

By: Representative Crawford

To: Appropriations

HOUSE BILL NO. 292

1 AN ACT TO PROHIBIT MUNICIPALITIES FROM DEFUNDING POLICE
 2 DEPARTMENTS; TO PROVIDE CERTAIN DEFINITIONS; TO PROVIDE THAT IF A
 3 POLICY IS IMPLEMENTED OR ADOPTED BY A MUNICIPALITY TO DEFUND ITS
 4 POLICE DEPARTMENT, THEN THE DEPARTMENT OF REVENUE SHALL WITHHOLD
 5 TEN PERCENT OF THE SALES TAX REVENUE THAT WOULD OTHERWISE BE
 6 PAYABLE TO THE MUNICIPALITY UNTIL SUCH TIME THE DEPARTMENT
 7 RECEIVES CERTAIN NOTICE THAT THE MUNICIPALITY NO LONGER IMPLEMENTS
 8 SUCH POLICY; TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972,
 9 TO CONFORM TO THE PRECEDING SECTION; AND FOR RELATED PURPOSES.

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

11 **SECTION 1.** (1) For purposes of this act, the following
 12 words and terms shall have the meanings ascribed in this section
 13 unless the context clearly indicates otherwise:

14 (a) "Defunding the police policy" means any municipal
 15 policy, order or ordinance that:

16 (i) Abolishes or disbands the police department
 17 with no intention of reconstituting the municipality's police
 18 department; or

19 (ii) Significantly reduces a police department's
 20 budget without reallocating a portion of that money to any other



21 community policing program, provided that the municipality did not
22 face a significant decrease in revenues in the previous year.

23 (b) "Municipality" means any city, town or village as
24 defined in Section 21-1-1.

25 (2) No municipality shall adopt or enact any defunding the
26 police policy. Any municipality that enacts or adopts such a
27 policy shall not receive any distribution of sales tax revenue
28 under Section 27-65-75(1)(a) until the policy is repealed or is no
29 longer in effect.

30 (3) Before the monthly distribution of sales tax revenue
31 under Section 27-65-75(1), any member of the Mississippi House of
32 Representatives or Senate may request that the Attorney General of
33 the State of Mississippi issue an opinion stating whether a
34 municipality has current polices that violate the provisions of
35 this section.

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

38 27-65-75. On or before the fifteenth day of each month, the
39 revenue collected under the provisions of this chapter during the
40 preceding month shall be paid and distributed as follows:

41 (1) (a) On or before August 15, 1992, and each succeeding
42 month thereafter through July 15, 1993, eighteen percent (18%) of
43 the total sales tax revenue collected during the preceding month
44 under the provisions of this chapter, except that collected under
45 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on



46 business activities within a municipal corporation shall be
47 allocated for distribution to the municipality and paid to the
48 municipal corporation. Except as otherwise provided in this
49 paragraph (a), on or before August 15, 1993, and each succeeding
50 month thereafter, eighteen and one-half percent (18-1/2%) of the
51 total sales tax revenue collected during the preceding month under
52 the provisions of this chapter, except that collected under the
53 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
54 27-65-24, on business activities within a municipal corporation
55 shall be allocated for distribution to the municipality and paid
56 to the municipal corporation. However, in the event the State
57 Auditor issues a certificate of noncompliance pursuant to Section
58 21-35-31, the Department of Revenue shall withhold ten percent
59 (10%) of the allocations and payments to the municipality that
60 would otherwise be payable to the municipality under this
61 paragraph (a) until such time that the department receives written
62 notice of the cancellation of a certificate of noncompliance from
63 the State Auditor. Also, the Department of Revenue shall withhold
64 ten percent (10%) of the allocations and payments to the
65 municipality that would otherwise be payable under this paragraph
66 (a) until such time that the department receives notice that the
67 municipality has complied with the requirements of Section 1 of
68 this act.



69 A municipal corporation, for the purpose of distributing the
70 tax under this subsection, shall mean and include all incorporated
71 cities, towns and villages.

72 Monies allocated for distribution and credited to a municipal
73 corporation under this paragraph may be pledged as security for a
74 loan if the distribution received by the municipal corporation is
75 otherwise authorized or required by law to be pledged as security
76 for such a loan.

77 In any county having a county seat that is not an
78 incorporated municipality, the distribution provided under this
79 subsection shall be made as though the county seat was an
80 incorporated municipality; however, the distribution to the
81 municipality shall be paid to the county treasury in which the
82 municipality is located, and those funds shall be used for road,
83 bridge and street construction or maintenance in the county.

84 (b) On or before August 15, 2006, and each succeeding
85 month thereafter, eighteen and one-half percent (18-1/2%) of the
86 total sales tax revenue collected during the preceding month under
87 the provisions of this chapter, except that collected under the
88 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
89 business activities on the campus of a state institution of higher
90 learning or community or junior college whose campus is not
91 located within the corporate limits of a municipality, shall be
92 allocated for distribution to the state institution of higher



93 learning or community or junior college and paid to the state
94 institution of higher learning or community or junior college.

95 (c) On or before August 15, 2018, and each succeeding
96 month thereafter until August 14, 2019, two percent (2%) of the
97 total sales tax revenue collected during the preceding month under
98 the provisions of this chapter, except that collected under the
99 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
100 27-65-24, on business activities within the corporate limits of
101 the City of Jackson, Mississippi, shall be deposited into the
102 Capitol Complex Improvement District Project Fund created in
103 Section 29-5-215. On or before August 15, 2019, and each
104 succeeding month thereafter until August 14, 2020, four percent
105 (4%) of the total sales tax revenue collected during the preceding
106 month under the provisions of this chapter, except that collected
107 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
108 and 27-65-24, on business activities within the corporate limits
109 of the City of Jackson, Mississippi, shall be deposited into the
110 Capitol Complex Improvement District Project Fund created in
111 Section 29-5-215. On or before August 15, 2020, and each
112 succeeding month thereafter, six percent (6%) of the total sales
113 tax revenue collected during the preceding month under the
114 provisions of this chapter, except that collected under the
115 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
116 27-65-24, on business activities within the corporate limits of
117 the City of Jackson, Mississippi, shall be deposited into the



118 Capitol Complex Improvement District Project Fund created in
119 Section 29-5-215.

120 (d) (i) On or before the fifteenth day of the month
121 that the diversion authorized by this section begins, and each
122 succeeding month thereafter, eighteen and one-half percent
123 (18-1/2%) of the total sales tax revenue collected during the
124 preceding month under the provisions of this chapter, except that
125 collected under the provisions of Sections 27-65-15, 27-65-19(3)
126 and 27-65-21, on business activities within a redevelopment
127 project area developed under a redevelopment plan adopted under
128 the Tax Increment Financing Act (Section 21-45-1 et seq.) shall be
129 allocated for distribution to the county in which the project area
130 is located if:

131 1. The county:

132 a. Borders on the Mississippi Sound and
133 the State of Alabama, or

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

137 2. The county has issued bonds under Section
138 21-45-9 to finance all or a portion of a redevelopment project in
139 the redevelopment project area;

140 3. Any debt service for the indebtedness
141 incurred is outstanding; and



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

145 (ii) Before any sales tax revenue may be allocated
146 for distribution to a county under this paragraph, the county
147 shall certify to the Department of Revenue that the requirements
148 of this paragraph have been met, the amount of bonded indebtedness
149 that has been incurred by the county for the redevelopment project
150 and the expected date the indebtedness incurred by the county will
151 be satisfied.

152 (iii) The diversion of sales tax revenue
153 authorized by this paragraph shall begin the month following the
154 month in which the Department of Revenue determines that the
155 requirements of this paragraph have been met. The diversion shall
156 end the month the indebtedness incurred by the county is
157 satisfied. All revenue received by the county under this
158 paragraph shall be deposited in the fund required to be created in
159 the tax increment financing plan under Section 21-45-11 and be
160 utilized solely to satisfy the indebtedness incurred by the
161 county.

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



167 (1) of this section in the proportion that the number of gallons
168 of gasoline and diesel fuel sold by distributors to consumers and
169 retailers in each such municipality during the preceding fiscal
170 year bears to the total gallons of gasoline and diesel fuel sold
171 by distributors to consumers and retailers in municipalities
172 statewide during the preceding fiscal year. The Department of
173 Revenue shall require all distributors of gasoline and diesel fuel
174 to report to the department monthly the total number of gallons of
175 gasoline and diesel fuel sold by them to consumers and retailers
176 in each municipality during the preceding month. The Department
177 of Revenue shall have the authority to promulgate such rules and
178 regulations as is necessary to determine the number of gallons of
179 gasoline and diesel fuel sold by distributors to consumers and
180 retailers in each municipality. In determining the percentage
181 allocation of funds under this subsection for the fiscal year
182 beginning July 1, 1987, and ending June 30, 1988, the Department
183 of Revenue may consider gallons of gasoline and diesel fuel sold
184 for a period of less than one (1) fiscal year. For the purposes
185 of this subsection, the term "fiscal year" means the fiscal year
186 beginning July 1 of a year.

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



192 created under Section 65-3-97 shall, except as otherwise provided
193 in Section 31-17-127, be deposited into the State Treasury to the
194 credit of the State Highway Fund to be used to fund that highway
195 program. The Mississippi Department of Transportation shall
196 provide to the Department of Revenue such information as is
197 necessary to determine the amount of proceeds to be distributed
198 under this subsection.

199 (4) On or before August 15, 1994, and on or before the
200 fifteenth day of each succeeding month through July 15, 1999, from
201 the proceeds of gasoline, diesel fuel or kerosene taxes as
202 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
203 (\$4,000,000.00) shall be deposited in the State Treasury to the
204 credit of a special fund designated as the "State Aid Road Fund,"
205 created by Section 65-9-17. On or before August 15, 1999, and on
206 or before the fifteenth day of each succeeding month, from the
207 total amount of the proceeds of gasoline, diesel fuel or kerosene
208 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
209 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
210 one-fourth percent (23-1/4%) of those funds, whichever is the
211 greater amount, shall be deposited in the State Treasury to the
212 credit of the "State Aid Road Fund," created by Section 65-9-17.
213 Those funds shall be pledged to pay the principal of and interest
214 on state aid road bonds heretofore issued under Sections 19-9-51
215 through 19-9-77, in lieu of and in substitution for the funds
216 previously allocated to counties under this section. Those funds



217 may not be pledged for the payment of any state aid road bonds
218 issued after April 1, 1981; however, this prohibition against the
219 pledging of any such funds for the payment of bonds shall not
220 apply to any bonds for which intent to issue those bonds has been
221 published for the first time, as provided by law before March 29,
222 1981. From the amount of taxes paid into the special fund under
223 this subsection and subsection (9) of this section, there shall be
224 first deducted and paid the amount necessary to pay the expenses
225 of the Office of State Aid Road Construction, as authorized by the
226 Legislature for all other general and special fund agencies. The
227 remainder of the fund shall be allocated monthly to the several
228 counties in accordance with the following formula:

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

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

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

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



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

245 Any reference in the general laws of this state or the
246 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
247 construed to refer and apply to subsection (4) of Section
248 27-65-75.

249 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
250 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
251 the special fund known as the "Educational Facilities Revolving
252 Loan Fund" created and existing under the provisions of Section
253 37-47-24. Those payments into that fund are to be made on the
254 last day of each succeeding month hereafter. This subsection (5)
255 shall stand repealed on July 1, 2023.

256 (6) An amount each month beginning August 15, 1983, through
257 November 15, 1986, as specified in Section 6, Chapter 542, Laws of
258 1983, shall be paid into the special fund known as the
259 Correctional Facilities Construction Fund created in Section 6,
260 Chapter 542, Laws of 1983.

261 (7) On or before August 15, 1992, and each succeeding month
262 thereafter through July 15, 2000, two and two hundred sixty-six
263 one-thousandths percent (2.266%) of the total sales tax revenue
264 collected during the preceding month under the provisions of this
265 chapter, except that collected under the provisions of Section
266 27-65-17(2), shall be deposited by the department into the School



267 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
268 or before August 15, 2000, and each succeeding month thereafter,
269 two and two hundred sixty-six one-thousandths percent (2.266%) of
270 the total sales tax revenue collected during the preceding month
271 under the provisions of this chapter, except that collected under
272 the provisions of Section 27-65-17(2), shall be deposited into the
273 School Ad Valorem Tax Reduction Fund created under Section
274 37-61-35 until such time that the total amount deposited into the
275 fund during a fiscal year equals Forty-two Million Dollars
276 (\$42,000,000.00). Thereafter, the amounts diverted under this
277 subsection (7) during the fiscal year in excess of Forty-two
278 Million Dollars (\$42,000,000.00) shall be deposited into the
279 Education Enhancement Fund created under Section 37-61-33 for
280 appropriation by the Legislature as other education needs and
281 shall not be subject to the percentage appropriation requirements
282 set forth in Section 37-61-33.

283 (8) On or before August 15, 1992, and each succeeding month
284 thereafter, nine and seventy-three one-thousandths percent
285 (9.073%) of the total sales tax revenue collected during the
286 preceding month under the provisions of this chapter, except that
287 collected under the provisions of Section 27-65-17(2), shall be
288 deposited into the Education Enhancement Fund created under
289 Section 37-61-33.

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



292 the preceding month, Two Hundred Fifty Thousand Dollars
293 (\$250,000.00) shall be paid into the State Aid Road Fund.

294 (10) On or before August 15, 1994, and each succeeding month
295 thereafter through August 15, 1995, from the revenue collected
296 under this chapter during the preceding month, Two Million Dollars
297 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
298 Valorem Tax Reduction Fund established in Section 27-51-105.

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

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



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

325 (14) On or before August 15, 1998, and each succeeding month
326 thereafter through July 15, 2005, that portion of the avails of
327 the tax imposed in Section 27-65-23 that is derived from sales by
328 cotton compresses or cotton warehouses and that would otherwise be
329 paid into the General Fund shall be deposited in an amount not to
330 exceed Two Million Dollars (\$2,000,000.00) into the special fund
331 created under Section 69-37-39. On or before August 15, 2007, and
332 each succeeding month thereafter through July 15, 2010, that
333 portion of the avails of the tax imposed in Section 27-65-23 that
334 is derived from sales by cotton compresses or cotton warehouses
335 and that would otherwise be paid into the General Fund shall be
336 deposited in an amount not to exceed Two Million Dollars
337 (\$2,000,000.00) into the special fund created under Section
338 69-37-39 until all debts or other obligations incurred by the
339 Certified Cotton Growers Organization under the Mississippi Boll
340 Weevil Management Act before January 1, 2007, are satisfied in
341 full. On or before August 15, 2010, and each succeeding month



342 thereafter through July 15, 2011, fifty percent (50%) of that
343 portion of the avails of the tax imposed in Section 27-65-23 that
344 is derived from sales by cotton compresses or cotton warehouses
345 and that would otherwise be paid into the General Fund shall be
346 deposited into the special fund created under Section 69-37-39
347 until such time that the total amount deposited into the fund
348 during a fiscal year equals One Million Dollars (\$1,000,000.00).
349 On or before August 15, 2011, and each succeeding month
350 thereafter, that portion of the avails of the tax imposed in
351 Section 27-65-23 that is derived from sales by cotton compresses
352 or cotton warehouses and that would otherwise be paid into the
353 General Fund shall be deposited into the special fund created
354 under Section 69-37-39 until such time that the total amount
355 deposited into the fund during a fiscal year equals One Million
356 Dollars (\$1,000,000.00).

357 (15) Notwithstanding any other provision of this section to
358 the contrary, on or before September 15, 2000, and each succeeding
359 month thereafter, the sales tax revenue collected during the
360 preceding month under the provisions of Section
361 27-65-19(1)(d)(i)2, and 27-65-19(1)(d)(i)3 shall be deposited,
362 without diversion, into the Telecommunications Ad Valorem Tax
363 Reduction Fund established in Section 27-38-7.

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



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

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

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

386 (18) [Repealed]

387 (19) (a) On or before August 15, 2005, and each succeeding
388 month thereafter, the sales tax revenue collected during the
389 preceding month under the provisions of this chapter on the gross
390 proceeds of sales of a business enterprise located within a
391 redevelopment project area under the provisions of Sections



392 57-91-1 through 57-91-11, and the revenue collected on the gross
393 proceeds of sales from sales made to a business enterprise located
394 in a redevelopment project area under the provisions of Sections
395 57-91-1 through 57-91-11 (provided that such sales made to a
396 business enterprise are made on the premises of the business
397 enterprise), shall, except as otherwise provided in this
398 subsection (19), be deposited, after all diversions, into the
399 Redevelopment Project Incentive Fund as created in Section
400 57-91-9.

401 (b) For a municipality participating in the Economic
402 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
403 the diversion provided for in subsection (1) of this section
404 attributable to the gross proceeds of sales of a business
405 enterprise located within a redevelopment project area under the
406 provisions of Sections 57-91-1 through 57-91-11, and attributable
407 to the gross proceeds of sales from sales made to a business
408 enterprise located in a redevelopment project area under the
409 provisions of Sections 57-91-1 through 57-91-11 (provided that
410 such sales made to a business enterprise are made on the premises
411 of the business enterprise), shall be deposited into the
412 Redevelopment Project Incentive Fund as created in Section
413 57-91-9, as follows:

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



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

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

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

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

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

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



441 (21) (a) On or before April 15, 2007, and each succeeding
442 month thereafter through June 15, 2013, One Hundred Fifty Thousand
443 Dollars (\$150,000.00) of the sales tax revenue collected during
444 the preceding month under the provisions of this chapter shall be
445 deposited into the MMEIA Tax Incentive Fund created in Section
446 57-101-3.

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

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

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



466 month thereafter through July 15, 2021, two percent (2%) of the
467 total sales tax revenue collected during the preceding month from
468 restaurants and hotels shall be allocated for distribution to the
469 Mississippi Development Authority Tourism Advertising Fund
470 established under Section 57-1-64, to be used exclusively for the
471 purpose stated therein. On or before August 15, 2021, and each
472 month thereafter, three percent (3%) of the total sales tax
473 revenue collected during the preceding month from restaurants and
474 hotels shall be allocated for distribution to the Mississippi
475 Development Authority Tourism Advertising Fund established under
476 Section 57-1-64, to be used exclusively for the purpose stated
477 therein. The revenue diverted pursuant to this subsection shall
478 not be available for expenditure until February 1, 2020.

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

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

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



491 action thirty (30) days before the effective date. Failure to so
492 notify the commissioner shall cause the municipality to forfeit
493 the revenue that it would have been entitled to receive during
494 this period of time when the commissioner had no knowledge of the
495 action.

496 (b) (i) Except as otherwise provided in subparagraph
497 (ii) of this paragraph, if any funds have been erroneously
498 disbursed to any municipality or any overpayment of tax is
499 recovered by the taxpayer, the commissioner may make correction
500 and adjust the error or overpayment with the municipality by
501 withholding the necessary funds from any later payment to be made
502 to the municipality.

503 (ii) Subject to the provisions of Sections
504 27-65-51 and 27-65-53, if any funds have been erroneously
505 disbursed to a municipality under subsection (1) of this section
506 for a period of three (3) years or more, the maximum amount that
507 may be recovered or withheld from the municipality is the total
508 amount of funds erroneously disbursed for a period of three (3)
509 years beginning with the date of the first erroneous disbursement.
510 However, if during such period, a municipality provides written
511 notice to the Department of Revenue indicating the erroneous
512 disbursement of funds, then the maximum amount that may be
513 recovered or withheld from the municipality is the total amount of
514 funds erroneously disbursed for a period of one (1) year beginning
515 with the date of the first erroneous disbursement.



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

