

By: Representative Flaggs

To: Ways and Means

HOUSE BILL NO. 1294

1 AN ACT TO CREATE THE "ECONOMIC REDEVELOPMENT ACT" TO ASSIST
 2 CERTAIN COUNTIES AND MUNICIPALITIES IN ENCOURAGING ECONOMIC
 3 REDEVELOPMENT OF CERTAIN CONTAMINATED SITES; TO AUTHORIZE THE
 4 MISSISSIPPI DEVELOPMENT AUTHORITY TO DESIGNATE CERTAIN COUNTIES
 5 AND MUNICIPALITIES AS REDEVELOPMENT COUNTIES AND MUNICIPALITIES;
 6 TO PROVIDE THAT CERTAIN COUNTIES AND MUNICIPALITIES MAY APPLY TO
 7 THE MISSISSIPPI DEVELOPMENT AUTHORITY FOR DESIGNATION AS
 8 REDEVELOPMENT COUNTIES AND MUNICIPALITIES; TO PROVIDE AN INCENTIVE
 9 FOR PERSONS, CORPORATIONS OR OTHER ENTITIES THAT INCUR
 10 INDEBTEDNESS TO UNDERTAKE REDEVELOPMENT PROJECTS; TO CREATE THE
 11 REDEVELOPMENT INCENTIVE FUND; TO AUTHORIZE INCENTIVE PAYMENTS FROM
 12 SUCH FUND TO PERSONS, CORPORATIONS OR OTHER ENTITIES THAT INCUR
 13 INDEBTEDNESS TO UNDERTAKE REDEVELOPMENT PROJECTS; TO AUTHORIZE THE
 14 MISSISSIPPI DEVELOPMENT AUTHORITY TO DEVELOP A PROGRAM TO
 15 ADMINISTER THE INCENTIVE PAYMENT AUTHORIZED BY THIS ACT; TO
 16 PROVIDE THAT SALES AND USE TAXES IMPOSED ON SALES AND PURCHASES OF
 17 AN APPROVED BUSINESS ENTERPRISE WITHIN A REDEVELOPMENT PROJECT
 18 AREA, INCOME TAX IMPOSED ON INCOME EARNED BY AN APPROVED BUSINESS
 19 ENTERPRISE WITHIN A REDEVELOPMENT PROJECT AREA, FRANCHISE TAX
 20 IMPOSED ON THE VALUE OF CAPITAL USED, INVESTED OR EMPLOYED BY AN
 21 APPROVED BUSINESS ENTERPRISE WITHIN A REDEVELOPMENT PROJECT AREA,
 22 AND CERTAIN GAMING LICENSE FEES IMPOSED ON AN APPROVED BUSINESS
 23 ENTERPRISE OPERATING WITHIN A REDEVELOPMENT PROJECT AREA, SHALL BE
 24 DEPOSITED INTO THE REDEVELOPMENT PROJECT INCENTIVE FUND; TO AMEND
 25 SECTIONS 27-7-45, 27-13-5, 27-13-7, 27-65-75, 27-67-31 AND
 26 75-76-129, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND
 27 FOR RELATED PURPOSES.

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

29 **SECTION 1.** Section 1 through 6 of this act shall be known
 30 and may be cited as the "Economic Redevelopment Act."

31 **SECTION 2.** The Legislature finds and determines that there
 32 exists in this state a continuing need for programs to assist
 33 certain counties and municipalities in encouraging economic
 34 development, the consequent job creation and retention, additional
 35 private investment and increased local and state revenue which
 36 together insures the further development of a balanced economy.
 37 The Legislature further finds that this need is particularly great
 38 in counties and municipalities where there are located certain
 39 environmentally contaminated sites that are not currently

40 conducive to such economic development. To achieve the combined
41 purposes of encouraging economic development on and around
42 environmentally contaminated sites, it is necessary to assist and
43 encourage such economic development by providing temporary tax
44 incentives within certain counties and municipalities to certain
45 business enterprises.

46 Further, the Legislature finds and determines that the
47 authority granted under Sections 1 through 6 of this act and the
48 purposes to be accomplished hereby are proper governmental and
49 public purposes and that the resulting economic benefits to the
50 state are of paramount importance, mandating that the provisions
51 of Sections 1 through 6 of this act be liberally construed and
52 applied in order to advance the public purposes.

53 **SECTION 3.** As used in Section 1 through 6 of this act, the
54 following words and phrases shall have the meanings ascribed
55 herein unless the context clearly indicates otherwise:

56 (a) "Business enterprise" means any permanent business
57 enterprise locating or relocating within a redevelopment project
58 area including without limitation (i) industry for the
59 manufacturing, processing, assembling, storing, warehousing,
60 servicing, distributing or selling of any products or goods,
61 including products of agriculture; (ii) enterprises for research
62 and development, including, but not limited to, scientific
63 laboratories; (iii) industry for the retail sale of goods and
64 services; (iv) the industry for recreation and hospitality
65 including, but not limited to restaurants, hotels, sports
66 facilities and gaming businesses; and (v) such other businesses or
67 industry as will be in furtherance of the public purposes of
68 Sections 1 through 6 of this act as determined by the MDA.

69 (b) "Contaminated site" means real property that is
70 subject to a bankruptcy court order in which the property has been
71 abandoned from the bankruptcy estate, and the expansion,
72 redevelopment or reuse of which may be complicated by the presence

73 or potential presence of a hazardous substance, pollutant or
74 contaminant.

75 (c) "County" means any county of this state.

76 (d) "Developer" means any person who assumes certain
77 environmental liability at a contaminated site and enters into an
78 agreement with a remedial development county or municipality
79 whereby the developer agrees to under take a redevelopment
80 project. "Developer Agreement" means said agreement.

81 (e) "Governing body" means the board of supervisors of
82 any county or the governing board of a municipality.

83 (f) "Law" means any act or statute, general, special or
84 local, of this state.

85 (g) "MDA" means the Mississippi Development Authority.

86 (h) "MDEQ" means the Mississippi Department of
87 Environmental Quality.

88 (i) "Municipality" means any incorporated municipality
89 in the state.

90 (j) "Person" means a natural person, partnership,
91 association, corporation, business trust or other business entity.

92 (k) "Redevelopment counties and municipalities" means
93 those counties or municipalities which meet the requirements of
94 Sections 1 through 6 of this act and which have by resolution or
95 order designated a redevelopment project area and given its
96 consent to participate in the Redevelopment Counties and
97 Municipalities Program.

98 (l) "Redevelopment project" means a project that
99 combines remediation of a contaminated site with the planned
100 development of such site and surrounding land in a manner
101 conducive to use by the public or business enterprises including
102 the construction of recreational facilities.

103 (m) "Redevelopment project area" means the geographic
104 area defined by resolution of the county or municipality within
105 which the remediation and planned development will take place

106 containing the contaminated site and additional surrounding and
107 adjacent land and waterfront, not exceeding six hundred fifty
108 (650) acres, suitable for development.

109 (n) "Resolution" means an order, resolution, ordinance,
110 act, record of minutes or other appropriate enactment of a
111 governing body.

112 (o) "State taxes and fees" means any sales and use tax
113 imposed on the sales or purchases by a business enterprise
114 pursuant to law within a redevelopment project area, all income
115 tax imposed pursuant to law on income earned by the approved
116 business enterprise within a redevelopment project area, all
117 franchise tax imposed pursuant to law on the value of capital
118 used, invested or employed by the approved business enterprise in
119 a redevelopment project area and all gaming license fees imposed
120 under Section 75-76-177 on any gaming license operating within a
121 redevelopment project area.

122 **SECTION 4.** (1) From and after December 31, 2004, and until
123 December 31, 2009, any counties or municipalities meeting the
124 following conditions may apply to the MDA for the issuance of a
125 certificate of public convenience and necessity:

126 (a) There is located within such county or municipality
127 a contaminated site;

128 (b) There has been established by resolution of the
129 county or municipality a redevelopment project area;

130 (c) There is submitted to the MDA application for
131 designation as a redevelopment county or municipality which, at
132 minimum, contains (i) concurrence of the contaminated site and
133 concurrence and involvement in the remediation plan, (ii) a
134 resolution of the county or municipality setting forth the
135 boundaries of the redevelopment project area and consenting to the
136 designation of the county or municipality as a redevelopment
137 county or municipality and (iii) a developer agreement.

138 (2) If a proposed redevelopment project area falls wholly
139 within the municipality, only the municipality must apply to the
140 MDA for designation as a redevelopment municipality. If a
141 proposed redevelopment project area falls wholly within the
142 county, only the county may apply to the MDA for designation as a
143 redevelopment county. If a proposed redevelopment project area
144 falls partly within an partly without a municipality, then both
145 the county and municipality must apply for designation as a
146 redevelopment county and municipality; however, the county and
147 municipality may submit a single application to the MDA, but the
148 governing bodies of both the county and the municipality must pass
149 resolutions meeting the requirements of paragraph (c)(ii) of
150 subsection (1) of this section.

151 **SECTION 5.** (1) There is created in the State Treasury a
152 special fund to be known as the "Redevelopment Project Incentive
153 Fund," into which shall be deposited all state taxes and fees
154 collected from business enterprises located within the
155 redevelopment project area.

156 The monies in the fund shall be used for the purpose of
157 making the incentive payments authorized in this section. The
158 fund shall be administered by the MDA. Unexpended amounts
159 remaining in the fund at the end of a fiscal year shall not lapse
160 into the General Fund, and any interest earned on or investment
161 earnings on the amounts in the fund shall be deposited to the
162 credit of the fund. The MDA may use not more than one percent
163 (1%) of interest earned or investment earnings, or both, on
164 amounts in the fund for administration and management of the
165 incentive program. The MDEQ may use not more than one percent
166 (1%) of interest earned or investment earnings, or both, on
167 amounts in the fund for oversights costs of the remediation of the
168 contaminated site.

169 (2) Incentive payments may be made by the MDA to a developer
170 in connection with a redevelopment project. The payments to a

171 developer shall be for the amount of state taxes and fees
172 collected from business enterprises located and operating within a
173 redevelopment project area. In the case of sales taxes, the
174 amounts deposited in the Redevelopment Project Incentive Fund
175 shall be reduced by the diversions required in Section 27-65-75,
176 except the diversion provided for in Section 27-65-75(1). The MDA
177 shall make payments to an approved participant on a semiannual
178 basis with payments being made in the months of January and July.
179 The MDA shall make the calculations necessary to make the payments
180 provided for in this section. The MDA shall cease making
181 incentive payments to a developer ten (10) years from the date
182 that is two (2) years after the date on which the remedial
183 development project is approved by the MDA.

184 (3) At such time as payments are no longer required to be
185 made to a developer, the MDA shall notify the State Tax Commission
186 and the state taxes and fees collected from business enterprises
187 located within the redevelopment project area shall no longer be
188 deposited into the Redevelopment Project Incentive Fund.

189 **SECTION 6.** The MDA shall promulgate rules and regulations,
190 in accordance with the Mississippi Administrative Procedures Law,
191 for the implementation and administration of Sections 1 through 6
192 of this act.

193 **SECTION 7.** Section 27-7-45, Mississippi Code of 1972, is
194 amended as follows:

195 27-7-45. (1) The tax levied by this article shall be paid
196 when the return is due except as hereinafter provided.

197 (2) If any officer or employee of the State of Mississippi,
198 or any political subdivision thereof, does not pay his state
199 income tax on or before August 15 after such income tax becomes
200 due and payable, or is in arrears in child support payments for
201 thirty (30) days after such payments become due and payable, his
202 wages, salary or other compensation shall be withheld and paid to
203 the tax commission or the Department of Human Services, as the

204 case may be, in satisfaction of said income tax, interest, and
205 penalty, if any, and any child support arrearage until paid in
206 full. This provision shall apply to any installments of income
207 tax or child support due, after the first installment, to require
208 payment of the entire balance of child support tax due, plus
209 interest and penalty, if any, before an officer or employee of the
210 State of Mississippi, or any political subdivision thereof, is
211 eligible to draw any salary or other emoluments of office. The
212 Tax Commissioner is required to furnish the State Fiscal Officer,
213 chancery clerk, city clerk or other appropriate fiscal officer of
214 a political subdivision, as the case may be, with notice that
215 income taxes have not been paid. The Department of Human Services
216 is required to furnish the officer's or the employee's employer,
217 or other appropriate officer of the State of Mississippi or its
218 political subdivision, as the case may be, with notice that child
219 support payments have not been made. This notice shall serve as a
220 lien or attachment upon any salary or compensation due any
221 employee or officer, disregard of this notice creating personal
222 liability against such officer for the full amount of the income
223 tax due, plus interest and penalty. The State Tax Commission may,
224 in its discretion by order entered upon its minutes, waive the
225 provisions of this subsection on behalf of any public officer or
226 employee in the event of an extended personal illness, an extended
227 illness in his immediate family or other emergency. Regardless of
228 the amount designated in the Department of Human Service's notice
229 for withholding and regardless of other fees imposed or amounts
230 withheld pursuant to this section, the payor shall not deduct from
231 the income of the officer or employee in excess of the amounts
232 allowed under Section 303(b) of the Consumer Credit Protection
233 Act, being 15 USCS 1673, as amended.

234 (3) The tax or child support payment may be paid with
235 uncertified check during such time and under such regulations as
236 the commissioner or the Department of Human Services shall

237 prescribe, but if the check so received is not paid by the bank on
238 which it is drawn, the officer or employee for whom such check is
239 tendered shall remain liable for the payment of the tax, child
240 support payment and for all penalties, the same as if such check
241 had not been tendered.

242 (4) If a corporation is subject to LIFO recapture pursuant
243 to Section 1363(d) of the Code, then

244 (a) Any increase in the tax imposed by Section 27-7-5
245 by reason of the inclusion of the LIFO recapture amount in its
246 income shall be payable in four (4) equal installments;

247 (b) The first installment shall be paid on or before
248 the due date (determined without regard to extensions) for filing
249 the return for the first taxable year for which the corporation
250 was subject to the LIFO recapture;

251 (c) The three (3) succeeding installments shall be paid
252 on or before the due date (determined without regard to
253 extensions) for filing the corporation's return for the three (3)
254 succeeding taxable years; and

255 (d) For purposes of computing interest on
256 underpayments, the last three (3) installments shall not be
257 considered underpayments until after the payment due date
258 specified above.

259 (5) For purposes of this section, a political subdivision
260 includes, but is not limited to, a county or separate school
261 district, institution of higher learning, state college or
262 university, or state community college.

263 (6) The tax levied by this article and paid by a business
264 enterprise located in a redevelopment project area under
265 Sections 1 through 6 of House Bill No._1294, 2005 Regular Session,
266 shall be deposited into the Redevelopment Project Incentive Fund
267 created in Section 5, House Bill No._1294, 2005 Regular Session.

268 **SECTION 8.** Section 27-13-5, Mississippi Code of 1972, is
269 amended as follows:

270 27-13-5. (1) Franchise tax levy. Except as otherwise
271 provided in subsections (3), (4) and (5) of this section, there is
272 hereby imposed, to be paid and collected as hereinafter provided,
273 a franchise or excise tax upon every corporation, association or
274 joint-stock company or partnership treated as a corporation under
275 the income tax laws or regulations, organized or created for
276 pecuniary gain, having privileges not possessed by individuals,
277 and having authorized capital stock now existing in this state, or
278 hereafter organized, created or established, under and by virtue
279 of the laws of the State of Mississippi, equal to Two Dollars and
280 Fifty Cents (\$2.50) for each One Thousand Dollars (\$1,000.00), or
281 fraction thereof, of the value of the capital used, invested or
282 employed in the exercise of any power, privilege or right enjoyed
283 by such organization within this state, except as hereinafter
284 provided. In no case shall the franchise tax due for the
285 accounting period be less than Twenty-five Dollars (\$25.00). It
286 is the purpose of this section to require the payment to the State
287 of Mississippi of this tax for the right granted by the laws of
288 this state to exist as such organization, and to enjoy, under the
289 protection of the laws of this state, the powers, rights,
290 privileges and immunities derived from the state by the form of
291 such existence.

292 (2) Annual report of domestic corporations. Each domestic
293 corporation shall file, within the time prescribed by Section
294 79-3-251, an annual report as required by the provisions of
295 Section 79-3-249.

296 (3) A corporation that has negotiated a fee-in-lieu as
297 defined in Section 57-75-5 shall not be subject to the tax levied
298 by this section on such project; provided, however, that the
299 fee-in-lieu payment shall be otherwise treated in the same manner
300 as the payment of franchise taxes.

301 (4) An approved business enterprise as defined in the Growth
302 and Prosperity Act shall not be subject to the tax levied by this

303 section on the value of capital used, invested or employed by the
304 approved business enterprise in a growth and prosperity county or
305 supervisors district as provided in the Growth and Prosperity Act.

306 (5) A business enterprise operating a project as defined in
307 Section 57-64-33, in a county that is a member of a regional
308 economic development alliance created under the Regional Economic
309 Development Act shall not be subject to the tax levied by this
310 section on the value of capital used, invested or employed by the
311 business enterprise in such a county as provided in Section
312 57-64-33.

313 (6) The tax levied by this chapter and paid by a business
314 enterprise located in a redevelopment project area under Sections
315 1 through 6 of House Bill No. 1294, 2005 Regular Session, shall be
316 deposited into the Redevelopment Project Incentive Fund created in
317 Section 5, House Bill No. 1294, 2005 Regular Session.

318 **SECTION 9.** Section 27-13-7, Mississippi Code of 1972, is
319 amended as follows:

320 27-13-7. (1) Franchise tax levy. Except as otherwise
321 provided in subsections (3), (4) and (5) of this section, there is
322 hereby imposed, levied and assessed upon every corporation,
323 association or joint-stock company, or partnership treated as a
324 corporation under the Income Tax Laws or regulations as
325 hereinbefore defined, organized and existing under and by virtue
326 of the laws of some other state, territory or country, or
327 organized and existing without any specific statutory authority,
328 now or hereafter doing business or exercising any power, privilege
329 or right within this state, as hereinbefore defined, a franchise
330 or excise tax equal to Two Dollars and Fifty Cents (\$2.50) of each
331 One Thousand Dollars (\$1,000.00), or fraction thereof, of the
332 value of capital used, invested or employed within this state,
333 except as hereinafter provided. In no case shall the franchise
334 tax due for the accounting period be less than Twenty-five Dollars
335 (\$25.00). It is the purpose of this section to require the

336 payment of a tax by all organizations not organized under the laws
337 of this state, measured by the amount of capital or its
338 equivalent, for which such organization receives the benefit and
339 protection of the government and laws of the state.

340 (2) Annual report of foreign corporations. Each foreign
341 corporation authorized to transact business in this state shall
342 file, within the time prescribed by Section 79-3-251, an annual
343 report as required by the provisions of Section 79-3-249.

344 (3) A corporation that has negotiated a fee-in-lieu as
345 defined in Section 57-75-5 shall not be subject to the tax levied
346 by this section on such project; provided, however, that the
347 fee-in-lieu payment shall be otherwise treated in the same manner
348 as the payment of franchise taxes.

349 (4) An approved business enterprise as defined in the Growth
350 and Prosperity Act shall not be subject to the tax levied by this
351 section on the value of capital used, invested or employed by the
352 approved business enterprise in a growth and prosperity county or
353 supervisors district as provided in the Growth and Prosperity Act.

354 (5) A business enterprise operating a project as defined in
355 Section 57-64-33, in a county that is a member of a regional
356 economic development alliance created under the Regional Economic
357 Development Act shall not be subject to the tax levied by this
358 section on the value of capital used, invested or employed by the
359 business enterprise in such a county as provided in Section
360 57-64-33.

361 (6) The tax levied by this chapter and paid by a business
362 enterprise located in a redevelopment project area under Sections
363 1 through 6 of House Bill No. 1294, 2005 Regular Session, shall be
364 deposited into the Redevelopment Project Incentive Fund created in
365 Section 5, House Bill No. 1294, 2005 Regular Session.

366 **SECTION 10.** Section 27-65-75, Mississippi Code of 1972, is
367 amended as follows:

368 27-65-75. On or before the fifteenth day of each month, the
369 revenue collected under the provisions of this chapter during the
370 preceding month shall be paid and distributed as follows:

371 (1) On or before August 15, 1992, and each succeeding month
372 thereafter through July 15, 1993, eighteen percent (18%) of the
373 total sales tax revenue collected during the preceding month under
374 the provisions of this chapter, except that collected under the
375 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
376 business activities within a municipal corporation shall be
377 allocated for distribution to the municipality and paid to the
378 municipal corporation. On or before August 15, 1993, and each
379 succeeding month thereafter, eighteen and one-half percent
380 (18-1/2%) of the total sales tax revenue collected during the
381 preceding month under the provisions of this chapter, except that
382 collected under the provisions of Sections 27-65-15, 27-65-19(3)
383 and 27-65-21, on business activities within a municipal
384 corporation shall be allocated for distribution to the
385 municipality and paid to the municipal corporation.

386 A municipal corporation, for the purpose of distributing the
387 tax under this subsection, shall mean and include all incorporated
388 cities, towns and villages.

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

395 In any county having a county seat that is not an
396 incorporated municipality, the distribution provided under this
397 subsection shall be made as though the county seat was an
398 incorporated municipality; however, the distribution to the
399 municipality shall be paid to the county treasury in which the

400 municipality is located, and those funds shall be used for road,
401 bridge and street construction or maintenance in the county.

402 (2) On or before September 15, 1987, and each succeeding
403 month thereafter, from the revenue collected under this chapter
404 during the preceding month One Million One Hundred Twenty-five
405 Thousand Dollars (\$1,125,000.00) shall be allocated for
406 distribution to municipal corporations as defined under subsection
407 (1) of this section in the proportion that the number of gallons
408 of gasoline and diesel fuel sold by distributors to consumers and
409 retailers in each such municipality during the preceding fiscal
410 year bears to the total gallons of gasoline and diesel fuel sold
411 by distributors to consumers and retailers in municipalities
412 statewide during the preceding fiscal year. The State Tax
413 Commission shall require all distributors of gasoline and diesel
414 fuel to report to the commission monthly the total number of
415 gallons of gasoline and diesel fuel sold by them to consumers and
416 retailers in each municipality during the preceding month. The
417 State Tax Commission shall have the authority to promulgate such
418 rules and regulations as is necessary to determine the number of
419 gallons of gasoline and diesel fuel sold by distributors to
420 consumers and retailers in each municipality. In determining the
421 percentage allocation of funds under this subsection for the
422 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
423 State Tax Commission may consider gallons of gasoline and diesel
424 fuel sold for a period of less than one (1) fiscal year. For the
425 purposes of this subsection, the term "fiscal year" means the
426 fiscal year beginning July 1 of a year.

427 (3) On or before September 15, 1987, and on or before the
428 fifteenth day of each succeeding month, until the date specified
429 in Section 65-39-35, the proceeds derived from contractors' taxes
430 levied under Section 27-65-21 on contracts for the construction or
431 reconstruction of highways designated under the highway program
432 created under Section 65-3-97 shall, except as otherwise provided

433 in Section 31-17-127, be deposited into the State Treasury to the
434 credit of the State Highway Fund to be used to fund that highway
435 program. The Mississippi Department of Transportation shall
436 provide to the State Tax Commission such information as is
437 necessary to determine the amount of proceeds to be distributed
438 under this subsection.

439 (4) On or before August 15, 1994, and on or before the
440 fifteenth day of each succeeding month through July 15, 1999, from
441 the proceeds of gasoline, diesel fuel or kerosene taxes as
442 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
443 (\$4,000,000.00) shall be deposited in the State Treasury to the
444 credit of a special fund designated as the "State Aid Road Fund,"
445 created by Section 65-9-17. On or before August 15, 1999, and on
446 or before the fifteenth day of each succeeding month, from the
447 total amount of the proceeds of gasoline, diesel fuel or kerosene
448 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
449 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
450 one-fourth percent (23.25%) of those funds, whichever is the
451 greater amount, shall be deposited in the State Treasury to the
452 credit of the "State Aid Road Fund," created by Section 65-9-17.
453 Those funds shall be pledged to pay the principal of and interest
454 on state aid road bonds heretofore issued under Sections 19-9-51
455 through 19-9-77, in lieu of and in substitution for the funds
456 previously allocated to counties under this section. Those funds
457 may not be pledged for the payment of any state aid road bonds
458 issued after April 1, 1981; however, this prohibition against the
459 pledging of any such funds for the payment of bonds shall not
460 apply to any bonds for which intent to issue those bonds has been
461 published, for the first time, as provided by law before March 29,
462 1981. From the amount of taxes paid into the special fund under
463 this subsection and subsection (9) of this section, there shall be
464 first deducted and paid the amount necessary to pay the expenses
465 of the Office of State Aid Road Construction, as authorized by the

466 Legislature for all other general and special fund agencies. The
467 remainder of the fund shall be allocated monthly to the several
468 counties in accordance with the following formula:

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

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

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

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

482 The amount of funds allocated to any county under this
483 subsection for any fiscal year after fiscal year 1994 shall not be
484 less than the amount allocated to the county for fiscal year 1994.
485 Monies allocated to a county from the State Aid Road Fund for
486 fiscal year 1995 or any fiscal year thereafter that exceed the
487 amount of funds allocated to that county from the State Aid Road
488 Fund for fiscal year 1994, first must be expended by the county
489 for replacement or rehabilitation of bridges on the state aid road
490 system that have a sufficiency rating of less than twenty-five
491 (25), according to National Bridge Inspection standards before
492 the monies may be approved for expenditure by the State Aid Road
493 Engineer on other projects that qualify for the use of state aid
494 road funds.

495 Any reference in the general laws of this state or the
496 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
497 construed to refer and apply to subsection (4) of Section
498 27-65-75.

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

505 (6) An amount each month beginning August 15, 1983, through
506 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
507 of 1983, shall be paid into the special fund known as the
508 Correctional Facilities Construction Fund created in Section 6 of
509 Chapter 542, Laws of 1983.

510 (7) On or before August 15, 1992, and each succeeding month
511 thereafter through July 15, 2000, two and two hundred sixty-six
512 one-thousandths percent (2.266%) of the total sales tax revenue
513 collected during the preceding month under the provisions of this
514 chapter, except that collected under the provisions of Section
515 27-65-17(2) shall be deposited by the commission into the School
516 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
517 or before August 15, 2000, and each succeeding month thereafter,
518 two and two hundred sixty-six one-thousandths percent (2.266%) of
519 the total sales tax revenue collected during the preceding month
520 under the provisions of this chapter, except that collected under
521 the provisions of Section 27-65-17(2), shall be deposited into the
522 School Ad Valorem Tax Reduction Fund created under Section
523 37-61-35 until such time that the total amount deposited into the
524 fund during a fiscal year equals Forty-two Million Dollars
525 (\$42,000,000.00). Thereafter, the amounts diverted under this
526 subsection (7) during the fiscal year in excess of Forty-two
527 Million Dollars (\$42,000,000.00) shall be deposited into the
528 Education Enhancement Fund created under Section 37-61-33 for
529 appropriation by the Legislature as other education needs and
530 shall not be subject to the percentage appropriation requirements
531 set forth in Section 37-61-33.

532 (8) On or before August 15, 1992, and each succeeding month
533 thereafter, nine and seventy-three one-thousandths percent
534 (9.073%) of the total sales tax revenue collected during the
535 preceding month under the provisions of this chapter, except that
536 collected under the provisions of Section 27-65-17(2), shall be
537 deposited into the Education Enhancement Fund created under
538 Section 37-61-33.

539 (9) On or before August 15, 1994, and each succeeding month
540 thereafter, from the revenue collected under this chapter during
541 the preceding month, Two Hundred Fifty Thousand Dollars
542 (\$250,000.00) shall be paid into the State Aid Road Fund.

543 (10) On or before August 15, 1994, and each succeeding month
544 thereafter through August 15, 1995, from the revenue collected
545 under this chapter during the preceding month, Two Million Dollars
546 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
547 Valorem Tax Reduction Fund established in Section 27-51-105.

548 (11) Notwithstanding any other provision of this section to
549 the contrary, on or before February 15, 1995, and each succeeding
550 month thereafter, the sales tax revenue collected during the
551 preceding month under the provisions of Section 27-65-17(2) and
552 the corresponding levy in Section 27-65-23 on the rental or lease
553 of private carriers of passengers and light carriers of property
554 as defined in Section 27-51-101 shall be deposited, without
555 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
556 established in Section 27-51-105.

557 (12) Notwithstanding any other provision of this section to
558 the contrary, on or before August 15, 1995, and each succeeding
559 month thereafter, the sales tax revenue collected during the
560 preceding month under the provisions of Section 27-65-17(1) on
561 retail sales of private carriers of passengers and light carriers
562 of property, as defined in Section 27-51-101 and the corresponding
563 levy in Section 27-65-23 on the rental or lease of these vehicles,

564 shall be deposited, after diversion, into the Motor Vehicle Ad
565 Valorem Tax Reduction Fund established in Section 27-51-105.

566 (13) On or before July 15, 1994, and on or before the
567 fifteenth day of each succeeding month thereafter, that portion of
568 the avails of the tax imposed in Section 27-65-22 that is derived
569 from activities held on the Mississippi state fairgrounds complex,
570 shall be paid into a special fund that is created in the State
571 Treasury and shall be expended upon legislative appropriation
572 solely to defray the costs of repairs and renovation at the Trade
573 Mart and Coliseum.

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

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

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

595 (17) Notwithstanding any other provision of this section to
596 the contrary, on or before April 15, 2002, and each succeeding

597 month thereafter, the sales tax revenue collected during the
598 preceding month under Section 27-65-23 on sales of parking
599 services of parking garages and lots at airports shall be
600 deposited, without diversion, into the special fund created under
601 Section 27-5-101(d).

602 (18) On or before August 15, 2005, and each succeeding month
603 thereafter through July 15, 2006, from the sales tax revenue
604 collected during the preceding month under the provisions of this
605 chapter, Two Million Five Hundred Thousand Dollars (\$2,500,000.00)
606 shall be deposited into the Special Funds Transfer Fund created in
607 Section 4 of Chapter 556, Laws of 2003.

608 (19) On or before August 15, 2005, and each succeeding month
609 thereafter, the sales tax revenue collected during the preceding
610 month under the provisions of this chapter on the gross proceeds
611 of sales of a business enterprise within a redevelopment project
612 area under the provisions of Sections 1 through 6 of House Bill
613 No. 1294, 2005 Regular Session, and the revenue collected on the
614 gross proceeds of sales from sales made to a business enterprise
615 in a redevelopment project area under the provisions of Sections 1
616 through 6 of House Bill No. 1294, 2005 Regular Session, shall be
617 deposited, after all diversions except the diversion provided for
618 in subsection (1) of this section, into the Redevelopment Project
619 Incentive Fund as created in Section 5 of House Bill No. 1294,
620 2005 Regular Session.

621 (20) The remainder of the amounts collected under the
622 provisions of this chapter shall be paid into the State Treasury
623 to the credit of the General Fund.

624 (21) It shall be the duty of the municipal officials of any
625 municipality that expands its limits, or of any community that
626 incorporates as a municipality, to notify the commissioner of
627 that action thirty (30) days before the effective date. Failure
628 to so notify the commissioner shall cause the municipality to
629 forfeit the revenue that it would have been entitled to receive

630 during this period of time when the commissioner had no knowledge
631 of the action. If any funds have been erroneously disbursed to
632 any municipality or any overpayment of tax is recovered by the
633 taxpayer, the commissioner may make correction and adjust the
634 error or overpayment with the municipality by withholding the
635 necessary funds from any later payment to be made to the
636 municipality.

637 **SECTION 11.** Section 27-67-31, Mississippi Code of 1972, is
638 amended as follows:

639 27-67-31. All administrative provisions of the sales tax
640 law, and amendments thereto, including those which fix damages,
641 penalties and interest for failure to comply with the provisions
642 of said sales tax law, and all other requirements and duties
643 imposed upon taxpayer, shall apply to all persons liable for use
644 taxes under the provisions of this article. The commissioner
645 shall exercise all power and authority and perform all duties with
646 respect to taxpayers under this article as are provided in said
647 sales tax law, except where there is conflict, then the provisions
648 of this article shall control.

649 The commissioner may require transportation companies to
650 permit the examination of waybills, freight bills, or other
651 documents covering shipments of tangible personal property into
652 this state.

653 On or before the fifteenth day of each month, the amount
654 received from taxes, damages and interest under the provisions of
655 this article during the preceding month shall be paid and
656 distributed as follows:

657 (a) On or before July 15, 1994, through July 15, 2000,
658 and each succeeding month thereafter, two and two hundred
659 sixty-six one-thousandths percent (2.266%) of the total use tax
660 revenue collected during the preceding month under the provisions
661 of this article shall be deposited in the School Ad Valorem Tax
662 Reduction Fund created pursuant to Section 37-61-35. On or before

663 August 15, 2000, and each succeeding month thereafter, two and two
664 hundred sixty-six one-thousandths percent (2.266%) of the total
665 use tax revenue collected during the preceding month under the
666 provisions of this chapter shall be deposited into the School Ad
667 Valorem Tax Reduction Fund created under Section 37-61-35 until
668 such time that the total amount deposited into the fund during a
669 fiscal year equals Four Million Dollars (\$4,000,000.00).
670 Thereafter, the amounts diverted under this paragraph (a) during
671 the fiscal year in excess of Four Million Dollars (\$4,000,000.00)
672 shall be deposited into the Education Enhancement Fund created
673 under Section 37-61-33 for appropriation by the Legislature as
674 other education needs and shall not be subject to the percentage
675 appropriation requirements set forth in Section 37-61-33.

676 (b) On or before July 15, 1994, and each succeeding
677 month thereafter, nine and seventy-three one-thousandths percent
678 (9.073%) of the total use tax revenue collected during the
679 preceding month under the provisions of this article shall be
680 deposited into the Education Enhancement Fund created pursuant to
681 Section 37-61-33.

682 (c) On or before July 15, 1997, and on or before the
683 fifteenth day of each succeeding month thereafter, the revenue
684 collected under the provisions of this article imposed and levied
685 as a result of Section 27-65-17(2) and the corresponding levy in
686 Section 27-65-23 on the rental or lease of private carriers of
687 passengers and light carriers of property as defined in Section
688 27-51-101 shall be deposited into the Motor Vehicle Ad Valorem Tax
689 Reduction Fund created pursuant to Section 27-51-105.

690 (d) On or before July 15, 1997, and on or before the
691 fifteenth day of each succeeding month thereafter and after the
692 deposits required by paragraphs (a) and (b) of this section are
693 made, the remaining revenue collected under the provisions of this
694 article imposed and levied as a result of Section 27-65-17(1) and
695 the corresponding levy in Section 27-65-23 on the rental or lease

696 of private carriers of passengers and light carriers of property
697 as defined in Section 27-51-101 shall be deposited into the Motor
698 Vehicle Ad Valorem Tax Reduction Fund created pursuant to Section
699 27-51-105.

700 (e) Notwithstanding any other provision of this section
701 to the contrary, on or before August 15, 2005, and each succeeding
702 month thereafter, the sales tax revenue collected during the
703 preceding month under the provisions of this article chapter on
704 the gross proceeds of sales of a business enterprise within a
705 redevelopment project area under the provisions of Sections 1
706 through 6 of House Bill No. 1294, 2005 Regular Session, and the
707 revenue collected on the gross proceeds of sales from sales made
708 to a business enterprise in a redevelopment project area under the
709 provisions of Sections 1 through 6 of House Bill No. 1294, 2005
710 Regular Session, shall be deposited into the Redevelopment Project
711 Incentive Fund as created in Section 5 of House Bill No. 1294,
712 2005 Regular Session.

713 (f) The remainder of the amount received from taxes,
714 damages and interest under the provisions of this article shall be
715 paid into the General Fund of the State Treasury by the
716 commissioner.

717 **SECTION 12.** Section 75-76-129, Mississippi Code of 1972, is
718 amended as follows:

719 **[Through June 30, 2022, this section shall read as follows:]**

720 75-76-129. On or before the last day of each month all
721 taxes, fees, interest, penalties, damages, fines or other monies
722 collected by the State Tax Commission during that month under the
723 provisions of this chapter, with the exception of (a) the local
724 government fees imposed under Section 75-76-195, * * * (b) an
725 amount equal to Three Million Dollars (\$3,000,000.00) of the
726 revenue collected pursuant to the fee imposed under Section
727 75-76-177(1)(c), or an amount equal to twenty-five percent (25%)
728 of the revenue collected pursuant to the fee imposed under Section

729 75-76-177(1)(c), whichever is the greater amount, and (c) the
730 revenue collected pursuant to the fee imposed under Section
731 75-76-177(1)(c) on a business enterprise within a redevelopment
732 project area under Sections 1 through 6 of House Bill No. 1294,
733 2005 Regular Session, shall be paid by the State Tax Commission to
734 the State Treasurer to be deposited in the State General Fund.
735 The local government fees shall be distributed by the State Tax
736 Commission pursuant to Section 75-76-197. Except for the period
737 beginning on July 1, 2004, and through June 30, 2005, an amount
738 equal to Three Million Dollars (\$3,000,000.00) of the revenue
739 collected during that month pursuant to the fee imposed under
740 Section 75-76-177(1)(c) shall be deposited by the State Tax
741 Commission into the bond sinking fund created in Section 65-39-3.
742 Except for the period beginning on July 1, 2004, and through June
743 30, 2005, the revenue collected during that month pursuant to the
744 fee imposed under Section 75-76-177(1)(c) that is in excess of
745 Three Million Dollars (\$3,000,000.00), but is less than
746 twenty-five percent (25%) of the amount of revenue collected
747 during that month, shall be deposited into the State Highway Fund
748 to be used exclusively for the reconstruction and maintenance of
749 highways of the State of Mississippi. Revenue collected during
750 that month pursuant to the fee imposed under Section
751 75-76-177(1)(c) on a business enterprise within a redevelopment
752 project area under the provisions of Sections 1 through 6 of House
753 Bill No. 1294, 2005 Regular Session, shall be deposited into the
754 Redevelopment Project Incentive Fund created in Section 5 of House
755 Bill No. 1294, 2005 Regular Session.

756 For the period beginning on July 1, 2004, and through June
757 30, 2005, twenty-five percent (25%) of the amount of revenue
758 collected during each month pursuant to the fee imposed under
759 Section 75-76-177(1)(c) shall be deposited into the Budget
760 Contingency Fund created in Section 27-103-301.

761 **[From and after July 1, 2022, this section shall read as**
762 **follows:]**

763 75-76-129. On or before the last day of each month, all
764 taxes, fees, interest, penalties, damages, fines or other monies
765 collected by the State Tax Commission during that month under the
766 provisions of this chapter, with the exception of the local
767 government fees imposed under Section 75-76-195, and the revenue
768 collected pursuant to the fee imposed under Section
769 75-76-177(c)(1) on a business enterprise within a redevelopment
770 project area under Sections 1 through 6 of House Bill No. 1294,
771 2005 Regular Session, shall be paid by the State Tax Commission to
772 the State Treasurer to be deposited in the State General Fund.
773 The local government fees shall be distributed by the State Tax
774 Commission pursuant to Section 75-76-197. Revenue collected
775 during that month pursuant to the fee imposed under Section
776 75-76-177(1)(c) on a business enterprise within a redevelopment
777 project area under the provisions of Sections 1 through 6 of House
778 Bill No. 1294, 2005 Regular Session, shall be deposited into the
779 Redevelopment Project Incentive Fund created in Section 5 of House
780 Bill No. 1294, 2005 Regular Session.

781 **SECTION 13.** This act shall take effect and be in force from
782 and after January 1, 2005.