-1/2%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business activities within a municipal corporation shall be allocated for distribution to the municipality and paid to the municipal corporation. However, in the event the State Auditor issues a certificate of noncompliance pursuant to Section 21-35-31, the Department of Revenue shall withhold ten percent



621 (10%) of the allocations and payments to the municipality that
622 would otherwise be payable to the municipality under this
623 paragraph (a) until such time that the department receives written
624 notice of the cancellation of a certificate of noncompliance from
625 the State Auditor.

626 A municipal corporation, for the purpose of distributing the
627 tax under this subsection, shall mean and include all incorporated
628 cities, towns and villages.

629 Monies allocated for distribution and credited to a municipal
630 corporation under this paragraph may be pledged as security for a
631 loan if the distribution received by the municipal corporation is
632 otherwise authorized or required by law to be pledged as security
633 for such a loan.

634 In any county having a county seat that is not an
635 incorporated municipality, the distribution provided under this
636 subsection shall be made as though the county seat was an
637 incorporated municipality; however, the distribution to the
638 municipality shall be paid to the county treasury in which the
639 municipality is located, and those funds shall be used for road,
640 bridge and street construction or maintenance in the county.

641 (b) On or before August 15, 2006, and each succeeding
642 month thereafter, eighteen and one-half percent (18-1/2%) of the
643 total sales tax revenue collected during the preceding month under
644 the provisions of this chapter, except that collected under the
645 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on



business activities on the campus of a state institution of higher learning or community or junior college whose campus is not located within the corporate limits of a municipality, shall be allocated for distribution to the state institution of higher learning or community or junior college and paid to the state institution of higher learning or community or junior college.

(c) On or before August 15, 2018, and each succeeding month thereafter until August 14, 2019, two percent (2%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business activities within the corporate limits of the City of Jackson, Mississippi, shall be deposited into the Capitol Complex Improvement District Project Fund created in Section 29-5-215. On or before August 15, 2019, and each succeeding month thereafter until August 14, 2020, four percent (4%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business activities within the corporate limits of the City of Jackson, Mississippi, shall be deposited into the Capitol Complex Improvement District Project Fund created in Section 29-5-215. On or before August 15, 2020, and each succeeding month thereafter, six percent (6%) of the total sales tax revenue collected during the preceding month under the



671 provisions of this chapter, except that collected under the
672 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
673 27-65-24, on business activities within the corporate limits of
674 the City of Jackson, Mississippi, shall be deposited into the
675 Capitol Complex Improvement District Project Fund created in
676 Section 29-5-215.

677 (d) (i) On or before the fifteenth day of the month
678 that the diversion authorized by this section begins, and each
679 succeeding month thereafter, eighteen and one-half percent
680 (18-1/2%) of the total sales tax revenue collected during the
681 preceding month under the provisions of this chapter, except that
682 collected under the provisions of Sections 27-65-15, 27-65-19(3)
683 and 27-65-21, on business activities within a redevelopment
684 project area developed under a redevelopment plan adopted under
685 the Tax Increment Financing Act (Section 21-45-1 et seq.) shall be
686 allocated for distribution to the county in which the project area
687 is located if:

688 1. The county:

689 a. Borders on the Mississippi Sound and
690 the State of Alabama, or

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



694 2. The county has issued bonds under Section
695 21-45-9 to finance all or a portion of a redevelopment project in
696 the redevelopment project area;

697 3. Any debt service for the indebtedness
698 incurred is outstanding; and

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

702 (ii) Before any sales tax revenue may be allocated
703 for distribution to a county under this paragraph, the county
704 shall certify to the Department of Revenue that the requirements
705 of this paragraph have been met, the amount of bonded indebtedness
706 that has been incurred by the county for the redevelopment project
707 and the expected date the indebtedness incurred by the county will
708 be satisfied.

709 (iii) The diversion of sales tax revenue
710 authorized by this paragraph shall begin the month following the
711 month in which the Department of Revenue determines that the
712 requirements of this paragraph have been met. The diversion shall
713 end the month the indebtedness incurred by the county is
714 satisfied. All revenue received by the county under this
715 paragraph shall be deposited in the fund required to be created in
716 the tax increment financing plan under Section 21-45-11 and be
717 utilized solely to satisfy the indebtedness incurred by the
718 county.



719 (2) On or before September 15, 1987, and each succeeding
720 month thereafter, from the revenue collected under this chapter
721 during the preceding month, One Million One Hundred Twenty-five
722 Thousand Dollars (\$1,125,000.00) shall be allocated for
723 distribution to municipal corporations as defined under subsection
724 (1) of this section in the proportion that the number of gallons
725 of gasoline and diesel fuel sold by distributors to consumers and
726 retailers in each such municipality during the preceding fiscal
727 year bears to the total gallons of gasoline and diesel fuel sold
728 by distributors to consumers and retailers in municipalities
729 statewide during the preceding fiscal year. The Department of
730 Revenue shall require all distributors of gasoline and diesel fuel
731 to report to the department monthly the total number of gallons of
732 gasoline and diesel fuel sold by them to consumers and retailers
733 in each municipality during the preceding month. The Department
734 of Revenue shall have the authority to promulgate such rules and
735 regulations as is necessary to determine the number of gallons of
736 gasoline and diesel fuel sold by distributors to consumers and
737 retailers in each municipality. In determining the percentage
738 allocation of funds under this subsection for the fiscal year
739 beginning July 1, 1987, and ending June 30, 1988, the Department
740 of Revenue may consider gallons of gasoline and diesel fuel sold
741 for a period of less than one (1) fiscal year. For the purposes
742 of this subsection, the term "fiscal year" means the fiscal year
743 beginning July 1 of a year.



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

(4) On or before August 15, 1994, and on or before the fifteenth day of each succeeding month through July 15, 1999, from the proceeds of gasoline, diesel fuel or kerosene taxes as provided in Section 27-5-101(a)(ii)1, Four Million Dollars (\$4,000,000.00) shall be deposited in the State Treasury to the credit of a special fund designated as the "State Aid Road Fund," created by Section 65-9-17. On or before August 15, 1999, and on or before the fifteenth day of each succeeding month, from the total amount of the proceeds of gasoline, diesel fuel or kerosene taxes apportioned by Section 27-5-101(a)(ii)1, Four Million Dollars (\$4,000,000.00) or an amount equal to twenty-three and one-fourth percent (23-1/4%) of those funds, whichever is the greater amount, shall be deposited in the State Treasury to the



credit of the "State Aid Road Fund," created by Section 65-9-17. Those funds shall be pledged to pay the principal of and interest on state aid road bonds heretofore issued under Sections 19-9-51 through 19-9-77, in lieu of and in substitution for the funds previously allocated to counties under this section. Those funds may not be pledged for the payment of any state aid road bonds issued after April 1, 1981; however, this prohibition against the pledging of any such funds for the payment of bonds shall not apply to any bonds for which intent to issue those bonds has been published for the first time, as provided by law before March 29, 1981. From the amount of taxes paid into the special fund under this subsection and subsection (9) of this section, there shall be first deducted and paid the amount necessary to pay the expenses of the Office of State Aid Road Construction, as authorized by the Legislature for all other general and special fund agencies. The remainder of the fund shall be allocated monthly to the several counties in accordance with the following formula:

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

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

(c) One-third (1/3) shall be allocated to counties based on the proportion that the rural population of the county



bears to the total rural population in all counties of the state,
according to the latest federal decennial census.

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

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

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

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

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

(7) On or before August 15, 1992, and each succeeding month
thereafter through July 15, 2000, two and two hundred sixty-six



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

(8) On or before August 15, 1992, and each succeeding month thereafter, nine and seventy-three one-thousandths percent (9.073%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Section 27-65-17(2), shall be



deposited into the Education Enhancement Fund created under
Section 37-61-33.

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

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

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

(12) Notwithstanding any other provision of this section to
the contrary, on or before August 15, 1995, and each succeeding
month thereafter, the sales tax revenue collected during the
preceding month under the provisions of Section 27-65-17(1) on
retail sales of private carriers of passengers and light carriers



of property, as defined in Section 27-51-101 and the corresponding levy in Section 27-65-23 on the rental or lease of these vehicles, shall be deposited, after diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund established in Section 27-51-105.

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

(14) On or before August 15, 1998, and each succeeding month thereafter through July 15, 2005, that portion of the avails of the tax imposed in Section 27-65-23 that is derived from sales by cotton compresses or cotton warehouses and that would otherwise be paid into the General Fund shall be deposited in an amount not to exceed Two Million Dollars (\$2,000,000.00) into the special fund created under Section 69-37-39. On or before August 15, 2007, and each succeeding month thereafter through July 15, 2010, that portion of the avails of the tax imposed in Section 27-65-23 that is derived from sales by cotton compresses or cotton warehouses and that would otherwise be paid into the General Fund shall be deposited in an amount not to exceed Two Million Dollars (\$2,000,000.00) into the special fund created under Section



894 69-37-39 until all debts or other obligations incurred by the
895 Certified Cotton Growers Organization under the Mississippi Boll
896 Weevil Management Act before January 1, 2007, are satisfied in
897 full. On or before August 15, 2010, and each succeeding month
898 thereafter through July 15, 2011, fifty percent (50%) of that
899 portion of the avails of the tax imposed in Section 27-65-23 that
900 is derived from sales by cotton compresses or cotton warehouses
901 and that would otherwise be paid into the General Fund shall be
902 deposited into the special fund created under Section 69-37-39
903 until such time that the total amount deposited into the fund
904 during a fiscal year equals One Million Dollars (\$1,000,000.00).
905 On or before August 15, 2011, and each succeeding month
906 thereafter, that portion of the avails of the tax imposed in
907 Section 27-65-23 that is derived from sales by cotton compresses
908 or cotton warehouses and that would otherwise be paid into the
909 General Fund shall be deposited into the special fund created
910 under Section 69-37-39 until such time that the total amount
911 deposited into the fund during a fiscal year equals One Million
912 Dollars (\$1,000,000.00).

913 (15) Notwithstanding any other provision of this section to
914 the contrary, on or before September 15, 2000, and each succeeding
915 month thereafter, the sales tax revenue collected during the
916 preceding month under the provisions of Section
917 27-65-19(1)(d)(i)2, and 27-65-19(1)(d)(i)3 shall be deposited,



without diversion, into the Telecommunications Ad Valorem Tax Reduction Fund established in Section 27-38-7.

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

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

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

(18) [Repealed]



943 (19) (a) On or before August 15, 2005, and each succeeding
944 month thereafter, the sales tax revenue collected during the
945 preceding month under the provisions of this chapter on the gross
946 proceeds of sales of a business enterprise located within a
947 redevelopment project area under the provisions of Sections
948 57-91-1 through 57-91-11, and the revenue collected on the gross
949 proceeds of sales from sales made to a business enterprise located
950 in a redevelopment project area under the provisions of Sections
951 57-91-1 through 57-91-11 (provided that such sales made to a
952 business enterprise are made on the premises of the business
953 enterprise), shall, except as otherwise provided in this
954 subsection (19), be deposited, after all diversions, into the
955 Redevelopment Project Incentive Fund as created in Section
956 57-91-9.

957 (b) For a municipality participating in the Economic
958 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
959 the diversion provided for in subsection (1) of this section
960 attributable to the gross proceeds of sales of a business
961 enterprise located within a redevelopment project area under the
962 provisions of Sections 57-91-1 through 57-91-11, and attributable
963 to the gross proceeds of sales from sales made to a business
964 enterprise located in a redevelopment project area under the
965 provisions of Sections 57-91-1 through 57-91-11 (provided that
966 such sales made to a business enterprise are made on the premises
967 of the business enterprise), shall be deposited into the



968 Redevelopment Project Incentive Fund as created in Section
969 57-91-9, as follows:

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

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

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

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

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

989 (20) On or before January 15, 2007, and each succeeding
990 month thereafter, eighty percent (80%) of the sales tax revenue
991 collected during the preceding month under the provisions of this
992 chapter from the operation of a tourism project under the



provisions of Sections 57-28-1 through 57-28-5 shall be deposited, after the diversions required in subsections (7) and (8) of this section, into the Tourism Sales Tax Incentive Fund created in Section 57-28-3.

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

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

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

(23) (a) On or before August 15, 2019, and each month thereafter through July 15, 2020, one percent (1%) of the total sales tax revenue collected during the preceding month from



1018 restaurants and hotels shall be allocated for distribution to the
1019 Mississippi Development Authority Tourism Advertising Fund
1020 established under Section 57-1-64, to be used exclusively for the
1021 purpose stated therein. On or before August 15, 2020, and each
1022 month thereafter through July 15, 2021, two percent (2%) of the
1023 total sales tax revenue collected during the preceding month from
1024 restaurants and hotels shall be allocated for distribution to the
1025 Mississippi Development Authority Tourism Advertising Fund
1026 established under Section 57-1-64, to be used exclusively for the
1027 purpose stated therein. On or before August 15, 2021, and each
1028 month thereafter, three percent (3%) of the total sales tax
1029 revenue collected during the preceding month from restaurants and
1030 hotels shall be allocated for distribution to the Mississippi
1031 Development Authority Tourism Advertising Fund established under
1032 Section 57-1-64, to be used exclusively for the purpose stated
1033 therein. The revenue diverted pursuant to this subsection shall
1034 not be available for expenditure until February 1, 2020.

1035 (b) The Joint Legislative Committee on Performance
1036 Evaluation and Expenditure Review (PEER) must provide an annual
1037 report to the Legislature indicating the amount of funds deposited
1038 into the Mississippi Development Authority Tourism Advertising
1039 Fund established under Section 57-1-64, and a detailed record of
1040 how the funds are spent.



1041 (24) The remainder of the amounts collected under the
1042 provisions of this chapter shall be paid into the State Treasury
1043 to the credit of the General Fund.

1044 (25) (a) It shall be the duty of the municipal officials of
1045 any municipality that expands its limits, or of any community that
1046 incorporates as a municipality, to notify the commissioner of that
1047 action thirty (30) days before the effective date. Failure to so
1048 notify the commissioner shall cause the municipality to forfeit
1049 the revenue that it would have been entitled to receive during
1050 this period of time when the commissioner had no knowledge of the
1051 action.

1052 (b) (i) Except as otherwise provided in subparagraph
1053 (ii) of this paragraph, if any funds have been erroneously
1054 disbursed to any municipality or any overpayment of tax is
1055 recovered by the taxpayer, the commissioner may make correction
1056 and adjust the error or overpayment with the municipality by
1057 withholding the necessary funds from any later payment to be made
1058 to the municipality.

1059 (ii) Subject to the provisions of Sections
1060 27-65-51 and 27-65-53, if any funds have been erroneously
1061 disbursed to a municipality under subsection (1) of this section
1062 for a period of three (3) years or more, the maximum amount that
1063 may be recovered or withheld from the municipality is the total
1064 amount of funds erroneously disbursed for a period of three (3)
1065 years beginning with the date of the first erroneous disbursement.



1066 However, if during such period, a municipality provides written
1067 notice to the Department of Revenue indicating the erroneous
1068 disbursement of funds, then the maximum amount that may be
1069 recovered or withheld from the municipality is the total amount of
1070 funds erroneously disbursed for a period of one (1) year beginning
1071 with the date of the first erroneous disbursement.

1072 **SECTION 36.** Section 37-7-401, Mississippi Code of 1972, is
1073 brought forward as follows:

1074 37-7-401. In all cases where the same shall be necessary,
1075 advantageous or desirable from the standpoint of transportation,
1076 the efficiency of operating schools, or other pertinent
1077 considerations, any school district which has been reconstituted,
1078 reorganized or created under the provisions of Article 1 of this
1079 chapter may, with the prior consent and approval of the State
1080 Board of Education, acquire land outside of the boundaries of said
1081 school district and thereon construct, erect and equip any needed
1082 school building or other school facility of such school district.
1083 Any available state public school building funds, or any available
1084 funds derived from bonds issued by the school district for such
1085 purpose, or any other funds which are available to said school
1086 district for such purpose, may be expended for the construction,
1087 erecting and equipping of such a school building or school
1088 facility, all, however, subject to the prior consent and approval
1089 of the State Board of Education. Any school building or school
1090 facility so constructed outside of the boundaries of the school



1091 district owning same shall be operated, managed and supervised by
1092 the school board of the school district owning same in the same
1093 manner as though the building or facility were located within the
1094 school district, and all the laws of this state concerning the
1095 operation of schools shall be fully applicable thereto, and the
1096 school board shall have the power to specify the grades which
1097 shall be taught therein.

1098 **SECTION 37.** Section 37-7-409, Mississippi Code of 1972, is
1099 brought forward as follows:

1100 37-7-409. (1) When any school districts shall be authorized
1101 to unite, join and cooperate in the construction, erecting and
1102 equipping of a joint school building or school facility or in the
1103 joint operation of a school erected, constructed and equipped
1104 entirely by one of such districts, any school district so
1105 authorized may, with the prior consent and approval of the State
1106 Board of Education, expend in the construction, erecting and
1107 equipping of such joint school building or the school building
1108 which is to be jointly operated any available state public school
1109 building funds, or any available funds derived from bonds issued
1110 by such school district for such purpose, or any other funds which
1111 are otherwise available to such school district for such purpose,
1112 as is set forth and stipulated in the agreement entered into
1113 between the school districts involved. Except as is herein
1114 specifically provided all provisions of law relative to the
1115 construction, erecting and equipping of school buildings, the



1116 acquisition of land therefor, and the expenditure of funds for
1117 such purposes, shall be fully applicable to any joint school
1118 building which has been or is to be constructed, erected and
1119 equipped or which is to be operated jointly pursuant to an
1120 agreement entered into under the provisions of Section 37-7-405.

1121 (2) When a contract is made and entered into for the
1122 construction, erecting and equipping of joint school facilities or
1123 the joint operation of school facilities erected, constructed and
1124 equipped entirely by one of such districts, as provided in Section
1125 37-7-405, and where such contract has been approved by the State
1126 Board of Education, then any funds which are available for the
1127 lawful operating and incidental expenses of a school district may
1128 be expended by such school district as provided and stipulated in
1129 the agreement entered into between the school districts involved
1130 (including, but not limited to, funds for payment of tuition,
1131 funds payable as a rental upon the use of the building and
1132 equipment, and funds for maintenance and incidental costs of
1133 operation). The levying authority for the school district, as
1134 defined in Section 37-57-1, upon receipt of a certified copy of an
1135 order adopted by the school board of the school district in the
1136 county requesting same, shall at the same time and in the same
1137 manner as other ad valorem taxes are levied, levy an annual tax in
1138 the amount fixed in such order as may be required to meet any
1139 monetary obligation incurred under such contract. Notwithstanding
1140 any statute to the contrary, such number of mills as is necessary



1141 to defray any such contractual obligation shall be levied.
1142 However, this provision shall in no way be construed to increase
1143 the number of mills now reimbursable under the homestead exemption
1144 laws of the State of Mississippi.

1145 (3) Before levying any taxes under the provisions of this
1146 section, which levy would exceed the limitations otherwise
1147 provided for school purposes, the levying authority for the school
1148 district, as defined in Section 37-57-1, shall adopt a resolution
1149 declaring its intention so to do, stating the amount of millage to
1150 be levied and the purpose for which the proceeds are to be used,
1151 and the date upon which it proposes to make such levy. Such
1152 resolution shall be published once a week for not less than three
1153 (3) consecutive weeks, in at least one (1) newspaper having
1154 general circulation in the school district. The first publication
1155 of such resolution shall be made not less than twenty-one (21)
1156 days prior to the date fixed in such resolution for the levying of
1157 taxes, and the last publication shall be made not more than seven
1158 (7) days prior to such date. If within fifteen (15) days after
1159 the final publication of said resolution, a petition signed by the
1160 lesser of fifteen hundred (1500) or twenty percent (20%) of the
1161 qualified electors of said school district, requesting an election
1162 on the proposition of levying such additional taxes for school
1163 purposes is filed with the clerk of the board of supervisors or
1164 the clerk of the municipality, as the case may be, such levy shall
1165 not be made until an election shall be held to determine whether



1166 or not three-fifths (3/5) of qualified electors of said school
1167 district shall favor the additional levy for school purposes. If
1168 three-fifths (3/5) of the qualified electors of said school
1169 district voting in such election approves the levying of the
1170 additional taxes, then the levy shall be made within the manner,
1171 form and time as required by law. If no such petition is filed
1172 with the clerk as herein provided, then said levy shall be made by
1173 the levying authority in the manner, form and time as required by
1174 law. If any election is held under the provisions of this
1175 section, said election shall be under the supervision of the
1176 county or municipal election commission, as the case may be, in
1177 the manner, form and time as required by law for conducting
1178 general elections in this state.

1179 **SECTION 38.** Section 37-27-55, Mississippi Code of 1972, is
1180 brought forward as follows:

1181 37-27-55. When any pupils shall attend any agricultural high
1182 school or junior college under the provisions of Section 37-27-51,
1183 such pupils shall be reported and accounted for the allocation of
1184 minimum education program funds and building funds just as though
1185 such pupils were attending the regular schools of the district in
1186 which they reside. For this purpose reports shall be made to the
1187 board of trustees of the school district involved by the
1188 agricultural high school or junior college of the number of
1189 children in average daily attendance, and the average daily
1190 attendance of such pupils shall thereupon be included in reports



1191 made to the county or school district under the provisions of
1192 Chapters 19 and 47 of this title. The allocation of minimum
1193 education program funds and state public school building funds
1194 shall be made for such children just as though such children were
1195 attending the regular schools of the district. However, all
1196 minimum education program funds which accrue to any district as a
1197 result of the pupils who are in attendance at such agricultural
1198 high school or junior college, except amounts allotted for
1199 transportation purposes, shall be paid by the board of trustees of
1200 the municipal separate school district or the county board of
1201 education, as the case may be, to the agricultural high school or
1202 junior college at which the pupils are in attendance, and shall be
1203 expended by said agricultural high school or junior college for
1204 the instruction of said pupils and for the purposes for which the
1205 funds were originally allotted. Funds allotted to the school
1206 district for building purposes under Chapter 47 of this title,
1207 shall, however, be retained by the school district entitled
1208 thereto. The term "school district" as used in Sections 37-27-51
1209 through 37-27-59 shall be defined as including all public school
1210 districts in this state and also all agricultural high schools not
1211 located on the campus of a junior college.

1212 **SECTION 39.** Section 37-131-7, Mississippi Code of 1972, is
1213 brought forward as follows:

1214 37-131-7. When any pupils shall attend any demonstration or
1215 practice school under the provisions of Section 37-131-3, such



1216 children shall be reported and accounted for the allocation of
1217 minimum education program funds and state public school building
1218 funds just as though such children were attending the regular
1219 schools of the district in which they reside. For this purpose,
1220 reports shall be made to the school district involved by the
1221 demonstration or practice school of the number of pupils in
1222 average daily attendance, and the average daily attendance of such
1223 children shall thereupon be included in reports made to the State
1224 Board of Education and the State Educational Finance Commission by
1225 the county or school district under the provisions of Chapters 19
1226 and 47 of this title.

1227 Allocation of minimum education program funds shall be made
1228 by the State Board of Education for such children just as though
1229 such children were attending the regular schools of the district.
1230 All minimum education program funds, except funds allocated for
1231 transportation costs, which accrue to any district as a result of
1232 such children who are in attendance at a demonstration or practice
1233 school shall be paid by the board of trustees of the municipal
1234 separate school district or by the county board of education to
1235 the demonstration or practice school, and shall be used to defray
1236 the cost and expense of maintaining, operating and conducting such
1237 demonstration or practice school.

1238 All state public school building funds which accrue as a
1239 result of such children in attendance at a demonstration or
1240 practice school shall be credited directly to such demonstration



1241 or practice school, and all of the provisions of Chapter 47 of
1242 this title shall be fully applicable thereto.

1243 **SECTION 40.** This act shall take effect and be in force from
1244 and after July 1, 2022, and shall stand repealed on June 30, 2022.

