

By: Senator(s) Harden

To: Education;
Appropriations

SENATE BILL NO. 3069

1 AN ACT TO PROVIDE FOR THE ABOLISHMENT OF THE PROGRAM FOR
 2 STATE AID FOR THE CONSTRUCTION OF SCHOOL FACILITIES ADMINISTERED
 3 BY THE STATE BOARD OF EDUCATION; TO REPEAL SECTIONS 37-45-1
 4 THROUGH 37-45-63, MISSISSIPPI CODE OF 1972, WHICH SET FORTH THE
 5 ADMINISTRATION OF THE STATE AID CONSTRUCTION PROGRAM BY THE STATE
 6 BOARD OF EDUCATION AND THE STATE DEPARTMENT OF EDUCATION AND
 7 SECTIONS 37-47-1 THROUGH 37-41-67, MISSISSIPPI CODE OF 1972, WHICH
 8 SET FORTH THE AUTHORIZATION AND PROVISIONS FOR THE STATE AID FOR
 9 CONSTRUCTION OF SCHOOL FACILITIES; TO AMEND SECTION 27-65-75,
 10 MISSISSIPPI CODE OF 1972, TO PROVIDE FOR THE RE-DISTRIBUTION OF
 11 THE SALES TAX REVENUES DIVERTED FOR SAID PROGRAM TO BE UTILIZED
 12 FOR TEXTBOOKS AND SCHOOL SUPPLIES; TO PROVIDE FOR DISTRIBUTION OF
 13 SUCH SALES TAXES DIVERTED TO BE PAID IN GRANTS DIRECTLY TO LOCAL
 14 SCHOOL DISTRICTS FOR FACILITIES FOR FISCAL YEAR 2004 AND
 15 THEREAFTER; AND FOR RELATED PURPOSES.

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

17 **SECTION 1.** Sections 37-45-1, 37-45-3, 37-45-5, 37-45-7,
 18 37-45-9, 37-45-11, 37-45-13, 37-45-15, 37-45-17, 37-45-19,
 19 37-45-21, 37-45-23, 37-45-25, 37-45-27, 37-45-29, 37-45-31,
 20 37-45-33, 37-45-35, 37-45-37, 37-45-39, 37-45-41, 37-45-43,
 21 37-45-45, 37-45-47, 37-45-49, 37-45-51, 37-45-53, 37-45-55,
 22 37-45-57, 37-45-59, 37-45-61 and 37-45-63, which set forth the
 23 administration of the State Aid Construction Program by the State
 24 Board of Education and the State Department of Education are
 25 repealed. Sections 37-47-1, 37-47-3, 37-47-5, 37-47-7, 37-47-9,
 26 37-47-11, 37-47-13, 37-47-15, 37-47-17, 37-47-19, 37-47-21,
 27 37-47-23, 37-47-25, 37-47-27, 37-47-29, 37-47-31, 37-47-33,
 28 37-47-35, 37-47-37, 37-47-39, 37-47-41, 37-47-43, 37-47-45,
 29 37-47-47, 37-47-49, 37-47-51, 37-47-53, 37-47-55, 37-47-57,
 30 37-47-59, 37-47-61, 37-47-63, 37-47-65, and 37-47-67, which set
 31 forth the authorization and provisions for the State Aid for
 32 Construction of School Facilities, are hereby repealed.



33 **SECTION 2.** Section 27-65-75, Mississippi Code of 1972, is
34 amended as follows:

35 27-65-75. On or before the fifteenth day of each month, the
36 revenue collected under the provisions of this chapter during the
37 preceding month shall be paid and distributed as follows:

38 (1) On or before August 15, 1992, and each succeeding month
39 thereafter through July 15, 1993, eighteen percent (18%) of the
40 total sales tax revenue collected during the preceding month under
41 the provisions of this chapter, except that collected under the
42 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 allocated for distribution to such municipality and paid to such
45 municipal corporation. On or before August 15, 1993, and each
46 succeeding month thereafter, eighteen and one-half percent
47 (18-1/2%) of the total sales tax revenue collected during the
48 preceding month under the provisions of this chapter, except that
49 collected under the provisions of Sections 27-65-15, 27-65-19(3)
50 and 27-65-21, on business activities within a municipal
51 corporation shall be allocated for distribution to such
52 municipality and paid to such municipal corporation.

53 A municipal corporation, for the purpose of distributing the
54 tax under this subsection, shall mean and include all incorporated
55 cities, towns and villages.

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

62 In any county having a county seat which is not an
63 incorporated municipality, the distribution provided hereunder
64 shall be made as though the county seat was an incorporated
65 municipality; however, the distribution to such municipality shall



66 be paid to the county treasury wherein the municipality is located
67 and such funds shall be used for road, bridge and street
68 construction or maintenance therein.

69 (2) On or before September 15, 1987, and each succeeding
70 month thereafter, from the revenue collected under this chapter
71 during the preceding month One Million One Hundred Twenty-five
72 Thousand Dollars (\$1,125,000.00) shall be allocated for
73 distribution to municipal corporations as defined under subsection
74 (1) of this section in the proportion that the number of gallons
75 of gasoline and diesel fuel sold by distributors to consumers and
76 retailers in each such municipality during the preceding fiscal
77 year bears to the total gallons of gasoline and diesel fuel sold
78 by distributors to consumers and retailers in municipalities
79 statewide during the preceding fiscal year. The State Tax
80 Commission shall require all distributors of gasoline and diesel
81 fuel to report to the commission monthly the total number of
82 gallons of gasoline and diesel fuel sold by them to consumers and
83 retailers in each municipality during the preceding month. The
84 State Tax Commission shall have the authority to promulgate such
85 rules and regulations as is necessary to determine the number of
86 gallons of gasoline and diesel fuel sold by distributors to
87 consumers and retailers in each municipality. In determining the
88 percentage allocation of funds under this subsection for the
89 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
90 State Tax Commission may consider gallons of gasoline and diesel
91 fuel sold for a period of less than one (1) fiscal year. For the
92 purposes of this subsection, the term "fiscal year" means the
93 fiscal year beginning July 1 of a year.

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



99 Program created under Section 65-3-97 shall, except as otherwise
100 provided in Section 31-17-127, be deposited into the State
101 Treasury to the credit of the State Highway Fund to be used to
102 fund such Four-Lane Highway Program. The Mississippi Department
103 of Transportation shall provide to the State Tax Commission such
104 information as is necessary to determine the amount of proceeds to
105 be distributed under this subsection.

106 (4) On or before August 15, 1994, and on or before the
107 fifteenth day of each succeeding month through July 15, 1999, from
108 the proceeds of gasoline, diesel fuel or kerosene taxes as
109 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
110 (\$4,000,000.00) shall be deposited in the State Treasury to the
111 credit of a special fund designated as the "State Aid Road Fund,"
112 created by Section 65-9-17. On or before August 15, 1999, and on
113 or before the fifteenth day of each succeeding month, from the
114 total amount of the proceeds of gasoline, diesel fuel or kerosene
115 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
116 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
117 one-fourth percent (23.25%) of such funds, whichever is the
118 greater amount, shall be deposited in the State Treasury to the
119 credit of the "State Aid Road Fund," created by Section 65-9-17.
120 Such funds shall be pledged to pay the principal of and interest
121 on state aid road bonds heretofore issued under Sections 19-9-51
122 through 19-9-77, in lieu of and in substitution for the funds
123 heretofore allocated to counties under this section. Such funds
124 may not be pledged for the payment of any state aid road bonds
125 issued after April 1, 1981; however, this prohibition against the
126 pledging of any such funds for the payment of bonds shall not
127 apply to any bonds for which intent to issue such bonds has been
128 published, for the first time, as provided by law prior to March
129 29, 1981. From the amount of taxes paid into the special fund
130 pursuant to this subsection and subsection (9) of this section,
131 there shall be first deducted and paid the amount necessary to pay



132 the expenses of the Office of State Aid Road Construction, as
133 authorized by the Legislature for all other general and special
134 fund agencies. The remainder of the fund shall be allocated
135 monthly to the several counties in accordance with the following
136 formula:

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

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

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

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

150 The amount of funds allocated to any county under this
151 subsection for any fiscal year after fiscal year 1994 shall not be
152 less than the amount allocated to such county for fiscal year
153 1994. Monies allocated to a county from the State Aid Road Fund
154 for fiscal year 1995 or any fiscal year thereafter that exceed the
155 amount of funds allocated to that county from the State Aid Road
156 Fund for fiscal year 1994, first must be expended by the county
157 for replacement or rehabilitation of bridges on the state aid road
158 system that have a sufficiency rating of less than twenty-five
159 (25), according to National Bridge Inspection standards before
160 such monies may be approved for expenditure by the State Aid Road
161 Engineer on other projects that qualify for the use of state aid
162 road funds.

163 Any reference in the general laws of this state or the
164 Mississippi Code of 1972 to Section 27-5-105 shall mean and be



165 construed to refer and apply to subsection (4) of Section
166 27-65-75.

167 (5) Until July 1, 2003, One Million Six Hundred Sixty-six
168 Thousand Six Hundred Sixty-six Dollars (\$1,666,666.00) each month
169 shall be paid into the special fund known as the "Textbook and
170 School Supply Fund" to be distributed to all school districts.
171 Such money shall be proportionately expended for the textbooks and
172 school supplies as specified in Section 37-61-33. Such payments
173 into said fund are to be made on the last day of each succeeding
174 month hereafter.

175 From and after July 1, 2003, One Million Six Hundred
176 Sixty-Six Thousand Six Hundred Sixty-six Dollars (\$1,666,666.00)
177 each month shall be paid into the special fund known as the
178 "Buildings and Buses Fund" to be distributed to all school
179 districts. Such money shall be distributed to all school districts
180 in the proportion that the average daily attendance of each school
181 district bears to the average daily attendance of all school
182 districts within the state for the same purposes as specified in
183 Section 37-61-33, without further regulation or control by the
184 State Board of Education or the State Department of Education.
185 Such payments into said fund are to be made on the last day of
186 each succeeding month hereafter.

187 (6) An amount each month beginning August 15, 1983, through
188 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
189 of 1983, shall be paid into the special fund known as the
190 Correctional Facilities Construction Fund created in Section 6 of
191 Chapter 542, Laws of 1983.

192 (7) On or before August 15, 1992, and each succeeding month
193 thereafter through July 15, 2000, two and two hundred sixty-six
194 one-thousandths percent (2.266%) of the total sales tax revenue
195 collected during the preceding month under the provisions of this
196 chapter, except that collected under the provisions of Section
197 27-65-17(2) shall be deposited by the commission into the School



198 Ad Valorem Tax Reduction Fund created pursuant to Section
199 37-61-35. On or before August 15, 2000, and each succeeding month
200 thereafter, two and two hundred sixty-six one-thousandths percent
201 (2.266%) of the total sales tax revenue collected during the
202 preceding month under the provisions of this chapter, except that
203 collected under the provisions of Section 27-65-17(2), shall be
204 deposited into the School Ad Valorem Tax Reduction Fund created
205 under Section 37-61-35 until such time that the total amount
206 deposited into the fund during a fiscal year equals Forty-two
207 Million Dollars (\$42,000,000.00). Thereafter, the amounts
208 diverted under this subsection (7) during the fiscal year in
209 excess of Forty-two Million Dollars (\$42,000,000.00) shall be
210 deposited into the Education Enhancement Fund created under
211 Section 37-61-33 for appropriation by the Legislature as other
212 education needs and shall not be subject to the percentage
213 appropriation requirements set forth in Section 37-61-33.

214 (8) On or before August 15, 1992, and each succeeding month
215 thereafter, nine and seventy-three one-thousandths percent
216 (9.073%) of the total sales tax revenue collected during the
217 preceding month under the provisions of this chapter, except that
218 collected under the provisions of Section 27-65-17(2) shall be
219 deposited into the Education Enhancement Fund created pursuant to
220 Section 37-61-33.

221 (9) On or before August 15, 1994, and each succeeding month
222 thereafter, from the revenue collected under this chapter during
223 the preceding month, Two Hundred Fifty Thousand Dollars
224 (\$250,000.00) shall be paid into the State Aid Road Fund.

225 (10) On or before August 15, 1994, and each succeeding month
226 thereafter through August 15, 1995, from the revenue collected
227 under this chapter during the preceding month, Two Million Dollars
228 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
229 Valorem Tax Reduction Fund established in Section 27-51-105.



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

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

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

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



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

269 (16) On or before August 15, 2000, and each succeeding month
270 thereafter, the sales tax revenue collected during the preceding
271 month under the provisions of this chapter on the gross proceeds
272 of sales of a project as defined in Section 57-30-1 shall be
273 deposited, after all diversions except the diversion provided for
274 in subsection (1) of this section, into the Sales Tax Incentive
275 Fund created in Section 57-30-3.

276 (17) The remainder of the amounts collected under the
277 provisions of this chapter shall be paid into the State Treasury
278 to the credit of the General Fund.

279 (18) It shall be the duty of the municipal officials of any
280 municipality which expands its limits, or of any community which
281 incorporates as a municipality, to notify the commissioner of such
282 action thirty (30) days before the effective date. Failure to so
283 notify the commissioner shall cause such municipality to forfeit
284 the revenue which it would have been entitled to receive during
285 this period of time when the commissioner had no knowledge of the
286 action. If any funds have been erroneously disbursed to any
287 municipality or any overpayment of tax is recovered by the
288 taxpayer, the commissioner may make correction and adjust the
289 error or overpayment with such municipality by withholding the
290 necessary funds from any subsequent payment to be made to the
291 municipality.

292 **SECTION 3.** This act shall take effect and be in force from
293 and after July 1, 2002.

