

By: Warren

To: Education; Ways and Means

HOUSE BILL NO. 1486

1 AN ACT TO AMEND SECTIONS 27-65-75 AND 27-67-31, MISSISSIPPI
 2 CODE OF 1972, TO REVISE THE AMOUNT OF SALES AND USE TAX REVENUE
 3 DIVERTED TO THE SCHOOL AD VALOREM TAX REDUCTION FUND TO PROVIDE
 4 THAT THE AMOUNT DIVERTED TO SUCH FUND SHALL NOT EXCEED THE FISCAL
 5 YEAR 2000 APPROPRIATED LEVEL; TO PROVIDE THAT AMOUNTS IN EXCESS OF
 6 THE FISCAL YEAR 2000 APPROPRIATED LEVEL THAT WOULD HAVE OTHERWISE
 7 BEEN DIVERTED TO THE SCHOOL AD VALOREM TAX REDUCTION FUND SHALL BE
 8 DEPOSITED INTO THE EDUCATION ENHANCEMENT FUND FOR APPROPRIATION BY
 9 THE LEGISLATURE AS OTHER EDUCATION NEEDS; TO AMEND SECTIONS
 10 37-61-33 AND 37-61-35, MISSISSIPPI CODE OF 1972, TO CONFORM TO THE
 11 PROVISIONS OF THIS ACT; AND FOR RELATED PURPOSES.

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

13 SECTION 1. Section 27-65-75, Mississippi Code of 1972, is
 14 amended as follows:[WAN1]

15 * * *

16 27-65-75. On or before the fifteenth day of each month, the
 17 revenue collected under the provisions of this chapter during the
 18 preceding month shall be paid and distributed as follows:

19 (1) On or before August 15, 1992, and each succeeding month
 20 thereafter through July 15, 1993, eighteen percent (18%) of the
 21 total sales tax revenue collected during the preceding month under
 22 the provisions of this chapter, except that collected under the
 23 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
 24 business activities within a municipal corporation shall be
 25 allocated for distribution to such municipality and paid to such
 26 municipal corporation. On or before August 15, 1993, and each
 27 succeeding month thereafter, eighteen and one-half percent
 28 (18-1/2%) of the total sales tax revenue collected during the
 29 preceding month under the provisions of this chapter, except that
 30 collected under the provisions of Sections 27-65-15, 27-65-19(3)

31 and 27-65-21, on business activities within a municipal
32 corporation shall be allocated for distribution to such
33 municipality and paid to such municipal corporation.

34 A municipal corporation, for the purpose of distributing the
35 tax under this subsection, shall mean and include all incorporated
36 cities, towns and villages.

37 Monies allocated for distribution and credited to a municipal
38 corporation under this subsection may be pledged as security for
39 any loan received by the municipal corporation for the purpose of
40 capital improvements as authorized under Section 57-1-303, or
41 loans as authorized under Section 57-44-7, or water systems
42 improvements as authorized under Section 41-3-16.

43 In any county having a county seat which is not an
44 incorporated municipality, the distribution provided hereunder
45 shall be made as though the county seat was an incorporated
46 municipality; however, the distribution to such municipality shall
47 be paid to the county treasury wherein the municipality is located
48 and such funds shall be used for road, bridge and street
49 construction or maintenance therein.

50 (2) On or before September 15, 1987, and each succeeding
51 month thereafter, from the revenue collected under this chapter
52 during the preceding month One Million One Hundred Twenty-five
53 Thousand Dollars (\$1,125,000.00) shall be allocated for
54 distribution to municipal corporations as defined under subsection
55 (1) of this section in the proportion that the number of gallons
56 of gasoline and diesel fuel sold by distributors to consumers and
57 retailers in each such municipality during the preceding fiscal
58 year bears to the total gallons of gasoline and diesel fuel sold
59 by distributors to consumers and retailers in municipalities
60 statewide during the preceding fiscal year. The State Tax
61 Commission shall require all distributors of gasoline and diesel
62 fuel to report to the commission monthly the total number of
63 gallons of gasoline and diesel fuel sold by them to consumers and
64 retailers in each municipality during the preceding month. The
65 State Tax Commission shall have the authority to promulgate such
66 rules and regulations as is necessary to determine the number of
67 gallons of gasoline and diesel fuel sold by distributors to

68 consumers and retailers in each municipality. In determining the
69 percentage allocation of funds under this subsection for the
70 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
71 State Tax Commission may consider gallons of gasoline and diesel
72 fuel sold for a period of less than one (1) fiscal year. For the
73 purposes of this subsection, the term "fiscal year" means the
74 fiscal year beginning July 1 of a year.

75 (3) On or before September 15, 1987, and on or before the
76 fifteenth day of each succeeding month, until the date specified
77 in Section 65-39-35, the proceeds derived from contractors' taxes
78 levied under Section 27-65-21 on contracts for the construction or
79 reconstruction of highways designated under the Four-Lane Highway
80 Program created under Section 65-3-97 shall, except as otherwise
81 provided in Section 31-17-127, be deposited into the State
82 Treasury to the credit of the State Highway Fund to be used to
83 fund such Four-Lane Highway Program. The Mississippi Department
84 of Transportation shall provide to the State Tax Commission such
85 information as is necessary to determine the amount of proceeds to
86 be distributed under this subsection.

87 (4) On or before August 15, 1994, and on or before the
88 fifteenth day of each succeeding month through July 15, 1999, from
89 the proceeds of gasoline, diesel fuel or kerosene taxes as
90 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
91 (\$4,000,000.00) shall be deposited in the State Treasury to the
92 credit of a special fund designated as the "State Aid Road Fund,"
93 created by Section 65-9-17. On or before August 15, 1999, and on
94 or before the fifteenth day of each succeeding month, from the
95 total amount of the proceeds of gasoline, diesel fuel or kerosene
96 taxes apportioned by Section 27-5-101(a)(ii), Four Million Dollars
97 (\$4,000,000.00) or an amount equal to twenty-three and one-fourth
98 percent (23.25%) of such funds, whichever is the greater amount,
99 shall be deposited in the State Treasury to the credit of the
100 "State Aid Road Fund," created by Section 65-9-17. Such funds

101 shall be pledged to pay the principal of and interest on state aid
102 road bonds heretofore issued under Sections 19-9-51 through
103 19-9-77, in lieu of and in substitution for the funds heretofore
104 allocated to counties under this section. Such funds may not be
105 pledged for the payment of any state aid road bonds issued after
106 April 1, 1981; however, this prohibition against the pledging of
107 any such funds for the payment of bonds shall not apply to any
108 bonds for which intent to issue such bonds has been published, for
109 the first time, as provided by law prior to March 29, 1981. From
110 the amount of taxes paid into the special fund pursuant to this
111 subsection and subsection (9) of this section, there shall be
112 first deducted and paid the amount necessary to pay the expenses
113 of the Office of State Aid Road Construction, as authorized by the
114 Legislature for all other general and special fund agencies. The
115 remainder of the fund shall be allocated monthly to the several
116 counties in accordance with the following formula:

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

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

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

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

130 The amount of funds allocated to any county under this
131 subsection for any fiscal year after fiscal year 1994 shall not be
132 less than the amount allocated to such county for fiscal year
133 1994. Monies allocated to a county from the State Aid Road Fund

134 for fiscal year 1995 or any fiscal year thereafter that exceed the
135 amount of funds allocated to that county from the State Aid Road
136 Fund for fiscal year 1994, first must be expended by the county
137 for replacement or rehabilitation of bridges on the state aid road
138 system that have a sufficiency rating of less than twenty-five
139 (25), according to National Bridge Inspection standards before
140 such monies may be approved for expenditure by the State Aid Road
141 Engineer on other projects that qualify for the use of state aid
142 road funds.

143 Any reference in the general laws of this state or the
144 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
145 construed to refer and apply to subsection (4) of Section
146 27-65-75.

147 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
148 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
149 the special fund known as the "State Public School Building Fund"
150 created and existing under the provisions of Sections 37-47-1
151 through 37-47-67. Such payments into said fund are to be made on
152 the last day of each succeeding month hereafter.

153 (6) An amount each month beginning August 15, 1983, through
154 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
155 of 1983, shall be paid into the special fund known as the
156 Correctional Facilities Construction Fund created in Section 6 of
157 Chapter 542, Laws of 1983.

158 (7) On or before August 15, 1992, and each succeeding month
159 thereafter through July 15, 2000, two and two hundred sixty-six
160 one-thousandths percent (2.266%) of the total sales tax revenue
161 collected during the preceding month under the provisions of this
162 chapter, except that collected under the provisions of Section
163 27-65-17(2) shall be deposited by the commission into the School
164 Ad Valorem Tax Reduction Fund created pursuant to Section
165 37-61-35. On or before August 15, 2000, and each succeeding month
166 thereafter, two and two hundred sixty-six one-thousandths percent

167 (2.266%) of the total sales tax revenue collected during the
168 preceding month under the provisions of this chapter, except that
169 collected under the provisions of Section 27-65-17(2), shall be
170 deposited as follows:

171 (a) An amount not to exceed the fiscal year 2000
172 appropriated level shall be deposited into the School Ad Valorem
173 Tax Reduction Fund created pursuant to Section 37-61-35, and

174 (b) The remainder shall be deposited into the Education
175 Enhancement Fund created under Section 37-61-33 for appropriation
176 by the Legislature as other education needs and shall not be
177 subject to the percentage appropriation requirements set forth in
178 Section 37-61-33.

179 (8) On or before August 15, 1992, and each succeeding month
180 thereafter, nine and seventy-three one-thousandths percent
181 (9.073%) of the total sales tax revenue collected during the
182 preceding month under the provisions of this chapter, except that
183 collected under the provisions of Section 27-65-17(2) shall be
184 deposited into the Education Enhancement Fund created pursuant to
185 Section 37-61-33.

186 (9) On or before August 15, 1994, and each succeeding month
187 thereafter, from the revenue collected under this chapter during
188 the preceding month, Two Hundred Fifty Thousand Dollars
189 (\$250,000.00) shall be paid into the State Aid Road Fund.

190 (10) On or before August 15, 1994, and each succeeding month
191 thereafter through August 15, 1995, from the revenue collected
192 under this chapter during the preceding month, Two Million Dollars
193 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
194 Valorem Tax Reduction Fund established in Section 27-51-105.

195 (11) Notwithstanding any other provision of this section to
196 the contrary, on or before February 15, 1995, and each succeeding
197 month thereafter, the sales tax revenue collected during the
198 preceding month under the provisions of Section 27-65-17(2) and
199 the corresponding levy in Section 27-65-23 on the rental or lease

200 of private carriers of passengers and light carriers of property
201 as defined in Section 27-51-101 shall be deposited, without
202 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
203 established in Section 27-51-105.

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

213 (13) On or before July 15, 1994, and on or before the
214 fifteenth day of each succeeding month thereafter, that portion of
215 the avails of the tax imposed in Section 27-65-22, which is
216 derived from activities held on the Mississippi state fairgrounds
217 complex, shall be paid into a special fund hereby created in the
218 State Treasury and shall be expended pursuant to legislative
219 appropriations solely to defray the costs of repairs and
220 renovation at such Trade Mart and Coliseum.

221 (14) On or before August 15, 1998, and each succeeding month
222 thereafter through July 15, 2005, that portion of the avails of
223 the tax imposed in Section 27-65-23 which is derived from sales by
224 cotton compresses or cotton warehouses and which would otherwise
225 be paid into the General Fund, shall be deposited in an amount not
226 to exceed Two Million Dollars (\$2,000,000.00) into the special
227 fund created pursuant to Section 69-37-39.

228 (15) The remainder of the amounts collected under the
229 provisions of this chapter shall be paid into the State Treasury
230 to the credit of the General Fund.

231 (16) It shall be the duty of the municipal officials of any
232 municipality which expands its limits, or of any community which

233 incorporates as a municipality, to notify the commissioner of such
234 action thirty (30) days before the effective date. Failure to so
235 notify the commissioner shall cause such municipality to forfeit
236 the revenue which it would have been entitled to receive during
237 this period of time when the commissioner had no knowledge of the
238 action. If any funds have been erroneously disbursed to any
239 municipality or any overpayment of tax is recovered by the
240 taxpayer, the commissioner may make correction and adjust the
241 error or overpayment with such municipality by withholding the
242 necessary funds from any subsequent payment to be made to the
243 municipality.

244 * * *

245 SECTION 2. Section 27-67-31, Mississippi Code of 1972, is
246 amended as follows:[LR2]

247 * * *

248 27-67-31. All administrative provisions of the sales tax
249 law, and amendments thereto, including those which fix damages,
250 penalties and interest for failure to comply with the provisions
251 of said sales tax law, and all other requirements and duties
252 imposed upon taxpayer, shall apply to all persons liable for use
253 taxes under the provisions of this article. The commissioner
254 shall exercise all power and authority and perform all duties with
255 respect to taxpayers under this article as are provided in said
256 sales tax law, except where there is conflict, then the provisions
257 of this article shall control.

258 The commissioner may require transportation companies to
259 permit the examination of waybills, freight bills, or other
260 documents covering shipments of tangible personal property into
261 this state.

262 On or before the fifteenth day of each month, the amount
263 received from taxes, damages and interest under the provisions of
264 this article during the preceding month shall be paid and
265 distributed as follows:

266 (a) On or before July 15, 1994, through July 15, 2000,
267 and each succeeding month thereafter, two and two hundred
268 sixty-six one-thousandths percent (2.266%) of the total use tax
269 revenue collected during the preceding month under the provisions
270 of this article shall be deposited in the School Ad Valorem Tax
271 Reduction Fund created pursuant to Section 37-61-35. On or before
272 August 15, 2000, and each succeeding month thereafter, two and two
273 hundred sixty-six one-thousandths percent (2.266%) of the total
274 use tax revenue collected during the preceding month under the
275 provisions of this chapter shall be deposited as follows:

276 (i) An amount not to exceed the fiscal year 2000
277 appropriated level shall be deposited into the School Ad Valorem
278 Tax Reduction Fund created pursuant to Section 37-61-35, and

279 (ii) The remainder shall be deposited into the
280 Education Enhancement Fund created under Section 37-61-33 for
281 appropriation by the Legislature as other education needs and
282 shall not be subject to the percentage appropriation requirements
283 set forth in Section 37-61-33.

284 (b) On or before July 15, 1994, and each succeeding
285 month thereafter, nine and seventy-three one thousandths percent
286 (9.073%) of the total use tax revenue collected during the
287 preceding month under the provisions of this article shall be
288 deposited into the Education Enhancement Fund created pursuant to
289 Section 37-61-33.

290 (c) On or before July 15, 1997, and on or before the
291 fifteenth day of each succeeding month thereafter, the revenue
292 collected under the provisions of this article imposed and levied
293 as a result of Section 27-65-17(2) and the corresponding levy in
294 Section 27-65-23 on the rental or lease of private carriers of
295 passengers and light carriers of property as defined in Section
296 27-51-101 shall be deposited into the Motor Vehicle Ad Valorem Tax
297 Reduction Fund created pursuant to Section 27-51-105.

298 (d) On or before July 15, 1997, and on or before the

299 fifteenth day of each succeeding month thereafter and after the
300 deposits required by paragraphs (a) and (b) of this section are
301 made, the remaining revenue collected under the provisions of this
302 article imposed and levied as a result of Section 27-65-17(1) and
303 the corresponding levy in Section 27-65-23 on the rental or lease
304 of private carriers of passengers and light carriers of property
305 as defined in Section 27-51-101 shall be deposited into the Motor
306 Vehicle Ad Valorem Tax Reduction Fund created pursuant to Section
307 27-51-105.

308 (e) The remainder of the amount received from taxes,
309 damages and interest under the provisions of this article shall be
310 paid into the General Fund of the State Treasury by the
311 commissioner.

312 * * *

313 SECTION 3. Section 37-61-33, Mississippi Code of 1972, is
314 amended as follows:[HS3]

315 **[Until July 1, 2002, this section reads as follows:]**

316 37-61-33. (1) There is hereby created within the State
317 Treasury a special fund to be designated the "Education
318 Enhancement Fund" into which shall be deposited all the revenues
319 collected pursuant to Sections 27-65-75(7) and (8), 27-67-31(a)
320 and (b) and 27-103-203(1).

321 (2) Of the amount deposited into the Education Enhancement
322 Fund, excluding revenues deposited pursuant to Section
323 27-103-203(1), Sixteen Million Dollars (\$16,000,000.00) shall be
324 appropriated each fiscal year to the State Department of Education
325 to be distributed to all school districts. Such money shall be
326 distributed to all school districts in the proportion that the
327 average daily attendance of each school district bears to the
328 average daily attendance of all school districts within the state
329 for the following purposes:

330 (a) Purchasing, erecting, repairing, equipping,
331 remodeling and enlarging school buildings and related facilities,

332 including gymnasiums, auditoriums, lunchrooms, vocational training
333 buildings, libraries, teachers' homes, school barns,
334 transportation vehicles (which shall include new and used
335 transportation vehicles) and garages for transportation vehicles,
336 and purchasing land therefor.

337 (b) Establishing and equipping school athletic fields
338 and necessary facilities connected therewith, and purchasing land
339 therefor.

340 (c) Providing necessary water, light, heating, air
341 conditioning and sewerage facilities for school buildings, and
342 purchasing land therefor.

343 (d) As a pledge to pay all or a portion of the debt
344 service on debt issued by the school district under Sections
345 37-59-1 through 37-59-45, 37-59-101 through 37-59-115, 37-7-351
346 through 37-7-359, 37-41-89 through 37-41-99, 37-7-301, 37-7-302
347 and 37-41-81, Mississippi Code of 1972, or debt issued by boards
348 of supervisors for agricultural high schools pursuant to Section
349 37-27-65, Mississippi Code of 1972, if such pledge is accomplished
350 pursuant to a written contract or resolution approved and spread
351 upon the minutes of an official meeting of the district's school
352 board or board of supervisors. The annual grant to such district
353 in any subsequent year during the term of the resolution or
354 contract shall not be reduced below an amount equal to the
355 district's grant amount for the year in which the contract or
356 resolution was adopted. The intent of this provision is to allow
357 school districts to irrevocably pledge a certain, constant stream
358 of revenue as security for long-term obligations issued under the
359 code sections enumerated in this paragraph or as otherwise allowed
360 by law. It is the intent of the Legislature that the provisions
361 of this paragraph shall be cumulative and supplemental to any
362 existing funding programs or other authority conferred upon school
363 districts or school boards. Debt of a district secured by a
364 pledge of sales tax revenue pursuant to this paragraph shall not

365 be subject to any debt limitation contained in the foregoing
366 enumerated code sections.

367 (3) The remainder of the money deposited into the Education
368 Enhancement Fund, excluding funds deposited pursuant to Section
369 27-103-203(1), shall be appropriated as follows:

370 (a) To the State Department of Education as follows:

371 (i) Eight and thirty-five one-hundredths percent
372 (8.35%) to be distributed to public school districts for the
373 funding of textbooks and other educational materials and to be
374 used by the State Department of Education for the purchase of
375 textbooks to be loaned under Sections 37-43-1 through 37-43-59 to
376 approved nonpublic schools, as described under Section 37-43-1.
377 The amount of funds under this item to be used by the department
378 for purchasing textbooks to loan to approved nonpublic schools
379 shall be in the proportion that the average daily attendance of
380 the nonpublic schools that are loaned textbooks by the state bears
381 to the average daily attendance of all school districts in the
382 state. The funds distributed to the school districts under this
383 item shall be in the proportion that the average daily attendance
384 of each school district bears to the average daily attendance of
385 all school districts within the state and shall be used to assist
386 in the funding of textbooks and other educational materials, to
387 include not more than Two Million Dollars (\$2,000,000.00) each
388 year for technology enhancement projects for elementary and
389 secondary education programs;

390 (ii) Seven and ninety-seven one-hundredths percent
391 (7.97%) to assist the funding of transportation operations and
392 maintenance pursuant to Section 37-19-23;

393 (iii) Eight and twenty-six one-hundredths percent
394 (8.26%) to assist the funding of the Uniform Millage Assistance
395 Grant Program pursuant to Section 37-22-1; and

396 (iv) Nine and sixty-one one-hundredths percent
397 (9.61%) for classroom supplies, instructional materials and

398 equipment, including computers and computer software, to be
399 distributed to all school districts in the proportion that the
400 average daily attendance of each school district bears to the
401 average daily attendance of all school districts within the state.
402 Such funds shall not be expended for administrative purposes.
403 Local school districts shall allocate classroom supply funds
404 equally among all classroom teachers in the school district. For
405 purposes of this subparagraph, "teacher" shall mean any employee
406 of the school board of a school district who is required by law to
407 obtain a teacher's license from the State Board of Education and
408 who is assigned to an instructional area of work as defined by the
409 State Department of Education, but shall not include a federally
410 funded teacher. Two (2) or more teachers may agree to pool their
411 classroom supply funds for the benefit of a school within the
412 district pursuant to the development of a spending plan that
413 supports the overall goals of the school which includes the type,
414 quantity and quality of such supplies, instructional materials,
415 equipment, computers or computer software. This plan shall be
416 submitted, in writing, to the school principal for approval.
417 Classroom supply funds allocated under this subparagraph shall
418 supplement, not replace, other local and state funds available for
419 the same purposes. School districts need not fully expend the
420 funds received under this subparagraph in the year in which they
421 are received, but such funds may be carried forward for
422 expenditure in any succeeding school year. The State Board of
423 Education shall develop and promulgate rules and regulations for
424 the administration of this subparagraph consistent with the above
425 criteria, with particular emphasis on allowing the individual
426 teachers to expend funds as they deem appropriate, with minimum
427 input from school principals;

428 (b) Twenty-two and nine one-hundredths percent (22.09%)
429 to the Board of Trustees of State Institutions of Higher Learning
430 for the purpose of supporting institutions of higher learning; and

431 (c) Fourteen and forty-one one-hundredths percent
432 (14.41%) to the State Board for Community and Junior Colleges for
433 the purpose of providing support to community and junior colleges.

434 (4) The amount remaining in the Education Enhancement Fund
435 after funds are distributed as provided in subsections (2) and (3)
436 of this section, excluding funds deposited pursuant to Section
437 27-103-203(1), shall be disbursed as follows:

438 (a) Twenty-five Million Dollars (\$25,000,000.00) shall
439 be deposited into the Working Cash-Stabilization Reserve Fund
440 created pursuant to Section 27-103-203(1), until the balance in
441 such fund reaches the maximum balance of seven and one-half
442 percent (7-1/2%) of the General Fund appropriations in the
443 appropriate fiscal year. After the maximum balance in the Working
444 Cash-Stabilization Reserve Fund is reached, such money shall
445 remain in the Education Enhancement Fund to be appropriated in the
446 manner provided for in paragraph (b) of this section.

447 (b) The remainder shall be appropriated for other
448 educational needs.

449 (5) None of the funds appropriated pursuant to subsection
450 (3)(a) of this section shall be used to reduce the state's general
451 fund appropriation for the categories listed in an amount below
452 the following amounts:

453 (a) For subsection (3)(a)(i) of this section, Six
454 Million Three Hundred Thirty Thousand Nine Hundred Twenty Dollars
455 (\$6,330,920.00);

456 (b) For subsection (3)(a)(ii) of this section
457 Thirty-six Million Seven Hundred Thousand Dollars
458 (\$36,700,000.00);

459 (c) For subsection (3)(a)(iii) of this section,
460 Twenty-one Million Four Hundred Thousand Dollars (\$21,400,000.00);
461 and

462 (d) For the aggregate of minimum program allotments
463 provided for in Chapter 19, Title 37, Mississippi Code of 1972, as

464 amended, excluding those funds for transportation as provided for
465 in subsection (5)(b) herein.

466 (6) At the end of a fiscal year such amounts as required by
467 Section 27-103-203(1) to be transferred to the Education
468 Enhancement Fund shall be deposited into said Education
469 Enhancement Fund and shall be kept separate from other monies in
470 the fund by the State Treasurer. Beginning with the 1994 fiscal
471 year the monies in such special fund deposited pursuant to said
472 Section 27-103-203(1) shall be subject to appropriation by the
473 Legislature in the following manner: (a) fifty percent (50%) to
474 support public education, including but not limited to, Grades K
475 through 12, Mississippi Educational Television and/or the
476 Mississippi Library Commission; (b) twenty-five percent (25%) to
477 support institutions of higher learning; and (c) twenty-five
478 percent (25%) to support the junior or community colleges. Any
479 amount of such monies transferred into said separate fund pursuant
480 to Section 27-103-203(1) which are not appropriated by the
481 Legislature shall not lapse but shall carry over and be subject to
482 appropriation by the Legislature in the succeeding fiscal year in
483 the same manner provided in this subsection (6). The interest
484 earned on the investment of such monies transferred pursuant to
485 Section 27-103-203(1) shall be paid into said separate fund within
486 the Education Enhancement Fund.

487 **[From and after July 1, 2002, this section reads as follows:]**

488 37-61-33. (1) There is hereby created within the State
489 Treasury a special fund to be designated the "Education
490 Enhancement Fund" into which shall be deposited all the revenues
491 collected pursuant to Sections 27-65-75(7) and (8), 27-67-31(a)
492 and (b) and 27-103-203(1).

493 (2) Of the amount deposited into the Education Enhancement
494 Fund, excluding revenues deposited pursuant to Section
495 27-103-203(1), Sixteen Million Dollars (\$16,000,000.00) shall be
496 appropriated each fiscal year to the State Department of Education

497 to be distributed to all school districts. Such money shall be
498 distributed to all school districts in the proportion that the
499 average daily attendance of each school district bears to the
500 average daily attendance of all school districts within the state
501 for the following purposes:

502 (a) Purchasing, erecting, repairing, equipping,
503 remodeling and enlarging school buildings and related facilities,
504 including gymnasiums, auditoriums, lunchrooms, vocational training
505 buildings, libraries, teachers' homes, school barns,
506 transportation vehicles (which shall include new and used
507 transportation vehicles) and garages for transportation vehicles,
508 and purchasing land therefor.

509 (b) Establishing and equipping school athletic fields
510 and necessary facilities connected therewith, and purchasing land
511 therefor.

512 (c) Providing necessary water, light, heating, air
513 conditioning and sewerage facilities for school buildings, and
514 purchasing land therefor.

515 (d) As a pledge to pay all or a portion of the debt
516 service on debt issued by the school district under Sections
517 37-59-1 through 37-59-45, 37-59-101 through 37-59-115, 37-7-351
518 through 37-7-359, 37-41-89 through 37-41-99, 37-7-301, 37-7-302
519 and 37-41-81, Mississippi Code of 1972, or debt issued by boards
520 of supervisors for agricultural high schools pursuant to Section
521 37-27-65, Mississippi Code of 1972, if such pledge is accomplished
522 pursuant to a written contract or resolution approved and spread
523 upon the minutes of an official meeting of the district's school
524 board or board of supervisors. The annual grant to such district
525 in any subsequent year during the term of the resolution or
526 contract shall not be reduced below an amount equal to the
527 district's grant amount for the year in which the contract or
528 resolution was adopted. The intent of this provision is to allow
529 school districts to irrevocably pledge a certain, constant stream

530 of revenue as security for long-term obligations issued under the
531 code sections enumerated in this paragraph or as otherwise allowed
532 by law. It is the intent of the Legislature that the provisions
533 of this paragraph shall be cumulative and supplemental to any
534 existing funding programs or other authority conferred upon school
535 districts or school boards. Debt of a district secured by a
536 pledge of sales tax revenue pursuant to this paragraph shall not
537 be subject to any debt limitation contained in the foregoing
538 enumerated code sections.

539 (3) The remainder of the money deposited into the Education
540 Enhancement Fund, excluding funds deposited pursuant to Section
541 27-103-203(1), shall be appropriated as follows:

542 (a) To the State Department of Education as follows:

543 (i) Sixteen and sixty-one one-hundredths percent
544 (16.61%) to the cost of the adequate education program determined
545 under Section 37-151-7;

546 (ii) Seven and ninety-seven one-hundredths percent
547 (7.97%) to assist the funding of transportation operations and
548 maintenance pursuant to Section 37-19-23; and

549 (iii) Nine and sixty-one one-hundredths percent
550 (9.61%) for classroom supplies, instructional materials and
551 equipment, including computers and computer software, to be
552 distributed to all school districts in the proportion that the
553 average daily attendance of each school district bears to the
554 average daily attendance of all school districts within the state.

555 It is the intent of the Legislature that all classroom teachers
556 shall be involved in the development of a spending plan that
557 addresses individual classroom needs and supports the overall
558 goals of the school regarding supplies, instructional materials,
559 equipment, computers or computer software under the provisions of
560 this subparagraph, including the type, quantity and quality of
561 such supplies, materials and equipment. This plan shall be
562 submitted to the school principal for approval. School districts

563 need not fully expend the funds received under this subparagraph
564 in the year in which they are received, but such funds may be
565 carried forward for expenditure in any succeeding school year.

566 (b) Twenty-two and nine one-hundredths percent (22.09%)
567 to the Board of Trustees of State Institutions of Higher Learning
568 for the purpose of supporting institutions of higher learning, and
569 fourteen and forty-one one-hundredths percent (14.41%) to the
570 State Board for Community and Junior Colleges for the purpose of
571 providing support to community and junior colleges.

572 (4) The amount remaining in the Education Enhancement Fund
573 after funds are distributed as provided in subsections (2) and (3)
574 of this section, excluding funds deposited pursuant to Section
575 27-103-203(1), shall be disbursed as follows:

576 (a) Twenty-five Million Dollars (\$25,000,000.00) shall
577 be deposited into the Working Cash-Stabilization Reserve Fund
578 created pursuant to Section 27-103-203(1), until the balance in
579 such fund reaches the maximum balance of seven and one-half
580 percent (7-1/2%) of the General Fund appropriations in the
581 appropriate fiscal year. After the maximum balance in the Working
582 Cash-Stabilization Reserve Fund is reached, such money shall
583 remain in the Education Enhancement Fund to be appropriated in the
584 manner provided for in paragraph (b) of this section.

585 (b) The remainder shall be appropriated for other
586 educational needs.

587 (5) None of the funds appropriated pursuant to subsection
588 (3)(a) of this section shall be used to reduce the state's general
589 fund appropriation for the categories listed in an amount below
590 the following amounts:

591 (a) For subsection (3)(a)(ii) of this section
592 Thirty-six Million Seven Hundred Thousand Dollars
593 (\$36,700,000.00);

594 (b) For the aggregate of minimum program allotments in
595 the 1997 fiscal year, formerly provided for in Chapter 19, Title

596 37, Mississippi Code of 1972, as amended, excluding those funds
597 for transportation as provided for in subsection (5)(a) herein.

598 (6) At the end of a fiscal year such amounts as required by
599 Section 27-103-203(1) to be transferred to the Education
600 Enhancement Fund shall be deposited into said Education
601 Enhancement Fund and shall be kept separate from other monies in
602 the fund by the State Treasurer. Beginning with the 1994 fiscal
603 year the monies in such special fund deposited pursuant to said
604 Section 27-103-203(1) shall be subject to appropriation by the
605 Legislature in the following manner: (a) fifty percent (50%) to
606 support public education, including but not limited to, Grades K
607 through 12, Mississippi Educational Television and/or the
608 Mississippi Library Commission; (b) twenty-five percent (25%) to
609 support institutions of higher learning; and (c) twenty-five
610 percent (25%) to support the junior or community colleges. Any
611 amount of such monies transferred into said separate fund pursuant
612 to Section 27-103-203(1) which are not appropriated by the
613 Legislature shall not lapse but shall carry over and be subject to
614 appropriation by the Legislature in the succeeding fiscal year in
615 the same manner provided in this subsection (6). The interest
616 earned on the investment of such monies transferred pursuant to
617 Section 27-103-203(1) shall be paid into said separate fund within
618 the Education Enhancement Fund.

619 SECTION 4. Section 37-61-35, Mississippi Code of 1972, is
620 amended as follows:[HS4]

621 37-61-35. There is hereby created a special fund in the
622 State Treasury to be designated School Ad Valorem Tax Reduction
623 Fund into which proceeds collected pursuant to Sections
624 27-65-75(7) and 27-67-31(a) and (b) shall be deposited. Beginning
625 with the 1994 state fiscal year, the entire amount of monies in
626 such special fund shall be appropriated annually to the State
627 Department of Education which shall distribute the appropriated
628 amount to the various school districts in the proportion that the

629 average daily attendance of each school district bears to the
630 average daily attendance of all school districts within the state.
631 On or before June 1, 1993, and on or before June 1 of each
632 succeeding year, the State Department of Education shall notify
633 each school district of the amount to which such district is
634 entitled pursuant to this section.

635 SECTION 5. This act shall take effect and be in force from
636 and after July 1, 2000.