

By: Representatives Compretta, McCoy

To: Ways and Means

HOUSE BILL NO. 1127

1 AN ACT TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT THE STATE SALES TAX COLLECTED ON SALES OF PARKING
3 SERVICES AT AIRPORTS SHALL BE DEPOSITED, WITHOUT DIVERSION, INTO
4 THE SPECIAL FUND IN THE STATE TREASURY FOR THE SUPPORT AND
5 DEVELOPMENT OF AIR TRANSPORTATION, AIRPORTS AND OTHER AIR
6 NAVIGATION FACILITIES; TO DIRECT THE STATE TREASURER TO TRANSFER
7 CERTAIN FUNDS INTO THE SPECIAL FUND CREATED IN THE STATE TREASURY
8 FOR THE SUPPORT AND DEVELOPMENT OF AIR TRANSPORTATION, AIRPORTS
9 AND OTHER AIR NAVIGATION FACILITIES; AND FOR RELATED PURPOSES.

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

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

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

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



31 A municipal corporation, for the purpose of distributing the
32 tax under this subsection, shall mean and include all incorporated
33 cities, towns and villages.

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

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

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



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

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

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



credit of the "State Aid Road Fund," created by Section 65-9-17. Such 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 heretofore allocated to counties under this section. Such 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 such bonds has been published, for the first time, as provided by law prior to March 29, 1981. From the amount of taxes paid into the special fund pursuant to 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.

The amount of funds allocated to any county under this subsection for any fiscal year after fiscal year 1994 shall not be



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

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

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

(6) An amount each month beginning August 15, 1983, through November 15, 1986, as specified in Section 6 of Chapter 542, Laws of 1983, shall be paid into the special fund known as the Correctional Facilities Construction Fund created in Section 6 of 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 commission into the School Ad Valorem Tax Reduction Fund created pursuant to Section



163 37-61-35. On or before August 15, 2000, and each succeeding month
164 thereafter, two and two hundred sixty-six one-thousandths percent
165 (2.266%) of the total sales tax revenue collected during the
166 preceding month under the provisions of this chapter, except that
167 collected under the provisions of Section 27-65-17(2), shall be
168 deposited into the School Ad Valorem Tax Reduction Fund created
169 under Section 37-61-35 until such time that the total amount
170 deposited into the fund during a fiscal year equals Forty-two
171 Million Dollars (\$42,000,000.00). Thereafter, the amounts
172 diverted under this subsection (7) during the fiscal year in
173 excess of Forty-two Million Dollars (\$42,000,000.00) shall be
174 deposited into the Education Enhancement Fund created under
175 Section 37-61-33 for appropriation by the Legislature as other
176 education needs and shall not be subject to the percentage
177 appropriation requirements set forth in Section 37-61-33.

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

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

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

194 (11) Notwithstanding any other provision of this section to
195 the contrary, on or before February 15, 1995, and each succeeding



196 month thereafter, the sales tax revenue collected during the
197 preceding month under the provisions of Section 27-65-17(2) and
198 the corresponding levy in Section 27-65-23 on the rental or lease
199 of private carriers of passengers and light carriers of property
200 as defined in Section 27-51-101 shall be deposited, without
201 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
202 established in Section 27-51-105.

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

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

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

227 (15) Notwithstanding any other provision of this section to
228 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)(f), shall be deposited, without diversion, into the Telecommunications Ad Valorem Tax Reduction Fund established in Section 27-38-7.

(16) 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.

(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 pursuant to Section 27-5-101(d).

(18) 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.

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



261 necessary funds from any subsequent payment to be made to the
262 municipality.

263 **SECTION 2.** (1) For the state fiscal year beginning July 1,
264 2002, and ending June 30, 2003, the State Treasurer shall transfer
265 the sum of One Million Two Hundred Fifty Thousand Dollars
266 (\$1,250,000.00) of the interest in Mississippi Department of
267 Transportation State Treasury Fund No. 3941 to the special fund
268 created pursuant to Section 27-5-101(d).

269 (2) For the state fiscal year beginning July 1, 2003, and
270 ending June 30, 2004, the State Treasurer shall transfer the sum
271 of One Million Two Hundred Fifty Thousand Dollars (\$1,250,000.00)
272 of the interest in Mississippi Department of Transportation State
273 Treasury Fund No. 3941 to the special fund created pursuant to
274 Section 27-5-101(d).

275 **SECTION 3.** This act shall take effect and be in force from
276 and after its passage.

