

By: Representatives Kinkade, Faulkner, Ford To: Ways and Means
(73rd), Hale, Harris, Remak, Smith, Varner

HOUSE BILL NO. 596

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



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

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

1. The county:

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

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

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

3. Any debt service for the indebtedness
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



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

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



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

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



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

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

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

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

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



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) On or before August 15, 2024, and each succeeding month
226 thereafter, One Million Six Hundred Sixty-six Thousand Six Hundred
227 Sixty-six Dollars (\$1,666,666.00) shall be paid into the special
228 fund known as the Education Enhancement Fund created and existing
229 under the provisions of Section 37-61-33.

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

235 (7) On or before August 15, 1992, and each succeeding month
236 thereafter through July 15, 2000, two and two hundred sixty-six
237 one-thousandths percent (2.266%) of the total sales tax revenue
238 collected during the preceding month under the provisions of this
239 chapter, except that collected under the provisions of Section
240 27-65-17(2), shall be deposited by the department into the School
241 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
242 or before August 15, 2000, and each succeeding month thereafter,



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

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

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



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

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

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

(13) On or before July 15, 1994, and on or before the fifteenth day of each succeeding month thereafter, that portion of



the avails of the tax imposed in Section 27-65-22 that is derived from activities held on the Mississippi State Fairgrounds Complex shall be paid into a special fund that is created in the State Treasury and shall be expended upon legislative appropriation solely to defray the costs of repairs and renovation at the Trade Mart and Coliseum.

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



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

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

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



for in subsection (1) of this section, into the Sales Tax
Incentive Fund created in Section 57-30-3.

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

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

(18) [Repealed]

(19) (a) On or before August 15, 2005, and each succeeding
month thereafter, the sales tax revenue collected during the
preceding month under the provisions of this chapter on the gross
proceeds of sales of a business enterprise located within a
redevelopment project area under the provisions of Sections
57-91-1 through 57-91-11, and the revenue collected on the gross
proceeds of sales from sales made to a business enterprise located



in a redevelopment project area under the provisions of Sections 57-91-1 through 57-91-11 (provided that such sales made to a business enterprise are made on the premises of the business enterprise), shall, except as otherwise provided in this subsection (19), be deposited, after all diversions, into the Redevelopment Project Incentive Fund as created in Section 57-91-9.

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

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



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

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

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

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

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

415 (21) (a) On or before April 15, 2007, and each succeeding
416 month thereafter through June 15, 2013, One Hundred Fifty Thousand



Dollars (\$150,000.00) of the sales tax revenue collected during the preceding month under the provisions of this chapter shall be deposited into the MMEIA Tax Incentive Fund created in Section 57-101-3.

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

(22) On or before June 1, 2024, and each succeeding month thereafter until December 31, 2057, an amount determined annually by the Mississippi Development Authority of the sales tax revenue collected during the preceding month under the provisions of this chapter shall be deposited into the MMEIA Tax Incentive Fund created in Section 57-125-3. This amount shall be based on estimated payments due within the upcoming year to construction contractors pursuant to construction contracts subject to the tax imposed by Section 27-65-21 for construction to be performed on the project site of a project defined under Section 57-75-5(f)(xxxiii) for the coming year.

(23) Notwithstanding any other provision of this section to the contrary, on or before August 15, 2009, and each succeeding month thereafter, the sales tax revenue collected during the preceding month under the provisions of Section 27-65-201 shall be



deposited, without diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund established in Section 27-51-105.

(24) (a) On or before August 15, 2019, and each month thereafter through July 15, 2020, one percent (1%) of the total sales tax revenue collected during the preceding month from restaurants and hotels shall be allocated for distribution to the Mississippi Development Authority Tourism Advertising Fund established under Section 57-1-64, to be used exclusively for the purpose stated therein. On or before August 15, 2020, and each month thereafter through July 15, 2021, two percent (2%) of the total sales tax revenue collected during the preceding month from restaurants and hotels shall be allocated for distribution to the Mississippi Development Authority Tourism Advertising Fund established under Section 57-1-64, to be used exclusively for the purpose stated therein. On or before August 15, 2021, and each month thereafter, three percent (3%) of the total sales tax revenue collected during the preceding month from restaurants and hotels shall be allocated for distribution to the Mississippi Development Authority Tourism Advertising Fund established under Section 57-1-64, to be used exclusively for the purpose stated therein. The revenue diverted pursuant to this subsection shall not be available for expenditure until February 1, 2020.

(b) The Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER) must provide an annual report to the Legislature indicating the amount of funds deposited



into the Mississippi Development Authority Tourism Advertising Fund established under Section 57-1-64, and a detailed record of how the funds are spent.

(25) On or before August 15, 2025, and each succeeding month thereafter, One Million Two Hundred Fifty Thousand Dollars (\$1,250,000.00) of the total sales tax revenue collected during the preceding month under the provisions of this chapter from businesses with the North American Industry Classification System Code of 451110 shall be deposited into the Mississippi Outdoor Stewardship Trust Fund created in Section 49-39-7.

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

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

(b) (i) Except as otherwise provided in subparagraph (ii) of this paragraph, if any funds have been erroneously disbursed to any municipality or any overpayment of tax is recovered by the taxpayer, the commissioner may make correction



and adjust the error or overpayment with the municipality by withholding the necessary funds from any later payment to be made to the municipality.

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

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

49-39-7. (1) (a) There is created in the State Treasury a special fund to be designated the "Mississippi Outdoor Stewardship Trust Fund." The special fund shall consist of monies appropriated or otherwise made available by the Legislature in any manner. Monies shall be accounted for in such a manner to be termed unobligated funds or obligated funds. Unexpended amounts remaining in the special fund at the end of a fiscal year shall



not lapse into the State General Fund, and any investment earnings or interest earned on amounts in the special fund shall be deposited to the credit of the special fund; however, any unobligated monies in excess of Twenty Million Dollars (\$20,000,000.00), excluding federal funds, remaining in the special fund at the end of a fiscal year that have not been appropriated shall lapse into the State General Fund. Monies in the special fund may be used upon selection by the board. The board and the Department of Finance and Administration may use not more than two percent (2%) of monies in the special fund to defray the board's expenses in carrying out its duties under this chapter.

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

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

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

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



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

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

548 (vi) Acquisition of critical areas for the
549 provision or protection of clean water, wildlife, hunting,
550 fishing, military installation buffering or natural resource-based
551 outdoor recreation. Real property may only be acquired under this
552 subparagraph (vi) when the property:

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

555 2. Adjoins or is in close proximity to state
556 or federal wildlife management areas or state parks, or would
557 provide better public access to such areas;

558 3. Is identified in a wildlife action plan
559 developed by a state agency;

560 4. Constitutes riparian lands, and its
561 acquisition is for the purpose of protecting any drinking water
562 supply; or

563 5. Surrounds a military base or military
564 installation.



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

(c) Unless otherwise authorized by the board, a county, municipality, state agency or nongovernmental entity receiving funds for a project under this section must expend the funds for the project within two (2) years after receipt of the funds in order to be eligible to apply for additional funds for the project under this section. If a county, municipality, state agency or nongovernmental entity receiving funds for a project does not expend the funds within two (2) years after receipt of the funds, then the county, municipality, state agency or nongovernmental entity must provide an accounting of such unused funds and the reason for failure to expend the funds. If the board determines that the project will not be completed in a timely manner, the county, municipality, state agency or nongovernmental entity must then return any unexpended funds.

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

(e) Any state agency receiving funds from the Mississippi Outdoor Stewardship Trust Fund under this section may escalate its budget and expend such funds in accordance with rules and regulations of the Department of Finance and Administration in a manner consistent with the escalation of federal funds.



590 (2) (a) The board shall accept applications from counties,
591 municipalities, state agencies and nongovernmental entities for
592 project proposals eligible for funding under this section. The
593 board shall evaluate the proposals received in accordance with
594 this chapter.

595 (b) A county, municipality, state agency or
596 nongovernmental entity desiring assistance under this section must
597 submit a complete application to the board. The application must
598 include a description of the purpose for which assistance is
599 requested, the type and amount of assistance requested and any
600 other information required by the board.

601 (c) The board shall require annual independent audits
602 of all expenditures from the special fund and present those
603 findings to the Governor, Lieutenant Governor, Speaker of the
604 House, Chairs of the Senate and House Appropriations Committees,
605 Chairs of the Senate Finance and House Ways and Means Committees
606 and Chairs of the Senate and House Wildlife, Fisheries and Parks
607 Committees.

608 (d) To be eligible for funding, any nongovernmental
609 entity applicant must submit its most recent audit, disclose any
610 audit deficiencies in the previous five (5) years, submit its
611 certificate of good standing from the Mississippi Secretary of
612 State, and submit a current list of its board members for purposes
613 of conflicts of interest.



614 (e) For funds to be spent on private land, the
615 applicant must show demonstrably that the project will benefit the
616 public.

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

619 (3) The board, at its first meeting of each calendar year,
620 shall prepare a list of priorities and criteria to guide the
621 selection of projects. The board shall give increased priority to
622 projects:

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

625 (b) Leveraging or matching other nonfederal or federal
626 funds available for similar purposes;

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

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

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

635 (4) Upon approval of the total list of projects by the
636 board, the list of projects shall be submitted to the Lieutenant
637 Governor, Speaker of the House, Chairs of the Senate and House
638 Appropriations Committees, Chairs of the Senate Finance and House



639 Ways and Means Committees and Chairs of the Senate and House
640 Wildlife, Fisheries and Parks Committees. If federal funds or
641 guidelines become available and are certified by the Executive
642 Director of the Department of Finance and Administration or the
643 Executive Director of the Mississippi Outdoor Stewardship Fund,
644 the board shall be authorized to expend funds from the Mississippi
645 Outdoor Stewardship Trust Fund and shall notify the Lieutenant
646 Governor, Speaker of the House, Chairs of the Senate and House
647 Appropriations Committees, Chairs of the Senate Finance and House
648 Ways and Means Committees, Chairs of the Senate and House
649 Wildlife, Fisheries and Parks Committees, and Legislative Budget
650 Office of such expenditures prior to their distribution to certain
651 projects approved by the board.

652 **SECTION 3.** This act shall take effect and be in force from
653 and after July 1, 2025.

