

By: Representatives Watson,
Howell, Scott

To: Ways and Means

HOUSE BILL NO. 43
(As Sent to Governor)

1 AN ACT TO AMEND SECTION 31-17-123, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT IF THE STATE FISCAL OFFICER AND THE STATE
3 TREASURER MAKE A DETERMINATION THAT STATE-SOURCE SPECIAL FUNDS ARE
4 NOT SUFFICIENT TO COVER DEFICIENCIES IN THE GENERAL FUND, THAT THE
5 STATE OF MISSISSIPPI IS UNABLE TO REPAY SPECIAL FUND BORROWING
6 WITHIN THE FISCAL YEAR IN WHICH THE BORROWING WAS DONE OR THAT THE
7 STATE SOURCE FUNDS ARE INSUFFICIENT FOR DISASTER SUPPORT OR
8 ASSISTANCE PURPOSES DUE TO HURRICANES KATRINA AND RITA, AND THAT
9 THE STATE BOND COMMISSION MAKES A DETERMINATION THAT SUCH
10 DEFICIENCY OR INABILITY TO REPAY OR INSUFFICIENCY IS THE RESULT OF
11 A STATE OF EMERGENCY WITHIN THE STATE OF MISSISSIPPI, THE STATE
12 BOND COMMISSION IS AUTHORIZED TO OBTAIN A LINE OF CREDIT, IN AN
13 AMOUNT NOT TO EXCEED \$500,000,000.00, FROM A COMMERCIAL LENDER,
14 INVESTMENT BANKING GROUP OR A CONSORTIUM OF EITHER OR BOTH; TO
15 PROVIDE THAT THE LENGTH OF SUCH INDEBTEDNESS SHALL NOT EXTEND
16 BEYOND THREE YEARS FOLLOWING THE ORIGINATION OF THE LINE OF
17 CREDIT; TO PROVIDE THAT SUCH LINE OF CREDIT SHALL BE AUTHORIZED
18 AND APPROVED BY THE STATE BOND COMMISSION AND HAVE SUCH TERMS AND
19 DETAILS AS PROVIDED BY RESOLUTION OF THE STATE BOND COMMISSION; TO
20 PROVIDE THAT SUCH PROCEEDS SHALL BE RECEIVED BY THE STATE
21 TREASURER AND DEPOSITED INTO THE DISASTER RECOVERY FUND AND USED
22 TO COVER DEFICIENCIES IN THE GENERAL FUND, TO REPAY SPECIAL FUND
23 BORROWING AND/OR TO COVER ANY INSUFFICIENCY IN DISASTER SUPPORT OR
24 ASSISTANCE; TO ESTABLISH A DISASTER RECOVERY FUND FOR SUCH
25 PURPOSE; TO PROVIDE THAT UPON THE APPROVAL OF THE STATE FISCAL
26 OFFICER, THE DIRECTOR OF THE MISSISSIPPI EMERGENCY MANAGEMENT
27 AGENCY MAY USE FUNDS FROM THE LINE OF CREDIT TO MATCH FEDERAL
28 FUNDS AND FOR PERSONNEL RELATED EXPENSES DUE TO THE HURRICANE
29 KATRINA AND/OR HURRICANE RITA DISASTERS; TO AMEND SECTION
30 27-104-13, MISSISSIPPI CODE OF 1972, TO SUSPEND UNTIL JULY 1,
31 2006, THE REQUIREMENT FOR THE STATE FISCAL OFFICER TO REDUCE
32 ALLOCATIONS OF GENERAL FUNDS AND STATE-SOURCE SPECIAL FUNDS TO
33 STATE AGENCIES WHEN GENERAL FUND REVENUES RECEIVED FOR THE FISCAL
34 YEAR FALL BELOW 98% OF THE SINE DIE GENERAL FUND REVENUE ESTIMATE;
35 TO ESTABLISH AN EMERGENCY AID TO LOCAL GOVERNMENTS LOAN PROGRAM
36 FOR THE PURPOSE OF ASSISTING COUNTIES, INCORPORATED MUNICIPALITIES
37 AND PUBLIC SCHOOL DISTRICTS THAT SUFFER REVENUE LOSSES AS A RESULT
38 OF A NATURAL DISASTER FOR WHICH A STATE OF EMERGENCY HAS BEEN DULY
39 PROCLAIMED; TO PROVIDE THAT THE PROGRAM SHALL BE ADMINISTERED BY
40 THE DEPARTMENT OF FINANCE AND ADMINISTRATION; TO CREATE THE
41 EMERGENCY AID TO LOCAL GOVERNMENTS LOAN FUND; TO ESTABLISH THE
42 MAXIMUM AMOUNT OF ANY LOAN UNDER THIS PROGRAM; TO PROVIDE THAT A
43 COUNTY OR SCHOOL DISTRICT THAT RECEIVES A LOAN FROM THE FUND SHALL
44 PLEDGE FOR REPAYMENT OF THE LOAN ANY PART OF THE HOMESTEAD
45 EXEMPTION ANNUAL TAX LOSS REIMBURSEMENT TO WHICH IT MAY BE
46 ENTITLED; TO PROVIDE THAT AN INCORPORATED MUNICIPALITY THAT
47 RECEIVES A LOAN FROM THE FUND OR THE EMERGENCY FUND SHALL PLEDGE
48 FOR REPAYMENT OF THE LOAN ANY PART OF THE SALES TAX REVENUE
49 DISTRIBUTION TO WHICH IT MAY BE ENTITLED; TO MAKE IT CLEAR THAT
50 EVIDENCES OF INDEBTEDNESS WHICH ARE ISSUED PURSUANT TO THIS ACT
51 SHALL NOT BE DEEMED INDEBTEDNESS WITHIN THE MEANING OF CERTAIN
52 DEBT LIMITATIONS; TO GRANT TO THE DEPARTMENT OF FINANCE AND

53 ADMINISTRATION CERTAIN POWERS AND DUTIES WITH REGARD TO THIS ACT;
54 TO AUTHORIZE THE STATE BOND COMMISSION TO DECLARE THE NECESSITY
55 FOR SPECIAL FUNDS TO FUND THE LOANS UNDER THIS PROGRAM; TO
56 AUTHORIZE THE DEPARTMENT OF FINANCE AND ADMINISTRATION TO MAKE
57 TRANSFERS FROM THE DISASTER RECOVERY FUND FOR THE PURPOSE OF
58 FUNDING THE LOANS UNDER THIS PROGRAM; TO AUTHORIZE THE DEPARTMENT
59 OF FINANCE AND ADMINISTRATION TO ISSUE WARRANTS TO MAKE LOANS
60 UNDER THIS PROGRAM; TO PROVIDE FOR THE DISPOSITION OF ANY UNNEEDED
61 STATE FUNDS IN THE LOAN FUND; TO AMEND SECTIONS 27-33-77 AND
62 27-65-75, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND FOR
63 RELATED PURPOSES.

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

65 **SECTION 1.** Section 31-17-123, Mississippi Code of 1972, is
66 amended as follows:

67 31-17-123. (1) The intent of the Legislature is to
68 authorize borrowing funds under the provisions of Sections
69 31-17-101 through 31-17-123 to offset any temporary cash flow
70 deficiencies and should not be construed to authorize the
71 borrowing of any funds in an amount that cannot be repaid during
72 the fiscal year in which the funds are borrowed.

73 (2) (a) Notwithstanding any provision of this chapter to
74 the contrary, in the event that the State Fiscal Officer and the
75 State Treasurer make a determination that (i) state-source special
76 funds are not sufficient to cover deficiencies in the General
77 Fund, (ii) the State of Mississippi is unable to repay special
78 fund borrowing within the fiscal year in which it was borrowed, or
79 (iii) state-source funds are insufficient for disaster support
80 and/or assistance purposes due to Hurricanes Katrina and/or Rita;
81 and that the State Bond Commission makes a determination that such
82 deficiency, inability to repay, or insufficiency is the result of
83 a state of emergency within the State of Mississippi, the State
84 Bond Commission is authorized to obtain a line of credit, in an
85 amount not to exceed Five Hundred Million Dollars
86 (\$500,000,000.00), from a commercial lender, investment banking
87 group or a consortium of either, or both. The length of
88 indebtedness under this subsection shall not extend past three (3)
89 years following the origination of the line of credit. The line
90 of credit shall be authorized and approved by the State Bond

91 Commission and shall have such terms and details as may be
92 provided by resolution of the State Bond Commission. Loan
93 proceeds shall be received and disbursed by the State Treasurer
94 and deposited into the Disaster Recovery Fund, a special fund
95 hereby created in the State Treasury, and shall be used to cover
96 deficiencies in the General Fund, to repay special fund borrowing
97 and/or to cover any insufficiency in disaster support and/or
98 assistance. Monies remaining in the Disaster Recovery Fund at the
99 end of a fiscal year shall not lapse into the State General Fund,
100 but shall remain in the Disaster Recovery Fund.

101 (b) As security for the repayment of the principal and
102 interest on the line of credit provided for in paragraph (a) of
103 this subsection, the full faith, credit and resources of the State
104 of Mississippi are hereby irrevocably pledged.

105 (c) Upon approval of the State Fiscal Officer, the
106 Director of the Mississippi Emergency Management Agency is
107 authorized to use amounts from the line of credit to match federal
108 funds, and for personnel, call-back wages, base and overtime
109 wages, travel, per diem and other out-of-pocket expenses incurred
110 as a result of Hurricanes Katrina and/or Rita.

111 (d) This subsection (2) shall be complete authority for
112 the borrowing authorized hereunder and shall not be subject to the
113 limitations provided in the other provisions of this chapter or
114 otherwise under state law.

115 (e) The State Treasurer shall notify the Legislative
116 Budget Office and the State Department of Finance and
117 Administration of each transfer into and out of the Disaster
118 Recovery Fund on a quarterly basis.

119 **SECTION 2.** Section 27-104-13, Mississippi Code of 1972, is
120 amended as follows:

121 27-104-13. (1) The State Fiscal Officer may disapprove or
122 reduce and revise the estimates of general funds and state-source
123 special funds for any general fund or special fund agency and for

124 the "administration and other expenses" budget of the Mississippi
125 Department of Transportation, in an amount not to exceed five
126 percent (5%), if at any time he finds that funds will not be
127 available within the period for which the budget is drawn, or if
128 at any time he finds that the requested expenditures, or any part
129 thereof, are not authorized by law, and that action shall be
130 reported to the Legislative Budget Office.

131 The State Fiscal Officer may, upon his determination of need
132 based upon a finding that funds will not be available within the
133 period for which the budget is drawn, transfer funds as provided
134 in Section 27-103-203, from the Working Cash-Stabilization Reserve
135 Fund to the General Fund to supplement the general fund revenue.

136 If the estimates of general funds and state-source special
137 funds of all general fund and special fund agencies and of the
138 "administration and other expenses" budget of the Mississippi
139 Department of Transportation have been reduced by five percent
140 (5%), additional reductions may be made, but shall consist of a
141 uniform percentage reduction of general funds and state-source
142 special funds to all general fund and special fund agencies and to
143 the "administration and other expenses" budget of the Mississippi
144 Department of Transportation.

145 Any state-source special funds reduced under the provisions
146 of this subsection (1) shall be transferred to the State General
147 Fund upon requisitions for warrants signed by the respective
148 agency head, and the transfer shall be made within a reasonable
149 period to be determined by the State Fiscal Officer.

150 (2) The State Tax Commission and University Research Center,
151 utilizing all available revenue forecast data, shall annually
152 develop a general fund revenue estimate to be adopted by the
153 Legislative Budget Office as of the date of sine die adjournment.

154 If, at the end of October, or at the end of any month
155 thereafter of any fiscal year, the revenues received for the
156 fiscal year fall below ninety-eight percent (98%) of the

157 Legislative Budget Office general fund revenue estimate at the
158 date of sine die adjournment, the State Fiscal Officer shall
159 reduce allocations of general funds and state-source special funds
160 to general fund and special fund agencies and to the
161 "administration and other expenses" budget of the Mississippi
162 Department of Transportation, in an amount necessary to keep
163 expenditures within the sum of actual general fund receipts,
164 including any transfers to the General Fund from the Working
165 Cash-Stabilization Reserve Fund for the fiscal year.

166 The State Fiscal Officer may, upon his determination of need
167 based on the revenue shortfall, transfer funds as provided in
168 Section 27-103-203 from the Working Cash-Stabilization Reserve
169 Fund to the General Fund to supplement the general fund revenue.
170 State-source special funds in an amount equal to any reduction
171 made under the provisions of this subsection (2) shall be
172 transferred to the State General Fund upon requisitions for
173 warrants signed by the respective agency head, and the transfer
174 shall be made within a reasonable period to be determined by the
175 State Fiscal Officer.

176 No agency's allocation shall be reduced in an amount to
177 exceed five percent (5%); however, if the allocations of general
178 funds and state-source special funds to all general fund and
179 special fund agencies and to the "administration and other
180 expenses" budget of the Mississippi Department of Transportation
181 have been reduced by five percent (5%), any additional reductions
182 required to be made under this subsection (2) shall consist of a
183 uniform percentage reduction of general funds and state-source
184 special funds to all general fund and special fund agencies and to
185 the "administration and other expenses" budget of the Mississippi
186 Department of Transportation. Any receipt from loans authorized
187 by Sections 31-17-101 through 31-17-123 shall not be included as
188 revenue receipts.

189 The State Fiscal Officer shall immediately send notice of any
190 action taken under authority of this subsection (2) to the
191 Legislative Budget Office.

192 The provisions of this subsection (2) requiring the State
193 Fiscal Officer to reduce allocations of general funds and
194 state-source special funds to general fund and special fund
195 agencies and to the "administration and other expenses" budget of
196 the Mississippi Department of Transportation shall be suspended
197 during the period from the effective date of this act through June
198 30, 2006.

199 (3) For the purpose of this section, the term "state-source
200 special funds" means any special funds in any agency derived from
201 any source, but shall not include the following special funds:
202 special funds derived from federal sources, from local or regional
203 political subdivisions, from agricultural commodity assessments,
204 or from donations; special funds held in a fiduciary capacity for
205 the benefit of specific persons or classes of persons;
206 self-generated special funds of the state institutions of higher
207 learning or the state community or junior colleges; special funds
208 of Mississippi Industries for the Blind, the State Port at
209 Gulfport, Yellow Creek Inland Port, Pat Harrison Waterway
210 District, Pearl River Basin Development District, Pearl River
211 Valley Water Management District, Tombigbee River Valley Water
212 Management District, Yellow Creek Watershed Authority, or Coast
213 Coliseum Commission; special funds of the Department of Wildlife,
214 Fisheries and Parks derived from the issuance of hunting or
215 fishing licenses; and special funds generated by agencies whose
216 primary function includes the establishment of standards and the
217 issuance of licenses for the practice of a profession within the
218 State of Mississippi.

219 **SECTION 3.** (1) (a) There is established an emergency aid
220 to local governments loan program to be administered by the
221 Department of Finance and Administration, referred to in this

222 section as "department," for the purpose of assisting counties,
223 incorporated municipalities and public school districts that
224 suffer revenue losses as a result of a natural disaster for which
225 a state of emergency has been duly proclaimed. Loan proceeds
226 distributed to counties, incorporated municipalities and public
227 school districts shall be considered to be, and shall be utilized
228 by recipient in the same manner as, governmental, enterprise or
229 internal service fund type revenues, specifically for essential
230 government services.

231 (b) The department may contract for facilities and
232 staff needed to administer this section, including routine
233 management, as it deems necessary. The department may advertise
234 for or solicit proposals from public or private sources, or both,
235 for administration of this section or any services required for
236 administration of this section or any portion thereof. It is the
237 intent of the Legislature that the department endeavor to ensure
238 that the costs of administration of this section are as low as
239 possible.

240 (2) (a) There is created a special fund in the State
241 Treasury to be designated as the "Emergency Aid to Local
242 Governments Fund," referred to in this section as "fund," which
243 fund shall consist of money transferred from the Disaster Recovery
244 Fund created in Section 31-17-123 and money designated for deposit
245 therein from any other source, public or private, including, but
246 not limited to, appropriations, bond proceeds, grants, gifts or
247 donations. The fund shall be credited with all repayments of
248 principal and interest derived from loans made from the fund.
249 Unexpended amounts remaining in the fund at the end of a fiscal
250 year shall not lapse into the State General Fund, and any interest
251 earned on amounts in the fund shall be deposited to the credit of
252 the State General Fund. Monies in the fund may not be used or
253 expended for any purpose except as authorized under this section.

254 (b) The department shall establish a loan program by
255 which loans may be made available to counties, incorporated
256 municipalities and public school districts, to assist those
257 counties, incorporated municipalities and public school districts.
258 Any governmental entity in the current fiscal year that
259 demonstrates a projected revenue loss equal to or exceeding
260 one-half (1/2) of its governmental fund type revenues in the
261 fiscal year prior to the occurrence of the natural disaster
262 eligible under this section may qualify for a loan. The interest
263 rate on loans made under this section may vary from time to time
264 and from loan to loan, and shall be at or below market interest
265 rates as determined by the department. The department shall act
266 as quickly as is practicable and prudent in deciding on any loan
267 request that it receives. No loan shall be granted under this
268 section unless the county, municipality or public school district
269 requesting the loan has exhausted all other available public or
270 private programs to obtain funds for the revenue loss that it is
271 projected to suffer. Such public or private programs shall
272 include, but not be limited to, loans, grants and donations.

273 (c) The aggregate amount of any loans received under
274 this section by a county, incorporated municipality or public
275 school district shall not exceed one hundred percent (100%) of the
276 difference between the revenue received by a county, incorporated
277 municipality or public school district from governmental fund type
278 revenues that are used to fund essential services in the fiscal
279 year prior to the occurrence of the natural disaster and the
280 estimated revenue from such sources after the occurrence of the
281 natural disaster plus available cash reserves or fund balances at
282 the fiscal year end, as determined by the department. The State
283 Bond Commission shall set the maximum amount of any loan made
284 under this section at an amount that will ensure the equitable
285 distribution of the amounts available for loans to the eligible
286 governmental entities affected by the natural disaster.

287 (d) A county or public school district that receives a
288 loan from the fund shall pledge for repayment of the loan any part
289 of the homestead exemption annual tax loss reimbursement to which
290 it may be entitled under Section 27-33-77, as may be required by
291 the department. An incorporated municipality that receives a loan
292 from the fund or the emergency fund shall pledge for repayment of
293 the loan any part of the sales tax revenue distribution to which
294 it may be entitled under Section 27-65-75 or any part of the
295 homestead exemption annual tax loss reimbursement to which it may
296 be entitled under Section 27-33-77, as may be required by the
297 department. All recipients of such loans shall establish a
298 dedicated source of revenue for repayment of the loan. Before any
299 county, incorporated municipality or public school district shall
300 receive any loan, it shall have executed with the department a
301 loan agreement evidencing that loan, a copy of which shall be
302 filed by the department with the State Tax Commission. The loan
303 agreement shall not be construed to prohibit any recipient from
304 prepaying any part or all of the funds received. The repayment
305 schedule in each loan agreement shall provide for (i) monthly
306 payments, (ii) semiannual payments or (iii) other periodic
307 payments. The loan agreement shall provide for the repayment of
308 all funds received from the fund within not more than three (3)
309 years. The State Tax Commission shall, at the direction of the
310 department, withhold semiannually from counties, incorporated
311 municipalities and public school districts and monthly from
312 incorporated municipalities, from the amount to be remitted to the
313 county, municipality or public school district, the sum necessary
314 to pay all or a portion of the periodic payments for the loan.

315 (e) Any county, incorporated municipality or public
316 school district which receives a loan from the state for that
317 purpose but which is not eligible to pledge for repayment under
318 the provisions of paragraph (d) of this subsection, shall repay
319 that loan by making payments each month to the State Treasurer

320 through the Department of Finance and Administration for and on
321 behalf of the department according to Section 7-7-15, to be
322 credited to the fund in lieu of pledging homestead exemption
323 annual tax loss reimbursement or sales tax revenue distribution.

324 Loan repayments shall be according to a repayment schedule
325 contained in each loan agreement as provided in paragraph (d) of
326 this subsection.

327 (f) Evidences of indebtedness which are issued pursuant
328 to this act shall not be deemed indebtedness within the meaning
329 specified in Section 21-33-303 with regard to cities and
330 incorporated towns, in Section 19-9-5 with regard to counties and
331 in Section 37-59-5 with regard to public school districts.

332 (g) The State Auditor, upon request of the department,
333 shall audit the receipts and expenditures of a county, an
334 incorporated municipality or a public school district if loan
335 repayments appear to be in arrears, and if the Auditor finds that
336 the county, incorporated municipality or public school district is
337 in arrears in those repayments, the Auditor shall immediately
338 notify the executive director of the department who may take any
339 action as may be necessary to enforce the terms of the loan
340 agreement, including liquidation and enforcement of the security
341 given for repayment of the loan, and the executive director of the
342 department may, in his discretion, notify the State Tax Commission
343 to withhold all future payments to the county, incorporated
344 municipality or school district of homestead exemption annual tax
345 loss reimbursements under Section 27-33-77 and/or all sums
346 allocated to the incorporated municipality under Section 27-65-75,
347 until such time as the county, incorporated municipality or public
348 school district is again current in its loan repayments as
349 certified by the department.

350 (h) All monies deposited in the fund shall be used only
351 for providing the loans authorized under this section. In
352 addition, any amounts in the fund may be used to defray the

353 reasonable costs of administering the fund. The department is
354 authorized to use amounts available to it from the fund to
355 contract for those facilities and staff needed to administer and
356 provide routine management for the funds and loan program.

357 (3) In administering this section the department shall have
358 the following powers and duties:

359 (a) To supervise the use of all funds made available
360 under this section;

361 (b) To promulgate rules and regulations, to make
362 variances and exceptions thereto, and to establish procedures in
363 accordance with this section for the implementation of the loan
364 program;

365 (c) To requisition monies in the fund and distribute
366 those monies in accordance with this section;

367 (d) To maintain, in accordance with generally accepted
368 government accounting standards, an accurate record of all monies
369 in the fund made available to counties, incorporated
370 municipalities and public school districts under this section;

371 (e) To file annually with the Legislature a report
372 detailing how monies in the fund were distributed during the
373 preceding fiscal year to each county, incorporated municipality
374 and public school district.

375 (4) The State Bond Commission, at one time, or from time to
376 time, may declare the necessity for funds for the purposes
377 provided in this section, including the costs incident to the
378 administration of the loan program. Upon approval by the State
379 Bond Commission, the department is authorized to transfer the
380 necessary amount from the Disaster Recovery Fund created in
381 Section 31-17-123 to the fund in ample time to discharge such
382 loans and incidental costs.

383 (5) The department is authorized, without further process of
384 law, to certify the necessity for warrants and is authorized and
385 directed to issue such warrants, in such amounts as may be

386 necessary to make loans under the program authorized by this
387 section.

388 (6) After any state funds in the fund are no longer needed
389 for the particular purpose for which they were appropriated,
390 deposited or transferred into the fund, the department shall
391 transfer those state funds back to the particular fund or funds in
392 the State Treasury from which they were appropriated or
393 transferred into the fund, upon certification of the State Fiscal
394 Officer that the state funds are not currently needed.

395 **SECTION 4.** Section 27-33-77, Mississippi Code of 1972, is
396 amended as follows:

397 27-33-77. Beginning with the 1985 supplemental roll, and for
398 each succeeding year's roll thereafter, the amount of tax loss to
399 be reimbursed because of exemptions provided for in this article
400 shall be Fifty Dollars (\$50.00) each for county taxes exempted and
401 school taxes exempted for a total of One Hundred Dollars (\$100.00)
402 per applicant qualifying for homestead exemption under this
403 article.

404 The reimbursement received by the county shall be distributed
405 by the county treasurer to the general fund.

406 Provided further, that tax losses sustained by municipalities
407 because of exemptions granted to homeowners described in
408 subsection (2) of Section 27-33-67 shall be reimbursed up to the
409 amount of the actual exemption allowed, not to exceed Two Hundred
410 Dollars (\$200.00) per qualified applicant.

411 The reimbursement received by a county, municipality or
412 school district may be pledged as security for a loan if the
413 reimbursement to the county or school district is otherwise
414 authorized or required by law to be pledged as security for such a
415 loan.

416 **SECTION 5.** Section 27-65-75, Mississippi Code of 1972, is
417 amended as follows:

418 27-65-75. On or before the fifteenth day of each month, the
419 revenue collected under the provisions of this chapter during the
420 preceding month shall be paid and distributed as follows:

421 (1) On or before August 15, 1992, and each succeeding month
422 thereafter through July 15, 1993, eighteen percent (18%) of the
423 total sales tax revenue collected during the preceding month under
424 the provisions of this chapter, except that collected under the
425 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
426 business activities within a municipal corporation shall be
427 allocated for distribution to the municipality and paid to the
428 municipal corporation. On or before August 15, 1993, and each
429 succeeding month thereafter, eighteen and one-half percent
430 (18-1/2%) of the total sales tax revenue collected during the
431 preceding month under the provisions of this chapter, except that
432 collected under the provisions of Sections 27-65-15, 27-65-19(3)
433 and 27-65-21, on business activities within a municipal
434 corporation shall be allocated for distribution to the
435 municipality and paid to the municipal corporation.

436 A municipal corporation, for the purpose of distributing the
437 tax under this subsection, shall mean and include all incorporated
438 cities, towns and villages.

439 Monies allocated for distribution and credited to a municipal
440 corporation under this subsection may be pledged as security for
441 a loan if the distribution received by the municipal corporation
442 is otherwise authorized or required by law to be pledged as
443 security for such a loan.

444 In any county having a county seat that is not an
445 incorporated municipality, the distribution provided under this
446 subsection shall be made as though the county seat was an
447 incorporated municipality; however, the distribution to the
448 municipality shall be paid to the county treasury in which the
449 municipality is located, and those funds shall be used for road,
450 bridge and street construction or maintenance in the county.

451 (2) On or before September 15, 1987, and each succeeding
452 month thereafter, from the revenue collected under this chapter
453 during the preceding month, One Million One Hundred Twenty-five
454 Thousand Dollars (\$1,125,000.00) shall be allocated for
455 distribution to municipal corporations as defined under subsection
456 (1) of this section in the proportion that the number of gallons
457 of gasoline and diesel fuel sold by distributors to consumers and
458 retailers in each such municipality during the preceding fiscal
459 year bears to the total gallons of gasoline and diesel fuel sold
460 by distributors to consumers and retailers in municipalities
461 statewide during the preceding fiscal year. The State Tax
462 Commission shall require all distributors of gasoline and diesel
463 fuel to report to the commission monthly the total number of
464 gallons of gasoline and diesel fuel sold by them to consumers and
465 retailers in each municipality during the preceding month. The
466 State Tax Commission shall have the authority to promulgate such
467 rules and regulations as is necessary to determine the number of
468 gallons of gasoline and diesel fuel sold by distributors to
469 consumers and retailers in each municipality. In determining the
470 percentage allocation of funds under this subsection for the
471 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
472 State Tax Commission may consider gallons of gasoline and diesel
473 fuel sold for a period of less than one (1) fiscal year. For the
474 purposes of this subsection, the term "fiscal year" means the
475 fiscal year beginning July 1 of a year.

476 (3) On or before September 15, 1987, and on or before the
477 fifteenth day of each succeeding month, until the date specified
478 in Section 65-39-35, the proceeds derived from contractors' taxes
479 levied under Section 27-65-21 on contracts for the construction or
480 reconstruction of highways designated under the highway program
481 created under Section 65-3-97 shall, except as otherwise provided
482 in Section 31-17-127, be deposited into the State Treasury to the
483 credit of the State Highway Fund to be used to fund that highway

484 program. The Mississippi Department of Transportation shall
485 provide to the State Tax Commission such information as is
486 necessary to determine the amount of proceeds to be distributed
487 under this subsection.

488 (4) On or before August 15, 1994, and on or before the
489 fifteenth day of each succeeding month through July 15, 1999, from
490 the proceeds of gasoline, diesel fuel or kerosene taxes as
491 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
492 (\$4,000,000.00) shall be deposited in the State Treasury to the
493 credit of a special fund designated as the "State Aid Road Fund,"
494 created by Section 65-9-17. On or before August 15, 1999, and on
495 or before the fifteenth day of each succeeding month, from the
496 total amount of the proceeds of gasoline, diesel fuel or kerosene
497 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
498 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
499 one-fourth percent (23-1/4%) of those funds, whichever is the
500 greater amount, shall be deposited in the State Treasury to the
501 credit of the "State Aid Road Fund," created by Section 65-9-17.
502 Those funds shall be pledged to pay the principal of and interest
503 on state aid road bonds heretofore issued under Sections 19-9-51
504 through 19-9-77, in lieu of and in substitution for the funds
505 previously allocated to counties under this section. Those funds
506 may not be pledged for the payment of any state aid road bonds
507 issued after April 1, 1981; however, this prohibition against the
508 pledging of any such funds for the payment of bonds shall not
509 apply to any bonds for which intent to issue those bonds has been
510 published, for the first time, as provided by law before March 29,
511 1981. From the amount of taxes paid into the special fund under
512 this subsection and subsection (9) of this section, there shall be
513 first deducted and paid the amount necessary to pay the expenses
514 of the Office of State Aid Road Construction, as authorized by the
515 Legislature for all other general and special fund agencies. The

516 remainder of the fund shall be allocated monthly to the several
517 counties in accordance with the following formula:

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

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

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

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

531 The amount of funds allocated to any county under this
532 subsection for any fiscal year after fiscal year 1994 shall not be
533 less than the amount allocated to the county for fiscal year
534 1994.

535 Any reference in the general laws of this state or the
536 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
537 construed to refer and apply to subsection (4) of Section
538 27-65-75.

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

545 (6) An amount each month beginning August 15, 1983, through
546 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
547 of 1983, shall be paid into the special fund known as the

548 Correctional Facilities Construction Fund created in Section 6 of
549 Chapter 542, Laws of 1983.

550 (7) On or before August 15, 1992, and each succeeding month
551 thereafter through July 15, 2000, two and two hundred sixty-six
552 one-thousandths percent (2.266%) of the total sales tax revenue
553 collected during the preceding month under the provisions of this
554 chapter, except that collected under the provisions of Section
555 27-65-17(2) shall be deposited by the commission into the School
556 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
557 or before August 15, 2000, and each succeeding month thereafter,
558 two and two hundred sixty-six one-thousandths percent (2.266%) of
559 the total sales tax revenue collected during the preceding month
560 under the provisions of this chapter, except that collected under
561 the provisions of Section 27-65-17(2), shall be deposited into the
562 School Ad Valorem Tax Reduction Fund created under Section
563 37-61-35 until such time that the total amount deposited into the
564 fund during a fiscal year equals Forty-two Million Dollars
565 (\$42,000,000.00). Thereafter, the amounts diverted under this
566 subsection (7) during the fiscal year in excess of Forty-two
567 Million Dollars (\$42,000,000.00) shall be deposited into the
568 Education Enhancement Fund created under Section 37-61-33 for
569 appropriation by the Legislature as other education needs and
570 shall not be subject to the percentage appropriation requirements
571 set forth in Section 37-61-33.

572 (8) On or before August 15, 1992, and each succeeding month
573 thereafter, nine and seventy-three one-thousandths percent
574 (9.073%) of the total sales tax revenue collected during the
575 preceding month under the provisions of this chapter, except that
576 collected under the provisions of Section 27-65-17(2), shall be
577 deposited into the Education Enhancement Fund created under
578 Section 37-61-33.

579 (9) On or before August 15, 1994, and each succeeding month
580 thereafter, from the revenue collected under this chapter during

581 the preceding month, Two Hundred Fifty Thousand Dollars
582 (\$250,000.00) shall be paid into the State Aid Road Fund.

583 (10) On or before August 15, 1994, and each succeeding month
584 thereafter through August 15, 1995, from the revenue collected
585 under this chapter during the preceding month, Two Million Dollars
586 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
587 Valorem Tax Reduction Fund established in Section 27-51-105.

588 (11) Notwithstanding any other provision of this section to
589 the contrary, on or before February 15, 1995, and each succeeding
590 month thereafter, the sales tax revenue collected during the
591 preceding month under the provisions of Section 27-65-17(2) and
592 the corresponding levy in Section 27-65-23 on the rental or lease
593 of private carriers of passengers and light carriers of property
594 as defined in Section 27-51-101 shall be deposited, without
595 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
596 established in Section 27-51-105.

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

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

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

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

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

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

642 (18) On or before August 15, 2007, and each succeeding month
643 thereafter through July 15, 2008, from the sales tax revenue
644 collected during the preceding month under the provisions of this
645 chapter, Two Million Five Hundred Thousand Dollars (\$2,500,000.00)

646 shall be deposited into the Special Funds Transfer Fund created in
647 Section 4 of Chapter 556, Laws of 2003.

648 (19) (a) On or before August 15, 2005, and each succeeding
649 month thereafter, the sales tax revenue collected during the
650 preceding month under the provisions of this chapter on the gross
651 proceeds of sales of a business enterprise located within a
652 redevelopment project area under the provisions of Sections
653 57-91-1 through 57-91-11, and the revenue collected on the gross
654 proceeds of sales from sales made to a business enterprise located
655 in a redevelopment project area under the provisions of Sections
656 57-91-1 through 57-91-11 (provided that such sales made to a
657 business enterprise are made on the premises of the business
658 enterprise), shall, except as otherwise provided in this
659 subsection (19), be deposited, after all diversions, into the
660 Redevelopment Project Incentive Fund as created in Section
661 57-91-9.

662 (b) For a municipality participating in the Economic
663 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
664 the diversion provided for in subsection (1) of this section
665 attributable to the gross proceeds of sales of a business
666 enterprise located within a redevelopment project area under the
667 provisions of Sections 57-91-1 through 57-91-11, and attributable
668 to the gross proceeds of sales from sales made to a business
669 enterprise located in a redevelopment project area under the
670 provisions of Sections 57-91-1 through 57-91-11 (provided that
671 such sales made to a business enterprise are made on the premises
672 of the business enterprise), shall be deposited into the
673 Redevelopment Project Incentive Fund as created in Section
674 57-91-9, as follows:

675 (i) For the first six (6) years in which payments
676 are made to a developer from the Redevelopment Project Incentive
677 Fund, one hundred percent (100%) of the diversion shall be
678 deposited into the fund;

679 (ii) For the seventh year in which such payments
680 are made to a developer from the Redevelopment Project Incentive
681 Fund, eighty percent (80%) of the diversion shall be deposited
682 into the fund;

683 (iii) For the eighth year in which such payments
684 are made to a developer from the Redevelopment Project Incentive
685 Fund, seventy percent (70%) of the diversion shall be deposited
686 into the fund;

687 (iv) For the ninth year in which such payments are
688 made to a developer from the Redevelopment Project Incentive Fund,
689 sixty percent (60%) of the diversion shall be deposited into the
690 fund; and

691 (v) For the tenth year in which such payments are
692 made to a developer from the Redevelopment Project Incentive Fund,
693 fifty percent (50%) of the funds shall be deposited into the fund.

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

697 (21) It shall be the duty of the municipal officials of any
698 municipality that expands its limits, or of any community that
699 incorporates as a municipality, to notify the commissioner of
700 that action thirty (30) days before the effective date. Failure
701 to so notify the commissioner shall cause the municipality to
702 forfeit the revenue that it would have been entitled to receive
703 during this period of time when the commissioner had no knowledge
704 of the action. If any funds have been erroneously disbursed to
705 any municipality or any overpayment of tax is recovered by the
706 taxpayer, the commissioner may make correction and adjust the
707 error or overpayment with the municipality by withholding the
708 necessary funds from any later payment to be made to the
709 municipality.

710 **SECTION 6.** This act shall take effect and be in force from
711 and after its passage.