

By: Representative Newman

To: Ways and Means

HOUSE BILL NO. 48

1 AN ACT TO PROVIDE THAT AT THE REQUEST OF ONE OR MORE MEMBERS
2 OF THE LEGISLATURE, THE ATTORNEY GENERAL SHALL INVESTIGATE ANY
3 ORDINANCE, REGULATION, ORDER OR OTHER OFFICIAL ACTION ADOPTED OR
4 TAKEN BY THE GOVERNING BODY OF A MUNICIPALITY THAT THE MEMBER
5 ALLEGES VIOLATES STATE LAW; TO PROVIDE THAT THE ATTORNEY GENERAL
6 SHALL MAKE A WRITTEN REPORT OF FINDINGS AND CONCLUSIONS AS A
7 RESULT OF THE INVESTIGATION AND SHALL PROVIDE A COPY OF THE REPORT
8 TO THE GOVERNOR, THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE
9 HOUSE OF REPRESENTATIVES, THE MEMBER OR MEMBERS OF THE LEGISLATURE
10 MAKING THE ORIGINAL REQUEST AND THE SECRETARY OF STATE; TO PROVIDE
11 THAT IF THE ATTORNEY GENERAL CONCLUDES THAT THE ORDINANCE,
12 REGULATION, ORDER OR OTHER OFFICIAL ACTION VIOLATES ANY PROVISION
13 OF STATE LAW, THE ATTORNEY GENERAL SHALL PROVIDE NOTICE TO THE
14 MUNICIPALITY OF THE VIOLATION AND THAT THE MUNICIPALITY HAS THIRTY
15 DAYS TO RESOLVE THE VIOLATION; TO PROVIDE THAT IF THE ATTORNEY
16 GENERAL DETERMINES THAT THE MUNICIPALITY HAS FAILED TO RESOLVE THE
17 VIOLATION WITHIN THIRTY DAYS, THE ATTORNEY GENERAL SHALL NOTIFY
18 THE DEPARTMENT OF REVENUE OF SUCH VIOLATION AND THE MUNICIPALITY
19 SHALL NOT RECEIVE ANY DISTRIBUTION OF CERTAIN SALES TAX REVENUE
20 THAT WOULD OTHERWISE BE PAYABLE TO THE MUNICIPALITY UNTIL THE
21 DEPARTMENT RECEIVES NOTICE FROM THE ATTORNEY GENERAL THAT THE
22 VIOLATION HAS BEEN RESOLVED; TO PROVIDE THAT THE DEPARTMENT OF
23 REVENUE SHALL NOT WITHHOLD ANY SUCH SALES TAX REVENUE THAT THE
24 MUNICIPALITY CERTIFIES TO THE ATTORNEY GENERAL AND THE DEPARTMENT
25 AS BEING NECESSARY TO MAKE ANY REQUIRED DEPOSITS OR PAYMENTS FOR
26 DEBT SERVICE ON BONDS OR OTHER LONG-TERM OBLIGATIONS OF THE
27 MUNICIPALITY THAT WERE ISSUED OR INCURRED BEFORE COMMITTING THE
28 VIOLATION; TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972, IN
29 CONFORMITY THERETO; AND FOR RELATED PURPOSES.

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



31 **SECTION 1.** (1) At the request of one (1) or more members of
32 the Legislature, the Attorney General shall investigate any
33 ordinance, regulation, order or other official action adopted or
34 taken by the governing body of a municipality that the member
35 alleges violates Mississippi state law.

36 (2) (a) The Attorney General shall make a written report of
37 findings and conclusions as a result of the investigation within
38 thirty (30) days after receipt of the request and shall provide a
39 copy of the report to the Governor, the President of the Senate,
40 the Speaker of the House of Representatives, the member or members
41 of the Legislature making the original request and the Secretary
42 of State. If the Attorney General concludes that the ordinance,
43 regulation, order or other official action under investigation
44 violates any provision of state law, the Attorney General shall
45 provide notice, by certified mail, to the municipality of the
46 violation and shall indicate that the municipality has thirty (30)
47 days to resolve the violation. If the Attorney General determines
48 that the municipality has failed to resolve the violation within
49 thirty (30) days after receipt of such notice, the Attorney
50 General shall notify the Department of Revenue of such violation
51 and the municipality shall not receive any distribution of sales
52 tax revenue under Section 27-65-75(1)(a) until the department
53 receives notice from the Attorney General that the violation is
54 resolved. However, the Department of Revenue shall not withhold
55 any such sales tax revenue that the municipality certifies to the



56 Attorney General and the department as being necessary to make any
57 required deposits or payments for debt service on bonds or other
58 long-term obligations of the municipality that were issued or
59 incurred before committing the violation.

60 (b) The Attorney General shall continue to monitor the
61 response of the governing body of the municipality, and if the
62 offending ordinance, regulation, order or other official action is
63 repealed or the violation is otherwise resolved, the Attorney
64 General shall notify the Governor, the President of the Senate,
65 the Speaker of the House of Representatives, the member or members
66 of the Legislature making the original request and the Department
67 of Revenue that the violation has been resolved.

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

70 27-65-75. On or before the fifteenth day of each month, the
71 revenue collected under the provisions of this chapter during the
72 preceding month shall be paid and distributed as follows:

73 (1) (a) On or before August 15, 1992, and each succeeding
74 month thereafter through July 15, 1993, eighteen percent (18%) of
75 the total sales tax revenue collected during the preceding month
76 under the provisions of this chapter, except that collected under
77 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
78 business activities within a municipal corporation shall be
79 allocated for distribution to the municipality and paid to the
80 municipal corporation. Except as otherwise provided in this



81 paragraph (a), on or before August 15, 1993, and each succeeding
82 month thereafter, eighteen and one-half percent (18-1/2%) of the
83 total sales tax revenue collected during the preceding month under
84 the provisions of this chapter, except that collected under the
85 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
86 27-65-24, on business activities within a municipal corporation
87 shall be allocated for distribution to the municipality and paid
88 to the municipal corporation. However, in the event the State
89 Auditor issues a certificate of noncompliance pursuant to Section
90 21-35-31, the Department of Revenue shall withhold ten percent
91 (10%) of the allocations and payments to the municipality that
92 would otherwise be payable to the municipality under this
93 paragraph (a) until such time that the department receives written
94 notice of the cancellation of a certificate of noncompliance from
95 the State Auditor. Also, if the Department of Revenue receives
96 notice from the Attorney General that a municipality has not
97 complied with the requirements of Section 1 of this act, the
98 department shall withhold all of the allocations and payments to
99 the municipality that would otherwise be payable under this
100 paragraph (a) until such time that the department receives notice
101 from the Attorney General that the municipality has complied with
102 the requirements of Section 1 of this act.

103 A municipal corporation, for the purpose of distributing the
104 tax under this subsection, shall mean and include all incorporated
105 cities, towns and villages.



106 Monies allocated for distribution and credited to a municipal
107 corporation under this paragraph may be pledged as security for a
108 loan if the distribution received by the municipal corporation is
109 otherwise authorized or required by law to be pledged as security
110 for such a loan.

111 In any county having a county seat that is not an
112 incorporated municipality, the distribution provided under this
113 subsection shall be made as though the county seat was an
114 incorporated municipality; however, the distribution to the
115 municipality shall be paid to the county treasury in which the
116 municipality is located, and those funds shall be used for road,
117 bridge and street construction or maintenance in the county.

118 (b) On or before August 15, 2006, and each succeeding
119 month thereafter, eighteen and one-half percent (18-1/2%) of the
120 total sales tax revenue collected during the preceding month under
121 the provisions of this chapter, except that collected under the
122 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
123 business activities on the campus of a state institution of higher
124 learning or community or junior college whose campus is not
125 located within the corporate limits of a municipality, shall be
126 allocated for distribution to the state institution of higher
127 learning or community or junior college and paid to the state
128 institution of higher learning or community or junior college.

129 (c) On or before August 15, 2018, and each succeeding
130 month thereafter until August 14, 2019, two percent (2%) of the



131 total sales tax revenue collected during the preceding month under
132 the provisions of this chapter, except that collected under the
133 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
134 27-65-24, on business activities within the corporate limits of
135 the City of Jackson, Mississippi, shall be deposited into the
136 Capitol Complex Improvement District Project Fund created in
137 Section 29-5-215. On or before August 15, 2019, and each
138 succeeding month thereafter until August 14, 2020, four percent
139 (4%) of the total sales tax revenue collected during the preceding
140 month under the provisions of this chapter, except that collected
141 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
142 and 27-65-24, on business activities within the corporate limits
143 of the City of Jackson, Mississippi, shall be deposited into the
144 Capitol Complex Improvement District Project Fund created in
145 Section 29-5-215. On or before August 15, 2020, and each
146 succeeding month thereafter, six percent (6%) of the total sales
147 tax revenue collected during the preceding month under the
148 provisions of this chapter, except that collected under the
149 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
150 27-65-24, on business activities within the corporate limits of
151 the City of Jackson, Mississippi, shall be deposited into the
152 Capitol Complex Improvement District Project Fund created in
153 Section 29-5-215.

154 (d) (i) On or before the fifteenth day of the month
155 that the diversion authorized by this section begins, and each



156 succeeding month thereafter, eighteen and one-half percent
157 (18-1/2%) of the total sales tax revenue collected during the
158 preceding month under the provisions of this chapter, except that
159 collected under the provisions of Sections 27-65-15, 27-65-19(3)
160 and 27-65-21, on business activities within a redevelopment
161 project area developed under a redevelopment plan adopted under
162 the Tax Increment Financing Act (Section 21-45-1 et seq.) shall be
163 allocated for distribution to the county in which the project area
164 is located if:

165 1. The county:

166 a. Borders on the Mississippi Sound and
167 the State of Alabama, or

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

171 2. The county has issued bonds under Section
172 21-45-9 to finance all or a portion of a redevelopment project in
173 the redevelopment project area;

174 3. Any debt service for the indebtedness
175 incurred is outstanding; and

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

179 (ii) Before any sales tax revenue may be allocated
180 for distribution to a county under this paragraph, the county



181 shall certify to the Department of Revenue that the requirements
182 of this paragraph have been met, the amount of bonded indebtedness
183 that has been incurred by the county for the redevelopment project
184 and the expected date the indebtedness incurred by the county will
185 be satisfied.

186 (iii) The diversion of sales tax revenue
187 authorized by this paragraph shall begin the month following the
188 month in which the Department of Revenue determines that the
189 requirements of this paragraph have been met. The diversion shall
190 end the month the indebtedness incurred by the county is
191 satisfied. All revenue received by the county under this
192 paragraph shall be deposited in the fund required to be created in
193 the tax increment financing plan under Section 21-45-11 and be
194 utilized solely to satisfy the indebtedness incurred by the
195 county.

196 (2) On or before September 15, 1987, and each succeeding
197 month thereafter, from the revenue collected under this chapter
198 during the preceding month, One Million One Hundred Twenty-five
199 Thousand Dollars (\$1,125,000.00) shall be allocated for
200 distribution to municipal corporations as defined under subsection
201 (1) of this section in the proportion that the number of gallons
202 of gasoline and diesel fuel sold by distributors to consumers and
203 retailers in each such municipality during the preceding fiscal
204 year bears to the total gallons of gasoline and diesel fuel sold
205 by distributors to consumers and retailers in municipalities



206 statewide during the preceding fiscal year. The Department of
207 Revenue shall require all distributors of gasoline and diesel fuel
208 to report to the department monthly the total number of gallons of
209 gasoline and diesel fuel sold by them to consumers and retailers
210 in each municipality during the preceding month. The Department
211 of Revenue shall have the authority to promulgate such rules and
212 regulations as is necessary to determine the number of gallons of
213 gasoline and diesel fuel sold by distributors to consumers and
214 retailers in each municipality. In determining the percentage
215 allocation of funds under this subsection for the fiscal year
216 beginning July 1, 1987, and ending June 30, 1988, the Department
217 of Revenue may consider gallons of gasoline and diesel fuel sold
218 for a period of less than one (1) fiscal year. For the purposes
219 of this subsection, the term "fiscal year" means the fiscal year
220 beginning July 1 of a year.

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



231 necessary to determine the amount of proceeds to be distributed
232 under this subsection.

233 (4) On or before August 15, 1994, and on or before the
234 fifteenth day of each succeeding month through July 15, 1999, from
235 the proceeds of gasoline, diesel fuel or kerosene taxes as
236 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
237 (\$4,000,000.00) shall be deposited in the State Treasury to the
238 credit of a special fund designated as the "State Aid Road Fund,"
239 created by Section 65-9-17. On or before August 15, 1999, and on
240 or before the fifteenth day of each succeeding month, from the
241 total amount of the proceeds of gasoline, diesel fuel or kerosene
242 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
243 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
244 one-fourth percent (23-1/4%) of those funds, whichever is the
245 greater amount, shall be deposited in the State Treasury to the
246 credit of the "State Aid Road Fund," created by Section 65-9-17.
247 Those funds shall be pledged to pay the principal of and interest
248 on state aid road bonds heretofore issued under Sections 19-9-51
249 through 19-9-77, in lieu of and in substitution for the funds
250 previously allocated to counties under this section. Those funds
251 may not be pledged for the payment of any state aid road bonds
252 issued after April 1, 1981; however, this prohibition against the
253 pledging of any such funds for the payment of bonds shall not
254 apply to any bonds for which intent to issue those bonds has been
255 published for the first time, as provided by law before March 29,



256 1981. From the amount of taxes paid into the special fund under
257 this subsection and subsection (9) of this section, there shall be
258 first deducted and paid the amount necessary to pay the expenses
259 of the Office of State Aid Road Construction, as authorized by the
260 Legislature for all other general and special fund agencies. The
261 remainder of the fund shall be allocated monthly to the several
262 counties in accordance with the following formula:

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

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

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

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

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

279 Any reference in the general laws of this state or the
280 Mississippi Code of 1972 to Section 27-5-105 shall mean and be



281 construed to refer and apply to subsection (4) of Section
282 27-65-75.

283 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
284 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
285 the special fund known as the "Educational Facilities Revolving
286 Loan Fund" created and existing under the provisions of Section
287 37-47-24. Those payments into that fund are to be made on the
288 last day of each succeeding month hereafter. This subsection (5)
289 shall stand repealed on July 1, 2023.

290 (6) An amount each month beginning August 15, 1983, through
291 November 15, 1986, as specified in Section 6, Chapter 542, Laws of
292 1983, shall be paid into the special fund known as the
293 Correctional Facilities Construction Fund created in Section 6,
294 Chapter 542, Laws of 1983.

295 (7) On or before August 15, 1992, and each succeeding month
296 thereafter through July 15, 2000, two and two hundred sixty-six
297 one-thousandths percent (2.266%) of the total sales tax revenue
298 collected during the preceding month under the provisions of this
299 chapter, except that collected under the provisions of Section
300 27-65-17(2), shall be deposited by the department into the School
301 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
302 or before August 15, 2000, and each succeeding month thereafter,
303 two and two hundred sixty-six one-thousandths percent (2.266%) of
304 the total sales tax revenue collected during the preceding month
305 under the provisions of this chapter, except that collected under



306 the provisions of Section 27-65-17(2), shall be deposited into the
307 School Ad Valorem Tax Reduction Fund created under Section
308 37-61-35 until such time that the total amount deposited into the
309 fund during a fiscal year equals Forty-two Million Dollars
310 (\$42,000,000.00). Thereafter, the amounts diverted under this
311 subsection (7) during the fiscal year in excess of Forty-two
312 Million Dollars (\$42,000,000.00) shall be deposited into the
313 Education Enhancement Fund created under Section 37-61-33 for
314 appropriation by the Legislature as other education needs and
315 shall not be subject to the percentage appropriation requirements
316 set forth in Section 37-61-33.

317 (8) On or before August 15, 1992, and each succeeding month
318 thereafter, nine and seventy-three one-thousandths percent
319 (9.073%) of the total sales tax revenue collected during the
320 preceding month under the provisions of this chapter, except that
321 collected under the provisions of Section 27-65-17(2), shall be
322 deposited into the Education Enhancement Fund created under
323 Section 37-61-33.

324 (9) On or before August 15, 1994, and each succeeding month
325 thereafter, from the revenue collected under this chapter during
326 the preceding month, Two Hundred Fifty Thousand Dollars
327 (\$250,000.00) shall be paid into the State Aid Road Fund.

328 (10) On or before August 15, 1994, and each succeeding month
329 thereafter through August 15, 1995, from the revenue collected
330 under this chapter during the preceding month, Two Million Dollars



331 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
332 Valorem Tax Reduction Fund established in Section 27-51-105.

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

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

351 (13) On or before July 15, 1994, and on or before the
352 fifteenth day of each succeeding month thereafter, that portion of
353 the avails of the tax imposed in Section 27-65-22 that is derived
354 from activities held on the Mississippi State Fairgrounds Complex
355 shall be paid into a special fund that is created in the State



356 Treasury and shall be expended upon legislative appropriation
357 solely to defray the costs of repairs and renovation at the Trade
358 Mart and Coliseum.

359 (14) On or before August 15, 1998, and each succeeding month
360 thereafter through July 15, 2005, that portion of the avails of
361 the tax imposed in Section 27-65-23 that is derived from sales by
362 cotton compresses or cotton warehouses and that would otherwise be
363 paid into the General Fund shall be deposited in an amount not to
364 exceed Two Million Dollars (\$2,000,000.00) into the special fund
365 created under Section 69-37-39. On or before August 15, 2007, and
366 each succeeding month thereafter through July 15, 2010, that
367 portion of the avails of the tax imposed in Section 27-65-23 that
368 is derived from sales by cotton compresses or cotton warehouses
369 and that would otherwise be paid into the General Fund shall be
370 deposited in an amount not to exceed Two Million Dollars
371 (\$2,000,000.00) into the special fund created under Section
372 69-37-39 until all debts or other obligations incurred by the
373 Certified Cotton Growers Organization under the Mississippi Boll
374 Weevil Management Act before January 1, 2007, are satisfied in
375 full. On or before August 15, 2010, and each succeeding month
376 thereafter through July 15, 2011, fifty percent (50%) of that
377 portion of the avails of the tax imposed in Section 27-65-23 that
378 is derived from sales by cotton compresses or cotton warehouses
379 and that would otherwise be paid into the General Fund shall be
380 deposited into the special fund created under Section 69-37-39



381 until such time that the total amount deposited into the fund
382 during a fiscal year equals One Million Dollars (\$1,000,000.00).
383 On or before August 15, 2011, and each succeeding month
384 thereafter, that portion of the avails of the tax imposed in
385 Section 27-65-23 that is derived from sales by cotton compresses
386 or cotton warehouses and that would otherwise be paid into the
387 General Fund shall be deposited into the special fund created
388 under Section 69-37-39 until such time that the total amount
389 deposited into the fund during a fiscal year equals One Million
390 Dollars (\$1,000,000.00).

391 (15) Notwithstanding any other provision of this section to
392 the contrary, on or before September 15, 2000, and each succeeding
393 month thereafter, the sales tax revenue collected during the
394 preceding month under the provisions of Section
395 27-65-19(1)(d)(i)2, and 27-65-19(1)(d)(i)3 shall be deposited,
396 without diversion, into the Telecommunications Ad Valorem Tax
397 Reduction Fund established in Section 27-38-7.

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



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

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

420 (18) [Repealed]

421 (19) (a) On or before August 15, 2005, and each succeeding
422 month thereafter, the sales tax revenue collected during the
423 preceding month under the provisions of this chapter on the gross
424 proceeds of sales of a business enterprise located within a
425 redevelopment project area under the provisions of Sections
426 57-91-1 through 57-91-11, and the revenue collected on the gross
427 proceeds of sales from sales made to a business enterprise located
428 in a redevelopment project area under the provisions of Sections
429 57-91-1 through 57-91-11 (provided that such sales made to a



430 business enterprise are made on the premises of the business
431 enterprise), shall, except as otherwise provided in this
432 subsection (19), be deposited, after all diversions, into the
433 Redevelopment Project Incentive Fund as created in Section
434 57-91-9.

435 (b) For a municipality participating in the Economic
436 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
437 the diversion provided for in subsection (1) of this section
438 attributable to the gross proceeds of sales of a business
439 enterprise located within a redevelopment project area under the
440 provisions of Sections 57-91-1 through 57-91-11, and attributable
441 to the gross proceeds of sales from sales made to a business
442 enterprise located in a redevelopment project area under the
443 provisions of Sections 57-91-1 through 57-91-11 (provided that
444 such sales made to a business enterprise are made on the premises
445 of the business enterprise), shall be deposited into the
446 Redevelopment Project Incentive Fund as created in Section
447 57-91-9, as follows:

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

452 (ii) For the seventh year in which such payments
453 are made to a developer from the Redevelopment Project Incentive



454 Fund, eighty percent (80%) of the diversion shall be deposited
455 into the fund;

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

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

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

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

475 (21) (a) On or before April 15, 2007, and each succeeding
476 month thereafter through June 15, 2013, One Hundred Fifty Thousand
477 Dollars (\$150,000.00) of the sales tax revenue collected during
478 the preceding month under the provisions of this chapter shall be



479 deposited into the MMEIA Tax Incentive Fund created in Section
480 57-101-3.

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

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

493 (23) (a) On or before August 15, 2019, and each month
494 thereafter through July 15, 2020, one percent (1%) of the total
495 sales tax revenue collected during the preceding month from
496 restaurants and hotels shall be allocated for distribution to the
497 Mississippi Development Authority Tourism Advertising Fund
498 established under Section 57-1-64, to be used exclusively for the
499 purpose stated therein. On or before August 15, 2020, and each
500 month thereafter through July 15, 2021, two percent (2%) of the
501 total sales tax revenue collected during the preceding month from
502 restaurants and hotels shall be allocated for distribution to the
503 Mississippi Development Authority Tourism Advertising Fund



504 established under Section 57-1-64, to be used exclusively for the
505 purpose stated therein. On or before August 15, 2021, and each
506 month thereafter, three percent (3%) of the total sales tax
507 revenue collected during the preceding month from restaurants and
508 hotels shall be allocated for distribution to the Mississippi
509 Development Authority Tourism Advertising Fund established under
510 Section 57-1-64, to be used exclusively for the purpose stated
511 therein. The revenue diverted pursuant to this subsection shall
512 not be available for expenditure until February 1, 2020.

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

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

522 (25) (a) It shall be the duty of the municipal officials of
523 any municipality that expands its limits, or of any community that
524 incorporates as a municipality, to notify the commissioner of that
525 action thirty (30) days before the effective date. Failure to so
526 notify the commissioner shall cause the municipality to forfeit
527 the revenue that it would have been entitled to receive during



528 this period of time when the commissioner had no knowledge of the
529 action.

530 (b) (i) Except as otherwise provided in subparagraph
531 (ii) of this paragraph, if any funds have been erroneously
532 disbursed to any municipality or any overpayment of tax is
533 recovered by the taxpayer, the commissioner may make correction
534 and adjust the error or overpayment with the municipality by
535 withholding the necessary funds from any later payment to be made
536 to the municipality.

537 (ii) Subject to the provisions of Sections
538 27-65-51 and 27-65-53, if any funds have been erroneously
539 disbursed to a municipality under subsection (1) of this section
540 for a period of three (3) years or more, the maximum amount that
541 may be recovered or withheld from the municipality is the total
542 amount of funds erroneously disbursed for a period of three (3)
543 years beginning with the date of the first erroneous disbursement.
544 However, if during such period, a municipality provides written
545 notice to the Department of Revenue indicating the erroneous
546 disbursement of funds, then the maximum amount that may be
547 recovered or withheld from the municipality is the total amount of
548 funds erroneously disbursed for a period of one (1) year beginning
549 with the date of the first erroneous disbursement.

550 **SECTION 3.** This act shall take effect and be in force from
551 and after July 1, 2023.

