

By: Representative Flaggs

To: Ways and Means

COMMITTEE SUBSTITUTE
FOR
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 CERTAIN
17 PURCHASES OF AN APPROVED BUSINESS ENTERPRISE WITHIN A
18 REDEVELOPMENT PROJECT AREA, INCOME TAX IMPOSED ON INCOME EARNED BY
19 AN APPROVED BUSINESS ENTERPRISE WITHIN A REDEVELOPMENT PROJECT
20 AREA, FRANCHISE TAX IMPOSED ON THE VALUE OF CAPITAL USED, INVESTED
21 OR EMPLOYED BY AN APPROVED BUSINESS ENTERPRISE WITHIN A
22 REDEVELOPMENT PROJECT AREA, AND CERTAIN GAMING LICENSE FEES
23 IMPOSED ON AN APPROVED BUSINESS ENTERPRISE OPERATING WITHIN A
24 REDEVELOPMENT PROJECT AREA, SHALL BE DEPOSITED INTO THE
25 REDEVELOPMENT PROJECT INCENTIVE FUND; TO AMEND SECTIONS 27-7-45,
26 27-13-5, 27-13-7, 27-65-75 AND 75-76-129, MISSISSIPPI CODE OF
27 1972, IN CONFORMITY THERETO; AND 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 is complicated by the presence or

73 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 redevelopment county or municipality whereby the
79 developer agrees to undertake a redevelopment project. "Developer
80 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 program established under Sections 1
97 through 6 of this act.

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 tax imposed
113 on the sales or certain 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(1)(c) on any gaming license operating
121 within a redevelopment project area.

122 **SECTION 4.** (1) From and after January 1, 2005, 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) MDEQ concurrence of the existence of a
133 contaminated site and concurrence and involvement in the
134 assessment and remediation plan, (ii) a resolution of the county
135 or municipality setting forth the boundaries of the redevelopment
136 project area and consenting to the designation of the county or
137 municipality as a redevelopment county or municipality and (iii) a
138 developer agreement.

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

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

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

171 (2) Incentive payments may be made by the MDA to a developer
172 in connection with a redevelopment project. Subject to the
173 provisions of this subsection, the payments to a developer shall
174 be for the amount of state taxes and fees collected from business
175 enterprises located and operating within a redevelopment project
176 area and deposited into the Redevelopment Project Incentive Fund.
177 In the case of sales taxes, the amounts deposited in the
178 Redevelopment Project Incentive Fund shall be reduced by the
179 diversions required in Section 27-65-75. The MDA shall make
180 payments to an approved participant on a semiannual basis with
181 payments being made in the months of January and July. The MDA
182 shall make the calculations necessary to make the payments
183 provided for in this section. The MDA shall cease making
184 incentive payments to a developer ten (10) years from the date
185 that is two (2) years after the date on which the redevelopment
186 project is approved by the MDA. Payments made to a developer
187 under this section shall be in the following amounts: (a) for the
188 first six (6) years in which such payments are made, the developer
189 shall receive one hundred percent (100%) of the funds deposited
190 into the Redevelopment Project Incentive Fund, (b) for the seventh
191 year in which such payments are made, the developer shall receive
192 eighty percent (80%) of the funds deposited into the Redevelopment
193 Project Incentive Fund, (c) for the eighth year in which such
194 payments are made, the developer shall receive seventy percent
195 (70%) of the funds deposited into the Redevelopment Project
196 Incentive Fund, (d) for the ninth year in which such payments are
197 made, the developer shall receive sixty percent (60%) of the funds
198 deposited into the Redevelopment Project Incentive Fund, and (e)
199 for the tenth year in which such payments are made, the developer
200 shall receive fifty percent (50%) of the funds deposited into the
201 Redevelopment Project Incentive Fund. Any monies in the
202 Redevelopment Project Incentive Fund which are not used for the

203 purpose of making incentive payments to a developer shall be
204 deposited into the State General Fund.

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

210 **SECTION 6.** The MDA shall promulgate rules and regulations,
211 in accordance with the Mississippi Administrative Procedures Law,
212 for the implementation and administration of Sections 1 through 6
213 of this act.

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

216 27-7-45. (1) The tax levied by this article shall be paid
217 when the return is due except as hereinafter provided.

218 (2) If any officer or employee of the State of Mississippi,
219 or any political subdivision thereof, does not pay his state
220 income tax on or before August 15 after such income tax becomes
221 due and payable, or is in arrears in child support payments for
222 thirty (30) days after such payments become due and payable, his
223 wages, salary or other compensation shall be withheld and paid to
224 the tax commission or the Department of Human Services, as the
225 case may be, in satisfaction of said income tax, interest, and
226 penalty, if any, and any child support arrearage until paid in
227 full. This provision shall apply to any installments of income
228 tax or child support due, after the first installment, to require
229 payment of the entire balance of child support tax due, plus
230 interest and penalty, if any, before an officer or employee of the
231 State of Mississippi, or any political subdivision thereof, is
232 eligible to draw any salary or other emoluments of office. The
233 Tax Commissioner is required to furnish the State Fiscal Officer,
234 chancery clerk, city clerk or other appropriate fiscal officer of
235 a political subdivision, as the case may be, with notice that

236 income taxes have not been paid. The Department of Human Services
237 is required to furnish the officer's or the employee's employer,
238 or other appropriate officer of the State of Mississippi or its
239 political subdivision, as the case may be, with notice that child
240 support payments have not been made. This notice shall serve as a
241 lien or attachment upon any salary or compensation due any
242 employee or officer, disregard of this notice creating personal
243 liability against such officer for the full amount of the income
244 tax due, plus interest and penalty. The State Tax Commission may,
245 in its discretion by order entered upon its minutes, waive the
246 provisions of this subsection on behalf of any public officer or
247 employee in the event of an extended personal illness, an extended
248 illness in his immediate family or other emergency. Regardless of
249 the amount designated in the Department of Human Service's notice
250 for withholding and regardless of other fees imposed or amounts
251 withheld pursuant to this section, the payor shall not deduct from
252 the income of the officer or employee in excess of the amounts
253 allowed under Section 303(b) of the Consumer Credit Protection
254 Act, being 15 USCS 1673, as amended.

255 (3) The tax or child support payment may be paid with
256 uncertified check during such time and under such regulations as
257 the commissioner or the Department of Human Services shall
258 prescribe, but if the check so received is not paid by the bank on
259 which it is drawn, the officer or employee for whom such check is
260 tendered shall remain liable for the payment of the tax, child
261 support payment and for all penalties, the same as if such check
262 had not been tendered.

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

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

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

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

276 (d) For purposes of computing interest on
277 underpayments, the last three (3) installments shall not be
278 considered underpayments until after the payment due date
279 specified above.

280 (5) For purposes of this section, a political subdivision
281 includes, but is not limited to, a county or separate school
282 district, institution of higher learning, state college or
283 university, or state community college.

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

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

291 27-13-5. (1) Franchise tax levy. Except as otherwise
292 provided in subsections (3), (4) and (5) of this section, there is
293 hereby imposed, to be paid and collected as hereinafter provided,
294 a franchise or excise tax upon every corporation, association or
295 joint-stock company or partnership treated as a corporation under
296 the income tax laws or regulations, organized or created for
297 pecuniary gain, having privileges not possessed by individuals,
298 and having authorized capital stock now existing in this state, or
299 hereafter organized, created or established, under and by virtue
300 of the laws of the State of Mississippi, equal to Two Dollars and

301 Fifty Cents (\$2.50) for each One Thousand Dollars (\$1,000.00), or
302 fraction thereof, of the value of the capital used, invested or
303 employed in the exercise of any power, privilege or right enjoyed
304 by such organization within this state, except as hereinafter
305 provided. In no case shall the franchise tax due for the
306 accounting period be less than Twenty-five Dollars (\$25.00). It
307 is the purpose of this section to require the payment to the State
308 of Mississippi of this tax for the right granted by the laws of
309 this state to exist as such organization, and to enjoy, under the
310 protection of the laws of this state, the powers, rights,
311 privileges and immunities derived from the state by the form of
312 such existence.

313 (2) Annual report of domestic corporations. Each domestic
314 corporation shall file, within the time prescribed by Section
315 79-3-251, an annual report as required by the provisions of
316 Section 79-3-249.

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

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

327 (5) A business enterprise operating a project as defined in
328 Section 57-64-33, in a county that is a member of a regional
329 economic development alliance created under the Regional Economic
330 Development Act shall not be subject to the tax levied by this
331 section on the value of capital used, invested or employed by the
332 business enterprise in such a county as provided in Section
333 57-64-33.

334 (6) The tax levied by this chapter and paid by a business
335 enterprise located in a redevelopment project area under Sections
336 1 through 6 of House Bill No._1294, 2005 Regular Session, shall be
337 deposited into the Redevelopment Project Incentive Fund created in
338 Section 5 of House Bill No._1294, 2005 Regular Session.

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

341 27-13-7. (1) Franchise tax levy. Except as otherwise
342 provided in subsections (3), (4) and (5) of this section, there is
343 hereby imposed, levied and assessed upon every corporation,
344 association or joint-stock company, or partnership treated as a
345 corporation under the Income Tax Laws or regulations as
346 hereinbefore defined, organized and existing under and by virtue
347 of the laws of some other state, territory or country, or
348 organized and existing without any specific statutory authority,
349 now or hereafter doing business or exercising any power, privilege
350 or right within this state, as hereinbefore defined, a franchise
351 or excise tax equal to Two Dollars and Fifty Cents (\$2.50) of each
352 One Thousand Dollars (\$1,000.00), or fraction thereof, of the
353 value of capital used, invested or employed within this state,
354 except as hereinafter provided. In no case shall the franchise
355 tax due for the accounting period be less than Twenty-five Dollars
356 (\$25.00). It is the purpose of this section to require the
357 payment of a tax by all organizations not organized under the laws
358 of this state, measured by the amount of capital or its
359 equivalent, for which such organization receives the benefit and
360 protection of the government and laws of the state.

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

365 (3) A corporation that has negotiated a fee-in-lieu as
366 defined in Section 57-75-5 shall not be subject to the tax levied

367 by this section on such project; provided, however, that the
368 fee-in-lieu payment shall be otherwise treated in the same manner
369 as the payment of franchise taxes.

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

375 (5) A business enterprise operating a project as defined in
376 Section 57-64-33, in a county that is a member of a regional
377 economic development alliance created under the Regional Economic
378 Development Act shall not be subject to the tax levied by this
379 section on the value of capital used, invested or employed by the
380 business enterprise in such a county as provided in Section
381 57-64-33.

382 (6) The tax levied by this chapter and paid by a business
383 enterprise located in a redevelopment project area under Sections
384 1 through 6 of House Bill No. 1294, 2005 Regular Session, shall be
385 deposited into the Redevelopment Project Incentive Fund created in
386 Section 5 of House Bill No. 1294, 2005 Regular Session.

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

389 27-65-75. On or before the fifteenth day of each month, the
390 revenue collected under the provisions of this chapter during the
391 preceding month shall be paid and distributed as follows:

392 (1) On or before August 15, 1992, and each succeeding month
393 thereafter through July 15, 1993, eighteen percent (18%) of the
394 total sales tax revenue collected during the preceding month under
395 the provisions of this chapter, except that collected under the
396 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
397 business activities within a municipal corporation shall be
398 allocated for distribution to the municipality and paid to the
399 municipal corporation. On or before August 15, 1993, and each

400 succeeding month thereafter, eighteen and one-half percent
401 (18-1/2%) of the total sales tax revenue collected during the
402 preceding month under the provisions of this chapter, except that
403 collected under the provisions of Sections 27-65-15, 27-65-19(3)
404 and 27-65-21, on business activities within a municipal
405 corporation shall be allocated for distribution to the
406 municipality and paid to the municipal corporation.

407 A municipal corporation, for the purpose of distributing the
408 tax under this subsection, shall mean and include all incorporated
409 cities, towns and villages.

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

416 In any county having a county seat that is not an
417 incorporated municipality, the distribution provided under this
418 subsection shall be made as though the county seat was an
419 incorporated municipality; however, the distribution to the
420 municipality shall be paid to the county treasury in which the
421 municipality is located, and those funds shall be used for road,
422 bridge and street construction or maintenance in the county.

423 (2) On or before September 15, 1987, and each succeeding
424 month thereafter, from the revenue collected under this chapter
425 during the preceding month One Million One Hundred Twenty-five
426 Thousand Dollars (\$1,125,000.00) shall be allocated for
427 distribution to municipal corporations as defined under subsection
428 (1) of this section in the proportion that the number of gallons
429 of gasoline and diesel fuel sold by distributors to consumers and
430 retailers in each such municipality during the preceding fiscal
431 year bears to the total gallons of gasoline and diesel fuel sold
432 by distributors to consumers and retailers in municipalities

433 statewide during the preceding fiscal year. The State Tax
434 Commission shall require all distributors of gasoline and diesel
435 fuel to report to the commission monthly the total number of
436 gallons of gasoline and diesel fuel sold by them to consumers and
437 retailers in each municipality during the preceding month. The
438 State Tax Commission shall have the authority to promulgate such
439 rules and regulations as is necessary to determine the number of
440 gallons of gasoline and diesel fuel sold by distributors to
441 consumers and retailers in each municipality. In determining the
442 percentage allocation of funds under this subsection for the
443 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
444 State Tax Commission may consider gallons of gasoline and diesel
445 fuel sold for a period of less than one (1) fiscal year. For the
446 purposes of this subsection, the term "fiscal year" means the
447 fiscal year beginning July 1 of a year.

448 (3) On or before September 15, 1987, and on or before the
449 fifteenth day of each succeeding month, until the date specified
450 in Section 65-39-35, the proceeds derived from contractors' taxes
451 levied under Section 27-65-21 on contracts for the construction or
452 reconstruction of highways designated under the highway program
453 created under Section 65-3-97 shall, except as otherwise provided
454 in Section 31-17-127, be deposited into the State Treasury to the
455 credit of the State Highway Fund to be used to fund that highway
456 program. The Mississippi Department of Transportation shall
457 provide to the State Tax Commission such information as is
458 necessary to determine the amount of proceeds to be distributed
459 under this subsection.

460 (4) On or before August 15, 1994, and on or before the
461 fifteenth day of each succeeding month through July 15, 1999, from
462 the proceeds of gasoline, diesel fuel or kerosene taxes as
463 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
464 (\$4,000,000.00) shall be deposited in the State Treasury to the
465 credit of a special fund designated as the "State Aid Road Fund,"

466 created by Section 65-9-17. On or before August 15, 1999, and on
467 or before the fifteenth day of each succeeding month, from the
468 total amount of the proceeds of gasoline, diesel fuel or kerosene
469 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
470 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
471 one-fourth percent (23.25%) of those funds, whichever is the
472 greater amount, shall be deposited in the State Treasury to the
473 credit of the "State Aid Road Fund," created by Section 65-9-17.
474 Those funds shall be pledged to pay the principal of and interest
475 on state aid road bonds heretofore issued under Sections 19-9-51
476 through 19-9-77, in lieu of and in substitution for the funds
477 previously allocated to counties under this section. Those funds
478 may not be pledged for the payment of any state aid road bonds
479 issued after April 1, 1981; however, this prohibition against the
480 pledging of any such funds for the payment of bonds shall not
481 apply to any bonds for which intent to issue those bonds has been
482 published, for the first time, as provided by law before March 29,
483 1981. From the amount of taxes paid into the special fund under
484 this subsection and subsection (9) of this section, there shall be
485 first deducted and paid the amount necessary to pay the expenses
486 of the Office of State Aid Road Construction, as authorized by the
487 Legislature for all other general and special fund agencies. The
488 remainder of the fund shall be allocated monthly to the several
489 counties in accordance with the following formula:

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

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

496 (c) One-third (1/3) shall be allocated to counties
497 based on the proportion that the rural population of the county

498 bears to the total rural population in all counties of the state,
499 according to the latest federal decennial census.

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

503 The amount of funds allocated to any county under this
504 subsection for any fiscal year after fiscal year 1994 shall not be
505 less than the amount allocated to the county for fiscal year 1994.
506 Monies allocated to a county from the State Aid Road Fund for
507 fiscal year 1995 or any fiscal year thereafter that exceed the
508 amount of funds allocated to that county from the State Aid Road
509 Fund for fiscal year 1994, first must be expended by the county
510 for replacement or rehabilitation of bridges on the state aid road
511 system that have a sufficiency rating of less than twenty-five
512 (25), according to National Bridge Inspection standards before
513 the monies may be approved for expenditure by the State Aid Road
514 Engineer on other projects that qualify for the use of state aid
515 road funds.

516 Any reference in the general laws of this state or the
517 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
518 construed to refer and apply to subsection (4) of Section
519 27-65-75.

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

526 (6) An amount each month beginning August 15, 1983, through
527 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
528 of 1983, shall be paid into the special fund known as the
529 Correctional Facilities Construction Fund created in Section 6 of
530 Chapter 542, Laws of 1983.

531 (7) On or before August 15, 1992, and each succeeding month
532 thereafter through July 15, 2000, two and two hundred sixty-six
533 one-thousandths percent (2.266%) of the total sales tax revenue
534 collected during the preceding month under the provisions of this
535 chapter, except that collected under the provisions of Section
536 27-65-17(2) shall be deposited by the commission into the School
537 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
538 or before August 15, 2000, and each succeeding month thereafter,
539 two and two hundred sixty-six one-thousandths percent (2.266%) of
540 the total sales tax revenue collected during the preceding month
541 under the provisions of this chapter, except that collected under
542 the provisions of Section 27-65-17(2), shall be deposited into the
543 School Ad Valorem Tax Reduction Fund created under Section
544 37-61-35 until such time that the total amount deposited into the
545 fund during a fiscal year equals Forty-two Million Dollars
546 (\$42,000,000.00). Thereafter, the amounts diverted under this
547 subsection (7) during the fiscal year in excess of Forty-two
548 Million Dollars (\$42,000,000.00) shall be deposited into the
549 Education Enhancement Fund created under Section 37-61-33 for
550 appropriation by the Legislature as other education needs and
551 shall not be subject to the percentage appropriation requirements
552 set forth in Section 37-61-33.

553 (8) On or before August 15, 1992, and each succeeding month
554 thereafter, nine and seventy-three one-thousandths percent
555 (9.073%) of the total sales tax revenue collected during the
556 preceding month under the provisions of this chapter, except that
557 collected under the provisions of Section 27-65-17(2), shall be
558 deposited into the Education Enhancement Fund created under
559 Section 37-61-33.

560 (9) On or before August 15, 1994, and each succeeding month
561 thereafter, from the revenue collected under this chapter during
562 the preceding month, Two Hundred Fifty Thousand Dollars
563 (\$250,000.00) shall be paid into the State Aid Road Fund.

564 (10) On or before August 15, 1994, and each succeeding month
565 thereafter through August 15, 1995, from the revenue collected
566 under this chapter during the preceding month, Two Million Dollars
567 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
568 Valorem Tax Reduction Fund established in Section 27-51-105.

569 (11) Notwithstanding any other provision of this section to
570 the contrary, on or before February 15, 1995, and each succeeding
571 month thereafter, the sales tax revenue collected during the
572 preceding month under the provisions of Section 27-65-17(2) and
573 the corresponding levy in Section 27-65-23 on the rental or lease
574 of private carriers of passengers and light carriers of property
575 as defined in Section 27-51-101 shall be deposited, without
576 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
577 established in Section 27-51-105.

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

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

595 (14) On or before August 15, 1998, and each succeeding month
596 thereafter through July 15, 2005, that portion of the avails of

597 the tax imposed in Section 27-65-23 that is derived from sales by
598 cotton compresses or cotton warehouses and that would otherwise be
599 paid into the General Fund, shall be deposited in an amount not to
600 exceed Two Million Dollars (\$2,000,000.00) into the special fund
601 created under Section 69-37-39.

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

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

616 (17) Notwithstanding any other provision of this section to
617 the contrary, on or before April 15, 2002, and each succeeding
618 month thereafter, the sales tax revenue collected during the
619 preceding month under Section 27-65-23 on sales of parking
620 services of parking garages and lots at airports shall be
621 deposited, without diversion, into the special fund created under
622 Section 27-5-101(d).

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

629 (19) On or before August 15, 2005, and each succeeding month
630 thereafter, the sales tax revenue collected during the preceding
631 month under the provisions of this chapter on the gross proceeds
632 of sales of a business enterprise located within a redevelopment
633 project area under the provisions of Sections 1 through 6 of House
634 Bill No. 1294, 2005 Regular Session, and the revenue collected on
635 the gross proceeds of sales from sales made to a business
636 enterprise located in a redevelopment project area under the
637 provisions of Sections 1 through 6 of House Bill No. 1294, 2005
638 Regular Session, (provided that such sales made to a business
639 enterprise are made on the premises of the business enterprise)
640 shall be deposited, after all diversions, into the Redevelopment
641 Project Incentive Fund as created in Section 5 of House Bill No.
642 1294, 2005 Regular Session.

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

646 (21) It shall be the duty of the municipal officials of any
647 municipality that expands its limits, or of any community that
648 incorporates as a municipality, to notify the commissioner of
649 that action thirty (30) days before the effective date. Failure
650 to so notify the commissioner shall cause the municipality to
651 forfeit the revenue that it would have been entitled to receive
652 during this period of time when the commissioner had no knowledge
653 of the action. If any funds have been erroneously disbursed to
654 any municipality or any overpayment of tax is recovered by the
655 taxpayer, the commissioner may make correction and adjust the
656 error or overpayment with the municipality by withholding the
657 necessary funds from any later payment to be made to the
658 municipality.

659 **SECTION 11.** Section 75-76-129, Mississippi Code of 1972, is
660 amended as follows:

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

662 75-76-129. On or before the last day of each month all
663 taxes, fees, interest, penalties, damages, fines or other monies
664 collected by the State Tax Commission during that month under the
665 provisions of this chapter, with the exception of (a) the local
666 government fees imposed under Section 75-76-195, * * * (b) an
667 amount equal to Three Million Dollars (\$3,000,000.00) of the
668 revenue collected pursuant to the fee imposed under Section
669 75-76-177(1)(c), or an amount equal to twenty-five percent (25%)
670 of the revenue collected pursuant to the fee imposed under Section
671 75-76-177(1)(c), whichever is the greater amount, and (c) the
672 revenue collected pursuant to the fee imposed under Section
673 75-76-177(1)(c) on a business enterprise within a redevelopment
674 project area under Sections 1 through 6 of House Bill No. 1294,
675 2005 Regular Session, shall be paid by the State Tax Commission to
676 the State Treasurer to be deposited in the State General Fund.
677 The local government fees shall be distributed by the State Tax
678 Commission pursuant to Section 75-76-197. Except for the period
679 beginning on July 1, 2004, and through June 30, 2005, an amount
680 equal to Three Million Dollars (\$3,000,000.00) of the revenue
681 collected during that month pursuant to the fee imposed under
682 Section 75-76-177(1)(c) shall be deposited by the State Tax
683 Commission into the bond sinking fund created in Section 65-39-3.
684 Except for the period beginning on July 1, 2004, and through June
685 30, 2005, the revenue collected during that month pursuant to the
686 fee imposed under Section 75-76-177(1)(c) that is in excess of
687 Three Million Dollars (\$3,000,000.00), but is less than
688 twenty-five percent (25%) of the amount of revenue collected
689 during that month, shall be deposited into the State Highway Fund
690 to be used exclusively for the reconstruction and maintenance of
691 highways of the State of Mississippi. Revenue collected during
692 that month pursuant to the fee imposed under Section
693 75-76-177(1)(c) on a business enterprise within a redevelopment
694 project area under the provisions of Sections 1 through 6 of House

695 Bill No. 1294, 2005 Regular Session, shall be deposited into the
696 Redevelopment Project Incentive Fund created in Section 5 of House
697 Bill No. 1294, 2005 Regular Session.

698 For the period beginning on July 1, 2004, and through June
699 30, 2005, twenty-five percent (25%) of the amount of revenue
700 collected during each month pursuant to the fee imposed under
701 Section 75-76-177(1)(c) shall be deposited into the Budget
702 Contingency Fund created in Section 27-103-301.

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

705 75-76-129. On or before the last day of each month, all
706 taxes, fees, interest, penalties, damages, fines or other monies
707 collected by the State Tax Commission during that month under the
708 provisions of this chapter, with the exception of the local
709 government fees imposed under Section 75-76-195, and the revenue
710 collected pursuant to the fee imposed under Section
711 75-76-177(1)(c) on a business enterprise within a redevelopment
712 project area under Sections 1 through 6 of House Bill No. 1294,
713 2005 Regular Session, shall be paid by the State Tax Commission to
714 the State Treasurer to be deposited in the State General Fund.
715 The local government fees shall be distributed by the State Tax
716 Commission pursuant to Section 75-76-197. Revenue collected
717 during that month pursuant to the fee imposed under Section
718 75-76-177(1)(c) on a business enterprise within a redevelopment
719 project area under the provisions of Sections 1 through 6 of House
720 Bill No. 1294, 2005 Regular Session, shall be deposited into the
721 Redevelopment Project Incentive Fund created in Section 5 of House
722 Bill No. 1294, 2005 Regular Session.

723 **SECTION 12.** This act shall take effect and be in force from
724 and after January 1, 2005.