

By: Senator(s) Morgan

To: Fees, Salaries and
Administration

SENATE BILL NO. 2957

1 AN ACT TO AMEND SECTION 31-7-10, MISSISSIPPI CODE OF 1972, TO
 2 AUTHORIZE THE DEPARTMENT OF FINANCE AND ADMINISTRATION TO DEVELOP
 3 A MASTER LEASE-PURCHASE PROGRAM FOR COUNTIES AND MUNICIPALITIES
 4 AND, PURSUANT TO THAT PROGRAM, EXECUTE ON BEHALF OF COUNTIES AND
 5 MUNICIPALITIES MASTER LEASE-PURCHASE AGREEMENTS FOR EQUIPMENT TO
 6 BE USED BY THE COUNTIES AND MUNICIPALITIES; TO AMEND SECTION
 7 27-33-77, MISSISSIPPI CODE OF 1972, TO AUTHORIZE COUNTIES AND
 8 MUNICIPALITIES TO PLEDGE AMOUNTS APPROPRIATED FOR HOMESTEAD
 9 EXEMPTION REIMBURSEMENT AS SECURITY FOR SUMS DUE UNDER THE MASTER
 10 LEASE-PURCHASE PROGRAM; TO AMEND SECTION 27-51-107, MISSISSIPPI
 11 CODE OF 1972, TO AUTHORIZE A COUNTY TO PLEDGE FUNDS DUE TO BE PAID
 12 TO IT FROM THE MOTOR VEHICLE AD VALOREM TAX REDUCTION FUND AS
 13 SECURITY FOR SUMS DUE UNDER THE MASTER LEASE-PURCHASE PROGRAM; TO
 14 PROVIDE THAT UPON NOTIFICATION BY THE EXECUTIVE DIRECTOR OF THE
 15 DEPARTMENT OF FINANCE AND ADMINISTRATION OF A COUNTY'S DELINQUENCY
 16 UNDER THE MASTER LEASE-PURCHASE PROGRAM, THE STATE TAX COMMISSION
 17 SHALL HALT SUCH PAYMENTS TO THE COUNTY AND PAY THE COUNTY'S SHARE
 18 OF SUCH PAYMENTS TO THE DEPARTMENT OF FINANCE AND ADMINISTRATION
 19 UNTIL SUCH TIME AS THE AMOUNT DUE UNDER THE MASTER LEASE-PURCHASE
 20 PROGRAM IS SATISFIED; TO AMEND SECTION 27-65-75, MISSISSIPPI CODE
 21 OF 1972, TO AUTHORIZE A MUNICIPALITY TO PLEDGE SALES TAX REVENUE
 22 ALLOCATED TO IT AS SECURITY FOR SUMS DUE UNDER THE MASTER
 23 LEASE-PURCHASE PROGRAM AND TO PROVIDE THAT UPON NOTIFICATION BY
 24 THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF FINANCE AND
 25 ADMINISTRATION OF A MUNICIPALITY'S DELINQUENCY UNDER THE MASTER
 26 LEASE-PURCHASE PROGRAM, THE STATE TAX COMMISSION SHALL HALT SUCH
 27 PAYMENTS TO THE MUNICIPALITY AND MAKE SUCH PAYMENTS TO THE
 28 DEPARTMENT OF FINANCE AND ADMINISTRATION UNTIL SUCH TIME AS THE
 29 AMOUNT DUE UNDER THE MASTER LEASE-PURCHASE PROGRAM IS SATISFIED;
 30 AND FOR RELATED PURPOSES.

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

32 **SECTION 1.** Section 31-7-10, Mississippi Code of 1972, is
 33 amended as follows:

34 31-7-10. (1) For the purposes of this section, the term
 35 "equipment" shall mean equipment, furniture, and if applicable,
 36 associated software and other applicable direct costs associated
 37 with the acquisition. In addition to its other powers and duties,
 38 the Department of Finance and Administration shall have the
 39 authority to develop a master lease-purchase program and, pursuant
 40 to that program, shall have the authority to execute on behalf of
 41 the state master lease-purchase agreements for equipment to be

42 used by an agency, as provided in this section. Each agency
43 electing to acquire equipment by a lease-purchase agreement shall
44 participate in the Department of Finance and Administration's
45 master lease-purchase program, unless the Department of Finance
46 and Administration makes a determination that such equipment
47 cannot be obtained under the program or unless the equipment can
48 be obtained elsewhere at an overall cost lower than that for which
49 the equipment can be obtained under the program. Such
50 lease-purchase agreements may include the refinancing or
51 consolidation, or both, of any state agency lease-purchase
52 agreements entered into after June 30, 1990.

53 (2) All funds designated by agencies for procurement of
54 equipment and financing thereof under the master lease-purchase
55 program shall be paid into a special fund created in the State
56 Treasury known as the "Master Lease-Purchase Program Fund," which
57 shall be used by the Department of Finance and Administration for
58 payment to the lessors for equipment acquired under master
59 lease-purchase agreements.

60 (3) Upon final approval of an appropriation bill, each
61 agency shall submit to the Public Procurement Review Board a
62 schedule of proposed equipment acquisitions for the master
63 lease-purchase program. Upon approval of an equipment schedule by
64 the Public Procurement Review Board with the advice of the
65 Department of Information Technology Services, the Office of
66 Purchasing, Travel and Fleet Management, and the Division of
67 Energy and Transportation of the Mississippi Development Authority
68 as it pertains to energy efficient climate control systems, the
69 Public Procurement Review Board shall forward a copy of the
70 equipment schedule to the Department of Finance and
71 Administration.

72 (4) The level of lease-purchase debt recommended by the
73 Department of Finance and Administration shall be subject to
74 approval by the State Bond Commission. After such approval, the

75 Department of Finance and Administration shall be authorized to
76 advertise and solicit written competitive proposals for a lessor,
77 who will purchase the equipment pursuant to bid awards made by the
78 using agency under a given category and then transfer the
79 equipment to the Department of Finance and Administration as
80 lessee, pursuant to a master lease-purchase agreement.

81 The Department of Finance and Administration shall select the
82 successful proposer for the financing of equipment under the
83 master lease-purchase program with the approval of the State Bond
84 Commission.

85 (5) Each master lease-purchase agreement, and any subsequent
86 amendments, shall include such terms and conditions as the State
87 Bond Commission shall determine to be appropriate and in the
88 public interest, and may include any covenants deemed necessary or
89 desirable to protect the interests of the lessor, including, but
90 not limited to, provisions setting forth the interest rate (or
91 method for computing interest rates) for financing pursuant to
92 such agreement, covenants concerning application of payments and
93 funds held in the Master Lease-Purchase Program Fund, covenants to
94 maintain casualty insurance with respect to equipment subject to
95 the master lease-purchase agreement (and all state agencies are
96 specifically authorized to purchase any insurance required by a
97 master lease-purchase agreement) and covenants precluding or
98 limiting the right of the lessee or user to acquire equipment
99 within a specified time (not to exceed five (5) years) after
100 cancellation on the basis of a failure to appropriate funds for
101 payment of amounts due under a lease-purchase agreement covering
102 comparable equipment. The State Bond Commission shall transmit
103 copies of each such master lease-purchase agreement and each such
104 amendment to the Joint Legislative Budget Committee. To the
105 extent provided in any master lease-purchase agreement, title to
106 equipment leased pursuant thereto shall be deemed to be vested in
107 the state or the user of the equipment (as specified in such

108 master lease-purchase agreement), subject to default under or
109 termination of such master lease-purchase agreement.

110 A master lease-purchase agreement may provide for payment by
111 the lessor to the lessee of the purchase price of the equipment to
112 be acquired pursuant thereto prior to the date on which payment is
113 due to the vendor for such equipment and that the lease payments
114 by the lessee shall commence as though the equipment had been
115 provided on the date of payment. If the lessee, or lessee's
116 escrow agent, has sufficient funds for payment of equipment
117 purchases prior to payment due date to vendor of equipment, such
118 funds shall be held or utilized on an as-needed basis for payment
119 of equipment purchases either by the State Treasurer (in which
120 event the master lease-purchase agreement may include provisions
121 concerning the holding of such funds, the creation of a security
122 interest for the benefit of the lessor in such funds until
123 disbursed and other appropriate provisions approved by the Bond
124 Commission) or by a corporate trustee selected by the Department
125 of Finance and Administration (in which event the Department of
126 Finance and Administration shall have the authority to enter into
127 an agreement with such a corporate trustee containing terms and
128 conditions approved by the Bond Commission). Earnings on any
129 amount paid by the lessor prior to the acquisition of the
130 equipment may be used to make lease payments under the master
131 lease-purchase agreement or applied to pay costs and expenses
132 incurred in connection with such lease-purchase agreement. In
133 such event, the equipment-use agreements with the user agency may
134 provide for lease payments to commence upon the date of payment by
135 the lessor and may also provide for a credit against such payments
136 to the extent that investment receipts from investment of the
137 purchase price are to be used to make lease-purchase payments.

138 (6) The annual rate of interest paid under any
139 lease-purchase agreement authorized under this section shall not

140 exceed the maximum interest rate to maturity on general obligation
141 indebtedness permitted under Section 75-17-101.

142 (7) The Department of Finance and Administration shall
143 furnish the equipment to the various agencies, also known as the
144 user, pursuant to an equipment-use agreement developed by the
145 Department of Finance and Administration. Such agreements shall
146 require that all monthly payments due from such agency be paid,
147 transferred or allocated into the Master Lease-Purchase Program
148 Fund pursuant to a schedule established by the Department of
149 Finance and Administration. In the event such sums are not paid
150 by the defined payment period, the Executive Director of the
151 Department of Finance and Administration shall issue a requisition
152 for a warrant to draw such amount as may be due from any funds
153 appropriated for the use of the agency which has failed to make
154 the payment as agreed.

155 (8) All master lease-purchase agreements executed under the
156 authority of this section shall contain the following annual
157 allocation dependency clause or an annual allocation dependency
158 clause which is substantially equivalent thereto: "The
159 continuation of each equipment schedule to this agreement is
160 contingent in whole or in part upon the appropriation of funds by
161 the Legislature to make the lease-purchase payments required under
162 such equipment schedule. If the Legislature fails to appropriate
163 sufficient funds to provide for the continuation of the
164 lease-purchase payments under any such equipment schedule, then
165 the obligations of the lessee and of the agency to make such
166 lease-purchase payments and the corresponding provisions of any
167 such equipment schedule to this agreement shall terminate on the
168 last day of the fiscal year for which appropriations were made."

169 (9) The maximum lease term for any equipment acquired under
170 the master lease-purchase program shall not exceed the useful life
171 of such equipment as determined according to the upper limit of
172 the asset depreciation range (ADR) guidelines for the Class Life

173 Asset Depreciation Range System established by the Internal
174 Revenue Service pursuant to the United States Internal Revenue
175 Code and Regulations thereunder as in effect on December 31, 1980,
176 or comparable depreciation guidelines with respect to any
177 equipment not covered by ADR guidelines. The Department of
178 Finance and Administration shall be deemed to have met the
179 requirements of this subsection if the term of a master
180 lease-purchase agreement does not exceed the weighted average
181 useful life of all equipment covered by such agreement and the
182 schedules thereto as determined by the Department of Finance and
183 Administration. For purposes of this subsection, the "term of a
184 master lease-purchase agreement" shall be the weighted average
185 maturity of all principal payments to be made under such master
186 lease-purchase agreement and all schedules thereto.

187 (10) Interest paid on any master lease-purchase agreement
188 under this section shall be exempt from State of Mississippi
189 income taxation. All equipment, and the purchase thereof by any
190 lessor, acquired under the master lease-purchase program and all
191 lease-purchase payments with respect thereto shall be exempt from
192 all Mississippi sales, use and ad valorem taxes.

193 (11) The Governor, in his annual executive budget to the
194 Legislature, shall recommend appropriations sufficient to provide
195 funds to pay all amounts due and payable during the applicable
196 fiscal year under master lease-purchase agreements entered into
197 pursuant to this section.

198 (12) Any master lease-purchase agreement reciting in
199 substance that such agreement has been entered into pursuant to
200 this section shall be conclusively deemed to have been entered
201 into in accordance with all of the provisions and conditions set
202 forth in this section. Any defect or irregularity arising with
203 respect to procedures applicable to the acquisition of any
204 equipment shall not invalidate or otherwise limit the obligation
205 of the Department of Finance and Administration, or the state or

206 any agency of the state, under any master lease-purchase agreement
207 or any equipment-use agreement.

208 (13) There shall be maintained by the Department of Finance
209 and Administration, with respect to each master lease-purchase
210 agreement, an itemized statement of the cash price, interest
211 rates, interest costs, commissions, debt service schedules and all
212 other costs and expenses paid by the state incident to the
213 lease-purchase of equipment under such agreement.

214 (14) Lease-purchase agreements entered into by the Board of
215 Trustees of State Institutions of Higher Learning pursuant to the
216 authority of Section 37-101-413 or by any other agency which has
217 specific statutory authority other than pursuant to Section
218 31-7-13(e) to acquire equipment by lease-purchase shall not be
219 made pursuant to the master lease-purchase program under this
220 section, unless the Board of Trustees of State Institutions of
221 Higher Learning or such other agency elects to participate as to
222 part or all of its lease-purchase acquisitions in the master
223 lease-purchase program pursuant to this section.

224 (15) The Department of Finance and Administration may
225 develop a master lease-purchase program for school districts and,
226 pursuant to that program, may execute on behalf of the school
227 districts master lease-purchase agreements for equipment to be
228 used by the school districts. The form and structure of this
229 program shall be substantially the same as set forth in this
230 section for the master lease-purchase program for state agencies.
231 If sums due from a school district under the master lease-purchase
232 program are not paid by the expiration of the defined payment
233 period, the Executive Director of the Department of Finance and
234 Administration may withhold such amount that is due from the
235 school district's minimum education or adequate education program
236 fund allotments.

237 (16) The Department of Finance and Administration may
238 develop a master lease-purchase program for community and junior

239 college districts and, pursuant to that program, may execute on
240 behalf of the community and junior college districts master
241 lease-purchase agreements for equipment to be used by the
242 community and junior college districts. The form and structure of
243 this program must be substantially the same as set forth in this
244 section for the master lease-purchase program for state agencies.
245 If sums due from a community or junior college district under the
246 master lease-purchase program are not paid by the expiration of
247 the defined payment period, the Executive Director of the
248 Department of Finance and Administration may withhold an amount
249 equal to the amount due under the program from any funds allocated
250 for that community or junior college district in the state
251 appropriations for the use and support of the community and junior
252 colleges.

253 (17) The Department of Finance and Administration may
254 develop a master lease-purchase program for counties and, pursuant
255 to that program, may execute on behalf of counties master
256 lease-purchase agreements for equipment to be used by the
257 counties. The form and structure of this program must be
258 substantially the same as set forth in this section for the master
259 lease-purchase program for state agencies; however, the Department
260 of Finance and Administration may enter into contracts with other
261 entities to administer the program. The Department of Finance and
262 Administration may charge counties a reasonable fee to pay the
263 costs associated with administering the program. If sums due from
264 a county under the master lease-purchase program are not paid by
265 the expiration of the defined payment period, the Executive
266 Director of the Department of Finance and Administration may:

267 (a) Withhold an amount equal to the amount due under
268 the program from the county's portion of funds in the state
269 appropriations for homestead reimbursement; or

270 (b) Intercept, as provided in Section 27-51-107,
271 payments of the county's share of reimbursement for motor vehicle

272 ad valorem taxes that are lost as a result of the ad valorem tax
273 credit provided for in Section 27-51-103.

274 (18) The Department of Finance and Administration may
275 develop a master lease-purchase program for municipalities and,
276 pursuant to that program, may execute on behalf of municipalities
277 master lease-purchase agreements for equipment to be used by the
278 municipalities. The form and structure of this program must be
279 substantially the same as set forth in this section for the master
280 lease-purchase program for state agencies; however, the Department
281 of Finance and Administration may enter into contracts with other
282 entities to administer the program. The Department of Finance and
283 Administration may charge municipalities a reasonable fee to pay
284 the costs associated with administering the program. If sums due
285 from a municipality under the master lease-purchase program are
286 not paid by the expiration of the defined payment period, the
287 Executive Director of the Department of Finance and Administration
288 may:

289 (a) Withhold an amount equal to the amount due under
290 the program from the municipality's portion of funds in the state
291 appropriations for homestead reimbursement; or

292 (b) Intercept, as provided in Section 27-65-75, the
293 sales tax revenue allocated and paid to the municipality pursuant
294 to Section 27-65-75.

295 **SECTION 2.** Section 27-33-77, Mississippi Code of 1972, is
296 amended as follows:

297 27-33-77. (1) (a) Beginning with the 1985 supplemental
298 roll, and for each succeeding year's roll thereafter, the amount
299 of tax loss to be reimbursed because of exemptions provided for in
300 this article shall be Fifty Dollars (\$50.00) each for county taxes
301 exempted and school taxes exempted for a total of One Hundred
302 Dollars (\$100.00) per applicant qualifying for homestead exemption
303 under this article.

304 (b) The reimbursement received by the county shall be
305 distributed by the county treasurer to the general fund.

306 The reimbursement received by a county, municipality or
307 school district may be pledged as security for a loan if the
308 reimbursement to the county or school district is otherwise
309 authorized or required by law to be pledged as security for such a
310 loan.

311 (c) The reimbursement due to be paid to the county may
312 be pledged as security for sums due under the master
313 lease-purchase program authorized under Section 31-7-10.

314 (2) (a) * * * Tax losses sustained by municipalities
315 because of exemptions granted to homeowners described in
316 subsection (2) of Section 27-33-67 shall be reimbursed up to the
317 amount of the actual exemption allowed, not to exceed Two Hundred
318 Dollars (\$200.00) per qualified applicant.

319 (b) The reimbursement due to be paid to the
320 municipality may be pledged as security for sums due under the
321 master lease-purchase program authorized under Section 31-7-10.

322 **SECTION 3.** Section 27-51-107, Mississippi Code of 1972, is
323 amended as follows:

324 27-51-107. (1) On or before February 10, 1995, and the
325 tenth day of each succeeding month thereafter, the State Tax
326 Commission shall make payments from the Motor Vehicle Ad Valorem
327 Tax Reduction Fund established in Section 27-51-105 to the county
328 tax collectors for distribution to the local taxing districts as
329 reimbursement for motor vehicle ad valorem taxes that are lost
330 during the preceding month as a result of the ad valorem tax
331 credit for private carriers of passengers and light carriers of
332 property that is provided for by Section 27-51-103. The amount
333 that each local taxing district will receive for each month under
334 this subsection shall be determined by the State Tax Commission
335 based on documentation provided by the tax collectors under
336 guidelines established by the commission.

337 (2) On or before the twentieth day of the month that the
338 payments from the commission under subsection (1) of this section
339 are received, the county tax collectors shall remit the
340 appropriate amount of such payments to the local taxing districts
341 for which the county tax collector collects motor vehicle ad
342 valorem taxes. When an ad valorem tax credit that is allowed to a
343 taxpayer is not paid by the commission in the payment for the
344 month in which such credit is allowed, the tax collector shall
345 remit the payment for such credit to the local taxing authority on
346 or before the twentieth day of the month that payment for such
347 credit is received from the commission.

348 (3) Funds received by local taxing districts from the
349 payments under subsection (1) of this section shall be considered
350 to be, and shall be used in the same manner as, the proceeds of
351 motor vehicle ad valorem taxes.

352 (4) (a) Funds due to be paid to the county for its share of
353 the payments required to be made by the State Tax Commission under
354 this section may be pledged as security for sums due under the
355 master lease-purchase program authorized under Section 31-7-10.

356 (b) If sums due from a county under the master
357 lease-purchase program authorized in Section 31-7-10 are not paid
358 by the expiration of the defined payment period and the county has
359 pledged payments made under this section as security for such
360 payments, the Executive Director of the Department of Finance and
361 Administration shall notify the State Tax Commission of the
362 delinquency and the State Tax Commission shall halt payments to
363 the county and pay the county's share of the payment to the
364 Department of Finance and Administration until such time as the
365 amount due under the master lease-purchase program is satisfied.

366 **SECTION 4.** Section 27-65-75, Mississippi Code of 1972, is
367 amended as follows:

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

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

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

389 Monies allocated for distribution and credited to a municipal
390 corporation under this subsection may be pledged as security for a
391 loan if the distribution received by the municipal corporation is
392 otherwise authorized or required by law to be pledged as security
393 for such a loan.

394 Monies allocated for distribution and credited to a municipal
395 corporation under this subsection may be pledged as security for
396 sums due under the master lease-purchase program authorized under
397 Section 31-7-10. If sums due from a municipality under the master
398 lease-purchase program authorized in Section 31-7-10 are not paid
399 by the expiration of the defined payment period and the
400 municipality has pledged monies allocated for distribution and

401 credited to it under this subsection as security for such
402 payments, the Executive Director of the Department of Finance and
403 Administration shall notify the State Tax Commission of the
404 delinquency and the State Tax Commission shall halt distributions
405 to the municipality and pay the monies allocated to the
406 municipality to the Department of Finance and Administration until
407 such time as the amount due under the master lease-purchase
408 program is satisfied.

409 In any county having a county seat that is not an
410 incorporated municipality, the distribution provided under this
411 subsection shall be made as though the county seat was an
412 incorporated municipality; however, the distribution to the
413 municipality shall be paid to the county treasury in which the
414 municipality is located, and those funds shall be used for road,
415 bridge and street construction or maintenance in the county.

416 (b) On or before August 15, 2006, and each succeeding
417 month thereafter, eighteen and one-half percent (18-1/2%) of the
418 total sales tax revenue collected during the preceding month under
419 the provisions of this chapter, except that collected under the
420 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
421 business activities on the campus of a state institution of higher
422 learning or community or junior college whose campus is not
423 located within the corporate limits of a municipality, shall be
424 allocated for distribution to the state institution of higher
425 learning or community or junior college and paid to the state
426 institution of higher learning or community or junior college.

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

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

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

464 (4) On or before August 15, 1994, and on or before the
465 fifteenth day of each succeeding month through July 15, 1999, from
466 the proceeds of gasoline, diesel fuel or kerosene taxes as

467 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
468 (\$4,000,000.00) shall be deposited in the State Treasury to the
469 credit of a special fund designated as the "State Aid Road Fund,"
470 created by Section 65-9-17. On or before August 15, 1999, and on
471 or before the fifteenth day of each succeeding month, from the
472 total amount of the proceeds of gasoline, diesel fuel or kerosene
473 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
474 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
475 one-fourth percent (23-1/4%) of those funds, whichever is the
476 greater amount, shall be deposited in the State Treasury to the
477 credit of the "State Aid Road Fund," created by Section 65-9-17.
478 Those funds shall be pledged to pay the principal of and interest
479 on state aid road bonds heretofore issued under Sections 19-9-51
480 through 19-9-77, in lieu of and in substitution for the funds
481 previously allocated to counties under this section. Those funds
482 may not be pledged for the payment of any state aid road bonds
483 issued after April 1, 1981; however, this prohibition against the
484 pledging of any such funds for the payment of bonds shall not
485 apply to any bonds for which intent to issue those bonds has been
486 published, for the first time, as provided by law before March 29,
487 1981. From the amount of taxes paid into the special fund under
488 this subsection and subsection (9) of this section, there shall be
489 first deducted and paid the amount necessary to pay the expenses
490 of the Office of State Aid Road Construction, as authorized by the
491 Legislature for all other general and special fund agencies. The
492 remainder of the fund shall be allocated monthly to the several
493 counties in accordance with the following formula:

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

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

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

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

507 The amount of funds allocated to any county under this
508 subsection for any fiscal year after fiscal year 1994 shall not be
509 less than the amount allocated to the county for fiscal year 1994.

510 Any reference in the general laws of this state or the
511 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
512 construed to refer and apply to subsection (4) of Section
513 27-65-75.

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

520 (6) An amount each month beginning August 15, 1983, through
521 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
522 of 1983, shall be paid into the special fund known as the
523 Correctional Facilities Construction Fund created in Section 6 of
524 Chapter 542, Laws of 1983.

525 (7) On or before August 15, 1992, and each succeeding month
526 thereafter through July 15, 2000, two and two hundred sixty-six
527 one-thousandths percent (2.266%) of the total sales tax revenue
528 collected during the preceding month under the provisions of this
529 chapter, except that collected under the provisions of Section
530 27-65-17(2) shall be deposited by the commission into the School
531 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
532 or before August 15, 2000, and each succeeding month thereafter,

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

547 (8) On or before August 15, 1992, and each succeeding month
548 thereafter, nine and seventy-three one-thousandths percent
549 (9.073%) of the total sales tax revenue collected during the
550 preceding month under the provisions of this chapter, except that
551 collected under the provisions of Section 27-65-17(2), shall be
552 deposited into the Education Enhancement Fund created under
553 Section 37-61-33.

554 (9) On or before August 15, 1994, and each succeeding month
555 thereafter, from the revenue collected under this chapter during
556 the preceding month, Two Hundred Fifty Thousand Dollars
557 (\$250,000.00) shall be paid into the State Aid Road Fund.

558 (10) On or before August 15, 1994, and each succeeding month
559 thereafter through August 15, 1995, from the revenue collected
560 under this chapter during the preceding month, Two Million Dollars
561 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
562 Valorem Tax Reduction Fund established in Section 27-51-105.

563 (11) Notwithstanding any other provision of this section to
564 the contrary, on or before February 15, 1995, and each succeeding
565 month thereafter, the sales tax revenue collected during the

566 preceding month under the provisions of Section 27-65-17(2) and
567 the corresponding levy in Section 27-65-23 on the rental or lease
568 of private carriers of passengers and light carriers of property
569 as defined in Section 27-51-101 shall be deposited, without
570 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
571 established in Section 27-51-105.

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

581 (13) On or before July 15, 1994, and on or before the
582 fifteenth day of each succeeding month thereafter, that portion of
583 the avails of the tax imposed in Section 27-65-22 that is derived
584 from activities held on the Mississippi State Fairgrounds Complex,
585 shall be paid into a special fund that is created in the State
586 Treasury and shall be expended upon legislative appropriation
587 solely to defray the costs of repairs and renovation at the Trade
588 Mart and Coliseum.

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

596 (15) Notwithstanding any other provision of this section to
597 the contrary, on or before September 15, 2000, and each succeeding
598 month thereafter, the sales tax revenue collected during the

599 preceding month under the provisions of Section 27-65-19(1)(f) and
600 (g)(i)2, shall be deposited, without diversion, into the
601 Telecommunications Ad Valorem Tax Reduction Fund established in
602 Section 27-38-7.

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

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

617 (18) On or before August 15, 2007, and each succeeding month
618 thereafter through July 15, 2008, from the sales tax revenue
619 collected during the preceding month under the provisions of this
620 chapter, Two Million Five Hundred Thousand Dollars (\$2,500,000.00)
621 shall be deposited into the Special Funds Transfer Fund created in
622 Section 4 of Chapter 556, Laws of 2003.

623 (19) (a) On or before August 15, 2005, and each succeeding
624 month thereafter, the sales tax revenue collected during the
625 preceding month under the provisions of this chapter on the gross
626 proceeds of sales of a business enterprise located within a
627 redevelopment project area under the provisions of Sections
628 57-91-1 through 57-91-11, and the revenue collected on the gross
629 proceeds of sales from sales made to a business enterprise located
630 in a redevelopment project area under the provisions of Sections
631 57-91-1 through 57-91-11 (provided that such sales made to a

632 business enterprise are made on the premises of the business
633 enterprise), shall, except as otherwise provided in this
634 subsection (19), be deposited, after all diversions, into the
635 Redevelopment Project Incentive Fund as created in Section
636 57-91-9.

637 (b) For a municipality participating in the Economic
638 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
639 the diversion provided for in subsection (1) of this section
640 attributable to the gross proceeds of sales of a business
641 enterprise located within a redevelopment project area under the
642 provisions of Sections 57-91-1 through 57-91-11, and attributable
643 to the gross proceeds of sales from sales made to a business
644 enterprise located in a redevelopment project area under the
645 provisions of Sections 57-91-1 through 57-91-11 (provided that
646 such sales made to a business enterprise are made on the premises
647 of the business enterprise), shall be deposited into the
648 Redevelopment Project Incentive Fund as created in Section
649 57-91-9, as follows:

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

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

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

662 (iv) For the ninth year in which such payments are
663 made to a developer from the Redevelopment Project Incentive Fund,

664 sixty percent (60%) of the diversion shall be deposited into the
665 fund; and

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

669 (20) On or before January 15, 2007, and each succeeding
670 month thereafter, eighty percent (80%) of the sales tax revenue
671 collected during the preceding month under the provisions of this
672 chapter from the operation of a tourism project under the
673 provisions of Sections 57-28-1 through 57-28-5, shall be
674 deposited, after the diversions required in subsections (7) and
675 (8) of this section, into the Tourism Sales Tax Incentive Fund
676 created in Section 57-28-3.

677 (21) The remainder of the amounts collected under the
678 provisions of this chapter shall be paid into the State Treasury
679 to the credit of the General Fund.

680 (22) It shall be the duty of the municipal officials of any
681 municipality that expands its limits, or of any community that
682 incorporates as a municipality, to notify the commissioner of that
683 action thirty (30) days before the effective date. Failure to so
684 notify the commissioner shall cause the municipality to forfeit
685 the revenue that it would have been entitled to receive during
686 this period of time when the commissioner had no knowledge of the
687 action. If any funds have been erroneously disbursed to any
688 municipality or any overpayment of tax is recovered by the
689 taxpayer, the commissioner may make correction and adjust the
690 error or overpayment with the municipality by withholding the
691 necessary funds from any later payment to be made to the
692 municipality.

693 **SECTION 5.** This act shall take effect and be in force from
694 and after July 1, 2007.