

By: Representatives Kinkade, Bounds,
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To: Ways and Means

HOUSE BILL NO. 733

1 AN ACT TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT A PORTION OF THE STATE SALES TAX REVENUE DERIVED
3 FROM SALES OF BUSINESSES WITH A CERTAIN NORTH AMERICAN INDUSTRY
4 CLASSIFICATION SYSTEM CODE SHALL BE DEPOSITED INTO THE MISSISSIPPI
5 OUTDOOR STEWARDSHIP TRUST FUND; TO AMEND SECTION 49-39-7,
6 MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND FOR RELATED
7 PURPOSES.

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

9 **SECTION 1.** Section 27-65-75, Mississippi Code of 1972, is
10 amended as follows:

11 27-65-75. On or before the fifteenth day of each month, the
12 revenue collected under the provisions of this chapter during the
13 preceding month shall be paid and distributed as follows:

14 (1) (a) On or before August 15, 1992, and each succeeding
15 month thereafter through July 15, 1993, eighteen percent (18%) of
16 the total sales tax revenue collected during the preceding month
17 under the provisions of this chapter, except that collected under
18 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
19 business activities within a municipal corporation shall be
20 allocated for distribution to the municipality and paid to the



21 municipal corporation. Except as otherwise provided in this
22 paragraph (a), on or before August 15, 1993, and each succeeding
23 month thereafter, eighteen and one-half percent (18-1/2%) of the
24 total sales tax revenue collected during the preceding month under
25 the provisions of this chapter, except that collected under the
26 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
27 27-65-24, on business activities within a municipal corporation
28 shall be allocated for distribution to the municipality and paid
29 to the municipal corporation. However, in the event the State
30 Auditor issues a certificate of noncompliance pursuant to Section
31 21-35-31, the Department of Revenue shall withhold ten percent
32 (10%) of the allocations and payments to the municipality that
33 would otherwise be payable to the municipality under this
34 paragraph (a) until such time that the department receives written
35 notice of the cancellation of a certificate of noncompliance from
36 the State Auditor.

37 A municipal corporation, for the purpose of distributing the
38 tax under this subsection, shall mean and include all incorporated
39 cities, towns and villages.

40 Monies allocated for distribution and credited to a municipal
41 corporation under this paragraph may be pledged as security for a
42 loan if the distribution received by the municipal corporation is
43 otherwise authorized or required by law to be pledged as security
44 for such a loan.



45 In any county having a county seat that is not an
46 incorporated municipality, the distribution provided under this
47 subsection shall be made as though the county seat was an
48 incorporated municipality; however, the distribution to the
49 municipality shall be paid to the county treasury in which the
50 municipality is located, and those funds shall be used for road,
51 bridge and street construction or maintenance in the county.

52 (b) On or before August 15, 2006, and each succeeding
53 month thereafter, eighteen and one-half percent (18-1/2%) of the
54 total sales tax revenue collected during the preceding month under
55 the provisions of this chapter, except that collected under the
56 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
57 business activities on the campus of a state institution of higher
58 learning or community or junior college whose campus is not
59 located within the corporate limits of a municipality, shall be
60 allocated for distribution to the state institution of higher
61 learning or community or junior college and paid to the state
62 institution of higher learning or community or junior college.

63 (c) On or before August 15, 2018, and each succeeding
64 month thereafter until August 14, 2019, two percent (2%) of the
65 total sales tax revenue collected during the preceding month under
66 the provisions of this chapter, except that collected under the
67 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
68 27-65-24, on business activities within the corporate limits of
69 the City of Jackson, Mississippi, shall be deposited into the



70 Capitol Complex Improvement District Project Fund created in
71 Section 29-5-215. On or before August 15, 2019, and each
72 succeeding month thereafter until August 14, 2020, four percent
73 (4%) of the total sales tax revenue collected during the preceding
74 month under the provisions of this chapter, except that collected
75 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
76 and 27-65-24, on business activities within the corporate limits
77 of the City of Jackson, Mississippi, shall be deposited into the
78 Capitol Complex Improvement District Project Fund created in
79 Section 29-5-215. On or before August 15, 2020, and each
80 succeeding month thereafter through July 15, 2023, six percent
81 (6%) of the total sales tax revenue collected during the preceding
82 month under the provisions of this chapter, except that collected
83 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
84 and 27-65-24, on business activities within the corporate limits
85 of the City of Jackson, Mississippi, shall be deposited into the
86 Capitol Complex Improvement District Project Fund created in
87 Section 29-5-215. On or before August 15, 2023, and each
88 succeeding month thereafter, nine percent (9%) of the total sales
89 tax revenue collected during the preceding month under the
90 provisions of this chapter, except that collected under the
91 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
92 27-65-24, on business activities within the corporate limits of
93 the City of Jackson, Mississippi, shall be deposited into the



94 Capitol Complex Improvement District Project Fund created in
95 Section 29-5-215.

96 (d) (i) On or before the fifteenth day of the month
97 that the diversion authorized by this section begins, and each
98 succeeding month thereafter, eighteen and one-half percent
99 (18-1/2%) of the total sales tax revenue collected during the
100 preceding month under the provisions of this chapter, except that
101 collected under the provisions of Sections 27-65-15, 27-65-19(3)
102 and 27-65-21, on business activities within a redevelopment
103 project area developed under a redevelopment plan adopted under
104 the Tax Increment Financing Act (Section 21-45-1 et seq.) shall be
105 allocated for distribution to the county in which the project area
106 is located if:

- 107 1. The county:
- 108 a. Borders on the Mississippi Sound and
109 the State of Alabama, or
- 110 b. Is Harrison County, Mississippi, and
111 the project area is within a radius of two (2) miles from the
112 intersection of Interstate 10 and Menge Avenue;
- 113 2. The county has issued bonds under Section
114 21-45-9 to finance all or a portion of a redevelopment project in
115 the redevelopment project area;
- 116 3. Any debt service for the indebtedness
117 incurred is outstanding; and



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

121 (ii) Before any sales tax revenue may be allocated
122 for distribution to a county under this paragraph, the county
123 shall certify to the Department of Revenue that the requirements
124 of this paragraph have been met, the amount of bonded indebtedness
125 that has been incurred by the county for the redevelopment project
126 and the expected date the indebtedness incurred by the county will
127 be satisfied.

128 (iii) The diversion of sales tax revenue
129 authorized by this paragraph shall begin the month following the
130 month in which the Department of Revenue determines that the
131 requirements of this paragraph have been met. The diversion shall
132 end the month the indebtedness incurred by the county is
133 satisfied. All revenue received by the county under this
134 paragraph shall be deposited in the fund required to be created in
135 the tax increment financing plan under Section 21-45-11 and be
136 utilized solely to satisfy the indebtedness incurred by the
137 county.

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



143 (1) of this section in the proportion that the number of gallons
144 of gasoline and diesel fuel sold by distributors to consumers and
145 retailers in each such municipality during the preceding fiscal
146 year bears to the total gallons of gasoline and diesel fuel sold
147 by distributors to consumers and retailers in municipalities
148 statewide during the preceding fiscal year. The Department of
149 Revenue shall require all distributors of gasoline and diesel fuel
150 to report to the department monthly the total number of gallons of
151 gasoline and diesel fuel sold by them to consumers and retailers
152 in each municipality during the preceding month. The Department
153 of Revenue shall have the authority to promulgate such rules and
154 regulations as is necessary to determine the number of gallons of
155 gasoline and diesel fuel sold by distributors to consumers and
156 retailers in each municipality. In determining the percentage
157 allocation of funds under this subsection for the fiscal year
158 beginning July 1, 1987, and ending June 30, 1988, the Department
159 of Revenue may consider gallons of gasoline and diesel fuel sold
160 for a period of less than one (1) fiscal year. For the purposes
161 of this subsection, the term "fiscal year" means the fiscal year
162 beginning July 1 of a year.

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



168 created under Section 65-3-97 shall, except as otherwise provided
169 in Section 31-17-127, be deposited into the State Treasury to the
170 credit of the State Highway Fund to be used to fund that highway
171 program. The Mississippi Department of Transportation shall
172 provide to the Department of Revenue such information as is
173 necessary to determine the amount of proceeds to be distributed
174 under this subsection.

175 (4) On or before August 15, 1994, and on or before the
176 fifteenth day of each succeeding month through July 15, 1999, from
177 the proceeds of gasoline, diesel fuel or kerosene taxes as
178 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
179 (\$4,000,000.00) shall be deposited in the State Treasury to the
180 credit of a special fund designated as the "State Aid Road Fund,"
181 created by Section 65-9-17. On or before August 15, 1999, and on
182 or before the fifteenth day of each succeeding month, from the
183 total amount of the proceeds of gasoline, diesel fuel or kerosene
184 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
185 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
186 one-fourth percent (23-1/4%) of those funds, whichever is the
187 greater amount, shall be deposited in the State Treasury to the
188 credit of the "State Aid Road Fund," created by Section 65-9-17.
189 Those funds shall be pledged to pay the principal of and interest
190 on state aid road bonds heretofore issued under Sections 19-9-51
191 through 19-9-77, in lieu of and in substitution for the funds
192 previously allocated to counties under this section. Those funds



193 may not be pledged for the payment of any state aid road bonds
194 issued after April 1, 1981; however, this prohibition against the
195 pledging of any such funds for the payment of bonds shall not
196 apply to any bonds for which intent to issue those bonds has been
197 published for the first time, as provided by law before March 29,
198 1981. From the amount of taxes paid into the special fund under
199 this subsection and subsection (9) of this section, there shall be
200 first deducted and paid the amount necessary to pay the expenses
201 of the Office of State Aid Road Construction, as authorized by the
202 Legislature for all other general and special fund agencies. The
203 remainder of the fund shall be allocated monthly to the several
204 counties in accordance with the following formula:

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

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

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

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



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

221 Any reference in the general laws of this state or the
222 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
223 construed to refer and apply to subsection (4) of Section
224 27-65-75.

225 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
226 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
227 the special fund known as the "Educational Facilities Revolving
228 Loan Fund" created and existing under the provisions of Section
229 37-47-24. Those payments into that fund are to be made on the
230 last day of each succeeding month hereafter. This subsection (5)
231 shall stand repealed on July 1, 2026.

232 (6) An amount each month beginning August 15, 1983, through
233 November 15, 1986, as specified in Section 6, Chapter 542, Laws of
234 1983, shall be paid into the special fund known as the
235 Correctional Facilities Construction Fund created in Section 6,
236 Chapter 542, Laws of 1983.

237 (7) On or before August 15, 1992, and each succeeding month
238 thereafter through July 15, 2000, two and two hundred sixty-six
239 one-thousandths percent (2.266%) of the total sales tax revenue
240 collected during the preceding month under the provisions of this
241 chapter, except that collected under the provisions of Section
242 27-65-17(2), shall be deposited by the department into the School



243 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
244 or before August 15, 2000, and each succeeding month thereafter,
245 two and two hundred sixty-six one-thousandths percent (2.266%) of
246 the total sales tax revenue collected during the preceding month
247 under the provisions of this chapter, except that collected under
248 the provisions of Section 27-65-17(2), shall be deposited into the
249 School Ad Valorem Tax Reduction Fund created under Section
250 37-61-35 until such time that the total amount deposited into the
251 fund during a fiscal year equals Forty-two Million Dollars
252 (\$42,000,000.00). Thereafter, the amounts diverted under this
253 subsection (7) during the fiscal year in excess of Forty-two
254 Million Dollars (\$42,000,000.00) shall be deposited into the
255 Education Enhancement Fund created under Section 37-61-33 for
256 appropriation by the Legislature as other education needs and
257 shall not be subject to the percentage appropriation requirements
258 set forth in Section 37-61-33.

259 (8) On or before August 15, 1992, and each succeeding month
260 thereafter, nine and seventy-three one-thousandths percent
261 (9.073%) of the total sales tax revenue collected during the
262 preceding month under the provisions of this chapter, except that
263 collected under the provisions of Section 27-65-17(2), shall be
264 deposited into the Education Enhancement Fund created under
265 Section 37-61-33.

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



268 the preceding month, Two Hundred Fifty Thousand Dollars
269 (\$250,000.00) shall be paid into the State Aid Road Fund.

270 (10) On or before August 15, 1994, and each succeeding month
271 thereafter through August 15, 1995, from the revenue collected
272 under this chapter during the preceding month, Two Million Dollars
273 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
274 Valorem Tax Reduction Fund established in Section 27-51-105.

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

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



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

301 (14) On or before August 15, 1998, and each succeeding month
302 thereafter through July 15, 2005, that portion of the avails of
303 the tax imposed in Section 27-65-23 that is derived from sales by
304 cotton compresses or cotton warehouses and that would otherwise be
305 paid into the General Fund shall be deposited in an amount not to
306 exceed Two Million Dollars (\$2,000,000.00) into the special fund
307 created under Section 69-37-39. On or before August 15, 2007, and
308 each succeeding month thereafter through July 15, 2010, that
309 portion of the avails of the tax imposed in Section 27-65-23 that
310 is derived from sales by cotton compresses or cotton warehouses
311 and that would otherwise be paid into the General Fund shall be
312 deposited in an amount not to exceed Two Million Dollars
313 (\$2,000,000.00) into the special fund created under Section
314 69-37-39 until all debts or other obligations incurred by the
315 Certified Cotton Growers Organization under the Mississippi Boll
316 Weevil Management Act before January 1, 2007, are satisfied in
317 full. On or before August 15, 2010, and each succeeding month



318 thereafter through July 15, 2011, fifty percent (50%) of that
319 portion of the avails of the tax imposed in Section 27-65-23 that
320 is derived from sales by cotton compresses or cotton warehouses
321 and that would otherwise be paid into the General Fund shall be
322 deposited into the special fund created under Section 69-37-39
323 until such time that the total amount deposited into the fund
324 during a fiscal year equals One Million Dollars (\$1,000,000.00).
325 On or before August 15, 2011, and each succeeding month
326 thereafter, that portion of the avails of the tax imposed in
327 Section 27-65-23 that is derived from sales by cotton compresses
328 or cotton warehouses and that would otherwise be paid into the
329 General Fund shall be deposited into the special fund created
330 under Section 69-37-39 until such time that the total amount
331 deposited into the fund during a fiscal year equals One Million
332 Dollars (\$1,000,000.00).

333 (15) Notwithstanding any other provision of this section to
334 the contrary, on or before September 15, 2000, and each succeeding
335 month thereafter, the sales tax revenue collected during the
336 preceding month under the provisions of Section
337 27-65-19(1)(d)(i)2, and 27-65-19(1)(d)(i)3 shall be deposited,
338 without diversion, into the Telecommunications Ad Valorem Tax
339 Reduction Fund established in Section 27-38-7.

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



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

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

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

362 (18) [Repealed]

363 (19) (a) On or before August 15, 2005, and each succeeding
364 month thereafter, the sales tax revenue collected during the
365 preceding month under the provisions of this chapter on the gross
366 proceeds of sales of a business enterprise located within a
367 redevelopment project area under the provisions of Sections



368 57-91-1 through 57-91-11, and the revenue collected on the gross
369 proceeds of sales from sales made to a business enterprise located
370 in a redevelopment project area under the provisions of Sections
371 57-91-1 through 57-91-11 (provided that such sales made to a
372 business enterprise are made on the premises of the business
373 enterprise), shall, except as otherwise provided in this
374 subsection (19), be deposited, after all diversions, into the
375 Redevelopment Project Incentive Fund as created in Section
376 57-91-9.

377 (b) For a municipality participating in the Economic
378 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
379 the diversion provided for in subsection (1) of this section
380 attributable to the gross proceeds of sales of a business
381 enterprise located within a redevelopment project area under the
382 provisions of Sections 57-91-1 through 57-91-11, and attributable
383 to the gross proceeds of sales from sales made to a business
384 enterprise located in a redevelopment project area under the
385 provisions of Sections 57-91-1 through 57-91-11 (provided that
386 such sales made to a business enterprise are made on the premises
387 of the business enterprise), shall be deposited into the
388 Redevelopment Project Incentive Fund as created in Section
389 57-91-9, as follows:

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



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

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

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

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

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

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



417 (21) (a) On or before April 15, 2007, and each succeeding
418 month thereafter through June 15, 2013, One Hundred Fifty Thousand
419 Dollars (\$150,000.00) of the sales tax revenue collected during
420 the preceding month under the provisions of this chapter shall be
421 deposited into the MMEIA Tax Incentive Fund created in Section
422 57-101-3.

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

429 (22) On or before June 1, 2024, and each succeeding month
430 thereafter until December 31, 2057, an amount determined annually
431 by the Mississippi Development Authority of the sales tax revenue
432 collected during the preceding month under the provisions of this
433 chapter shall be deposited into the MMEIA Tax Incentive Fund
434 created in Section 18 of * * * Senate Bill No. 2001, 2024 Second
435 Extraordinary Session. This amount shall be based on estimated
436 payments due within the upcoming year to construction contractors
437 pursuant to construction contracts subject to the tax imposed by
438 Section 27-65-21 for construction to be performed on the project
439 site of a project defined under Section 57-75-5(f)(xxxiii) for the
440 coming year.



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

447 (24) (a) On or before August 15, 2019, and each month
448 thereafter through July 15, 2020, one percent (1%) of the total
449 sales tax revenue collected during the preceding month from
450 restaurants and hotels shall be allocated for distribution to the
451 Mississippi Development Authority Tourism Advertising Fund
452 established under Section 57-1-64, to be used exclusively for the
453 purpose stated therein. On or before August 15, 2020, and each
454 month thereafter through July 15, 2021, two percent (2%) of the
455 total sales tax revenue collected during the preceding month from
456 restaurants and hotels shall be allocated for distribution to the
457 Mississippi Development Authority Tourism Advertising Fund
458 established under Section 57-1-64, to be used exclusively for the
459 purpose stated therein. On or before August 15, 2021, and each
460 month thereafter, three percent (3%) of the total sales tax
461 revenue collected during the preceding month from restaurants and
462 hotels shall be allocated for distribution to the Mississippi
463 Development Authority Tourism Advertising Fund established under
464 Section 57-1-64, to be used exclusively for the purpose stated



465 therein. The revenue diverted pursuant to this subsection shall
466 not be available for expenditure until February 1, 2020.

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

473 (25) On or before August 15, 2024, and each succeeding month
474 thereafter through July 15, 2025, Eight Hundred Thirty-three
475 Thousand Three Hundred Thirty-three Dollars and Thirty-four Cents
476 (\$833,333.34) of the total sales tax revenue collected during the
477 preceding month under the provisions of this chapter from
478 businesses with the North American Industry Classification System
479 Code of 451110 shall be deposited into the Mississippi Outdoor
480 Stewardship Trust Fund created in Section 49-39-7. On or before
481 August 15, 2025, and each succeeding month thereafter through July
482 15, 2026, One Million Dollars (\$1,000,000.00) of the total sales
483 tax revenue collected during the preceding month under the
484 provisions of this chapter from businesses with the North American
485 Industry Classification System Code of 451110 shall be deposited
486 into the Mississippi Outdoor Stewardship Trust Fund created in
487 Section 49-39-7. On or before August 15, 2026, and each
488 succeeding month thereafter, One Million Two Hundred Fifty
489 Thousand Dollars (\$1,250,000.00) of the total sales tax revenue



490 collected during the preceding month under the provisions of this
491 chapter from businesses with the North American Industry
492 Classification System Code of 451110 shall be deposited into the
493 Mississippi Outdoor Stewardship Trust Fund created in Section
494 49-39-7.

495 (* * *26) The remainder of the amounts collected under the
496 provisions of this chapter shall be paid into the State Treasury
497 to the credit of the General Fund.

498 (* * *27) (a) It shall be the duty of the municipal
499 officials of any municipality that expands its limits, or of any
500 community that incorporates as a municipality, to notify the
501 commissioner of that action thirty (30) days before the effective
502 date. Failure to so notify the commissioner shall cause the
503 municipality to forfeit the revenue that it would have been
504 entitled to receive during this period of time when the
505 commissioner had no knowledge of the action.

506 (b) (i) Except as otherwise provided in subparagraph
507 (ii) of this paragraph, if any funds have been erroneously
508 disbursed to any municipality or any overpayment of tax is
509 recovered by the taxpayer, the commissioner may make correction
510 and adjust the error or overpayment with the municipality by
511 withholding the necessary funds from any later payment to be made
512 to the municipality.

513 (ii) Subject to the provisions of Sections
514 27-65-51 and 27-65-53, if any funds have been erroneously



515 disbursed to a municipality under subsection (1) of this section
516 for a period of three (3) years or more, the maximum amount that
517 may be recovered or withheld from the municipality is the total
518 amount of funds erroneously disbursed for a period of three (3)
519 years beginning with the date of the first erroneous disbursement.
520 However, if during such period, a municipality provides written
521 notice to the Department of Revenue indicating the erroneous
522 disbursement of funds, then the maximum amount that may be
523 recovered or withheld from the municipality is the total amount of
524 funds erroneously disbursed for a period of one (1) year beginning
525 with the date of the first erroneous disbursement.

526 **SECTION 2.** Section 49-39-7, Mississippi Code of 1972, is
527 amended as follows:

528 49-39-7. (1) (a) There is created in the State Treasury a
529 special fund to be designated the "Mississippi Outdoor Stewardship
530 Trust Fund." The special fund shall consist of monies
531 appropriated or otherwise made available by the Legislature in any
532 manner. Monies shall be accounted for in such a manner to be
533 termed unobligated funds or obligated funds. Unexpended amounts
534 remaining in the special fund at the end of a fiscal year shall
535 not lapse into the State General Fund, and any investment earnings
536 or interest earned on amounts in the special fund shall be
537 deposited to the credit of the special fund; however, any
538 unobligated monies in excess of Twenty Million Dollars
539 (\$20,000,000.00), excluding federal funds, remaining in the



540 special fund at the end of a fiscal year that have not been
541 appropriated shall lapse into the State General Fund. Monies in
542 the special fund may be used upon selection by the board. The
543 board and the Department of Finance and Administration may use not
544 more than two percent (2%) of monies in the special fund to defray
545 the board's expenses in carrying out its duties under this
546 chapter.

547 (b) Subject to the provisions of this chapter, monies
548 in the special fund may be used and expended by the board to
549 provide funds for grants to counties, municipalities, state
550 agencies and nongovernmental entities for:

551 (i) Improvement of state park outdoor recreation
552 features and trails;

553 (ii) Acquisition and improvement of parks and
554 trails by counties and municipalities, if such parks and trails
555 lie within the jurisdiction of such counties and municipalities;

556 (iii) Restoration or enhancement projects to
557 create or improve access to public waters and lands for public
558 outdoor recreation, conservation education, or the safe use and
559 enjoyment of permanently protected conservation land;

560 (iv) Restoration or enhancement on privately owned
561 working agricultural lands and forests that support conservation
562 of soil, water, habitat of fish and wildlife resources;



563 (v) Restoration or enhancement of wetlands, native
564 forests, native grasslands and other unique habitats important for
565 Mississippi's fish and wildlife; and

566 (vi) Acquisition of critical areas for the
567 provision or protection of clean water, wildlife, hunting,
568 fishing, military installation buffering or natural resource-based
569 outdoor recreation. Real property may only be acquired under this
570 subparagraph (vi) when the property:

571 1. Is, at the time of acquisition, being
572 leased by the state as a wildlife management area;

573 2. Adjoins or is in close proximity to state
574 or federal wildlife management areas or state parks, or would
575 provide better public access to such areas;

576 3. Is identified in a wildlife action plan
577 developed by a state agency;

578 4. Constitutes riparian lands, and its
579 acquisition is for the purpose of protecting any drinking water
580 supply; or

581 5. Surrounds a military base or military
582 installation.

583 Acquisition of land under this subparagraph (vi) may not be
584 made through the exercise of any power of eminent domain or any
585 condemnation proceeding.

586 (c) Unless otherwise authorized by the board, a county,
587 municipality, state agency or nongovernmental entity receiving



588 funds for a project under this section must expend the funds for
589 the project within two (2) years after receipt of the funds in
590 order to be eligible to apply for additional funds for the project
591 under this section. If a county, municipality, state agency or
592 nongovernmental entity receiving funds for a project does not
593 expend the funds within two (2) years after receipt of the funds,
594 then the county, municipality, state agency or nongovernmental
595 entity must provide an accounting of such unused funds and the
596 reason for failure to expend the funds. If the board determines
597 that the project will not be completed in a timely manner, the
598 county, municipality, state agency or nongovernmental entity must
599 then return any unexpended funds.

600 (d) Monies in the special fund may not be used,
601 expended or transferred for any other purpose other than
602 authorized in this chapter.

603 (2) (a) The board shall accept applications from counties,
604 municipalities, state agencies and nongovernmental entities for
605 project proposals eligible for funding under this section. The
606 board shall evaluate the proposals received in accordance with
607 this chapter.

608 (b) A county, municipality, state agency or
609 nongovernmental entity desiring assistance under this section must
610 submit a complete application to the board. The application must
611 include a description of the purpose for which assistance is



612 requested, the type and amount of assistance requested and any
613 other information required by the board.

614 (c) The board shall require annual independent audits
615 of all expenditures from the special fund and present those
616 findings to the Governor, Lieutenant Governor, Speaker of the
617 House, Chairs of the Senate and House Appropriations Committees,
618 Chairs of the Senate Finance and House Ways and Means Committees
619 and Chairs of the Senate and House Wildlife, Fisheries and Parks
620 Committees.

621 (d) To be eligible for funding, any nongovernmental
622 entity applicant must submit its most recent audit, disclose any
623 audit deficiencies in the previous five (5) years, submit its
624 certificate of good standing from the Mississippi Secretary of
625 State, and submit a current list of its board members for purposes
626 of conflicts of interest.

627 (e) For funds to be spent on private land, the
628 applicant must show demonstrably that the project will benefit the
629 public.

630 (f) Projects that acquire property shall not be
631 considered for approval until after July 1, 2024.

632 (3) The board, at its first meeting of each calendar year,
633 shall prepare a list of priorities and criteria to guide the
634 selection of projects. The board shall give increased priority to
635 projects:



636 (a) Supporting the public recreation and conservation
637 efforts of state agencies, counties and municipalities;

638 (b) Leveraging or matching other nonfederal or federal
639 funds available for similar purposes;

640 (c) Supporting and promoting recreation in the form of
641 archery, boating, hiking, camping, fishing, hunting, running,
642 jogging, biking, walking, shooting or similar outdoor activities;

643 (d) Contributing to the improvement of the quality and
644 quantity of surface water and groundwater; or

645 (e) Contributing to the conservation of soil, water,
646 and fish and wildlife resources on privately owned working
647 agricultural lands or forests.

648 (4) Upon approval of the total list of projects by the
649 board, the list of projects shall be submitted to the Lieutenant
650 Governor, Speaker of the House, Chairs of the Senate and House
651 Appropriations Committees, Chairs of the Senate Finance and House
652 Ways and Means Committees and Chairs of the Senate and House
653 Wildlife, Fisheries and Parks Committees. If federal funds or
654 guidelines become available and are certified by the Executive
655 Director of the Department of Finance and Administration or the
656 Executive Director of the Mississippi Outdoor Stewardship Fund,
657 the board shall be authorized to expend funds from the Mississippi
658 Outdoor Stewardship Trust Fund and shall notify the Lieutenant
659 Governor, Speaker of the House, Chairs of the Senate and House
660 Appropriations Committees, Chairs of the Senate Finance and House



661 Ways and Means Committees, Chairs of the Senate and House
662 Wildlife, Fisheries and Parks Committees, and Legislative Budget
663 Office of such expenditures prior to their distribution to certain
664 projects approved by the board.

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

