

By: Representative Kinkade

To: Ways and Means

HOUSE BILL NO. 999

1 AN ACT TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972,
 2 TO PROVIDE THAT A PORTION OF THE STATE SALES TAX REVENUE DERIVED
 3 FROM SALES OF BUSINESSES WITH A CERTAIN NORTH AMERICAN INDUSTRY
 4 CLASSIFICATION SYSTEM CODE SHALL BE DEPOSITED INTO THE MISSISSIPPI
 5 OUTDOOR STEWARDSHIP TRUST FUND; TO AMEND SECTION 49-39-7,
 6 MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND FOR RELATED
 7 PURPOSES.

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

9 **SECTION 1.** Section 27-65-75, Mississippi Code of 1972, is
 10 amended as follows:

11 27-65-75. On or before the fifteenth day of each month, the
 12 revenue collected under the provisions of this chapter during the
 13 preceding month shall be paid and distributed as follows:

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



21 municipal corporation. Except as otherwise provided in this
22 paragraph (a), on or before August 15, 1993, and each succeeding
23 month thereafter, eighteen and one-half percent (18-1/2%) of the
24 total sales tax revenue collected during the preceding month under
25 the provisions of this chapter, except that collected under the
26 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
27 27-65-24, on business activities within a municipal corporation
28 shall be allocated for distribution to the municipality and paid
29 to the municipal corporation. However, in the event the State
30 Auditor issues a certificate of noncompliance pursuant to Section
31 21-35-31, the Department of Revenue shall withhold ten percent
32 (10%) of the allocations and payments to the municipality that
33 would otherwise be payable to the municipality under this
34 paragraph (a) until such time that the department receives written
35 notice of the cancellation of a certificate of noncompliance from
36 the State Auditor.

37 A municipal corporation, for the purpose of distributing the
38 tax under this subsection, shall mean and include all incorporated
39 cities, towns and villages.

40 Monies allocated for distribution and credited to a municipal
41 corporation under this paragraph may be pledged as security for a
42 loan if the distribution received by the municipal corporation is
43 otherwise authorized or required by law to be pledged as security
44 for such a loan.



45 In any county having a county seat that is not an
46 incorporated municipality, the distribution provided under this
47 subsection shall be made as though the county seat was an
48 incorporated municipality; however, the distribution to the
49 municipality shall be paid to the county treasury in which the
50 municipality is located, and those funds shall be used for road,
51 bridge and street construction or maintenance in the county.

52 (b) On or before August 15, 2006, and each succeeding
53 month thereafter, eighteen and one-half percent (18-1/2%) of the
54 total sales tax revenue collected during the preceding month under
55 the provisions of this chapter, except that collected under the
56 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
57 business activities on the campus of a state institution of higher
58 learning or community or junior college whose campus is not
59 located within the corporate limits of a municipality, shall be
60 allocated for distribution to the state institution of higher
61 learning or community or junior college and paid to the state
62 institution of higher learning or community or junior college.

63 (c) On or before August 15, 2018, and each succeeding
64 month thereafter until August 14, 2019, two percent (2%) of the
65 total sales tax revenue collected during the preceding month under
66 the provisions of this chapter, except that collected under the
67 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
68 27-65-24, on business activities within the corporate limits of
69 the City of Jackson, Mississippi, shall be deposited into the



70 Capitol Complex Improvement District Project Fund created in
71 Section 29-5-215. On or before August 15, 2019, and each
72 succeeding month thereafter until August 14, 2020, four percent
73 (4%) of the total sales tax revenue collected during the preceding
74 month under the provisions of this chapter, except that collected
75 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
76 and 27-65-24, on business activities within the corporate limits
77 of the City of Jackson, Mississippi, shall be deposited into the
78 Capitol Complex Improvement District Project Fund created in
79 Section 29-5-215. On or before August 15, 2020, and each
80 succeeding month thereafter, six percent (6%) of the total sales
81 tax revenue collected during the preceding month under the
82 provisions of this chapter, except that collected under the
83 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
84 27-65-24, on business activities within the corporate limits of
85 the City of Jackson, Mississippi, shall be deposited into the
86 Capitol Complex Improvement District Project Fund created in
87 Section 29-5-215.

88 (d) (i) On or before the fifteenth day of the month
89 that the diversion authorized by this section begins, and each
90 succeeding month thereafter, eighteen and one-half percent
91 (18-1/2%) of the total sales tax revenue collected during the
92 preceding month under the provisions of this chapter, except that
93 collected under the provisions of Sections 27-65-15, 27-65-19(3)
94 and 27-65-21, on business activities within a redevelopment



95 project area developed under a redevelopment plan adopted under
96 the Tax Increment Financing Act (Section 21-45-1 et seq.) shall be
97 allocated for distribution to the county in which the project area
98 is located if:

99 1. The county:

100 a. Borders on the Mississippi Sound and
101 the State of Alabama, or

102 b. Is Harrison County, Mississippi, and
103 the project area is within a radius of two (2) miles from the
104 intersection of Interstate 10 and Menge Avenue;

105 2. The county has issued bonds under Section
106 21-45-9 to finance all or a portion of a redevelopment project in
107 the redevelopment project area;

108 3. Any debt service for the indebtedness
109 incurred is outstanding; and

110 4. A development with a value of Ten Million
111 Dollars (\$10,000,000.00) or more is, or will be, located in the
112 redevelopment area.

113 (ii) Before any sales tax revenue may be allocated
114 for distribution to a county under this paragraph, the county
115 shall certify to the Department of Revenue that the requirements
116 of this paragraph have been met, the amount of bonded indebtedness
117 that has been incurred by the county for the redevelopment project
118 and the expected date the indebtedness incurred by the county will
119 be satisfied.



120 (iii) The diversion of sales tax revenue
121 authorized by this paragraph shall begin the month following the
122 month in which the Department of Revenue determines that the
123 requirements of this paragraph have been met. The diversion shall
124 end the month the indebtedness incurred by the county is
125 satisfied. All revenue received by the county under this
126 paragraph shall be deposited in the fund required to be created in
127 the tax increment financing plan under Section 21-45-11 and be
128 utilized solely to satisfy the indebtedness incurred by the
129 county.

130 (2) On or before September 15, 1987, and each succeeding
131 month thereafter, from the revenue collected under this chapter
132 during the preceding month, One Million One Hundred Twenty-five
133 Thousand Dollars (\$1,125,000.00) shall be allocated for
134 distribution to municipal corporations as defined under subsection
135 (1) of this section in the proportion that the number of gallons
136 of gasoline and diesel fuel sold by distributors to consumers and
137 retailers in each such municipality during the preceding fiscal
138 year bears to the total gallons of gasoline and diesel fuel sold
139 by distributors to consumers and retailers in municipalities
140 statewide during the preceding fiscal year. The Department of
141 Revenue shall require all distributors of gasoline and diesel fuel
142 to report to the department monthly the total number of gallons of
143 gasoline and diesel fuel sold by them to consumers and retailers
144 in each municipality during the preceding month. The Department



145 of Revenue shall have the authority to promulgate such rules and
146 regulations as is necessary to determine the number of gallons of
147 gasoline and diesel fuel sold by distributors to consumers and
148 retailers in each municipality. In determining the percentage
149 allocation of funds under this subsection for the fiscal year
150 beginning July 1, 1987, and ending June 30, 1988, the Department
151 of Revenue may consider gallons of gasoline and diesel fuel sold
152 for a period of less than one (1) fiscal year. For the purposes
153 of this subsection, the term "fiscal year" means the fiscal year
154 beginning July 1 of a year.

155 (3) On or before September 15, 1987, and on or before the
156 fifteenth day of each succeeding month, until the date specified
157 in Section 65-39-35, the proceeds derived from contractors' taxes
158 levied under Section 27-65-21 on contracts for the construction or
159 reconstruction of highways designated under the highway program
160 created under Section 65-3-97 shall, except as otherwise provided
161 in Section 31-17-127, be deposited into the State Treasury to the
162 credit of the State Highway Fund to be used to fund that highway
163 program. The Mississippi Department of Transportation shall
164 provide to the Department of Revenue such information as is
165 necessary to determine the amount of proceeds to be distributed
166 under this subsection.

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



170 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
171 (\$4,000,000.00) shall be deposited in the State Treasury to the
172 credit of a special fund designated as the "State Aid Road Fund,"
173 created by Section 65-9-17. On or before August 15, 1999, and on
174 or before the fifteenth day of each succeeding month, from the
175 total amount of the proceeds of gasoline, diesel fuel or kerosene
176 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
177 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
178 one-fourth percent (23-1/4%) of those funds, whichever is the
179 greater amount, shall be deposited in the State Treasury to the
180 credit of the "State Aid Road Fund," created by Section 65-9-17.
181 Those funds shall be pledged to pay the principal of and interest
182 on state aid road bonds heretofore issued under Sections 19-9-51
183 through 19-9-77, in lieu of and in substitution for the funds
184 previously allocated to counties under this section. Those funds
185 may not be pledged for the payment of any state aid road bonds
186 issued after April 1, 1981; however, this prohibition against the
187 pledging of any such funds for the payment of bonds shall not
188 apply to any bonds for which intent to issue those bonds has been
189 published for the first time, as provided by law before March 29,
190 1981. From the amount of taxes paid into the special fund under
191 this subsection and subsection (9) of this section, there shall be
192 first deducted and paid the amount necessary to pay the expenses
193 of the Office of State Aid Road Construction, as authorized by the
194 Legislature for all other general and special fund agencies. The



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

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

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

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

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

210 The amount of funds allocated to any county under this
211 subsection for any fiscal year after fiscal year 1994 shall not be
212 less than the amount allocated to the county for fiscal year 1994.

213 Any reference in the general laws of this state or the
214 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
215 construed to refer and apply to subsection (4) of Section
216 27-65-75.

217 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
218 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
219 the special fund known as the "Educational Facilities Revolving



220 Loan Fund" created and existing under the provisions of Section
221 37-47-24. Those payments into that fund are to be made on the
222 last day of each succeeding month hereafter. This subsection (5)
223 shall stand repealed on July 1, 2023.

224 (6) An amount each month beginning August 15, 1983, through
225 November 15, 1986, as specified in Section 6, Chapter 542, Laws of
226 1983, shall be paid into the special fund known as the
227 Correctional Facilities Construction Fund created in Section 6,
228 Chapter 542, Laws of 1983.

229 (7) On or before August 15, 1992, and each succeeding month
230 thereafter through July 15, 2000, two and two hundred sixty-six
231 one-thousandths percent (2.266%) of the total sales tax revenue
232 collected during the preceding month under the provisions of this
233 chapter, except that collected under the provisions of Section
234 27-65-17(2), shall be deposited by the department into the School
235 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
236 or before August 15, 2000, and each succeeding month thereafter,
237 two and two hundred sixty-six one-thousandths percent (2.266%) of
238 the total sales tax revenue collected during the preceding month
239 under the provisions of this chapter, except that collected under
240 the provisions of Section 27-65-17(2), shall be deposited into the
241 School Ad Valorem Tax Reduction Fund created under Section
242 37-61-35 until such time that the total amount deposited into the
243 fund during a fiscal year equals Forty-two Million Dollars
244 (\$42,000,000.00). Thereafter, the amounts diverted under this



245 subsection (7) during the fiscal year in excess of Forty-two
246 Million Dollars (\$42,000,000.00) shall be deposited into the
247 Education Enhancement Fund created under Section 37-61-33 for
248 appropriation by the Legislature as other education needs and
249 shall not be subject to the percentage appropriation requirements
250 set forth in Section 37-61-33.

251 (8) On or before August 15, 1992, and each succeeding month
252 thereafter, nine and seventy-three one-thousandths percent
253 (9.073%) of the total sales tax revenue collected during the
254 preceding month under the provisions of this chapter, except that
255 collected under the provisions of Section 27-65-17(2), shall be
256 deposited into the Education Enhancement Fund created under
257 Section 37-61-33.

258 (9) On or before August 15, 1994, and each succeeding month
259 thereafter, from the revenue collected under this chapter during
260 the preceding month, Two Hundred Fifty Thousand Dollars
261 (\$250,000.00) shall be paid into the State Aid Road Fund.

262 (10) On or before August 15, 1994, and each succeeding month
263 thereafter through August 15, 1995, from the revenue collected
264 under this chapter during the preceding month, Two Million Dollars
265 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
266 Valorem Tax Reduction Fund established in Section 27-51-105.

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



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

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

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

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



295 the tax imposed in Section 27-65-23 that is derived from sales by
296 cotton compresses or cotton warehouses and that would otherwise be
297 paid into the General Fund shall be deposited in an amount not to
298 exceed Two Million Dollars (\$2,000,000.00) into the special fund
299 created under Section 69-37-39. On or before August 15, 2007, and
300 each succeeding month thereafter through July 15, 2010, that
301 portion of the avails of the tax imposed in Section 27-65-23 that
302 is derived from sales by cotton compresses or cotton warehouses
303 and that would otherwise be paid into the General Fund shall be
304 deposited in an amount not to exceed Two Million Dollars
305 (\$2,000,000.00) into the special fund created under Section
306 69-37-39 until all debts or other obligations incurred by the
307 Certified Cotton Growers Organization under the Mississippi Boll
308 Weevil Management Act before January 1, 2007, are satisfied in
309 full. On or before August 15, 2010, and each succeeding month
310 thereafter through July 15, 2011, fifty percent (50%) of that
311 portion of the avails of the tax imposed in Section 27-65-23 that
312 is derived from sales by cotton compresses or cotton warehouses
313 and that would otherwise be paid into the General Fund shall be
314 deposited into the special fund created under Section 69-37-39
315 until such time that the total amount deposited into the fund
316 during a fiscal year equals One Million Dollars (\$1,000,000.00).
317 On or before August 15, 2011, and each succeeding month
318 thereafter, that portion of the avails of the tax imposed in
319 Section 27-65-23 that is derived from sales by cotton compresses



320 or cotton warehouses and that would otherwise be paid into the
321 General Fund shall be deposited into the special fund created
322 under Section 69-37-39 until such time that the total amount
323 deposited into the fund during a fiscal year equals One Million
324 Dollars (\$1,000,000.00).

325 (15) Notwithstanding any other provision of this section to
326 the contrary, on or before September 15, 2000, and each succeeding
327 month thereafter, the sales tax revenue collected during the
328 preceding month under the provisions of Section
329 27-65-19(1)(d)(i)2, and 27-65-19(1)(d)(i)3 shall be deposited,
330 without diversion, into the Telecommunications Ad Valorem Tax
331 Reduction Fund established in Section 27-38-7.

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

339 (b) On or before August 15, 2007, and each succeeding
340 month thereafter, eighty percent (80%) of the sales tax revenue
341 collected during the preceding month under the provisions of this
342 chapter from the operation of a tourism project under the
343 provisions of Sections 57-26-1 through 57-26-5, shall be
344 deposited, after the diversions required in subsections (7) and



345 (8) of this section, into the Tourism Project Sales Tax Incentive
346 Fund created in Section 57-26-3.

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

354 (18) [Repealed]

355 (19) (a) On or before August 15, 2005, and each succeeding
356 month thereafter, the sales tax revenue collected during the
357 preceding month under the provisions of this chapter on the gross
358 proceeds of sales of a business enterprise located within a
359 redevelopment project area under the provisions of Sections
360 57-91-1 through 57-91-11, and the revenue collected on the gross
361 proceeds of sales from sales made to a business enterprise located
362 in a redevelopment project area under the provisions of Sections
363 57-91-1 through 57-91-11 (provided that such sales made to a
364 business enterprise are made on the premises of the business
365 enterprise), shall, except as otherwise provided in this
366 subsection (19), be deposited, after all diversions, into the
367 Redevelopment Project Incentive Fund as created in Section
368 57-91-9.



369 (b) For a municipality participating in the Economic
370 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
371 the diversion provided for in subsection (1) of this section
372 attributable to the gross proceeds of sales of a business
373 enterprise located within a redevelopment project area under the
374 provisions of Sections 57-91-1 through 57-91-11, and attributable
375 to the gross proceeds of sales from sales made to a business
376 enterprise located in a redevelopment project area under the
377 provisions of Sections 57-91-1 through 57-91-11 (provided that
378 such sales made to a business enterprise are made on the premises
379 of the business enterprise), shall be deposited into the
380 Redevelopment Project Incentive Fund as created in Section
381 57-91-9, as follows:

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

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

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



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

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

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

409 (21) (a) On or before April 15, 2007, and each succeeding
410 month thereafter through June 15, 2013, One Hundred Fifty Thousand
411 Dollars (\$150,000.00) of the sales tax revenue collected during
412 the preceding month under the provisions of this chapter shall be
413 deposited into the MMEIA Tax Incentive Fund created in Section
414 57-101-3.

415 (b) On or before July 15, 2013, and each succeeding
416 month thereafter, One Hundred Fifty Thousand Dollars (\$150,000.00)
417 of the sales tax revenue collected during the preceding month
418 under the provisions of this chapter shall be deposited into the



419 Mississippi Development Authority Job Training Grant Fund created
420 in Section 57-1-451.

421 (22) Notwithstanding any other provision of this section to
422 the contrary, on or before August 15, 2009, and each succeeding
423 month thereafter, the sales tax revenue collected during the
424 preceding month under the provisions of Section 27-65-201 shall be
425 deposited, without diversion, into the Motor Vehicle Ad Valorem
426 Tax Reduction Fund established in Section 27-51-105.

427 (23) (a) On or before August 15, 2019, and each month
428 thereafter through July 15, 2020, one percent (1%) of the total
429 sales tax revenue collected during the preceding month from
430 restaurants and hotels shall be allocated for distribution to the
431 Mississippi Development Authority Tourism Advertising Fund
432 established under Section 57-1-64, to be used exclusively for the
433 purpose stated therein. On or before August 15, 2020, and each
434 month thereafter through July 15, 2021, two percent (2%) of the
435 total sales tax revenue collected during the preceding month from
436 restaurants and hotels shall be allocated for distribution to the
437 Mississippi Development Authority Tourism Advertising Fund
438 established under Section 57-1-64, to be used exclusively for the
439 purpose stated therein. On or before August 15, 2021, and each
440 month thereafter, three percent (3%) of the total sales tax
441 revenue collected during the preceding month from restaurants and
442 hotels shall be allocated for distribution to the Mississippi
443 Development Authority Tourism Advertising Fund established under



444 Section 57-1-64, to be used exclusively for the purpose stated
445 therein. The revenue diverted pursuant to this subsection shall
446 not be available for expenditure until February 1, 2020.

447 (b) The Joint Legislative Committee on Performance
448 Evaluation and Expenditure Review (PEER) must provide an annual
449 report to the Legislature indicating the amount of funds deposited
450 into the Mississippi Development Authority Tourism Advertising
451 Fund established under Section 57-1-64, and a detailed record of
452 how the funds are spent.

453 (24) On or before August 15, 2023, and each succeeding month
454 thereafter through July 15, 2024, Eight Hundred Thirty-three
455 Thousand Three Hundred Thirty-three Dollars and Thirty-four Cents
456 (\$833,333.34) of the total sales tax revenue collected during the
457 preceding month under the provisions of this chapter from
458 businesses with the North American Industry Classification System
459 Code of 451110 shall be deposited into the Mississippi Outdoor
460 Stewardship Trust Fund created in Section 49-39-7. On or before
461 August 15, 2024, and each succeeding month thereafter through July
462 15, 2025, One Million Dollars (\$1,000,000.00) of the total sales
463 tax revenue collected during the preceding month under the
464 provisions of this chapter from businesses with the North American
465 Industry Classification System Code of 451110 shall be deposited
466 into the Mississippi Outdoor Stewardship Trust Fund created in
467 Section 49-39-7. On or before August 15, 2025, and each
468 succeeding month thereafter, One Million Two Hundred Fifty



469 Thousand Dollars (\$1,250,000.00) of the total sales tax revenue
470 collected during the preceding month under the provisions of this
471 chapter from businesses with the North American Industry
472 Classification System Code of 451110 shall be deposited into the
473 Mississippi Outdoor Stewardship Trust Fund created in Section
474 49-39-7.

475 (* * *25) The remainder of the amounts collected under the
476 provisions of this chapter shall be paid into the State Treasury
477 to the credit of the General Fund.

478 (* * *26) (a) It shall be the duty of the municipal
479 officials of any municipality that expands its limits, or of any
480 community that incorporates as a municipality, to notify the
481 commissioner of that action thirty (30) days before the effective
482 date. Failure to so notify the commissioner shall cause the
483 municipality to forfeit the revenue that it would have been
484 entitled to receive during this period of time when the
485 commissioner had no knowledge of the action.

486 (b) (i) Except as otherwise provided in subparagraph
487 (ii) of this paragraph, if any funds have been erroneously
488 disbursed to any municipality or any overpayment of tax is
489 recovered by the taxpayer, the commissioner may make correction
490 and adjust the error or overpayment with the municipality by
491 withholding the necessary funds from any later payment to be made
492 to the municipality.



493 (ii) Subject to the provisions of Sections
494 27-65-51 and 27-65-53, if any funds have been erroneously
495 disbursed to a municipality under subsection (1) of this section
496 for a period of three (3) years or more, the maximum amount that
497 may be recovered or withheld from the municipality is the total
498 amount of funds erroneously disbursed for a period of three (3)
499 years beginning with the date of the first erroneous disbursement.
500 However, if during such period, a municipality provides written
501 notice to the Department of Revenue indicating the erroneous
502 disbursement of funds, then the maximum amount that may be
503 recovered or withheld from the municipality is the total amount of
504 funds erroneously disbursed for a period of one (1) year beginning
505 with the date of the first erroneous disbursement.

506 **SECTION 2.** Section 49-39-7, Mississippi Code of 1972, is
507 amended as follows:

508 49-39-7. (1) (a) There is created in the State Treasury a
509 special fund to be designated the "Mississippi Outdoor Stewardship
510 Trust Fund." The special fund shall consist of monies
511 appropriated or otherwise made available by the Legislature in any
512 manner. Monies shall be accounted for in such a manner to be
513 termed unobligated funds or obligated funds. Unexpended amounts
514 remaining in the special fund at the end of a fiscal year shall
515 not lapse into the State General Fund, and any investment earnings
516 or interest earned on amounts in the special fund shall be
517 deposited to the credit of the special fund; however, any



518 unobligated monies in excess of Twenty Million Dollars
519 (\$20,000,000.00), excluding federal funds, remaining in the
520 special fund at the end of a fiscal year that have not been
521 appropriated shall lapse into the State General Fund. Monies in
522 the special fund may be used upon selection by the board. The
523 board and the Department of Finance and Administration may use not
524 more than two percent (2%) of monies in the special fund to defray
525 the board's expenses in carrying out its duties under this
526 chapter.

527 (b) Subject to the provisions of this chapter, monies
528 in the special fund may be used and expended by the board to
529 provide funds for grants to counties, municipalities, state
530 agencies and nongovernmental entities for:

531 (i) Improvement of state park outdoor recreation
532 features and trails;

533 (ii) Acquisition and improvement of parks and
534 trails by counties and municipalities, if such parks and trails
535 lie within the jurisdiction of such counties and municipalities;

536 (iii) Restoration or enhancement projects to
537 create or improve access to public waters and lands for public
538 outdoor recreation, conservation education, or the safe use and
539 enjoyment of permanently protected conservation land;

540 (iv) Restoration or enhancement on privately owned
541 working agricultural lands and forests that support conservation
542 of soil, water, habitat of fish and wildlife resources;



543 (v) Restoration or enhancement of wetlands, native
544 forests, native grasslands and other unique habitats important for
545 Mississippi's fish and wildlife; and

546 (vi) Acquisition of critical areas for the
547 provision or protection of clean water, wildlife, hunting,
548 fishing, military installation buffering or natural resource-based
549 outdoor recreation. Real property may only be acquired under this
550 subparagraph (vi) when the property:

551 1. Is, at the time of acquisition, being
552 leased by the state as a wildlife management area;

553 2. Adjoins or is in close proximity to state
554 or federal wildlife management areas or state parks, or would
555 provide better public access to such areas;

556 3. Is identified in a wildlife action plan
557 developed by a state agency;

558 4. Constitutes riparian lands, and its
559 acquisition is for the purpose of protecting any drinking water
560 supply; or

561 5. Surrounds a military base or military
562 installation.

563 Acquisition of land under this subparagraph (vi) may not be
564 made through the exercise of any power of eminent domain or any
565 condemnation proceeding.

566 (c) Unless otherwise authorized by the board, a county,
567 municipality, state agency or nongovernmental entity receiving



568 funds for a project under this section must expend the funds for
569 the project within two (2) years after receipt of the funds in
570 order to be eligible to apply for additional funds for the project
571 under this section. If a county, municipality, state agency or
572 nongovernmental entity receiving funds for a project does not
573 expend the funds within two (2) years after receipt of the funds,
574 then the county, municipality, state agency or nongovernmental
575 entity must provide an accounting of such unused funds and the
576 reason for failure to expend the funds. If the board determines
577 that the project will not be completed in a timely manner, the
578 county, municipality, state agency or nongovernmental entity must
579 then return any unexpended funds.

580 (d) Monies in the special fund may not be used,
581 expended or transferred for any other purpose other than
582 authorized in this chapter.

583 (2) (a) The board shall accept applications from counties,
584 municipalities, state agencies and nongovernmental entities for
585 project proposals eligible for funding under this section. The
586 board shall evaluate the proposals received in accordance with
587 this chapter.

588 (b) A county, municipality, state agency or
589 nongovernmental entity desiring assistance under this section must
590 submit a complete application to the board. The application must
591 include a description of the purpose for which assistance is



592 requested, the type and amount of assistance requested and any
593 other information required by the board.

594 (c) The board shall require annual independent audits
595 of all expenditures from the special fund and present those
596 findings to the Governor, Lieutenant Governor, Speaker of the
597 House, Chairs of the Senate and House Appropriations Committees,
598 Chairs of the Senate Finance and House Ways and Means Committees
599 and Chairs of the Senate and House Wildlife, Fisheries and Parks
600 Committees.

601 (d) To be eligible for funding, any nongovernmental
602 entity applicant must submit its most recent audit, disclose any
603 audit deficiencies in the previous five (5) years, submit its
604 certificate of good standing from the Mississippi Secretary of
605 State, and submit a current list of its board members for purposes
606 of conflicts of interest.

607 (e) For funds to be spent on private land, the
608 applicant must show demonstrably that the project will benefit the
609 public.

610 (f) Projects that acquire property shall not be
611 considered for approval until after July 1, 2024.

612 (3) The board, at its first meeting of each calendar year,
613 shall prepare a list of priorities and criteria to guide the
614 selection of projects. The board shall give increased priority to
615 projects:



616 (a) Supporting the public recreation and conservation
617 efforts of state agencies, counties and municipalities;

618 (b) Leveraging or matching other nonfederal or federal
619 funds available for similar purposes;

620 (c) Supporting and promoting recreation in the form of
621 archery, boating, hiking, camping, fishing, hunting, running,
622 jogging, biking, walking, shooting or similar outdoor activities;

623 (d) Contributing to the improvement of the quality and
624 quantity of surface water and groundwater; or

625 (e) Contributing to the conservation of soil, water,
626 and fish and wildlife resources on privately owned working
627 agricultural lands or forests.

628 (4) Upon approval of the total list of projects by the
629 board, the list of projects shall be submitted to the Lieutenant
630 Governor, Speaker of the House, Chairs of the Senate and House
631 Appropriations Committees, Chairs of the Senate Finance and House
632 Ways and Means Committees and Chairs of the Senate and House
633 Wildlife, Fisheries and Parks Committees. If federal funds or
634 guidelines become available and are certified by the Executive
635 Director of the Department of Finance and Administration or the
636 Executive Director of the Mississippi Outdoor Stewardship Fund,
637 the board shall be authorized to expend funds from the Mississippi
638 Outdoor Stewardship Trust Fund and shall notify the Lieutenant
639 Governor, Speaker of the House, Chairs of the Senate and House
640 Appropriations Committees, Chairs of the Senate Finance and House



641 Ways and Means Committees, Chairs of the Senate and House
642 Wildlife, Fisheries and Parks Committees, and Legislative Budget
643 Office of such expenditures prior to their distribution to certain
644 projects approved by the board.

645 **SECTION 3.** This act shall take effect and be in force from
646 and after July 1, 2023.

