REGULAR SESSION 2025

MISSISSIPPI LEGISLATURE

By: Senator(s) Bryan

To: Public Health and Welfare; Finance

SENATE BILL NO. 2729

1 AN ACT TO CREATE THE "MISSISSIPPI PUBLIC HEALTH TRUST FUND" 2 TO PROVIDE FINANCIAL SUPPORT FOR PUBLIC HEALTH PROGRAMS AND 3 SERVICES DEFINED IN THE PUBLIC HEALTH STATUTES; TO PROVIDE THAT THE PUBLIC HEALTH TRUST FUND SHALL CONSIST OF AN ANNUAL MEDICAL 5 CANNABIS EXCISE TAX DIVERSION AND AN ANNUAL MEDICAL CANNABIS 6 DISPENSARIES SALES TAX DIVERSION OF ANY AMOUNT IN EXCESS OF TEN 7 MILLION DOLLARS COLLECTED FROM SAID SOURCES AND ANY MONIES APPROPRIATED TO THE FUND BY THE LEGISLATURE; TO AMEND SECTIONS 8 9 27-65-75 AND 27-72-1, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND FOR RELATED PURPOSES. 10

- BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:
- 12 **SECTION 1.** (1) There is hereby established in the State
- 13 Treasury a special fund to be known as the "Mississippi Public
- 14 Health Trust Fund."
- 15 (2) The fund shall consist of annual medical cannabis excise
- 16 diversion and an annual medical cannabis dispensaries sales tax
- 17 diversion of any amount in excess of Ten Million Dollars
- 18 (\$10,000,000.00) from said sources, and any monies appropriated to
- 19 the fund by the Legislature, any donations, gifts and grants from
- 20 any source, and other monies may be received from any other source
- 21 or which may be hereafter provided by law.

22	(3)	Monies in this fund s	shall be used only for the purposes
23	set forth	in Section 41-3-15.	Interest earned on the investment
24	of monies	in the fund shall be	returned and deposited to the

- 26 Disbursements of money from the fund shall be on the 27 authorization of the Mississippi State Department of Health with oversight from the Mississippi State Board of Health in an amount 28 not less than three percent (3%) of the total value of the assets 29 30 and not more than seven percent (7%) of the assets.
- 31 (5) The primary purpose of the fund is to encourage and 32 provide financial assistance in the provision of public health programs and services as defined in Section 41-3-15. 33
- 34 SECTION 2. Section 27-65-75, Mississippi Code of 1972, is amended as follows: 35
- 27-65-75. On or before the fifteenth day of each month, the 36 37 revenue collected under the provisions of this chapter during the 38 preceding month shall be paid and distributed as follows:
- (a) On or before August 15, 1992, and each succeeding 39 (1)40 month thereafter through July 15, 1993, eighteen percent (18%) of 41 the total sales tax revenue collected during the preceding month 42 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 43 business activities within a municipal corporation shall be 44 45 allocated for distribution to the municipality and paid to the municipal corporation. Except as otherwise provided in this 46

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credit of the fund.

- 47 paragraph (a), on or before August 15, 1993, and each succeeding
- 48 month thereafter, eighteen and one-half percent (18-1/2%) of the
- 49 total sales tax revenue collected during the preceding month under
- 50 the provisions of this chapter, except that collected under the
- 51 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
- 52 27-65-24, on business activities within a municipal corporation
- 53 shall be allocated for distribution to the municipality and paid
- 54 to the municipal corporation. However, in the event the State
- 55 Auditor issues a certificate of noncompliance pursuant to Section
- 56 21-35-31, the Department of Revenue shall withhold ten percent
- 57 (10%) of the allocations and payments to the municipality that
- 58 would otherwise be payable to the municipality under this
- 59 paragraph (a) until such time that the department receives written
- 60 notice of the cancellation of a certificate of noncompliance from
- 61 the State Auditor.
- A municipal corporation, for the purpose of distributing the
- 63 tax under this subsection, shall mean and include all incorporated
- 64 cities, towns and villages.
- Monies allocated for distribution and credited to a municipal
- 66 corporation under this paragraph may be pledged as security for a
- 67 loan if the distribution received by the municipal corporation is
- 68 otherwise authorized or required by law to be pledged as security
- 69 for such a loan.
- 70 In any county having a county seat that is not an
- 71 incorporated municipality, the distribution provided under this

- 72 subsection shall be made as though the county seat was an
- 73 incorporated municipality; however, the distribution to the
- 74 municipality shall be paid to the county treasury in which the
- 75 municipality is located, and those funds shall be used for road,
- 76 bridge and street construction or maintenance in the county.
- 77 (b) On or before August 15, 2006, and each succeeding
- 78 month thereafter, eighteen and one-half percent (18-1/2%) of the
- 79 total sales tax revenue collected during the preceding month under
- 80 the provisions of this chapter, except that collected under the
- 81 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
- 82 business activities on the campus of a state institution of higher
- 83 learning or community or junior college whose campus is not
- 84 located within the corporate limits of a municipality, shall be
- 85 allocated for distribution to the state institution of higher
- 86 learning or community or junior college and paid to the state
- 87 institution of higher learning or community or junior college.
- 88 (c) On or before August 15, 2018, and each succeeding
- 89 month thereafter until August 14, 2019, two percent (2%) of the
- 90 total sales tax revenue collected during the preceding month under
- 91 the provisions of this chapter, except that collected under the
- 92 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
- 93 27-65-24, on business activities within the corporate limits of
- 94 the City of Jackson, Mississippi, shall be deposited into the
- 95 Capitol Complex Improvement District Project Fund created in
- 96 Section 29-5-215. On or before August 15, 2019, and each

97 succeeding month thereafter until August 14, 2020, four percent 98 (4%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected 99 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21100 101 and 27-65-24, on business activities within the corporate limits 102 of the City of Jackson, Mississippi, shall be deposited into the 103 Capitol Complex Improvement District Project Fund created in 104 Section 29-5-215. On or before August 15, 2020, and each 105 succeeding month thereafter through July 15, 2023, six percent 106 (6%) of the total sales tax revenue collected during the preceding 107 month under the provisions of this chapter, except that collected 108 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21109 and 27-65-24, on business activities within the corporate limits 110 of the City of Jackson, Mississippi, shall be deposited into the Capitol Complex Improvement District Project Fund created in 111 112 Section 29-5-215. On or before August 15, 2023, and each 113 succeeding month thereafter, nine percent (9%) of the total sales tax revenue collected during the preceding month under the 114 115 provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and 116 117 27-65-24, on business activities within the corporate limits of 118 the City of Jackson, Mississippi, shall be deposited into the 119 Capitol Complex Improvement District Project Fund created in 120 Section 29-5-215.

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

- a. Borders on the Mississippi Sound and
- 134 the State of Alabama, or
- b. Is Harrison County, Mississippi, and
- 136 the project area is within a radius of two (2) miles from the
- 137 intersection of Interstate 10 and Menge Avenue;
- 138 2. The county has issued bonds under Section
- 139 21-45-9 to finance all or a portion of a redevelopment project in
- 140 the redevelopment project area;
- 3. Any debt service for the indebtedness
- 142 incurred is outstanding; and
- 143 4. A development with a value of Ten Million
- 144 Dollars (\$10,000,000.00) or more is, or will be, located in the
- 145 redevelopment area.

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

- 154 authorized by this paragraph shall begin the month following the 155 month in which the Department of Revenue determines that the 156 requirements of this paragraph have been met. The diversion shall 157 end the month the indebtedness incurred by the county is satisfied. All revenue received by the county under this 158 159 paragraph shall be deposited in the fund required to be created in 160 the tax increment financing plan under Section 21-45-11 and be 161 utilized solely to satisfy the indebtedness incurred by the 162 county.
- 163 On or before September 15, 1987, and each succeeding 164 month thereafter, from the revenue collected under this chapter 165 during the preceding month, One Million One Hundred Twenty-five 166 Thousand Dollars (\$1,125,000.00) shall be allocated for 167 distribution to municipal corporations as defined under subsection 168 (1) of this section in the proportion that the number of gallons 169 of gasoline and diesel fuel sold by distributors to consumers and retailers in each such municipality during the preceding fiscal 170

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171 year bears to the total gallons of gasoline and diesel fuel sold 172 by distributors to consumers and retailers in municipalities 173 statewide during the preceding fiscal year. The Department of Revenue shall require all distributors of gasoline and diesel fuel 174 175 to report to the department monthly the total number of gallons of 176 gasoline and diesel fuel sold by them to consumers and retailers in each municipality during the preceding month. The Department 177 of Revenue shall have the authority to promulgate such rules and 178 179 regulations as is necessary to determine the number of gallons of gasoline and diesel fuel sold by distributors to consumers and 180 181 retailers in each municipality. In determining the percentage 182 allocation of funds under this subsection for the fiscal year 183 beginning July 1, 1987, and ending June 30, 1988, the Department 184 of Revenue may consider gallons of gasoline and diesel fuel sold for a period of less than one (1) fiscal year. For the purposes 185 of this subsection, the term "fiscal year" means the fiscal year 186 187 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

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196 program. The Mississippi Department of Transportation shall
197 provide to the Department of Revenue such information as is
198 necessary to determine the amount of proceeds to be distributed
199 under this subsection.

On or before August 15, 1994, and on or before the 200 201 fifteenth day of each succeeding month through July 15, 1999, from 202 the proceeds of gasoline, diesel fuel or kerosene taxes as provided in Section 27-5-101(a)(ii)1, Four Million Dollars 203 204 (\$4,000,000.00) shall be deposited in the State Treasury to the 205 credit of a special fund designated as the "State Aid Road Fund," 206 created by Section 65-9-17. On or before August 15, 1999, and on 207 or before the fifteenth day of each succeeding month, from the 208 total amount of the proceeds of gasoline, diesel fuel or kerosene 209 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million 210 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 211 212 greater amount, shall be deposited in the State Treasury to the 213 credit of the "State Aid Road Fund," created by Section 65-9-17. 214 Those funds shall be pledged to pay the principal of and interest on state aid road bonds heretofore issued under Sections 19-9-51 215 216 through 19-9-77, in lieu of and in substitution for the funds 217 previously allocated to counties under this section. Those funds may not be pledged for the payment of any state aid road bonds 218 219 issued after April 1, 1981; however, this prohibition against the 220 pledging of any such funds for the payment of bonds shall not

- 221 apply to any bonds for which intent to issue those bonds has been
- 222 published for the first time, as provided by law before March 29,
- 223 1981. From the amount of taxes paid into the special fund under
- 224 this subsection and subsection (9) of this section, there shall be
- 225 first deducted and paid the amount necessary to pay the expenses
- 226 of the Office of State Aid Road Construction, as authorized by the
- 227 Legislature for all other general and special fund agencies. The
- remainder of the fund shall be allocated monthly to the several 228
- 229 counties in accordance with the following formula:
- 230 One-third (1/3) shall be allocated to all counties (a)
- 231 in equal shares;
- 232 One-third (1/3) shall be allocated to counties (b)
- 233 based on the proportion that the total number of rural road miles
- 234 in a county bears to the total number of rural road miles in all
- 235 counties of the state; and
- One-third (1/3) shall be allocated to counties 236
- 237 based on the proportion that the rural population of the county
- 238 bears to the total rural population in all counties of the state,
- 239 according to the latest federal decennial census.
- 240 For the purposes of this subsection, the term "gasoline,
- 241 diesel fuel or kerosene taxes" means such taxes as defined in
- 242 paragraph (f) of Section 27-5-101.
- 243 The amount of funds allocated to any county under this
- 244 subsection for any fiscal year after fiscal year 1994 shall not be
- 245 less than the amount allocated to the county for fiscal year 1994.

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246	Any reference in the general laws of this state or the
247	Mississippi Code of 1972 to Section 27-5-105 shall mean and be
248	construed to refer and apply to subsection (4) of Section
249	27-65-75.

- 250 (5) On or before August 15, 2024, and each succeeding month 251 thereafter, One Million Six Hundred Sixty-six Thousand Six Hundred 252 Sixty-six Dollars (\$1,666,666.00) shall be paid into the special 253 fund known as the Education Enhancement Fund created and existing 254 under the provisions of Section 37-61-33.
- 255 (6) An amount each month beginning August 15, 1983, through
 256 November 15, 1986, as specified in Section 6, Chapter 542, Laws of
 257 1983, shall be paid into the special fund known as the
 258 Correctional Facilities Construction Fund created in Section 6,
 259 Chapter 542, Laws of 1983.
 - (7) On or before August 15, 1992, and each succeeding month thereafter through July 15, 2000, 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 by the department into the School Ad Valorem Tax Reduction Fund created under Section 37-61-35. On 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

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- 271 the provisions of Section 27-65-17(2), shall be deposited into the
- 272 School Ad Valorem Tax Reduction Fund created under Section
- 273 37-61-35 until such time that the total amount deposited into the
- 274 fund during a fiscal year equals Forty-two Million Dollars
- 275 (\$42,000,000.00). Thereafter, the amounts diverted under this
- 276 subsection (7) during the fiscal year in excess of Forty-two
- 277 Million Dollars (\$42,000,000.00) shall be deposited into the
- 278 Education Enhancement Fund created under Section 37-61-33 for
- 279 appropriation by the Legislature as other education needs and
- 280 shall not be subject to the percentage appropriation requirements
- 281 set forth in Section 37-61-33.
- 282 (8) On or before August 15, 1992, and each succeeding month
- 283 thereafter, nine and seventy-three one-thousandths percent
- 284 (9.073%) of the total sales tax revenue collected during the
- 285 preceding month under the provisions of this chapter, except that
- 286 collected under the provisions of Section 27-65-17(2), shall be
- 287 deposited into the Education Enhancement Fund created under
- 288 Section 37-61-33.
- 289 (9) On or before August 15, 1994, and each succeeding month
- 290 thereafter, from the revenue collected under this chapter during
- 291 the preceding month, Two Hundred Fifty Thousand Dollars
- 292 (\$250,000.00) shall be paid into the State Aid Road Fund.
- 293 (10) On or before August 15, 1994, and each succeeding month
- 294 thereafter through August 15, 1995, from the revenue collected
- 295 under this chapter during the preceding month, Two Million Dollars

- 296 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad 297 Valorem Tax Reduction Fund established in Section 27-51-105.
- 298 Notwithstanding any other provision of this section to 299 the contrary, on or before February 15, 1995, and each succeeding 300 month thereafter, the sales tax revenue collected during the 301 preceding month under the provisions of Section 27-65-17(2) and 302 the corresponding levy in Section 27-65-23 on the rental or lease 303 of private carriers of passengers and light carriers of property 304 as defined in Section 27-51-101 shall be deposited, without 305 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund 306 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.
- 316 (13) On or before July 15, 1994, and on or before the
 317 fifteenth day of each succeeding month thereafter, that portion of
 318 the avails of the tax imposed in Section 27-65-22 that is derived
 319 from activities held on the Mississippi State Fairgrounds Complex
 320 shall be paid into a special fund that is created in the State

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321	Treasury and shall be expended upon legislative appropriation
322	solely to defray the costs of repairs and renovation at the Trade
323	Mart and Coliseum.

(14) On or before August 15, 1998, and each succeeding month 324 325 thereafter through July 15, 2005, that portion of the avails of 326 the tax imposed in Section 27-65-23 that is derived from sales by 327 cotton compresses or cotton warehouses and that would otherwise be 328 paid into the General Fund shall be deposited in an amount not to 329 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 330 331 each succeeding month thereafter through July 15, 2010, that 332 portion of the avails of the tax imposed in Section 27-65-23 that 333 is derived from sales by cotton compresses or cotton warehouses 334 and that would otherwise be paid into the General Fund shall be 335 deposited in an amount not to exceed Two Million Dollars 336 (\$2,000,000.00) into the special fund created under Section 337 69-37-39 until all debts or other obligations incurred by the 338 Certified Cotton Growers Organization under the Mississippi Boll 339 Weevil Management Act before January 1, 2007, are satisfied in 340 On or before August 15, 2010, and each succeeding month 341 thereafter through July 15, 2011, fifty percent (50%) of that 342 portion of the avails of the tax imposed in Section 27-65-23 that 343 is derived from sales by cotton compresses or cotton warehouses 344 and that would otherwise be paid into the General Fund shall be deposited into the special fund created under Section 69-37-39 345

346	until	such	time	that	the	total	amount	deposited	into	the	fund
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- 347 during a fiscal year equals One Million Dollars (\$1,000,000.00).
- 348 On or before August 15, 2011, and each succeeding month
- 349 thereafter, that portion of the avails of the tax imposed in
- 350 Section 27-65-23 that is derived from sales by cotton compresses
- 351 or cotton warehouses and that would otherwise be paid into the
- 352 General Fund shall be deposited into the special fund created
- 353 under Section 69-37-39 until such time that the total amount
- 354 deposited into the fund during a fiscal year equals One Million
- 355 Dollars (\$1,000,000.00).
- 356 (15) Notwithstanding any other provision of this section to
- 357 the contrary, on or before September 15, 2000, and each succeeding
- 358 month thereafter, the sales tax revenue collected during the
- 359 preceding month under the provisions of Section
- $360 \quad 27-65-19(1)(d)(i)2$, and 27-65-19(1)(d)(i)3 shall be deposited,
- 361 without diversion, into the Telecommunications Ad Valorem Tax
- 362 Reduction Fund established in Section 27-38-7.
- 363 (16) (a) On or before August 15, 2000, 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 project as defined in Section 57-30-1 shall
- 367 be deposited, after all diversions except the diversion provided
- 368 for in subsection (1) of this section, into the Sales Tax
- 369 Incentive Fund created in Section 57-30-3.



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

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

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386 (a) On or before August 15, 2005, and each succeeding (19)month thereafter, the sales tax revenue collected during the 387 388 preceding month under the provisions of this chapter on the gross 389 proceeds of sales of a business enterprise located within a 390 redevelopment project area under the provisions of Sections 57-91-1 through 57-91-11, and the revenue collected on the gross 391 392 proceeds of sales from sales made to a business enterprise located 393 in a redevelopment project area under the provisions of Sections 57-91-1 through 57-91-11 (provided that such sales made to a 394

395	business	enterprise	are	made	on	the	premises	of	the	business

- 396 enterprise), shall, except as otherwise provided in this
- 397 subsection (19), be deposited, after all diversions, into the
- 398 Redevelopment Project Incentive Fund as created in Section
- 399 57-91-9.
- 400 (b) For a municipality participating in the Economic
- 401 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
- 402 the diversion provided for in subsection (1) of this section
- 403 attributable to the gross proceeds of sales of a business
- 404 enterprise located within a redevelopment project area under the
- 405 provisions of Sections 57-91-1 through 57-91-11, and attributable
- 406 to the gross proceeds of sales from sales made to a business
- 407 enterprise located in a redevelopment project area under the
- 408 provisions of Sections 57-91-1 through 57-91-11 (provided that
- 409 such sales made to a business enterprise are made on the premises
- 410 of the business enterprise), shall be deposited into the
- 411 Redevelopment Project Incentive Fund as created in Section
- 412 57-91-9, as follows:
- 413 (i) For the first six (6) years in which payments
- 414 are made to a developer from the Redevelopment Project Incentive
- 415 Fund, one hundred percent (100%) of the diversion shall be
- 416 deposited into the fund;
- 417 (ii) For the seventh year in which such payments
- 418 are made to a developer from the Redevelopment Project Incentive

419	Fund,	eighty	percent	(80%)	of	the	diversion	shall	be	deposited
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- 420 into the fund;
- 421 (iii) For the eighth year in which such payments
- 422 are made to a developer from the Redevelopment Project Incentive
- 423 Fund, seventy percent (70%) of the diversion shall be deposited
- 424 into the fund;
- 425 (iv) For the ninth year in which such payments are
- 426 made to a developer from the Redevelopment Project Incentive Fund,
- 427 sixty percent (60%) of the diversion shall be deposited into the
- 428 fund; and
- (v) For the tenth year in which such payments are
- 430 made to a developer from the Redevelopment Project Incentive Fund,
- 431 fifty percent (50%) of the funds shall be deposited into the fund.
- 432 (20) On or before January 15, 2007, and each succeeding
- 433 month thereafter, eighty percent (80%) of the sales tax revenue
- 434 collected during the preceding month under the provisions of this
- 435 chapter from the operation of a tourism project under the
- 436 provisions of Sections 57-28-1 through 57-28-5 shall be deposited,
- 437 after the diversions required in subsections (7) and (8) of this
- 438 section, into the Tourism Sales Tax Incentive Fund created in
- 439 Section 57-28-3.
- 440 (21) (a) On or before April 15, 2007, and each succeeding
- 441 month thereafter through June 15, 2013, One Hundred Fifty Thousand
- 442 Dollars (\$150,000.00) of the sales tax revenue collected during
- 443 the preceding month under the provisions of this chapter shall be

- 444 deposited into the MMEIA Tax Incentive Fund created in Section
- 445 57-101-3.
- (b) On or before July 15, 2013, and each succeeding
- 447 month thereafter, One Hundred Fifty Thousand Dollars (\$150,000.00)
- 448 of the sales tax revenue collected during the preceding month
- 449 under the provisions of this chapter shall be deposited into the
- 450 Mississippi Development Authority Job Training Grant Fund created
- 451 in Section 57-1-451.
- 452 (22) On or before June 1, 2024, and each succeeding month
- 453 thereafter until December 31, 2057, an amount determined annually
- 454 by the Mississippi Development Authority of the sales tax revenue
- 455 collected during the preceding month under the provisions of this
- 456 chapter shall be deposited into the MMEIA Tax Incentive Fund
- 457 created in Section 57-125-3. This amount shall be based on
- 458 estimated payments due within the upcoming year to construction
- 459 contractors pursuant to construction contracts subject to the tax
- 460 imposed by Section 27-65-21 for construction to be performed on
- 461 the project site of a project defined under Section
- 57-75-5 (f) (xxxiii) for the coming year.
- 463 (23) Notwithstanding any other provision of this section to
- 464 the contrary, on or before August 15, 2009, and each succeeding
- 465 month thereafter, the sales tax revenue collected during the
- 466 preceding month under the provisions of Section 27-65-201 shall be
- deposited, without diversion, into the Motor Vehicle Ad Valorem
- 468 Tax Reduction Fund established in Section 27-51-105.

469	(24) (a) On or before August 15, 2019, and each month
470	thereafter through July 15, 2020, one percent (1%) of the total
471	sales tax revenue collected during the preceding month from
472	restaurants and hotels shall be allocated for distribution to the
473	Mississippi Development Authority Tourism Advertising Fund
474	established under Section 57-1-64, to be used exclusively for the
475	purpose stated therein. On or before August 15, 2020, and each
476	month thereafter through July 15, 2021, two percent (2%) of the
477	total sales tax revenue collected during the preceding month from
478	restaurants and hotels shall be allocated for distribution to the
479	Mississippi Development Authority Tourism Advertising Fund
480	established under Section 57-1-64, to be used exclusively for the
481	purpose stated therein. On or before August 15, 2021, and each
482	month thereafter, three percent (3%) of the total sales tax
483	revenue collected during the preceding month from restaurants and
484	hotels shall be allocated for distribution to the Mississippi
485	Development Authority Tourism Advertising Fund established under
486	Section 57-1-64, to be used exclusively for the purpose stated
487	therein. The revenue diverted pursuant to this subsection shall
488	not be available for expenditure until February 1, 2020.
489	(b) The Joint Legislative Committee on Performance

(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

493	Fund e	stablish	ned	under	Section	57-1-64,	and	a	detailed	record	of
494	how th	e funds	are	spent	.						

- 495 On or before August 15, 2025, and each succeeding month (25)496 thereafter, when the sales tax revenue collected by medical 497 cannabis dispensaries from cardholders at the point of sale 498 exceeds Ten Million Dollars (\$10,000,000.00) in any fiscal year, 499 the balance shall be deposited into the Public Health Trust Fund 500 established in Section 1 of this act with the remainder to be 501 deposited into the State General Fund.
- 502 (\star \star 26) The remainder of the amounts collected under the 503 provisions of this chapter shall be paid into the State Treasury to the credit of the General Fund. 504
 - (*** * * ***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.
- 513 (b) (i) Except as otherwise provided in subparagraph 514 (ii) of this paragraph, if any funds have been erroneously 515 disbursed to any municipality or any overpayment of tax is 516 recovered by the taxpayer, the commissioner may make correction and adjust the error or overpayment with the municipality by 517

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518	withholding	the	necessary	funds	from	any	later	payment	to	be	made
519	to the munic	cipaí	lity.								

- 520 Subject to the provisions of Sections 27-65-51 and 27-65-53, if any funds have been erroneously 521 522 disbursed to a municipality under subsection (1) of this section 523 for a period of three (3) years or more, the maximum amount that 524 may be recovered or withheld from the municipality is the total 525 amount of funds erroneously disbursed for a period of three (3) 526 years beginning with the date of the first erroneous disbursement. 527 However, if during such period, a municipality provides written 528 notice to the Department of Revenue indicating the erroneous 529 disbursement of funds, then the maximum amount that may be 530 recovered or withheld from the municipality is the total amount of funds erroneously disbursed for a period of one (1) year beginning 531 532 with the date of the first erroneous disbursement.
- 533 **SECTION 3.** Section 27-72-1, Mississippi Code of 1972, is amended as follows:
- 535 27-72-1. (1) (a) For purposes of this section:
- (i) "Cannabis cultivation facility," "dispensary,"

 537 "medical cannabis" and "medical cannabis establishments" shall be

 538 defined as provided in Section 41-137-3.
- (ii) "Cannabis flower" means the flower, including abnormal and immature flowers, of a plant of the genus cannabis that has been harvested, dried and cured, and prior to any processing whereby the flower material is transformed into a

543 cannabis product. "Cannabis flower" does not include the leaves 544 or stem of such plant or hemp.

- 545 (iii) "Cannabis trim" means all parts, including 546 abnormal or immature parts, of a plant of the genus cannabis, 547 other than cannabis flower, that have been harvested, dried and 548 cured, and prior to any processing whereby the plant material is transformed into a cannabis product. "Cannabis trim" does not 549 550 include hemp.
- 551 There is hereby imposed, levied and assessed an (2) (a) excise tax on medical cannabis cultivation facilities. A cannabis 552 553 cultivation facility shall collect and remit an excise tax on 554 forms and in a manner specified by the Commissioner of Revenue.
 - (b) The excise tax on cannabis cultivation facilities shall be based on the sales price for which a cannabis cultivation facility first sells cannabis flower or cannabis trim, as the case may be, to a medical cannabis establishment, and the rate of the excise tax shall be five percent (5%) of such sales price. However, if there is common ownership or other interest between the cannabis cultivation facility and the medical cannabis establishment to which the cannabis cultivation facility first sells or transfers the cannabis flower or cannabis trim, as the case may be, the excise tax shall be based on the fair market value of the cannabis flower or cannabis trim, as the case may be, at the time that the cannabis cultivation facility first sells or transfers the cannabis flower or cannabis trim to the medical

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568 cannabis establishment, and the rate of the excise tax shall be
569 five percent (5%) of such fair market value. The fair market
570 value of cannabis flower and cannabis trim shall initially be
571 determined by the MDOR not later than November 1, 2022. Beginning
572 January 1, 2023, the MDOR shall recalculate and adjust the fair
573 market value of cannabis flower and cannabis trim twice per
574 calendar year on January 1 and July 1.

- 575 (c) The excise tax imposed by this subsection shall
 576 apply regardless of the ownership of the medical cannabis
 577 establishment to which the cannabis cultivation facility sells or
 578 transfers the cannabis flower or cannabis trim, as the case may
 579 be.
- 580 (d) All administrative provisions of the sales tax law 581 and amendments thereto, including those which fix damages, 582 penalties and interest for nonpayment of taxes and for 583 noncompliance with the provision of said sales tax law, and all 584 other requirements and duties imposed upon a taxpayer, shall apply to all persons liable for taxes under the provisions of this 585 586 subsection. The commissioner shall exercise all power and 587 authority and perform all duties with respect to taxpayers under 588 this subsection as are provided in said sales tax law, except 589 where there is conflict, then the provisions of this subsection 590 shall control.
- 591 (e) * * * On or before August 15, 2025, and each
 592 succeeding month thereafter, when the excise taxes collected from

593	medical cannabis cultivators exceeds Ten Million Dollars
594	(\$10,000,000.00) in any fiscal year, the balance shall be
595	deposited into the Public Health Trust Fund established under
596	Section 1 of this act with the remainder to be deposited into the
597	State General Fund.
598	(3) A dispensary, on forms and in a manner specified by the
599	Commissioner of Revenue, shall collect and remit the sales tax
600	levied in Section 27-65-17(1)(a) from the gross proceeds derived
601	from each retail sale of medical cannabis.
602	SECTION 4. This act shall take effect and be in force from

and after July 1, 2025.