

By: Representative Ishee

To: Ways and Means

HOUSE BILL NO. 396

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF ANY  
2 MUNICIPALITY TO IMPOSE A SPECIAL SALES TAX OF NOT MORE THAN ONE  
3 PERCENT ON THE GROSS PROCEEDS OF ALL SALES OR THE GROSS INCOME OF  
4 BUSINESSES IN THE MUNICIPALITY DERIVED FROM ACTIVITIES TAXED AT  
5 THE RATE OF SEVEN PERCENT OR MORE UNDER THE MISSISSIPPI SALES TAX  
6 LAW; TO PROVIDE THAT THE SPECIAL SALES TAX SHALL NOT BE LEVIED  
7 UNLESS AUTHORIZED BY AT LEAST THREE-FIFTHS OF THE VOTES CAST AT AN  
8 ELECTION CALLED AND HELD FOR SUCH PURPOSE; TO AUTHORIZE A  
9 MUNICIPALITY TO INCUR INDEBTEDNESS IN AN AMOUNT NOT GREATER THAN  
10 AN AMOUNT FOR WHICH DEBT SERVICE IS CAPABLE OF BEING FUNDED BY THE  
11 PROCEEDS OF THE SPECIAL SALES TAX; TO PROVIDE THAT THE SPECIAL  
12 SALES TAX REVENUE COLLECTED PURSUANT TO SUCH A TAX SHALL BE USED  
13 AND EXPENDED BY THE MUNICIPALITY ONLY TO FUND THE CONSTRUCTION OF  
14 CERTAIN TRANSPORTATION INFRASTRUCTURE PROJECTS AND/OR OTHER  
15 CAPITAL PROJECTS; TO PROVIDE FOR THE DISCONTINUANCE OF THE SPECIAL  
16 SALES TAX UPON COMPLETION OF THE FUNDING OF THE CONSTRUCTION FOR  
17 WHICH THE TAX WAS LEVIED; TO AMEND SECTIONS 21-33-303 AND  
18 27-65-75, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND FOR  
19 RELATED PURPOSES.

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

21 **SECTION 1.** The governing authorities of any municipality may  
22 impose upon all persons as a privilege for engaging or continuing  
23 in business or doing business within such municipality, a special  
24 sales tax at the rate of not more than one percent (1%) of the  
25 gross proceeds of sales or gross income of the business, as the  
26 case may be, derived from any of the activities taxed at the rate  
27 of seven percent (7%) or more under the Mississippi Sales Tax Law,  
28 Section 27-65-1 et seq., as provided hereinafter. The tax levied  
29 under this section shall apply to every person making sales,  
30 delivery or installations of tangible personal property or  
31 services within any municipality which has adopted the levy herein  
32 authorized but shall not apply to sales exempted by Sections  
33 27-65-19, 27-65-101, 27-65-103, 27-65-105, 27-65-107, 27-65-109  
34 and 27-65-111 of the Mississippi Sales Tax Law.



35           SECTION 2. (1) The governing authorities of the  
36 municipality shall specify in the resolution ordering the election  
37 required by subsection (2) of this section, the specific  
38 transportation infrastructure projects or other capital projects,  
39 or both, that the revenue collected pursuant to the tax levy may  
40 be used and expended to construct.

41           (2) The tax levy authorized herein shall not be made unless  
42 authorized by at least three-fifths (3/5) of the votes cast at an  
43 election to be called and held for that purpose. Notice of such  
44 election shall be given, the election shall be held and the result  
45 thereof determined, as far as is practicable, in the same manner  
46 as other elections are held in the municipality. At such  
47 election, all qualified electors of the municipality may vote.  
48 The ballots used at such election shall have printed thereon a  
49 brief description of the sales tax, the amount of the sales tax  
50 levy, a description of the specific transportation infrastructure  
51 projects or other capital projects, or both, that the tax revenue  
52 may be used and expended to construct and the words "FOR THE LOCAL  
53 SALES TAX" and "AGAINST THE LOCAL SALES TAX" and the voter shall  
54 vote by placing a cross (X) or check mark (✓) opposite his choice  
55 on the proposition. When the results of the election have been  
56 canvassed by the election commissioners of the municipality and  
57 certified by them to the governing authorities, it shall be the  
58 duty of such governing authorities to determine and adjudicate  
59 whether at least three-fifths (3/5) of the qualified electors who  
60 voted in such election voted in favor of the tax. If the election  
61 results in favor of the levy, the governing authorities shall  
62 adopt a resolution declaring the levy and collection of the tax  
63 provided in Sections 1 through 3 of this act and shall set the  
64 first day of the second month following the date of such adoption  
65 as the effective date of the tax levy. A certified copy of this  
66 resolution together with the result of the election shall be



67 furnished to the State Tax Commission not less than thirty (30)  
68 days before the effective date of the levy.

69 **SECTION 3.** (1) The special sales tax authorized by Sections  
70 1 through 3 of this act shall be collected by the State Tax  
71 Commission, shall be accounted for separately from the amount of  
72 sales tax collected for the state in the municipality and shall be  
73 paid to the municipality in which collected. Payments to the  
74 municipalities shall be made by the State Tax Commission on or  
75 before the fifteenth day of the month following the month in which  
76 the tax was collected.

77 (2) The proceeds of the special sales tax shall be placed  
78 into a separate fund apart from the municipal general fund and any  
79 other funds of the municipality, and shall be expended by the  
80 municipality solely for the purpose of paying any indebtedness or  
81 other obligation the municipality may incur for the transportation  
82 infrastructure project or other capital projects, or both,  
83 specified in the resolution ordering the election.

84 (3) All provisions of the Mississippi Sales Tax Law  
85 applicable to filing of returns, discounts to the taxpayer,  
86 remittances to the State Tax Commission, enforced collection,  
87 rights of taxpayers, recovery of improper taxes, refunds of  
88 overpaid taxes or other provisions of law providing for imposition  
89 and collection of the state sales tax shall apply to the special  
90 sales tax authorized by Sections 1 through 3 of this act, except  
91 where there is a conflict, in which case the provisions of  
92 Sections 1 through 3 of this act shall control. Any damages,  
93 penalties or interest collected for the nonpayment of taxes  
94 imposed under Sections 1 through 3 of this act, or for  
95 noncompliance with the provisions of Sections 1 through 3 of this  
96 act, shall be paid to the municipality in which such damages,  
97 penalties or interest were collected on the same basis and in the  
98 same manner as the tax proceeds. Any overpayment of tax for any  
99 reason that has been disbursed to any municipality or any payment



100 of the tax to any municipality in error may be adjusted by the  
101 State Tax Commission on any subsequent payment to the municipality  
102 involved pursuant to the provisions of the Mississippi Sales Tax  
103 Law. The State Tax Commission may, from time to time, make such  
104 rules and regulations not inconsistent with Sections 1 through 3  
105 of this act as may be deemed necessary to carry out the provisions  
106 of Sections 1 through 3 of this act, and such rules and  
107 regulations shall have the full force and effect of law.

108 (4) The special sales tax shall be discontinued by the  
109 governing authorities of the municipality on the first day of the  
110 month immediately succeeding the date any indebtedness incurred  
111 pursuant to Section 4 of this act, including interest, is retired,  
112 or in the event the municipality incurs no indebtedness, the first  
113 day of the month after all obligations for the construction of the  
114 transportation infrastructure projects or other capital projects,  
115 or both, have been paid. Any amount remaining in the separate  
116 fund containing the proceeds of the special tax not necessary to  
117 retire the debt or pay any other obligations, shall be transferred  
118 to the municipal general fund.

119 **SECTION 4.** The governing authorities of any municipality  
120 that levies a special sales tax pursuant to Sections 1 through 3  
121 of this act may incur indebtedness of the municipality in an  
122 aggregate principal amount that is not in excess of an amount for  
123 which debt service is capable of being funded by the proceeds of  
124 the special sales tax levied pursuant to Sections 1 through 3 of  
125 this act. The indebtedness authorized by this section shall not  
126 be considered when computing any limitation of indebtedness of the  
127 municipality established by law.

128 **SECTION 5.** Section 21-33-303, Mississippi Code of 1972, is  
129 amended as follows:

130 21-33-303. No municipality shall hereafter issue bonds  
131 secured by a pledge of its full faith and credit for the purposes  
132 authorized by law in an amount which, when added to the then



133 outstanding bonded indebtedness of such municipality, shall exceed  
134 either (a) fifteen percent (15%) of the assessed value of the  
135 taxable property within such municipality, according to the last  
136 completed assessment for taxation, or (b) ten percent (10%) of the  
137 assessment upon which taxes were levied for its fiscal year ending  
138 September 30, 1984, whichever is greater. In computing such  
139 indebtedness, there may be deducted all bonds or other evidences  
140 of indebtedness, heretofore or hereafter issued, for school,  
141 water, sewerage systems, gas, and light and power purposes and for  
142 the construction of special improvements primarily chargeable to  
143 the property benefited, or for the purpose of paying the  
144 municipality's proportion of any betterment program, a portion of  
145 which is primarily chargeable to the property benefited. However,  
146 in no case shall any municipality contract any indebtedness which,  
147 when added to all of the outstanding general obligation  
148 indebtedness, both bonded and floating, shall exceed either (a)  
149 twenty percent (20%) of the assessed value of all taxable property  
150 within such municipality according to the last completed  
151 assessment for taxation or (b) fifteen percent (15%) of the  
152 assessment upon which taxes were levied for its fiscal year ending  
153 September 30, 1984, whichever is greater. Nothing herein  
154 contained shall be construed to apply to contract obligations in  
155 any form heretofore or hereafter incurred by any municipality  
156 which are subject to annual appropriations therefor, or to bonds  
157 heretofore issued by any municipality for school purposes, or to  
158 contract obligations in any form heretofore or hereafter incurred  
159 by any municipality which are payable exclusively from the  
160 revenues of any municipally-owned utility, or to bonds issued by  
161 any municipality under the provisions of Sections 57-1-1 through  
162 57-1-51, or to any special assessment improvement bonds issued by  
163 any municipality under the provisions of Sections 21-41-1 through  
164 21-41-53, or to any indebtedness incurred under Section 55-23-8,



165 or to any indebtedness incurred under Section 4 of House Bill No.  
166 396, 2003 Regular Session.

167 All bonds issued prior to July 1, 1990, pursuant to this  
168 chapter by any municipality for the purpose of the constructing,  
169 replacing, renovating or improving wastewater collection and  
170 treatment facilities in order to comply with an administrative  
171 order of the Mississippi Department of Natural Resources issued  
172 pursuant to the Federal Water Pollution Control Act and amendments  
173 thereto, are hereby exempt from the limitation imposed by this  
174 section if the governing body of the municipality adopts an order,  
175 resolution or ordinance to the effect that the rates paid by the  
176 users of such facilities shall be increased to the extent  
177 necessary to provide sufficient funds for the payment of the  
178 principal of and interest on such bonds as each respectively  
179 becomes due and payable as well as the necessary expenses in  
180 connection with the operation and maintenance of such facilities.

181 **SECTION 6.** Section 27-65-75, Mississippi Code of 1972, is  
182 amended as follows:

183 27-65-75. On or before the fifteenth day of each month, the  
184 revenue collected under the provisions of this chapter during the  
185 preceding month shall be paid and distributed as follows:

186 (1) On or before August 15, 1992, and each succeeding month  
187 thereafter through July 15, 1993, eighteen percent (18%) of the  
188 total sales tax revenue collected during the preceding month under  
189 the provisions of this chapter, except that collected under the  
190 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
191 business activities within a municipal corporation shall be  
192 allocated for distribution to such municipality and paid to such  
193 municipal corporation. On or before August 15, 1993, and each  
194 succeeding month thereafter, eighteen and one-half percent  
195 (18-1/2%) of the total sales tax revenue collected during the  
196 preceding month under the provisions of this chapter, except that  
197 collected under the provisions of Sections 27-65-15, 27-65-19(3)



198 and 27-65-21, on business activities within a municipal  
199 corporation shall be allocated for distribution to such  
200 municipality and paid to such municipal corporation.

201 A municipal corporation, for the purpose of distributing the  
202 tax under this subsection, shall mean and include all incorporated  
203 cities, towns and villages.

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

210 In any county having a county seat which is not an  
211 incorporated municipality, the distribution provided hereunder  
212 shall be made as though the county seat was an incorporated  
213 municipality; however, the distribution to such municipality shall  
214 be paid to the county treasury wherein the municipality is located  
215 and such funds shall be used for road, bridge and street  
216 construction or maintenance therein.

217 (2) On or before September 15, 1987, and each succeeding  
218 month thereafter, from the revenue collected under this chapter  
219 during the preceding month One Million One Hundred Twenty-five  
220 Thousand Dollars (\$1,125,000.00) shall be allocated for  
221 distribution to municipal corporations as defined under subsection  
222 (1) of this section in the proportion that the number of gallons  
223 of gasoline and diesel fuel sold by distributors to consumers and  
224 retailers in each such municipality during the preceding fiscal  
225 year bears to the total gallons of gasoline and diesel fuel sold  
226 by distributors to consumers and retailers in municipalities  
227 statewide during the preceding fiscal year. The State Tax  
228 Commission shall require all distributors of gasoline and diesel  
229 fuel to report to the commission monthly the total number of  
230 gallons of gasoline and diesel fuel sold by them to consumers and



231 retailers in each municipality during the preceding month. The  
232 State Tax Commission shall have the authority to promulgate such  
233 rules and regulations as is necessary to determine the number of  
234 gallons of gasoline and diesel fuel sold by distributors to  
235 consumers and retailers in each municipality. In determining the  
236 percentage allocation of funds under this subsection for the  
237 fiscal year beginning July 1, 1987, and ending June 30, 1988, the  
238 State Tax Commission may consider gallons of gasoline and diesel  
239 fuel sold for a period of less than one (1) fiscal year. For the  
240 purposes of this subsection, the term "fiscal year" means the  
241 fiscal year beginning July 1 of a year.

242 (3) On or before September 15, 1987, and on or before the  
243 fifteenth day of each succeeding month, until the date specified  
244 in Section 65-39-35, the proceeds derived from contractors' taxes  
245 levied under Section 27-65-21 on contracts for the construction or  
246 reconstruction of highways designated under the highway program  
247 created under Section 65-3-97 shall, except as otherwise provided  
248 in Section 31-17-127, be deposited into the State Treasury to the  
249 credit of the State Highway Fund to be used to fund such \* \* \*  
250 highway program. The Mississippi Department of Transportation  
251 shall provide to the State Tax Commission such information as is  
252 necessary to determine the amount of proceeds to be distributed  
253 under this subsection.

254 (4) On or before August 15, 1994, and on or before the  
255 fifteenth day of each succeeding month through July 15, 1999, from  
256 the proceeds of gasoline, diesel fuel or kerosene taxes as  
257 provided in Section 27-5-101(a)(ii)1, Four Million Dollars  
258 (\$4,000,000.00) shall be deposited in the State Treasury to the  
259 credit of a special fund designated as the "State Aid Road Fund,"  
260 created by Section 65-9-17. On or before August 15, 1999, and on  
261 or before the fifteenth day of each succeeding month, from the  
262 total amount of the proceeds of gasoline, diesel fuel or kerosene  
263 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million





264 Dollars (\$4,000,000.00) or an amount equal to twenty-three and  
265 one-fourth percent (23.25%) of such funds, whichever is the  
266 greater amount, shall be deposited in the State Treasury to the  
267 credit of the "State Aid Road Fund," created by Section 65-9-17.  
268 Such funds shall be pledged to pay the principal of and interest  
269 on state aid road bonds heretofore issued under Sections 19-9-51  
270 through 19-9-77, in lieu of and in substitution for the funds  
271 heretofore allocated to counties under this section. Such funds  
272 may not be pledged for the payment of any state aid road bonds  
273 issued after April 1, 1981; however, this prohibition against the  
274 pledging of any such funds for the payment of bonds shall not  
275 apply to any bonds for which intent to issue such bonds has been  
276 published, for the first time, as provided by law prior to March  
277 29, 1981. From the amount of taxes paid into the special fund  
278 pursuant to this subsection and subsection (9) of this section,  
279 there shall be first deducted and paid the amount necessary to pay  
280 the expenses of the Office of State Aid Road Construction, as  
281 authorized by the Legislature for all other general and special  
282 fund agencies. The remainder of the fund shall be allocated  
283 monthly to the several counties in accordance with the following  
284 formula:

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

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

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



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

298 The amount of funds allocated to any county under this  
299 subsection for any fiscal year after fiscal year 1994 shall not be  
300 less than the amount allocated to such county for fiscal year  
301 1994. Monies allocated to a county from the State Aid Road Fund  
302 for fiscal year 1995 or any fiscal year thereafter that exceed the  
303 amount of funds allocated to that county from the State Aid Road  
304 Fund for fiscal year 1994, first must be expended by the county  
305 for replacement or rehabilitation of bridges on the state aid road  
306 system that have a sufficiency rating of less than twenty-five  
307 (25), according to National Bridge Inspection standards before  
308 such monies may be approved for expenditure by the State Aid Road  
309 Engineer on other projects that qualify for the use of state aid  
310 road funds.

311 Any reference in the general laws of this state or the  
312 Mississippi Code of 1972 to Section 27-5-105 shall mean and be  
313 construed to refer and apply to subsection (4) of Section  
314 27-65-75.

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

321 (6) An amount each month beginning August 15, 1983, through  
322 November 15, 1986, as specified in Section 6 of Chapter 542, Laws  
323 of 1983, shall be paid into the special fund known as the  
324 Correctional Facilities Construction Fund created in Section 6 of  
325 Chapter 542, Laws of 1983.

326 (7) On or before August 15, 1992, and each succeeding month  
327 thereafter through July 15, 2000, two and two hundred sixty-six



328 one-thousandths percent (2.266%) of the total sales tax revenue  
329 collected during the preceding month under the provisions of this  
330 chapter, except that collected under the provisions of Section  
331 27-65-17(2) shall be deposited by the commission into the School  
332 Ad Valorem Tax Reduction Fund created pursuant to Section  
333 37-61-35. On or before August 15, 2000, and each succeeding month  
334 thereafter, two and two hundred sixty-six one-thousandths percent  
335 (2.266%) of the total sales tax revenue collected during the  
336 preceding month under the provisions of this chapter, except that  
337 collected under the provisions of Section 27-65-17(2), shall be  
338 deposited into the School Ad Valorem Tax Reduction Fund created  
339 under Section 37-61-35 until such time that the total amount  
340 deposited into the fund during a fiscal year equals Forty-two  
341 Million Dollars (\$42,000,000.00). Thereafter, the amounts  
342 diverted under this subsection (7) during the fiscal year in  
343 excess of Forty-two Million Dollars (\$42,000,000.00) shall be  
344 deposited into the Education Enhancement Fund created under  
345 Section 37-61-33 for appropriation by the Legislature as other  
346 education needs and shall not be subject to the percentage  
347 appropriation requirements set forth in Section 37-61-33.

348 (8) On or before August 15, 1992, and each succeeding month  
349 thereafter, nine and seventy-three one-thousandths percent  
350 (9.073%) of the total sales tax revenue collected during the  
351 preceding month under the provisions of this chapter, except that  
352 collected under the provisions of Section 27-65-17(2) shall be  
353 deposited into the Education Enhancement Fund created pursuant to  
354 Section 37-61-33.

355 (9) On or before August 15, 1994, and each succeeding month  
356 thereafter, from the revenue collected under this chapter during  
357 the preceding month, Two Hundred Fifty Thousand Dollars  
358 (\$250,000.00) shall be paid into the State Aid Road Fund.

359 (10) On or before August 15, 1994, and each succeeding month  
360 thereafter through August 15, 1995, from the revenue collected



361 under this chapter during the preceding month, Two Million Dollars  
362 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad  
363 Valorem Tax Reduction Fund established in Section 27-51-105.

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

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

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

390 (14) On or before August 15, 1998, and each succeeding month  
391 thereafter through July 15, 2005, that portion of the avails of  
392 the tax imposed in Section 27-65-23 which is derived from sales by  
393 cotton compresses or cotton warehouses and which would otherwise



394 be paid into the General Fund, shall be deposited in an amount not  
395 to exceed Two Million Dollars (\$2,000,000.00) into the special  
396 fund created pursuant to Section 69-37-39.

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

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

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

418 (18) Notwithstanding any other provision of this section to  
419 the contrary, the revenue collected from the special sales tax  
420 authorized under Sections 1 through 3 of House Bill No. 396, 2003  
421 Regular Session, shall be allocated for distribution and  
422 distributed as provided in Section 3 of House Bill No. 396, 2003  
423 Regular Session.

424 (19) The remainder of the amounts collected under the  
425 provisions of this chapter shall be paid into the State Treasury  
426 to the credit of the General Fund.



427           (20) It shall be the duty of the municipal officials of any  
428 municipality which expands its limits, or of any community which  
429 incorporates as a municipality, to notify the commissioner of such  
430 action thirty (30) days before the effective date. Failure to so  
431 notify the commissioner shall cause such municipality to forfeit  
432 the revenue which it would have been entitled to receive during  
433 this period of time when the commissioner had no knowledge of the  
434 action. If any funds have been erroneously disbursed to any  
435 municipality or any overpayment of tax is recovered by the  
436 taxpayer, the commissioner may make correction and adjust the  
437 error or overpayment with such municipality by withholding the  
438 necessary funds from any subsequent payment to be made to the  
439 municipality.

440           **SECTION 7.** The Attorney General of the State of Mississippi  
441 shall submit this act, immediately upon approval by the Governor,  
442 or upon approval by the Legislature subsequent to a veto, to the  
443 Attorney General of the United States or to the United States  
444 District Court for the District of Columbia in accordance with the  
445 provisions of the Voting Rights Act of 1965, as amended and  
446 extended.

447           **SECTION 8.** This act shall take effect and be in force from  
448 and after the date it is effectuated under Section 5 of the Voting  
449 Rights Act of 1965, as amended and extended.

