

By: Senator(s) Chaney

To: Finance

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 2950

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 AND 27-67-31,
26 MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND FOR RELATED
27 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 and 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 oversight 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. Subject to the

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

187 (a) For the first six (6) years in which such payments
188 are made, the developer shall receive one hundred percent (100%)
189 of the funds deposited into the Redevelopment Project Incentive
190 Fund;

191 (b) For the seventh year in which such payments are
192 made, the developer shall receive eighty percent (80%) of the
193 funds deposited into the Redevelopment Project Incentive Fund;

194 (c) For the eighth year in which such payments are
195 made, the developer shall receive seventy percent (70%) of the
196 funds deposited into the Redevelopment Project Incentive Fund;

197 (d) For the ninth year in which such payments are made,
198 the developer shall receive sixty percent (60%) of the funds
199 deposited into the Redevelopment Project Incentive Fund; and

200 (e) For the tenth year in which such payments are made,
201 the developer shall receive fifty percent (50%) of the funds
202 deposited into the Redevelopment Project Incentive Fund.

203 Any monies in the Redevelopment Project Incentive Fund which
204 are not used for the purpose of making incentive payments to a
205 developer shall be deposited into the State General Fund.

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

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

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

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

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

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

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

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

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

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

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

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

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

285 (6) The tax levied by this article and paid by a business
286 enterprise located in a redevelopment project area under Sections
287 1 through 6 of Senate Bill No. 2950, 2005 Regular Session, shall
288 be deposited into the Redevelopment Project Incentive Fund created
289 in Section 5, Senate Bill No. 2950, 2005 Regular Session.

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

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

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

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

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

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

328 (5) A business enterprise operating a project as defined in
329 Section 57-64-33, in a county that is a member of a regional
330 economic development alliance created under the Regional Economic
331 Development Act shall not be subject to the tax levied by this
332 section on the value of capital used, invested or employed by the
333 business enterprise in such a county as provided in Section
334 57-64-33.

335 (6) The tax levied by this chapter and paid by a business
336 enterprise located in a redevelopment project area under Sections
337 1 through 6 of Senate Bill No. 2950, 2005 Regular Session, shall
338 be deposited into the Redevelopment Project Incentive Fund created
339 in Section 5, Senate Bill No. 2950, 2005 Regular Session.

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

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

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

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

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

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

376 (5) A business enterprise operating a project as defined in
377 Section 57-64-33, in a county that is a member of a regional
378 economic development alliance created under the Regional Economic
379 Development Act shall not be subject to the tax levied by this
380 section on the value of capital used, invested or employed by the
381 business enterprise in such a county as provided in Section
382 57-64-33.

383 (6) The tax levied by this chapter and paid by a business
384 enterprise located in a redevelopment project area under Sections
385 1 through 6 of Senate Bill No. 2950, 2005 Regular Session, shall
386 be deposited into the Redevelopment Project Incentive Fund created
387 in Section 5, Senate Bill No. 2950, 2005 Regular Session.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

517 Any reference in the general laws of this state or the
518 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
519 construed to refer and apply to subsection (4) of Section
520 27-65-75.

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

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

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

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

561 (9) On or before August 15, 1994, and each succeeding month
562 thereafter, from the revenue collected under this chapter during
563 the preceding month, Two Hundred Fifty Thousand Dollars
564 (\$250,000.00) shall be paid into the State Aid Road Fund.

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

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

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

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

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

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

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

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

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

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

630 (19) On or before August 15, 2005, and each succeeding month
631 thereafter, the sales tax revenue collected during the preceding
632 month under the provisions of this chapter on the gross proceeds
633 of sales of a business enterprise within a redevelopment project
634 area under the provisions of Sections 1 through 6 of Senate Bill
635 No. 2950, 2005 Regular Session, and the revenue collected on the
636 gross proceeds of sales from sales made to a business enterprise
637 in a redevelopment project area under the provisions of Sections 1
638 through 6 of Senate Bill No. 2950, 2005 Regular Session, shall be
639 deposited, after all diversions except the diversion provided for
640 in subsection (1) of this section, into the Redevelopment Project
641 Incentive Fund as created in Section 5 of Senate Bill No. 2950,
642 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 that
649 action thirty (30) days before the effective date. Failure to so
650 notify the commissioner shall cause the municipality to forfeit
651 the revenue that it would have been entitled to receive during
652 this period of time when the commissioner had no knowledge of the
653 action. If any funds have been erroneously disbursed to any
654 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 27-67-31, Mississippi Code of 1972, is
660 amended as follows:

661 27-67-31. All administrative provisions of the sales tax
662 law, and amendments thereto, including those which fix damages,

663 penalties and interest for failure to comply with the provisions
664 of said sales tax law, and all other requirements and duties
665 imposed upon taxpayer, shall apply to all persons liable for use
666 taxes under the provisions of this article. The commissioner
667 shall exercise all power and authority and perform all duties with
668 respect to taxpayers under this article as are provided in said
669 sales tax law, except where there is conflict, then the provisions
670 of this article shall control.

671 The commissioner may require transportation companies to
672 permit the examination of waybills, freight bills, or other
673 documents covering shipments of tangible personal property into
674 this state.

675 On or before the fifteenth day of each month, the amount
676 received from taxes, damages and interest under the provisions of
677 this article during the preceding month shall be paid and
678 distributed as follows:

679 (a) On or before July 15, 1994, through July 15, 2000,
680 and each succeeding month thereafter, two and two hundred
681 sixty-six one-thousandths percent (2.266%) of the total use tax
682 revenue collected during the preceding month under the provisions
683 of this article shall be deposited in the School Ad Valorem Tax
684 Reduction Fund created pursuant to Section 37-61-35. On or before
685 August 15, 2000, and each succeeding month thereafter, two and two
686 hundred sixty-six one-thousandths percent (2.266%) of the total
687 use tax revenue collected during the preceding month under the
688 provisions of this chapter shall be deposited into the School Ad
689 Valorem Tax Reduction Fund created under Section 37-61-35 until
690 such time that the total amount deposited into the fund during a
691 fiscal year equals Four Million Dollars (\$4,000,000.00).
692 Thereafter, the amounts diverted under this paragraph (a) during
693 the fiscal year in excess of Four Million Dollars (\$4,000,000.00)
694 shall be deposited into the Education Enhancement Fund created
695 under Section 37-61-33 for appropriation by the Legislature as

696 other education needs and shall not be subject to the percentage
697 appropriation requirements set forth in Section 37-61-33.

698 (b) On or before July 15, 1994, and each succeeding
699 month thereafter, nine and seventy-three one-thousandths percent
700 (9.073%) of the total use tax revenue collected during the
701 preceding month under the provisions of this article shall be
702 deposited into the Education Enhancement Fund created pursuant to
703 Section 37-61-33.

704 (c) On or before July 15, 1997, and on or before the
705 fifteenth day of each succeeding month thereafter, the revenue
706 collected under the provisions of this article imposed and levied
707 as a result of Section 27-65-17(2) and the corresponding levy in
708 Section 27-65-23 on the rental or lease of private carriers of
709 passengers and light carriers of property as defined in Section
710 27-51-101 shall be deposited into the Motor Vehicle Ad Valorem Tax
711 Reduction Fund created pursuant to Section 27-51-105.

712 (d) On or before July 15, 1997, and on or before the
713 fifteenth day of each succeeding month thereafter and after the
714 deposits required by paragraphs (a) and (b) of this section are
715 made, the remaining revenue collected under the provisions of this
716 article imposed and levied as a result of Section 27-65-17(1) and
717 the corresponding levy in Section 27-65-23 on the rental or lease
718 of private carriers of passengers and light carriers of property
719 as defined in Section 27-51-101 shall be deposited into the Motor
720 Vehicle Ad Valorem Tax Reduction Fund created pursuant to Section
721 27-51-105.

722 (e) Notwithstanding any other provision of this section
723 to the contrary, on or before August 15, 2005, and each succeeding
724 month thereafter, the sales tax revenue collected during the
725 preceding month under the provisions of this article chapter on
726 the gross proceeds of sales of a business enterprise within a
727 redevelopment project area under the provisions of Sections 1
728 through 6 of Senate Bill No. 2950, 2005 Regular Session, and the

729 revenue collected on the gross proceeds of sales from sales made
730 to a business enterprise in a redevelopment project area under the
731 provisions of Sections 1 through 6 of Senate Bill No. 2950, 2005
732 Regular Session, shall be deposited into the Redevelopment Project
733 Incentive Fund as created in Section 5 of Senate Bill No. 2950,
734 2005 Regular Session.

735 (f) The remainder of the amount received from taxes,
736 damages and interest under the provisions of this article shall be
737 paid into the General Fund of the State Treasury by the
738 commissioner.

739 **SECTION 12.** This act shall take effect and be in force from
740 and after January 1, 2005, and shall stand repealed from and after
741 July 1, 2005.