

By: Representative Newman

To: Ways and Means

HOUSE BILL NO. 444

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 through July 15, 2023, six percent
147 (6%) of the total sales tax revenue collected during the preceding
148 month under the provisions of this chapter, except that collected
149 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
150 and 27-65-24, on business activities within the corporate limits
151 of the City of Jackson, Mississippi, shall be deposited into the
152 Capitol Complex Improvement District Project Fund created in
153 Section 29-5-215. On or before August 15, 2023, and each
154 succeeding month thereafter, nine percent (9%) of the total sales
155 tax revenue collected during the preceding month under the



156 provisions of this chapter, except that collected under the
157 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
158 27-65-24, on business activities within the corporate limits of
159 the City of Jackson, Mississippi, shall be deposited into the
160 Capitol Complex Improvement District Project Fund created in
161 Section 29-5-215.

162 (d) (i) On or before the fifteenth day of the month
163 that the diversion authorized by this section begins, and each
164 succeeding month thereafter, eighteen and one-half percent
165 (18-1/2%) of the total sales tax revenue collected during the
166 preceding month under the provisions of this chapter, except that
167 collected under the provisions of Sections 27-65-15, 27-65-19(3)
168 and 27-65-21, on business activities within a redevelopment
169 project area developed under a redevelopment plan adopted under
170 the Tax Increment Financing Act (Section 21-45-1 et seq.) shall be
171 allocated for distribution to the county in which the project area
172 is located if:

- 173 1. The county:
- 174 a. Borders on the Mississippi Sound and
175 the State of Alabama, or
- 176 b. Is Harrison County, Mississippi, and
177 the project area is within a radius of two (2) miles from the
178 intersection of Interstate 10 and Menge Avenue;



179 2. The county has issued bonds under Section
180 21-45-9 to finance all or a portion of a redevelopment project in
181 the redevelopment project area;

182 3. Any debt service for the indebtedness
183 incurred is outstanding; and

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

187 (ii) Before any sales tax revenue may be allocated
188 for distribution to a county under this paragraph, the county
189 shall certify to the Department of Revenue that the requirements
190 of this paragraph have been met, the amount of bonded indebtedness
191 that has been incurred by the county for the redevelopment project
192 and the expected date the indebtedness incurred by the county will
193 be satisfied.

194 (iii) The diversion of sales tax revenue
195 authorized by this paragraph shall begin the month following the
196 month in which the Department of Revenue determines that the
197 requirements of this paragraph have been met. The diversion shall
198 end the month the indebtedness incurred by the county is
199 satisfied. All revenue received by the county under this
200 paragraph shall be deposited in the fund required to be created in
201 the tax increment financing plan under Section 21-45-11 and be
202 utilized solely to satisfy the indebtedness incurred by the
203 county.



204 (2) On or before September 15, 1987, and each succeeding
205 month thereafter, from the revenue collected under this chapter
206 during the preceding month, One Million One Hundred Twenty-five
207 Thousand Dollars (\$1,125,000.00) shall be allocated for
208 distribution to municipal corporations as defined under subsection
209 (1) of this section in the proportion that the number of gallons
210 of gasoline and diesel fuel sold by distributors to consumers and
211 retailers in each such municipality during the preceding fiscal
212 year bears to the total gallons of gasoline and diesel fuel sold
213 by distributors to consumers and retailers in municipalities
214 statewide during the preceding fiscal year. The Department of
215 Revenue shall require all distributors of gasoline and diesel fuel
216 to report to the department monthly the total number of gallons of
217 gasoline and diesel fuel sold by them to consumers and retailers
218 in each municipality during the preceding month. The Department
219 of Revenue shall have the authority to promulgate such rules and
220 regulations as is necessary to determine the number of gallons of
221 gasoline and diesel fuel sold by distributors to consumers and
222 retailers in each municipality. In determining the percentage
223 allocation of funds under this subsection for the fiscal year
224 beginning July 1, 1987, and ending June 30, 1988, the Department
225 of Revenue may consider gallons of gasoline and diesel fuel sold
226 for a period of less than one (1) fiscal year. For the purposes
227 of this subsection, the term "fiscal year" means the fiscal year
228 beginning July 1 of a year.



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

241 (4) On or before August 15, 1994, and on or before the
242 fifteenth day of each succeeding month through July 15, 1999, from
243 the proceeds of gasoline, diesel fuel or kerosene taxes as
244 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
245 (\$4,000,000.00) shall be deposited in the State Treasury to the
246 credit of a special fund designated as the "State Aid Road Fund,"
247 created by Section 65-9-17. On or before August 15, 1999, and on
248 or before the fifteenth day of each succeeding month, from the
249 total amount of the proceeds of gasoline, diesel fuel or kerosene
250 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
251 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
252 one-fourth percent (23-1/4%) of those funds, whichever is the
253 greater amount, shall be deposited in the State Treasury to the



254 credit of the "State Aid Road Fund," created by Section 65-9-17.
255 Those funds shall be pledged to pay the principal of and interest
256 on state aid road bonds heretofore issued under Sections 19-9-51
257 through 19-9-77, in lieu of and in substitution for the funds
258 previously allocated to counties under this section. Those funds
259 may not be pledged for the payment of any state aid road bonds
260 issued after April 1, 1981; however, this prohibition against the
261 pledging of any such funds for the payment of bonds shall not
262 apply to any bonds for which intent to issue those bonds has been
263 published for the first time, as provided by law before March 29,
264 1981. From the amount of taxes paid into the special fund under
265 this subsection and subsection (9) of this section, there shall be
266 first deducted and paid the amount necessary to pay the expenses
267 of the Office of State Aid Road Construction, as authorized by the
268 Legislature for all other general and special fund agencies. The
269 remainder of the fund shall be allocated monthly to the several
270 counties in accordance with the following formula:

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

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

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



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

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

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

287 Any reference in the general laws of this state or the
288 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
289 construed to refer and apply to subsection (4) of Section
290 27-65-75.

291 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
292 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
293 the special fund known as the "Educational Facilities Revolving
294 Loan Fund" created and existing under the provisions of Section
295 37-47-24. Those payments into that fund are to be made on the
296 last day of each succeeding month hereafter. This subsection (5)
297 shall stand repealed on July 1, 2026.

298 (6) An amount each month beginning August 15, 1983, through
299 November 15, 1986, as specified in Section 6, Chapter 542, Laws of
300 1983, shall be paid into the special fund known as the
301 Correctional Facilities Construction Fund created in Section 6,
302 Chapter 542, Laws of 1983.



303 (7) On or before August 15, 1992, and each succeeding month
304 thereafter through July 15, 2000, two and two hundred sixty-six
305 one-thousandths percent (2.266%) of the total sales tax revenue
306 collected during the preceding month under the provisions of this
307 chapter, except that collected under the provisions of Section
308 27-65-17(2), shall be deposited by the department into the School
309 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
310 or before August 15, 2000, and each succeeding month thereafter,
311 two and two hundred sixty-six one-thousandths percent (2.266%) of
312 the total sales tax revenue collected during the preceding month
313 under the provisions of this chapter, except that collected under
314 the provisions of Section 27-65-17(2), shall be deposited into the
315 School Ad Valorem Tax Reduction Fund created under Section
316 37-61-35 until such time that the total amount deposited into the
317 fund during a fiscal year equals Forty-two Million Dollars
318 (\$42,000,000.00). Thereafter, the amounts diverted under this
319 subsection (7) during the fiscal year in excess of Forty-two
320 Million Dollars (\$42,000,000.00) shall be deposited into the
321 Education Enhancement Fund created under Section 37-61-33 for
322 appropriation by the Legislature as other education needs and
323 shall not be subject to the percentage appropriation requirements
324 set forth in Section 37-61-33.

325 (8) On or before August 15, 1992, and each succeeding month
326 thereafter, nine and seventy-three one-thousandths percent
327 (9.073%) of the total sales tax revenue collected during the



328 preceding month under the provisions of this chapter, except that
329 collected under the provisions of Section 27-65-17(2), shall be
330 deposited into the Education Enhancement Fund created under
331 Section 37-61-33.

332 (9) On or before August 15, 1994, and each succeeding month
333 thereafter, from the revenue collected under this chapter during
334 the preceding month, Two Hundred Fifty Thousand Dollars
335 (\$250,000.00) shall be paid into the State Aid Road Fund.

336 (10) On or before August 15, 1994, and each succeeding month
337 thereafter through August 15, 1995, from the revenue collected
338 under this chapter during the preceding month, Two Million Dollars
339 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
340 Valorem Tax Reduction Fund established in Section 27-51-105.

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

350 (12) Notwithstanding any other provision of this section to
351 the contrary, on or before August 15, 1995, and each succeeding
352 month thereafter, the sales tax revenue collected during the



353 preceding month under the provisions of Section 27-65-17(1) on
354 retail sales of private carriers of passengers and light carriers
355 of property, as defined in Section 27-51-101 and the corresponding
356 levy in Section 27-65-23 on the rental or lease of these vehicles,
357 shall be deposited, after diversion, into the Motor Vehicle Ad
358 Valorem Tax Reduction Fund established in Section 27-51-105.

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

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



378 deposited in an amount not to exceed Two Million Dollars
379 (\$2,000,000.00) into the special fund created under Section
380 69-37-39 until all debts or other obligations incurred by the
381 Certified Cotton Growers Organization under the Mississippi Boll
382 Weevil Management Act before January 1, 2007, are satisfied in
383 full. On or before August 15, 2010, and each succeeding month
384 thereafter through July 15, 2011, fifty percent (50%) of that
385 portion of the avails of the tax imposed in Section 27-65-23 that
386 is derived from sales by cotton compresses or cotton warehouses
387 and that would otherwise be paid into the General Fund shall be
388 deposited into the special fund created under Section 69-37-39
389 until such time that the total amount deposited into the fund
390 during a fiscal year equals One Million Dollars (\$1,000,000.00).
391 On or before August 15, 2011, and each succeeding month
392 thereafter, that portion of the avails of the tax imposed in
393 Section 27-65-23 that is derived from sales by cotton compresses
394 or cotton warehouses and that would otherwise be paid into the
395 General Fund shall be deposited into the special fund created
396 under Section 69-37-39 until such time that the total amount
397 deposited into the fund during a fiscal year equals One Million
398 Dollars (\$1,000,000.00).

399 (15) Notwithstanding any other provision of this section to
400 the contrary, on or before September 15, 2000, and each succeeding
401 month thereafter, the sales tax revenue collected during the
402 preceding month under the provisions of Section



403 27-65-19(1) (d) (i)2, and 27-65-19(1) (d) (i)3 shall be deposited,
404 without diversion, into the Telecommunications Ad Valorem Tax
405 Reduction Fund established in Section 27-38-7.

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

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

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



428 (18) [Repealed]

429 (19) (a) On or before August 15, 2005, and each succeeding
430 month thereafter, the sales tax revenue collected during the
431 preceding month under the provisions of this chapter on the gross
432 proceeds of sales of a business enterprise located within a
433 redevelopment project area under the provisions of Sections
434 57-91-1 through 57-91-11, and the revenue collected on the gross
435 proceeds of sales from sales made to a business enterprise located
436 in a redevelopment project area under the provisions of Sections
437 57-91-1 through 57-91-11 (provided that such sales made to a
438 business enterprise are made on the premises of the business
439 enterprise), shall, except as otherwise provided in this
440 subsection (19), be deposited, after all diversions, into the
441 Redevelopment Project Incentive Fund as created in Section
442 57-91-9.

443 (b) For a municipality participating in the Economic
444 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
445 the diversion provided for in subsection (1) of this section
446 attributable to the gross proceeds of sales of a business
447 enterprise located within a redevelopment project area under the
448 provisions of Sections 57-91-1 through 57-91-11, and attributable
449 to the gross proceeds of sales from sales made to a business
450 enterprise located in a redevelopment project area under the
451 provisions of Sections 57-91-1 through 57-91-11 (provided that
452 such sales made to a business enterprise are made on the premises



453 of the business enterprise), shall be deposited into the
454 Redevelopment Project Incentive Fund as created in Section
455 57-91-9, as follows:

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

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

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

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

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

475 (20) On or before January 15, 2007, and each succeeding
476 month thereafter, eighty percent (80%) of the sales tax revenue
477 collected during the preceding month under the provisions of this



478 chapter from the operation of a tourism project under the
479 provisions of Sections 57-28-1 through 57-28-5 shall be deposited,
480 after the diversions required in subsections (7) and (8) of this
481 section, into the Tourism Sales Tax Incentive Fund created in
482 Section 57-28-3.

483 (21) (a) On or before April 15, 2007, and each succeeding
484 month thereafter through June 15, 2013, One Hundred Fifty Thousand
485 Dollars (\$150,000.00) of the sales tax revenue collected during
486 the preceding month under the provisions of this chapter shall be
487 deposited into the MMEIA Tax Incentive Fund created in Section
488 57-101-3.

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

495 (22) On or before June 1, 2024, and each succeeding month
496 thereafter until December 31, 2057, an amount determined annually
497 by the Mississippi Development Authority of the sales tax revenue
498 collected during the preceding month under the provisions of this
499 chapter shall be deposited into the MMEIA Tax Incentive Fund
500 created in Section 18 of * * * Senate Bill No. 2001, 2024 Second
501 Extraordinary Session. This amount shall be based on estimated
502 payments due within the upcoming year to construction contractors



503 pursuant to construction contracts subject to the tax imposed by
504 Section 27-65-21 for construction to be performed on the project
505 site of a project defined under Section 57-75-5(f) (xxxiii) for the
506 coming year.

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

513 (24) (a) On or before August 15, 2019, and each month
514 thereafter through July 15, 2020, one percent (1%) of the total
515 sales tax revenue collected during the preceding month from
516 restaurants and hotels shall be allocated for distribution to the
517 Mississippi Development Authority Tourism Advertising Fund
518 established under Section 57-1-64, to be used exclusively for the
519 purpose stated therein. On or before August 15, 2020, and each
520 month thereafter through July 15, 2021, two percent (2%) of the
521 total sales tax revenue collected during the preceding month from
522 restaurants and hotels shall be allocated for distribution to the
523 Mississippi Development Authority Tourism Advertising Fund
524 established under Section 57-1-64, to be used exclusively for the
525 purpose stated therein. On or before August 15, 2021, and each
526 month thereafter, three percent (3%) of the total sales tax
527 revenue collected during the preceding month from restaurants and



528 hotels shall be allocated for distribution to the Mississippi
529 Development Authority Tourism Advertising Fund established under
530 Section 57-1-64, to be used exclusively for the purpose stated
531 therein. The revenue diverted pursuant to this subsection shall
532 not be available for expenditure until February 1, 2020.

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

539 (25) The remainder of the amounts collected under the
540 provisions of this chapter shall be paid into the State Treasury
541 to the credit of the General Fund.

542 (26) (a) It shall be the duty of the municipal officials of
543 any municipality that expands its limits, or of any community that
544 incorporates as a municipality, to notify the commissioner of that
545 action thirty (30) days before the effective date. Failure to so
546 notify the commissioner shall cause the municipality to forfeit
547 the revenue that it would have been entitled to receive during
548 this period of time when the commissioner had no knowledge of the
549 action.

550 (b) (i) Except as otherwise provided in subparagraph
551 (ii) of this paragraph, if any funds have been erroneously
552 disbursed to any municipality or any overpayment of tax is



553 recovered by the taxpayer, the commissioner may make correction
554 and adjust the error or overpayment with the municipality by
555 withholding the necessary funds from any later payment to be made
556 to the municipality.

557 (ii) Subject to the provisions of Sections
558 27-65-51 and 27-65-53, if any funds have been erroneously
559 disbursed to a municipality under subsection (1) of this section
560 for a period of three (3) years or more, the maximum amount that
561 may be recovered or withheld from the municipality is the total
562 amount of funds erroneously disbursed for a period of three (3)
563 years beginning with the date of the first erroneous disbursement.
564 However, if during such period, a municipality provides written
565 notice to the Department of Revenue indicating the erroneous
566 disbursement of funds, then the maximum amount that may be
567 recovered or withheld from the municipality is the total amount of
568 funds erroneously disbursed for a period of one (1) year beginning
569 with the date of the first erroneous disbursement.

570 **SECTION 3.** This act shall take effect and be in force from
571 and after July 1, 2024.

