

By: Representatives Lamar, White, Steverson, To: Ways and Means
Bounds, Deweese, Newman, Calvert, Smith,
Keen, Massengill, Hale, Eubanks

HOUSE BILL NO. 1
(As Sent to Governor)

1 AN ACT TO AMEND SECTION 27-7-5, MISSISSIPPI CODE OF 1972, TO
2 REDUCE THE TAX ON ALL TAXABLE INCOME IN EXCESS OF \$10,000.00 TO
3 3.75% FOR 2027, 3.5% FOR 2028, 3.25% FOR 2029, AND 3% FOR 2030 AND
4 ALL SUBSEQUENT YEARS; TO PROVIDE FOR THE ADDITIONAL REDUCTION OF
5 THE TAX ON ALL TAXABLE INCOME IN EXCESS OF \$10,000.00, BEGINNING
6 IN 2031, WHEN THE WORKING CASH-STABILIZATION RESERVE FUND IS FULLY
7 FUNDED, AND THE ADJUSTED GENERAL FUND REVENUE COLLECTIONS FOR A
8 FISCAL YEAR EXCEED CERTAIN APPROPRIATIONS FOR THE FOLLOWING FISCAL
9 YEAR BY AT LEAST 0.85% OF THE COST OF A 1% INCOME TAX REDUCTION;
10 TO AMEND SECTION 27-65-17, MISSISSIPPI CODE OF 1972, TO TAX RETAIL
11 SALES OF GROCERIES AT 5% FROM AND AFTER JULY 1, 2025; TO AMEND
12 SECTION 27-65-241, MISSISSIPPI CODE OF 1972, TO CONFORM; TO BRING
13 FORWARD SECTION 27-67-5, MISSISSIPPI CODE OF 1972, WHICH REQUIRES
14 THE IMPOSITION OF A USE TAX, FOR THE PURPOSE OF POSSIBLE
15 AMENDMENT; TO AMEND SECTIONS 27-55-11, 27-55-519 AND 27-55-521,
16 MISSISSIPPI CODE OF 1972, TO INCREASE THE EXCISE TAXES ON GASOLINE
17 AND CERTAIN SPECIAL FUELS TO 21¢ PER GALLON FROM JULY 1, 2025,
18 THROUGH JUNE 30, 2026, 24¢ PER GALLON FROM JULY 1, 2026, THROUGH
19 JUNE 30, 2027, AND 27¢ PER GALLON FROM JULY 1, 2027, UNTIL THE
20 FIRST DAY OF THE MONTH IMMEDIATELY FOLLOWING THE DATE UPON WHICH
21 THE MISSISSIPPI TRANSPORTATION COMMISSION AND THE STATE TREASURER
22 MAKE CERTAIN CERTIFICATIONS; TO PROVIDE FOR THE INDEXING OF SUCH
23 TAXES; TO AMEND SECTIONS 27-55-12 AND 27-55-523, MISSISSIPPI CODE
24 OF 1972, TO CONFORM; TO AMEND SECTIONS 27-5-101 AND 27-65-75,
25 MISSISSIPPI CODE OF 1972, TO ADJUST THE DISTRIBUTION OF REVENUE
26 FROM CERTAIN GASOLINE AND SPECIAL FUEL TAXES; TO REVISE THE
27 DISTRIBUTION OF STATE SALES TAX REVENUE COLLECTED FROM RETAIL
28 SALES OF FOOD FOR HUMAN CONSUMPTION NOT PURCHASED WITH FOOD STAMPS
29 BUT WHICH WOULD BE EXEMPT FROM SALES TAX IF PURCHASED WITH FOOD
30 STAMPS; TO AMEND SECTION 27-67-31, MISSISSIPPI CODE OF 1972, TO
31 ADJUST THE DISTRIBUTION OF USE TAX REVENUE TO MUNICIPALITIES AND
32 COUNTIES FOR INFRASTRUCTURE; TO AMEND SECTION 27-67-35,
33 MISSISSIPPI CODE OF 1972, TO AUTHORIZE MUNICIPALITIES TO EXPEND
34 MONIES IN A SPECIAL FUND CONSISTING OF USE TAX REVENUE



35 DISTRIBUTIONS FOR THE ACQUISITION AND/OR REHABILITATION OF
36 BUILDINGS; TO CREATE A NEW TIER IN THE MISSISSIPPI PUBLIC
37 EMPLOYEES' RETIREMENT SYSTEM OF MISSISSIPPI FOR EMPLOYEES BECOMING
38 MEMBERS OF THE SYSTEM ON OR AFTER MARCH 1, 2026, WHICH SHALL
39 CONSIST OF A DEFINED BENEFIT COMPONENT AND A DEFINED CONTRIBUTION
40 COMPONENT; TO SPECIFY THAT THE DEFINED CONTRIBUTION COMPONENT
41 SHALL BE A PLAN UNDER SECTION 401(A) OF THE INTERNAL REVENUE CODE;
42 TO PROVIDE THAT A PORTION OF THE EMPLOYEE'S CONTRIBUTIONS SHALL BE
43 DEPOSITED INTO THE EMPLOYEE'S DEFINED CONTRIBUTION ACCOUNT, AND IN
44 ADDITION, THE EMPLOYER MAY ELECT TO CONTRIBUTE AN AMOUNT UP TO THE
45 MAXIMUM PRETAX AMOUNT ALLOWABLE UNDER FEDERAL LAW; TO PROVIDE THAT
46 MEMBERS SHALL BE VESTED IMMEDIATELY IN THE DEFINED CONTRIBUTION
47 PLAN; TO AMEND SECTION 25-11-103, MISSISSIPPI CODE OF 1972, TO
48 REVISE THE DEFINITION OF "AVERAGE COMPENSATION" FOR MEMBERS IN THE
49 NEW TIER TO MEAN THE AVERAGE OF THE EIGHT HIGHEST CONSECUTIVE
50 YEARS OF EARNED COMPENSATION, OR OF THE LAST 96 CONSECUTIVE MONTHS
51 OF EARNED COMPENSATION, WHICHEVER IS GREATER; TO AMEND THE
52 DEFINITION OF "MEMBER" TO PROVIDE THAT, IF A PERSON WITHDRAWS FROM
53 STATE SERVICE AND RECEIVES A REFUND BEFORE MARCH 1, 2026, AND
54 REENTERS STATE SERVICE ON OR AFTER MARCH 1, 2026, THE MEMBER SHALL
55 BE CONSIDERED TO HAVE BECOME A MEMBER OF THE SYSTEM ON OR AFTER
56 MARCH 1, 2026, AND NO PRIOR SERVICE SHALL BE CREDITED; TO AMEND
57 SECTION 25-11-109, MISSISSIPPI CODE OF 1972, TO LIMIT THE
58 CIRCUMSTANCES FOR WHICH CREDITABLE SERVICE MAY BE AWARDED FOR
59 EMPLOYEES BECOMING MEMBERS OF THE SYSTEM ON OR AFTER MARCH 1,
60 2026; TO AMEND SECTION 25-11-111, MISSISSIPPI CODE OF 1972, TO
61 PROVIDE THAT MEMBERS IN THE NEW TIER WHO HAVE COMPLETED AT LEAST
62 EIGHT YEARS OF MEMBERSHIP SERVICE SHALL BE ENTITLED TO RECEIVE A
63 RETIREMENT ALLOWANCE UPON WITHDRAWAL FROM SERVICE AT THE AGE OF
64 62, AND MEMBERS WHO HAVE COMPLETED AT LEAST 35 YEARS OF CREDITABLE
65 SERVICE SHALL BE ENTITLED TO RECEIVE A RETIREMENT ALLOWANCE UPON
66 WITHDRAWAL FROM SERVICE REGARDLESS OF AGE; TO PROVIDE THAT MEMBERS
67 IN THE NEW TIER WHO WITHDRAW FROM SERVICE BEFORE AGE 62 AND HAVE
68 COMPLETED AT LEAST EIGHT YEARS OF MEMBERSHIP SERVICE AND HAVE NOT
69 RECEIVED A REFUND OF THEIR CONTRIBUTIONS SHALL BE ENTITLED TO
70 RECEIVE A RETIREMENT ALLOWANCE UPON ATTAINING THE AGE OF 62; TO
71 PROVIDE THAT THE MEMBER'S ANNUAL RETIREMENT ALLOWANCE FROM THE
72 DEFINED BENEFIT PLAN SHALL CONSIST OF A MEMBER'S ANNUITY, WHICH
73 SHALL BE EQUAL TO 1% OF THE AVERAGE COMPENSATION FOR EACH YEAR OF
74 CREDITABLE SERVICE; TO PROVIDE THAT THE ANNUAL RETIREMENT
75 ALLOWANCE OF A MEMBER WHO HAS ATTAINED THE AGE OF 62 BUT HAS NOT
76 COMPLETED AT LEAST 30 YEARS OF CREDITABLE SERVICE SHALL BE REDUCED
77 BY AN ACTUARIAL EQUIVALENT FACTOR FOR EACH YEAR OF CREDITABLE
78 SERVICE BELOW 30 YEARS OR THE NUMBER OF YEARS IN AGE THAT THE
79 MEMBER IS BELOW AGE 65, WHICHEVER IS LESS; TO AMEND SECTION
80 25-11-112, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THERE SHALL
81 BE NO ANNUAL COST-OF-LIVING ADJUSTMENT FOR THE RETIREMENT
82 ALLOWANCE APPLICABLE TO THE NEW TIER, ALTHOUGH THE LEGISLATURE MAY
83 PROVIDE AN ADDITIONAL BENEFIT FOR A SPECIFIC YEAR; TO AMEND
84 SECTION 25-11-114, MISSISSIPPI CODE OF 1972, TO CONFORM TO THE
85 PROVISIONS OF THIS ACT WITH RESPECT TO RETIREMENT ALLOWANCES FOR



86 DEATH BEFORE RETIREMENT OR DEATH OR DISABILITY IN THE LINE OF
87 DUTY; TO AMEND SECTION 25-11-115, MISSISSIPPI CODE OF 1972, TO
88 PROVIDE THAT A MEMBER IN THE NEW TIER SHALL NOT BE ELIGIBLE FOR A
89 PARTIAL LUMP-SUM DISTRIBUTION; TO AMEND SECTION 25-11-117,
90 MISSISSIPPI CODE OF 1972, TO CONFORM; TO AMEND SECTION 25-11-123,
91 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT, FOR MEMBERS IN THE NEW
92 TIER, THE EMPLOYEE'S CONTRIBUTION SHALL BE 9% OF EARNED
93 COMPENSATION, 4% OF WHICH SHALL BE DEPOSITED INTO THE ANNUITY
94 SAVINGS ACCOUNT APPLICABLE TO THE DEFINED BENEFIT PORTION OF THE
95 RETIREMENT ALLOWANCE, WITH THE REMAINING 5% TO BE DEPOSITED INTO
96 THE EMPLOYEE'S DEFINED CONTRIBUTION ACCOUNT; TO PROVIDE THAT, FOR
97 MEMBERS IN THE NEW TIER, THE EMPLOYER'S CONTRIBUTION SHALL BE
98 APPLIED TO THE SYSTEM'S ACCRUED LIABILITY CONTRIBUTION FUND; TO
99 AMEND SECTION 25-11-305, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT
100 MEMBERSHIP IN THE SUPPLEMENTAL LEGISLATIVE RETIREMENT PLAN SHALL
101 APPLY ONLY TO THOSE STATE LEGISLATORS AND PRESIDENTS OF THE SENATE
102 WHO WERE ELECTED BEFORE MARCH 1, 2026; TO PROVIDE THAT, IF A
103 MEMBER OF THE SUPPLEMENTAL LEGISLATIVE RETIREMENT PLAN WITHDRAWS
104 FROM STATE SERVICE AND RECEIVES A REFUND BEFORE MARCH 1, 2026, AND
105 REENTERS STATE SERVICE ON OR AFTER MARCH 1, 2026, THE MEMBER SHALL
106 BE CONSIDERED TO HAVE BECOME A MEMBER OF THE PUBLIC EMPLOYEES'
107 RETIREMENT SYSTEM ON OR AFTER MARCH 1, 2026, AND NO PRIOR SERVICE
108 SHALL BE CREDITED; TO AMEND SECTION 25-11-401, MISSISSIPPI CODE OF
109 1972, TO MAKE A MINOR TECHNICAL CHANGE; TO BRING FORWARD SECTION
110 25-11-409, MISSISSIPPI CODE OF 1972, FOR THE PURPOSE OF POSSIBLE
111 AMENDMENT; TO AMEND SECTION 25-11-411, MISSISSIPPI CODE OF 1972,
112 TO PROVIDE THAT EACH PARTICIPANT IN THE OPTIONAL RETIREMENT
113 PROGRAM SHALL CONTRIBUTE MONTHLY TO THE OPTIONAL RETIREMENT
114 PROGRAM 9% OF THE PARTICIPANT'S TOTAL EARNED COMPENSATION; TO
115 REALLOCATE THE EMPLOYER'S CONTRIBUTION TO THE OPTIONAL RETIREMENT
116 PROGRAM; TO PROVIDE THAT AN AMOUNT EQUAL TO 14.9%, FOR EMPLOYEES
117 HIRED BEFORE JULY 1, 2025, OR UP TO 9%, FOR EMPLOYEES HIRED ON OR
118 AFTER JULY 1, 2025, OF THE PARTICIPANT'S TOTAL EARNED COMPENSATION
119 SHALL BE APPLIED TO THE PARTICIPANT'S CONTRACTS OR ACCOUNTS; TO
120 PROVIDE THAT UP TO 0.2% OF THE PARTICIPANT'S TOTAL EARNED
121 COMPENSATION SHALL BE APPLIED TO THE EXPENSE FUND OF THE PUBLIC
122 EMPLOYEES' RETIREMENT SYSTEM TO DEFRAY THE COST OF ADMINISTERING
123 THE OPTIONAL RETIREMENT PROGRAM; TO PROVIDE THAT THE REMAINDER
124 SHALL BE REMITTED TO THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM FOR
125 APPLICATION TO THE ACCRUED LIABILITY CONTRIBUTION FUND; TO REPEAL
126 SECTION 25-11-415, MISSISSIPPI CODE OF 1972, WHICH PROVIDES THAT
127 THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM MAY DEDUCT NOT MORE THAN
128 2% OF ALL EMPLOYERS' CONTRIBUTIONS AND TRANSFER SUCH DEDUCTIONS TO
129 THE EXPENSE FUND OF THE SYSTEM TO DEFRAY THE COST OF ADMINISTERING
130 THE OPTIONAL RETIREMENT PROGRAM; AND FOR RELATED PURPOSES.

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

132 **SECTION 1.** Section 27-7-5, Mississippi Code of 1972, is
133 amended as follows:



134 27-7-5. (1) (a) Except as otherwise provided in this
135 section, there is hereby assessed and levied, to be collected and
136 paid as hereinafter provided, for the calendar year 1983 and
137 fiscal years ending during the calendar year 1983 and all taxable
138 years thereafter, upon the entire net income of every resident
139 individual, corporation, association, trust or estate, in excess
140 of the credits provided, a tax at the following rates:

141 (i) 1. Through calendar year 2017, on the first
142 Five Thousand Dollars (\$5,000.00) of taxable income, or any part
143 thereof, the rate shall be three percent (3%);

144 2. For calendar year 2018, on the first One
145 Thousand Dollars (\$1,000.00) of taxable income there shall be no
146 tax levied, and on the next Four Thousand Dollars (\$4,000.00) of
147 taxable income, or any part thereof, the rate shall be three
148 percent (3%);

149 3. For calendar year 2019, on the first Two
150 Thousand Dollars (\$2,000.00) of taxable income there shall be no
151 tax levied, and on the next Three Thousand Dollars (\$3,000.00) of
152 taxable income, or any part thereof, the rate shall be three
153 percent (3%);

154 4. For calendar year 2020, on the first Three
155 Thousand Dollars (\$3,000.00) of taxable income there shall be no
156 tax levied, and on the next Two Thousand Dollars (\$2,000.00) of
157 taxable income, or any part thereof, the rate shall be three
158 percent (3%);



159 5. For calendar year 2021, on the first Four
160 Thousand Dollars (\$4,000.00) of taxable income there shall be no
161 tax levied, and on the next One Thousand Dollars (\$1,000.00) of
162 taxable income, or any part thereof, the rate shall be three
163 percent (3%);

164 6. For calendar year 2022 and all taxable
165 years thereafter, there shall be no tax levied on the first Five
166 Thousand Dollars (\$5,000.00) of taxable income;

167 (ii) On taxable income in excess of Five Thousand
168 Dollars (\$5,000.00) up to and including Ten Thousand Dollars
169 (\$10,000.00), or any part thereof, the rate shall be four percent
170 (4%); and

171 (iii) On all taxable income in excess of Ten Thousand
172 Dollars (\$10,000.00), the rate shall be five percent (5%).

173 (b) (i) For calendar year 2023 and all calendar years
174 thereafter, there shall be no tax levied under subparagraph (ii)
175 of paragraph (a) of this subsection on the taxable income of
176 individuals in excess of Five Thousand Dollars (\$5,000.00) up to
177 and including Ten Thousand Dollars (\$10,000.00), or any part
178 thereof; and

179 (ii) For calendar year 2024 and all calendar years
180 thereafter, the tax imposed under subparagraph (iii) of paragraph
181 (a) of this subsection upon all taxable income of individuals in
182 excess of Ten Thousand Dollars (\$10,000.00), shall be at the
183 following rates:



184 1. For calendar year 2024, on such taxable
185 income, the rate shall be four and seven-tenths percent (4.7%);

186 2. For calendar year 2025, on such taxable
187 income, the rate shall be four and four-tenths percent
188 (4.4%); * * *

189 3. For calendar year 2026 * * *, on such
190 taxable income, the rate shall be four percent (4%) * * *;

191 4. For calendar year 2027, on such taxable
192 income, the rate shall be three and three-quarters percent
193 (3.75%);

194 5. For calendar year 2028, on such taxable
195 income, the rate shall be three and one-half percent (3.5%);

196 6. For calendar year 2029, on such taxable
197 income, the rate shall be three and one-quarter percent (3.25%);
198 and

199 7. For calendar year 2030 and all calendar
200 years thereafter, except as otherwise provided in Section 2 of
201 this act, on such taxable income, the rate shall be three percent
202 (3%).

203 * * *

204 (2) An S corporation, as defined in Section 27-8-3(1)(g),
205 shall not be subject to the income tax imposed under this section.

206 (3) A like tax is hereby imposed to be assessed, collected
207 and paid annually, except as hereinafter provided, at the rate
208 specified in this section and as hereinafter provided, upon and



209 with respect to the entire net income, from all property owned or
210 sold, and from every business, trade or occupation carried on in
211 this state by individuals, corporations, partnerships, trusts or
212 estates, not residents of the State of Mississippi.

213 (4) In the case of taxpayers having a fiscal year beginning
214 in a calendar year with a rate in effect that is different than
215 the rate in effect for the next calendar year and ending in the
216 next calendar year, the tax due for that taxable year shall be
217 determined by:

218 (a) Computing for the full fiscal year the amount of
219 tax that would be due under the rates in effect for the calendar
220 year in which the fiscal year begins; and

221 (b) Computing for the full fiscal year the amount of
222 tax that would be due under the rates in effect for the calendar
223 year in which the fiscal year ends; and

224 (c) Applying to the tax computed under paragraph (a)
225 the ratio which the number of months falling within the earlier
226 calendar year bears to the total number of months in the fiscal
227 year; and

228 (d) Applying to the tax computed under paragraph (b)
229 the ratio which the number of months falling within the later
230 calendar year bears to the total number of months within the
231 fiscal year; and



232 (e) Adding to the tax determined under paragraph (c)
233 the tax determined under paragraph (d) the sum of which shall be
234 the amount of tax due for the fiscal year.

235 **SECTION 2.** (1) As used in this section:

236 (a) "Adjusted General Fund Revenue Collections" means
237 State General Fund revenue collections adjusted by removing any
238 nonrecurring State General Fund revenue collections, which figure
239 shall be provided annually to the commissioner by the Legislative
240 Budget Office on or before October 1 for the prior fiscal year
241 (beginning October 1, 2029, for fiscal year 2029 revenue
242 collections) and presented at the next meeting of the Joint
243 Legislative Budget Committee.

244 (b) "Appropriations" means the total amount contained
245 in all deficit appropriations bills that are recurring expenses in
246 State Support Funds and all General Fund appropriation bills
247 passed into law, but not including any additional appropriations
248 in excess of statutory required employer rate for the Public
249 Employees' Retirement System of Mississippi, which figure shall be
250 provided annually to the commissioner by the Legislative Budget
251 Office on or before October 1 for the current fiscal year
252 (beginning October 1, 2029, for fiscal year 2030 appropriations)
253 and presented at the next meeting of the Joint Legislative Budget
254 Committee.

255 (c) "Cost of a one percent (1%) cut" means the
256 reduction in individual income tax collections that would result



257 from a one percent (1%) reduction in the tax on all taxable income
258 of individuals in excess of Ten Thousand Dollars (\$10,000.00),
259 which figure shall be provided annually by the commissioner to the
260 Legislative Budget Office on or before December 15, based on data
261 from the prior calendar year (beginning December 15, 2029, for
262 calendar year 2028); however, if any filing extensions were
263 granted by the commissioner under Section 27-7-50, the
264 commissioner shall provide the Legislative Budget Office with an
265 updated cost of a one percent (1%) cut before the end of the next
266 regular legislative session.

267 (2) For calendar year 2031 and any calendar year thereafter,
268 if the Working Cash-Stabilization Reserve Fund is fully funded as
269 provided in Section 27-103-213, the tax imposed under Section
270 27-7-5(b) (ii) on all taxable income of individuals in excess of
271 Ten Thousand Dollars (\$10,000.00) shall be reduced by a percentage
272 as indicated below, depending on the percentage by which the
273 Adjusted General Fund Revenue Collections for a fiscal year
274 (beginning with fiscal year 2029) exceed the Appropriations for
275 the following fiscal year (beginning with fiscal year 2030):

276 (a) If the excess is at least eighty-five
277 one-hundredths percent (0.85%), but less than one percent (1%), of
278 the cost of a one percent (1%) cut, the tax shall be reduced by
279 two-tenths percent (0.2%);

280 (b) If excess is at least one percent (1%), but less
281 than one and fifteen one-hundredths percent (1.15%), of the cost



282 of a one percent (1%) cut, the tax shall be reduced by one-quarter
283 percent (0.25%); and

284 (c) If excess is at least one and fifteen
285 one-hundredths percent (1.15%) of the cost of a one percent (1%)
286 cut, the tax shall be reduced by three-tenths percent (0.3%).

287 (3) The tax reduction provided for in this section shall be
288 effective for the calendar year beginning after the close of the
289 fiscal year pertaining to the Appropriations figure used in the
290 calculation for subsection (2) of this section.

291 (4) When the application of the tax reduction provided for
292 in this section results in a tax of zero percent (0%) on all
293 taxable income of individuals in excess of Ten Thousand Dollars
294 (\$10,000.00), such tax shall be eliminated.

295 **SECTION 3.** Section 27-65-17, Mississippi Code of 1972, is
296 amended as follows:

297 27-65-17. (1) (a) Except as otherwise provided in this
298 section, upon every person engaging or continuing within this
299 state in the business of selling any tangible personal property
300 whatsoever there is hereby levied, assessed and shall be collected
301 a tax equal to seven percent (7%) of the gross proceeds of the
302 retail sales of the business.

303 (b) Retail sales of farm tractors and parts and labor
304 used to maintain and/or repair such tractors shall be taxed at the
305 rate of one and one-half percent (1-1/2%) when made to farmers for
306 agricultural purposes.



307 (c) (i) Retail sales of farm implements sold to
308 farmers and used directly in the production of poultry, ratite,
309 domesticated fish as defined in Section 69-7-501, livestock,
310 livestock products, agricultural crops or ornamental plant crops
311 or used for other agricultural purposes, and parts and labor used
312 to maintain and/or repair such implements, shall be taxed at the
313 rate of one and one-half percent (1-1/2%) when used on the farm.

314 (ii) The one and one-half percent (1-1/2%) rate
315 shall also apply to all equipment used in logging, pulpwood
316 operations or tree farming, and parts and labor used to maintain
317 and/or repair such equipment, which is either:

- 318 1. Self-propelled, or
- 319 2. Mounted so that it is permanently attached
320 to other equipment which is self-propelled or attached to other
321 equipment drawn by a vehicle which is self-propelled.

322 In order to be eligible for the rate of tax provided for in
323 this subparagraph (ii), such sales must be made to a professional
324 logger. For the purposes of this subparagraph (ii), a
325 "professional logger" is a person, corporation, limited liability
326 company or other entity, or an agent thereof, who possesses a
327 professional logger's permit issued by the Department of Revenue
328 and who presents the permit to the seller at the time of purchase.
329 The department shall establish an application process for a
330 professional logger's permit to be issued, which shall include a
331 requirement that the applicant submit a copy of documentation



332 verifying that the applicant is certified according to Sustainable
333 Forestry Initiative guidelines. Upon a determination that an
334 applicant is a professional logger, the department shall issue the
335 applicant a numbered professional logger's permit.

336 (d) Except as otherwise provided in subsection (3) of
337 this section, retail sales of aircraft, automobiles, trucks,
338 truck-tractors, semitrailers and manufactured or mobile homes
339 shall be taxed at the rate of three percent (3%).

340 (e) Sales of manufacturing machinery or manufacturing
341 machine parts when made to a manufacturer or custom processor for
342 plant use only when the machinery and machine parts will be used
343 exclusively and directly within this state in manufacturing a
344 commodity for sale, rental or in processing for a fee shall be
345 taxed at the rate of one and one-half percent (1-1/2%).

346 (f) Sales of machinery and machine parts when made to a
347 technology intensive enterprise for plant use only when the
348 machinery and machine parts will be used exclusively and directly
349 within this state for industrial purposes, including, but not
350 limited to, manufacturing or research and development activities,
351 shall be taxed at the rate of one and one-half percent (1-1/2%).
352 In order to be considered a technology intensive enterprise for
353 purposes of this paragraph:

354 (i) The enterprise shall meet minimum criteria
355 established by the Mississippi Development Authority;



356 (ii) The enterprise shall employ at least ten (10)
357 persons in full-time jobs;

358 (iii) At least ten percent (10%) of the workforce
359 in the facility operated by the enterprise shall be scientists,
360 engineers or computer specialists;

361 (iv) The enterprise shall manufacture plastics,
362 chemicals, automobiles, aircraft, computers or electronics; or
363 shall be a research and development facility, a computer design or
364 related facility, or a software publishing facility or other
365 technology intensive facility or enterprise as determined by the
366 Mississippi Development Authority;

367 (v) The average wage of all workers employed by
368 the enterprise at the facility shall be at least one hundred fifty
369 percent (150%) of the state average annual wage; and

370 (vi) The enterprise must provide a basic health
371 care plan to all employees at the facility.

372 A medical cannabis establishment, as defined in the
373 Mississippi Medical Cannabis Act, shall not be considered to be a
374 technology intensive enterprise for the purposes of this paragraph
375 (f).

376 (g) Sales of materials for use in track and track
377 structures to a railroad whose rates are fixed by the Interstate
378 Commerce Commission or the Mississippi Public Service Commission
379 shall be taxed at the rate of three percent (3%).



380 (h) Sales of tangible personal property to electric
381 power associations for use in the ordinary and necessary operation
382 of their generating or distribution systems shall be taxed at the
383 rate of one percent (1%).

384 (i) Wholesale sales of food and drink for human
385 consumption to full-service vending machine operators to be sold
386 through vending machines located apart from and not connected with
387 other taxable businesses shall be taxed at the rate of eight
388 percent (8%).

389 (j) Sales of equipment used or designed for the purpose
390 of assisting disabled persons, such as wheelchair equipment and
391 lifts, that is mounted or attached to or installed on a private
392 carrier of passengers or light carrier of property, as defined in
393 Section 27-51-101, at the time when the private carrier of
394 passengers or light carrier of property is sold shall be taxed at
395 the same rate as the sale of such vehicles under this section.

396 (k) Sales of the factory-built components of modular
397 homes, panelized homes and precut homes, and panel constructed
398 homes consisting of structural insulated panels, shall be taxed at
399 the rate of three percent (3%).

400 (l) Sales of materials used in the repair, renovation,
401 addition to, expansion and/or improvement of buildings and related
402 facilities used by a dairy producer shall be taxed at the rate of
403 three and one-half percent (3-1/2%). For the purposes of this



404 paragraph (1), "dairy producer" means any person engaged in the
405 production of milk for commercial use.

406 (m) Sales of equipment and materials used in connection
407 with geophysical surveying, exploring, developing, drilling,
408 redrilling, completing, working over, producing, distributing, or
409 testing of oil, gas and other mineral resources shall be taxed at
410 the rate of four and one-half percent (4-1/2%). Operators that
411 rebill sales of equipment and materials to nonoperating working
412 interest owners on behalf of a joint account through the joint
413 interest billing (JIB), where the sales tax has been paid or
414 accrued by the operator shall not be charged a sales tax on the
415 JIB as services income.

416 (n) Retail sales of food or drink for human consumption
417 not purchased with food stamps issued by the United States
418 Department of Agriculture or other federal agency, but which would
419 be exempt under Section 27-65-111(o) from the taxes imposed by
420 this chapter if the food items were purchased with food stamps,
421 shall be taxed at the rate of five percent (5%) from and after
422 July 1, 2025.

423 (2) From and after January 1, 1995, retail sales of private
424 carriers of passengers and light carriers of property, as defined
425 in Section 27-51-101, shall be taxed an additional two percent
426 (2%).



427 (3) A manufacturer selling at retail in this state shall be
428 required to make returns of the gross proceeds of such sales and
429 pay the tax imposed in this section.

430 **SECTION 4.** Section 27-65-241, Mississippi Code of 1972, is
431 amended as follows:

432 27-65-241. (1) As used in this section, the following terms
433 shall have the meanings ascribed to them in this section unless
434 otherwise clearly indicated by the context in which they are used:

435 (a) "Hotel" or "motel" means and includes a place of
436 lodging that at any one time will accommodate transient guests on
437 a daily or weekly basis and that is known to the trade as such.
438 Such terms shall not include a place of lodging with ten (10) or
439 less rental units.

440 (b) "Municipality" means any municipality in the State
441 of Mississippi with a population of one hundred fifty thousand
442 (150,000) or more according to the most recent federal decennial
443 census.

444 (c) "Restaurant" means and includes all places where
445 prepared food is sold and whose annual gross proceeds of sales or
446 gross income for the preceding calendar year equals or exceeds One
447 Hundred Thousand Dollars (\$100,000.00). The term "restaurant"
448 shall not include any nonprofit organization that is exempt from
449 federal income taxation under Section 501(c)(3) of the Internal
450 Revenue Code. For the purpose of calculating gross proceeds of
451 sales or gross income, the sales or income of all establishments



452 owned, operated or controlled by the same person, persons or
453 corporation shall be aggregated.

454 (2) (a) Subject to the provisions of this section, the
455 governing authorities of a municipality may impose upon all
456 persons as a privilege for engaging or continuing in business or
457 doing business within such municipality, a special sales tax at
458 the rate of not more than one percent (1%) of the gross proceeds
459 of sales or gross income of the business, as the case may be,
460 derived from any of the activities taxed at the rate of seven
461 percent (7%) or more under the Mississippi Sales Tax Law, Section
462 27-65-1 et seq.

463 (b) The tax levied under this section shall apply to
464 every person making sales of tangible personal property or
465 services within the municipality but shall not apply to:

466 (i) Sales exempted by Sections 27-65-19,
467 27-65-101, 27-65-103, 27-65-105, 27-65-107, 27-65-109 and
468 27-65-111 of the Mississippi Sales Tax Law;

469 (ii) Gross proceeds of sales or gross income of
470 restaurants derived from the sale of food and beverages;

471 (iii) Gross proceeds of sales or gross income of
472 hotels and motels derived from the sale of hotel rooms and motel
473 rooms for lodging purposes;

474 * * *

475 (* * *iv) Gross income of businesses engaging or
476 continuing in the business of TV cable systems, subscription TV



477 services, and other similar activities, including, but not limited
478 to, cable Internet services;

479 (* * *y) Wholesale sales of food and drink for
480 human consumption sold to full service vending machine operators;
481 and

482 (* * *vi) Wholesale sales of light wine, light
483 spirit product, beer and alcoholic beverages.

484 (3) (a) Before any tax authorized under this section may be
485 imposed, the governing authorities of the municipality shall adopt
486 a resolution declaring its intention to levy the tax, setting
487 forth the amount of the tax to be imposed, the purposes for which
488 the revenue collected pursuant to the tax levy may be used and
489 expended, the date upon which the tax shall become effective, the
490 date upon which the tax shall be repealed, and calling for an
491 election to be held on the question. The date of the election
492 shall be set in the resolution. Notice of the election shall be
493 published once each week for at least three (3) consecutive weeks
494 in a newspaper published or having a general circulation in the
495 municipality, with the first publication of the notice to be made
496 not less than twenty-one (21) days before the date fixed in the
497 resolution for the election and the last publication to be made
498 not more than seven (7) days before the election. At the
499 election, all qualified electors of the municipality may vote.
500 The ballots used at the election shall have printed thereon a
501 brief description of the sales tax, the amount of the sales tax



502 levy, a description of the purposes for which the tax revenue may
503 be used and expended and the words "FOR THE LOCAL SALES TAX" and
504 "AGAINST THE LOCAL SALES TAX" and the voter shall vote by placing
505 a cross (X) or check mark (✓) opposite his choice on the
506 proposition. When the results of the election have been canvassed
507 by the election commissioners of the municipality and certified by
508 them to the governing authorities, it shall be the duty of such
509 governing authorities to determine and adjudicate whether at least
510 three-fifths (3/5) of the qualified electors who voted in the
511 election voted in favor of the tax. If at least three-fifths
512 (3/5) of the qualified electors who voted in the election voted in
513 favor of the tax, the governing authorities shall adopt a
514 resolution declaring the levy and collection of the tax provided
515 in this section and shall set the first day of the second month
516 following the date of such adoption as the effective date of the
517 tax levy. A certified copy of this resolution, together with the
518 result of the election, shall be furnished to the Department of
519 Revenue not less than thirty (30) days before the effective date
520 of the levy.

521 (b) A municipality shall not hold more than two (2)
522 elections under this subsection.

523 (4) The revenue collected pursuant to the tax levy imposed
524 under this section may be expended to pay the cost of road and
525 street repair, reconstruction and resurfacing projects based on
526 traffic patterns, need and usage, and to pay the costs of water,



527 sewer and drainage projects in accordance with a master plan
528 adopted by the commission established pursuant to subsection (7).

529 (5) (a) The special sales tax authorized by this section
530 shall be collected by the Department of Revenue, shall be
531 accounted for separately from the amount of sales tax collected
532 for the state in the municipality and shall be paid to the
533 municipality. The Department of Revenue may retain one percent
534 (1%) of the proceeds of such tax for the purpose of defraying the
535 costs incurred by the department in the collection of the tax.
536 Payments to the municipality shall be made by the Department of
537 Revenue on or before the fifteenth day of the month following the
538 month in which the tax was collected. However, if a municipality
539 fails to comply with the audit, reporting and/or report filing
540 requirements of paragraph (b) of this subsection and does not
541 remedy such noncompliance within thirty (30) days after receiving
542 written notice of noncompliance, the Department of Revenue shall
543 withhold payments otherwise payable to the municipality under this
544 paragraph (a) until the department receives written notice that
545 the municipality has complied with such requirements.

546 (b) The proceeds of the special sales tax shall be
547 placed into a special municipal fund apart from the municipal
548 general fund and any other funds of the municipality, and shall be
549 expended by the municipality solely for the purposes authorized in
550 subsection (4) of this section. The records reflecting the
551 receipts and expenditures of the revenue from the special sales



552 tax shall be provided in detail to the members of the commission
553 monthly, to include the name of the vendor and the project, and
554 the dates and amounts received and paid, and shall also be audited
555 annually by an independent certified public accountant. The
556 accountant shall make a report of his findings to the governing
557 authorities of the municipality and file a copy of his report with
558 the Secretary of the Senate and the Clerk of the House of
559 Representatives and the commission members. The audit shall be
560 made and completed as soon as practical after the close of the
561 fiscal year of the municipality, and expenses of the audit shall
562 be paid from the funds derived by the municipality pursuant to
563 this section.

564 (c) Any expenditure from the special municipal fund
565 defined in paragraph (b) above that was not for a project approved
566 by the commission, or was in excess of the amount approved by the
567 commission, shall be reimbursed by the city to the special fund.

568 (d) All provisions of the Mississippi Sales Tax Law
569 applicable to filing of returns, discounts to the taxpayer,
570 remittances to the Department of Revenue, enforced collection,
571 rights of taxpayers, recovery of improper taxes, refunds of
572 overpaid taxes or other provisions of law providing for imposition
573 and collection of the state sales tax shall apply to the special
574 sales tax authorized by this section, except where there is a
575 conflict, in which case the provisions of this section shall
576 control. Any damages, penalties or interest collected for the



577 nonpayment of taxes imposed under this section, or for
578 noncompliance with the provisions of this section, shall be paid
579 to the municipality on the same basis and in the same manner as
580 the tax proceeds. Any overpayment of tax for any reason that has
581 been disbursed to a municipality or any payment of the tax to a
582 municipality in error may be adjusted by the Department of Revenue
583 on any subsequent payment to the municipality pursuant to the
584 provisions of the Mississippi Sales Tax Law. The Department of
585 Revenue may, from time to time, make such rules and regulations
586 not inconsistent with this section as may be deemed necessary to
587 carry out the provisions of this section, and such rules and
588 regulations shall have the full force and effect of law.

589 (6) If a municipality expands its corporate boundaries, the
590 governing authorities of the municipality may not impose the
591 special sales tax in the annexed area unless the tax is approved
592 at an election conducted, as far as is practicable, in the manner
593 provided in subsection (3) of this section, except that only
594 qualified electors in the annexed area may vote in the election.

595 (7) (a) Any municipality that levies the special sales tax
596 authorized under this section shall establish a commission as
597 provided for in this section. Expenditures of revenue from the
598 special sales tax authorized by this section shall be in
599 accordance with a master plan adopted by the commission pursuant
600 to this subsection.



601 (b) The commission shall be composed of ten (10) voting
602 members who shall be known as commissioners appointed as follows:

603 (i) Four (4) members representing the business
604 community in the municipality appointed by the local chamber of
605 commerce for initial terms of one (1), two (2), four (4) and five
606 (5) years respectively. The members appointed pursuant to this
607 paragraph shall be persons who represent businesses located within
608 the city limits of the municipality.

609 (ii) Three (3) members shall be appointed at large
610 by the mayor of the municipality, with the advice and consent of
611 the legislative body of the municipality, for initial terms of two
612 (2), three (3) and four (4) years respectively. All appointments
613 made by the mayor pursuant to this paragraph shall be residents of
614 the municipality.

615 (iii) One (1) member shall be appointed at large
616 by the Governor for an initial term of four (4) years. All
617 appointments made by the Governor pursuant to this paragraph shall
618 be residents of the municipality.

619 (iv) One (1) member shall be appointed at large by
620 the Lieutenant Governor for an initial term of four (4) years.
621 All appointments made by the Lieutenant Governor pursuant to this
622 paragraph shall be residents of the municipality.

623 (v) One (1) member shall be appointed at large by
624 the Speaker of the House of Representatives for a term of four (4)
625 years. All appointments made by the Speaker of the House of



626 Representatives pursuant to this paragraph shall be residents of
627 the municipality.

628 (c) The terms of all appointments made subsequent to
629 the initial appointment shall be made for five (5) years. Any
630 vacancy which may occur shall be filled in the same manner as the
631 original appointment and shall be made for the unexpired term.

632 (d) The mayor of the municipality shall designate a
633 chairman of the commission from among the membership of the
634 commission. The vice chairman and secretary shall be elected by
635 the commission from among the membership of the commission for a
636 term of two (2) years. The vice chairman and secretary may be
637 reelected, and the chairman may be reappointed.

638 (e) The commissioners shall serve without compensation.

639 (f) Any commissioner shall be disqualified and shall be
640 removed from office for either of the following reasons:

641 (i) Conviction of a felony in any state court or
642 in federal court; or

643 (ii) Failure to attend three (3) consecutive
644 meetings without just cause.

645 If a commissioner is removed for any of the above reasons,
646 the vacancy shall be filled in the manner prescribed in this
647 section and shall be made for the unexpired term.

648 (g) A quorum shall consist of six (6) voting members of
649 the commission. The commission shall adopt such rules and



650 regulations as may govern the time and place for holding meetings,
651 regular and special.

652 (h) The commission shall, with input from the
653 municipality, establish a master plan for road and street repair,
654 reconstruction and resurfacing projects based on traffic patterns,
655 need and usage, and for water, sewer and drainage projects.
656 Expenditures of the revenue from the tax authorized to be imposed
657 pursuant to this section shall be made at the discretion of the
658 governing authorities of the municipality if the expenditures
659 comply with the master plan. The commission shall monitor the
660 compliance of the municipality with the master plan.

661 (8) The governing authorities of any municipality that
662 levies the special sales tax authorized under this section are
663 authorized to incur debt, including bonds, notes or other
664 evidences of indebtedness, for the purpose of paying the costs of
665 road and street repair, reconstruction and resurfacing projects
666 based on traffic patterns, need and usage, and to pay the costs of
667 water, sewer and drainage projects in accordance with a master
668 plan adopted by the commission established pursuant to subsection
669 (7) of this section. Any bonds or notes issued to pay such costs
670 may be secured by the proceeds of the special sales tax levied
671 pursuant to this section or may be general obligations of the
672 municipality and shall satisfy the requirements for the issuance
673 of debt provided by Sections 21-33-313 through 21-33-323.



674 (9) This section shall stand repealed from and after July 1,
675 2035.

676 **SECTION 5.** Section 27-67-5, Mississippi Code of 1972, is
677 brought forward as follows:

678 27-67-5. There is hereby levied, assessed and shall be
679 collected from every person a tax for the privilege of using,
680 storing or consuming, within this state, any tangible personal
681 property or specified digital product possession of which is
682 acquired in any manner.

683 (a) The use tax hereby imposed and levied shall be
684 collected at the same rates as imposed under Section 27-65-20, and
685 Sections 27-65-17, 27-65-18, 27-65-19, 27-65-24, 27-65-25 and
686 27-65-26 computed on the purchase or sales price, or value, as
687 defined in this article.

688 (b) It shall be the duty of the tax collectors of the
689 several counties, or the commissioner, as the case may be, to
690 collect, remit and account for the tax on the use of all vehicles
691 licensed or registered by the State of Mississippi for the first
692 time, except when the Mississippi use tax was collected by an
693 authorized out-of-state dealer at the time of purchase, or when
694 the use thereof was exempt by Section 27-67-7. The tax collector
695 or the commissioner shall give to the person registering the
696 vehicle a receipt in a form prescribed and furnished by the
697 Department of Revenue for the amount of tax collected.



698 The tax collector or the commissioner is expressly prohibited
699 from issuing a license tag to any applicant without collecting the
700 tax levied by this article, unless positive proof is filed,
701 together with the application for the license tag, that the
702 Mississippi tax has been paid, or that the sale was exempt by
703 Section 27-67-7.

704 Persons not engaging and continuing in business so as to be
705 registered for payment of sales and/or use tax may pay use tax due
706 on the first use of boats, airplanes, equipment or other tangible
707 personal property and specified digital products to county tax
708 collectors who are hereby authorized to accept such payments on
709 behalf of the commissioner. Receipts for all such payments shall
710 be given to taxpayers in a form prescribed and furnished by the
711 Department of Revenue.

712 County tax collectors and the commissioner shall be liable
713 for the tax they are required hereby to collect, and taxes which
714 are in fact collected under authority of this section; and failure
715 to properly collect or maintain proper records shall not relieve
716 them of liability for payment to the commissioner. Deficiencies
717 in collection or payment shall be assessed against the tax
718 collector or the commissioner in the same manner and subject to
719 the same penalties and provisions for appeal as are deficiencies
720 assessed against taxpayers.

721 A dealer authorized to collect and remit the tax to the
722 Department of Revenue shall give to the purchaser a receipt for



723 the payment of the tax, in a form prescribed and furnished by the
724 commissioner, which shall serve as proof of payment to the tax
725 collector of the county in which the license is to be issued.

726 Each tax collector of the several counties shall, on or
727 before the twentieth day of each month, file a report with and pay
728 to the commissioner all funds collected under the provisions of
729 this article, less a commission of five percent (5%) which shall
730 be retained by the tax collector as a commission for collecting
731 such tax and be deposited in the county general fund. The report
732 required to be filed shall cover all collections made during the
733 calendar month next preceding the date on which the report is due
734 and filed.

735 Any error in the report and remittance to the commissioner
736 may be adjusted on a subsequent report. If the error was in the
737 collection by the tax collector, it shall be adjusted through the
738 tax collector with the taxpayer before credit is allowed by the
739 commissioner.

740 All information relating to the collection of use tax by tax
741 collectors and such records as the commissioner may require shall
742 be preserved in the tax collector's office for a period of three
743 (3) years for audit by the commissioner.

744 Computer software maintained on a server located outside the
745 state and accessible for use only via the internet is not a
746 taxable use, storage or consumption under this chapter.



747 **SECTION 6.** Section 27-55-11, Mississippi Code of 1972, is
748 amended as follows:

749 27-55-11. Any person in business as a distributor of
750 gasoline or who acts as a distributor of gasoline, as defined in
751 this article, shall pay for the privilege of engaging in such
752 business or acting as such distributor an excise tax equal to
753 Eighteen Cents (18¢) per gallon through June 30, 2025, Twenty-one
754 Cents (21¢) per gallon from July 1, 2025, through June 30, 2026,
755 Twenty-four Cents (24¢) per gallon from July 1, 2026, through June
756 30, 2027, Twenty-seven Cents (27¢) per gallon from July 1, 2027,
757 until the date specified in Section 65-39-35, and Fourteen and
758 Four-tenths Cents (14.4¢) per gallon thereafter, on all gasoline
759 and blend stock stored, sold, distributed, manufactured, refined,
760 distilled, blended or compounded in this state or received in this
761 state for sale, use on the highways, storage, distribution, or for
762 any purpose.

763 Any person in business as a distributor of aviation gasoline,
764 or who acts as a distributor of aviation gasoline, shall pay for
765 the privilege of engaging in such business or acting as such
766 distributor an excise tax equal to Six and Four-tenths Cents
767 (6.4¢) per gallon on all aviation gasoline stored, sold,
768 distributed, manufactured, refined, distilled, blended or
769 compounded in this state or received in this state for sale,
770 storage, distribution or for any purpose.



771 Beginning July 1, 2029, and on July 1 of every other year
772 thereafter, the excise tax rate provided in this section shall be
773 adjusted by the percentage change in the yearly average of the
774 National Highway Construction Cost Index (NHCCI) issued by the
775 U.S. Federal Highway Administration (FHWA) for the most recent
776 twelve-month published period ending December 31, compared to the
777 base year average, which is the average for the twelve-month
778 period ending December 31, 2025, and rounded to the nearest whole
779 cent. The maximum amount of increase in the excise tax rate shall
780 not exceed One Cent (1¢) per net gallon of gasoline or special
781 fuel and shall take effect every other year. The Department of
782 Revenue shall notify each terminal supplier, position holder,
783 licensed distributors distributor, and importer of the tax rate
784 adjustment applicable under this paragraph on or before March 1.

785 The excise taxes collected under this section shall be paid
786 and distributed in accordance with Section 27-5-101.

787 The tax herein imposed and assessed shall be collected and
788 paid to the State of Mississippi but once in respect to any
789 gasoline. The basis for determining the tax liability shall be
790 the correct invoiced gallons, adjusted to sixty (60) degrees
791 Fahrenheit at the refinery or point of origin of shipment when
792 such shipment is made by tank car or by motor carrier. The point
793 of origin of shipment of gasoline transported into this state by
794 pipelines shall be deemed to be that point in this state where
795 such gasoline is withdrawn from the pipeline for storage or



796 distribution, and adjustment to sixty (60) degrees Fahrenheit
797 shall there be made. The basis for determining the tax liability
798 on gasoline shipped into this state in barge cargoes and by
799 pipeline shall be the actual number of gallons adjusted to sixty
800 (60) degrees Fahrenheit unloaded into storage tanks or other
801 containers in this state, such gallonage to be determined by
802 measurement and/or gauge of storage tank or tanks or by any other
803 method authorized by the commission. The tank or tanks into which
804 barge cargoes of gasoline are discharged, or into which gasoline
805 transported by pipeline is discharged, shall have correct gauge
806 tables listing capacity, such gauge tables to be prepared by some
807 recognized calibrating agency and to be approved by the
808 commission.

809 The tax levied herein shall accrue at the time gasoline is
810 withdrawn from a refinery in this state except when withdrawal is
811 by pipeline, barge, ship or vessel. The refiner shall pay to the
812 commission the tax levied herein when gasoline is sold or
813 delivered to persons who do not hold gasoline distributor permits.
814 The refiner shall report to the commission all sales and
815 deliveries of gasoline to bonded distributors of gasoline. The
816 bonded distributor of gasoline who purchases, receives or acquires
817 gasoline from a refinery in this state shall report such gasoline
818 and pay the tax levied herein.

819 Gasoline imported by common carrier shall be deemed to be
820 received by the distributor of gasoline, and the tax levied herein



821 shall accrue, when the car or tank truck containing such gasoline
822 is unloaded by the carrier.

823 With respect to distributors or other persons who bring,
824 ship, have transported, or have brought into this state gasoline
825 by means other than through a common carrier, the tax accrues and
826 the tax liability attaches on the distributor or other person for
827 each gallon of gasoline brought into the state at the time when
828 and at the point where such gasoline is brought into the state.

829 The tax levied herein shall accrue on blend stock at the time
830 it is blended with gasoline. The blender shall pay to the
831 commission the tax levied herein when blend stock is sold or
832 delivered to persons who do not hold gasoline distributor permits.
833 The blender shall report to the commission all sales and
834 deliveries of blend stock to bonded distributors of gasoline. The
835 bonded distributor of gasoline who purchases, receives or acquires
836 blend stock from a blender in this state shall report blend stock
837 and pay the tax levied herein.

838 **SECTION 7.** Section 27-55-519, Mississippi Code of 1972, is
839 amended as follows:

840 27-55-519. (1) Any person engaged in business as a
841 distributor of special fuel or who acts as a distributor of
842 special fuel, as defined in this article, shall pay for the
843 privilege of engaging in such business or acting as such
844 distributor an excise tax on all special fuel stored, used, sold,
845 distributed, manufactured, refined, distilled, blended or



846 compounded in this state or received in this state for sale,
847 storage, distribution or for any purpose, adjusted to sixty (60)
848 degrees Fahrenheit.

849 The excise tax shall become due and payable when:

850 (a) Special fuel is withdrawn from storage at a
851 refinery, marine or pipeline terminal, except when withdrawal is
852 by barge or pipeline.

853 (b) Special fuel imported by a common carrier is
854 unloaded by that carrier unless the special fuel is unloaded
855 directly into the storage tanks of a refinery, marine or pipeline
856 terminal.

857 (c) Special fuel imported by any person other than a
858 common carrier enters the State of Mississippi unless the special
859 fuel is unloaded directly into the storage tanks of a refinery,
860 marine or pipeline terminal.

861 (d) Special fuel is blended in this state unless such
862 blending occurs in a refinery, marine or pipeline terminal.

863 (e) Special fuel is acquired tax free.

864 (2) The special fuel excise tax shall be as follows:

865 (a) * * * On undyed diesel fuel, Eighteen Cents (18¢)
866 per gallon through June 30, 2025, Twenty-one Cents (21¢) per
867 gallon from July 1, 2025, through June 30, 2026, Twenty-four Cents
868 (24¢) per gallon from July 1, 2026, through June 30, 2027,
869 Twenty-seven Cents (27¢) per gallon from July 1, 2027, until the



870 date specified in Section 65-39-35, and Fourteen and Three-fourths
871 Cents (14.75¢) per gallon thereafter;

872 (b) Five and Three-fourths Cents (5.75¢) per gallon on
873 all special fuel except undyed diesel fuel and special fuel used
874 as fuels in aircraft; and

875 (c) Five and One-fourth Cents (5.25¢) per gallon on
876 special fuel used as fuel in aircraft.

877 (3) Beginning July 1, 2029, and on July 1 of every other
878 year thereafter, the excise tax rate provided in this section
879 shall be adjusted by the percentage change in the yearly average
880 of the National Highway Construction Cost Index (NHCCI) issued by
881 the U.S. Federal Highway Administration (FHWA) for the most recent
882 twelve-month published period ending December 31, compared to the
883 base year average, which is the average for the twelve-month
884 period ending December 31, 2025, and rounded to the nearest whole
885 cent. The maximum amount of increase in the excise tax rate shall
886 not exceed One Cent (1¢) per net gallon of gasoline or special
887 fuel and shall take effect every other year. The Department of
888 Revenue shall notify each terminal supplier, position holder,
889 licensed distributors distributor, and importer of the tax rate
890 adjustment applicable under this paragraph on or before March 1.

891 **SECTION 8.** Section 27-55-521, Mississippi Code of 1972, is
892 amended as follows:

893 27-55-521. (1) An excise tax at the rate of Eighteen Cents
894 (18¢) per gallon through June 30, 2025, Twenty-one Cents (21¢) per



895 gallon from July 1, 2025, through June 30, 2026, Twenty-four Cents
896 (24¢) per gallon from July 1, 2026, through June 30, 2027,
897 Twenty-seven Cents (27¢) per gallon from July 1, 2027, until the
898 date specified in Section 65-39-35, * * * and Fourteen and
899 Three-fourths Cents (14.75¢) per gallon thereafter is levied on
900 any person engaged in business as a distributor of special fuel or
901 who acts as such who sells:

902 (a) Special fuel for use in performing contracts for
903 construction, reconstruction, maintenance or repairs, where such
904 contracts are entered into with the State of Mississippi, any
905 political subdivision of the State of Mississippi, or any
906 department, agency, institution of the State of Mississippi or any
907 political subdivision thereof.

908 (b) Dyed diesel fuel or kerosene to a state or local
909 governmental entity for use on the highways in a motor vehicle.

910 (c) Special fuel for use on the highway.

911 (2) An excise tax at the rate of Eighteen Cents (18¢) per
912 gallon through June 30, 2025, Twenty-one Cents (21¢) per gallon
913 from July 1, 2025, through June 30, 2026, Twenty-four Cents (24¢)
914 per gallon from July 1, 2026, through June 30, 2027, Twenty-seven
915 Cents (27¢) per gallon from July 1, 2027, until the date specified
916 in Section 65-39-35, * * * and Fourteen and Three-fourths Cents
917 (14.75¢) per gallon thereafter is levied on any person who:



918 (a) Uses dyed diesel fuel or kerosene in a motor
919 vehicle on the highways of this state in violation of Section
920 27-55-539.

921 (b) Purchases or acquires undyed diesel fuel or
922 kerosene for nonhighway use and subsequently uses such diesel fuel
923 or kerosene in a motor vehicle on the highways of this state.

924 (c) Purchases or acquires special fuel for use in
925 performing contracts as specified in this section.

926 (3) Beginning July 1, 2029, and on July 1 of every other
927 year thereafter, the excise tax rate provided in this section
928 shall be adjusted by the percentage change in the yearly average
929 of the National Highway Construction Cost Index (NHCCI) issued by
930 the U.S. Federal Highway Administration (FHWA) for the most recent
931 twelve-month published period ending December 31, compared to the
932 base year average, which is the average for the twelve-month
933 period ending December 31, 2025, and rounded to the nearest whole
934 cent. The maximum amount of increase in the excise tax rate shall
935 not exceed One Cent (1¢) per net gallon of gasoline or special
936 fuel and shall take effect every other year. The Department of
937 Revenue shall notify each terminal supplier, position holder,
938 licensed distributors distributor, and importer of the tax rate
939 adjustment applicable under this paragraph on or before March 1.

940 **SECTION 9.** Section 27-55-12, Mississippi Code of 1972, is
941 amended as follows:



942 27-55-12. (1) The United States government, the State of
943 Mississippi, counties, municipalities, school districts and all
944 other political subdivisions of the state, and volunteer fire
945 departments chartered under the laws of the State of Mississippi
946 as nonprofit corporations shall be exempt from excise taxes on
947 gasoline, special fuel and compressed gas as follows:

948 (a) From the excise tax rate in excess of Nine Cents
949 (9¢) per gallon of gasoline and from the excise tax rate in excess
950 of One Cent (1¢) per gallon of aviation gasoline levied under
951 Section 27-55-11, Mississippi Code of 1972, Five and Four-tenths
952 Cents (5.4¢) thereof shall be exempt as provided in Section
953 27-55-19, Mississippi Code of 1972.

954 (b) From the excise tax rate in excess of Ten Cents
955 (10¢) per gallon of special fuel levied * * * under Sections
956 27-55-519 and 27-55-521 and subject to reduction on the date
957 specified in Section 65-39-35, Four and Three-fourths Cents
958 (4.75¢) thereof shall be exempt.

959 (c) From the excise tax rate in excess of One Cent (1¢)
960 per gallon of special fuel taxed at Five and Three-fourths Cents
961 (5.75¢) per gallon and from the excise tax rate in excess of
962 One-half Cent (1/2¢) per gallon of special fuel used in aircraft
963 levied under Section 27-55-519, Four and Three-fourths Cents
964 (4.75¢) thereof shall be exempt.

965 (d) From the portion of the excise tax rate on
966 compressed gas used as a motor fuel that exceeds the rate of tax



967 in effect on June 30, 1987, Three Cents (3¢) thereof shall be
968 exempt.

969 (2) The exemption provided in subsection (1) of this section
970 for sales of gasoline, special fuel and compressed gas to
971 volunteer fire departments shall apply only to sales of gasoline,
972 special fuel and compressed gas for use in a vehicle owned by a
973 volunteer fire department and used for department purposes.

974 (3) The exemption provided in subsection (1) of this section
975 for sales of gasoline, special fuel and compressed gas also shall
976 apply to sales of gasoline, special fuel and compressed gas to an
977 entity described in Section 27-51-41(2)(u) for use in buses and
978 other motor vehicles that are exempt from ad valorem taxation
979 under Section 27-51-41(2)(u).

980 (4) Any person other than a bonded distributor of gasoline,
981 bonded distributor of special fuel or bonded distributor of
982 compressed gas who sells or delivers any gasoline, special fuel or
983 compressed gas, subject to the exemption set forth in this
984 section, is required to obtain credit for such exemption from a
985 bonded distributor of gasoline, special fuel or compressed gas.

986 **SECTION 10.** Section 27-55-523, Mississippi Code of 1972, is
987 amended as follows:

988 27-55-523. For the purpose of determining the amount of his
989 liability for the tax imposed by this article, each bonded
990 distributor of special fuel shall, not later than the twentieth
991 day of the month next following the month in which this article



992 becomes effective, and not later than the twentieth day of each
993 month thereafter, file with the department a monthly report which
994 shall include a statement of the number of gallons of special fuel
995 received and sold by such distributor of special fuel within this
996 state during the preceding calendar month, and such other
997 information as may be reasonably necessary for the proper
998 administration of this article.

999 At the time of filing each monthly report with the
1000 department, a distributor may take a credit for the number of
1001 gallons of special fuel that he purchased during the preceding
1002 calendar month from a distributor who pays the excise tax imposed
1003 by this article on such special fuel.

1004 At the time of filing each monthly report with the
1005 department, each distributor of special fuel shall pay to the
1006 department the full amount of the special fuel tax due from such
1007 distributor for the preceding calendar month.

1008 Reports and payments must be filed electronically by the due
1009 date in order to be considered timely filed, except when the due
1010 date falls on a weekend or holiday, in which case such reports and
1011 payments must be filed electronically by the first working day
1012 following the due date in order to be considered timely filed.

1013 The monthly report of the distributor of special fuel shall
1014 be prepared and filed with the department on forms prescribed by
1015 the department, or the distributor of special fuel may, with the
1016 approval of the department, furnish the required information on



1017 machine-prepared schedules. Such monthly reports or schedules
1018 shall be signed by the distributor or his duly authorized agent
1019 and shall contain a declaration that the statements contained in
1020 such report are true and correct and are made under the penalty of
1021 perjury.

1022 When special fuel, which would otherwise be taxable under the
1023 provisions of this article, is imported, sold, delivered or
1024 exported, under conditions which will exclude such special fuel
1025 from the tax levied under this article by reasons of one or more
1026 of the exemptions provided in this article, deduction for such
1027 exempt special fuel may be taken without prior approval of the
1028 department on the monthly report of the bonded distributor of
1029 special fuel importing, selling, delivering or exporting such
1030 special fuel. Provided, however, that the department may require
1031 proof to be furnished of such deduction for exempt special fuel.

1032 When the Five and Three-fourths Cents (5.75¢) per gallon tax
1033 has accrued or has been paid on special fuel that is taxed * * *
1034 under Sections 27-55-519 and 27-55-521 and subject to reduction on
1035 the date specified in Section 65-39-35, a deduction of Five and
1036 Three-fourths Cents (5.75¢) per gallon may be made.

1037 **SECTION 11.** Section 27-5-101, Mississippi Code of 1972, is
1038 amended as follows:

1039 **[With regard to any county which is exempt from the**
1040 **provisions of Section 19-2-3, this section shall read as follows:]**



1041 27-5-101. Unless otherwise provided in this section, on or
1042 before the fifteenth day of each month, all gasoline, diesel fuel
1043 or kerosene taxes which are levied under the laws of this state
1044 and collected during the previous month shall be paid and
1045 apportioned by the * * * Department of Revenue as follows:

1046 (a) (i) Except as otherwise provided in Section
1047 31-17-127, from the gross amount of gasoline, diesel fuel or
1048 kerosene taxes produced by the state, there shall be deducted an
1049 amount equal to one-sixth (1/6) of principal and interest
1050 certified by the State Treasurer to the * * * Department of
1051 Revenue to be due on the next semiannual bond and interest payment
1052 date, as required under the provisions of Chapter 130, Laws of
1053 1938, and subsequent acts authorizing the issuance of bonds
1054 payable from gasoline, diesel fuel or kerosene tax revenue on a
1055 parity with the bonds issued under authority of said Chapter 130.
1056 The State Treasurer shall certify to the * * * Department of
1057 Revenue on or before the fifteenth day of each month the amount to
1058 be paid to the "Highway Bonds Sinking Fund" as provided by said
1059 Chapter 130, Laws of 1938, and subsequent acts authorizing the
1060 issuance of bonds payable from gasoline, diesel fuel or kerosene
1061 tax revenue, on a parity with the bonds issued under authority of
1062 said Chapter 130; and the * * * Department of Revenue shall, on or
1063 before the twenty-fifth day of each month, pay into the State
1064 Treasury for credit to the "Highway Bonds Sinking Fund" the amount
1065 so certified to him by the State Treasurer due to be paid into



1066 such fund each month. The payments to the "Highway Bonds Sinking
1067 Fund" shall be made out of gross gasoline, diesel fuel or kerosene
1068 tax collections before deductions of any nature are considered;
1069 however, such payments shall be deducted from the allocation to
1070 the Mississippi Department of Transportation under paragraph (c)
1071 of this section.

1072 (ii) From collections derived from the portion of
1073 the gasoline excise tax that exceeds Seven Cents (7¢) per gallon,
1074 up to and including Eighteen Cents (18¢) per gallon, from the
1075 portion of the tax on aviation gas under Section 27-55-11 that
1076 exceeds Six and Four-tenths Cents (6.4¢) per gallon, from the
1077 portion of the special fuel tax levied under Sections 27-55-519
1078 and 27-55-521 * * * that exceeds Ten Cents (10¢) per gallon, up to
1079 and including Eighteen Cents (18¢) per gallon, from the portion of
1080 the taxes levied under Section 27-55-519, at Five and
1081 Three-fourths Cents (5.75¢) per gallon that exceeds One Cent (1¢)
1082 per gallon on special fuel and Five and One-fourth Cents (5.25¢)
1083 per gallon on special fuel used as aircraft fuel, from the portion
1084 of the excise tax on compressed gas used as a motor fuel that
1085 exceeds the rate of tax in effect on June 30, 1987, and from the
1086 portion of the gasoline excise tax in excess of Seven Cents (7¢)
1087 per gallon and the diesel excise tax in excess of Ten Cents (10¢)
1088 per gallon under Section 27-61-5 there shall be deducted:



1089 1. An amount as provided in Section
1090 27-65-75(4) to the credit of a special fund designated as the
1091 "Office of State Aid Road Construction."

1092 2. An amount equal to the tax collections
1093 derived from Two Cents (2¢) per gallon of the gasoline excise tax
1094 for distribution to the State Highway Fund to be used exclusively
1095 for the construction, reconstruction and maintenance of highways
1096 of the State of Mississippi or the payment of interest and
1097 principal on bonds when specifically authorized by the Legislature
1098 for that purpose.

1099 3. The balance shall be deposited in the
1100 State Treasury to the credit of the State Highway Fund.

1101 (iii) From collections derived from the portion of
1102 the gasoline excise tax that exceeds Eighteen Cents (18¢) per
1103 gallon, and from the portion of the special fuel tax levied under
1104 Sections 27-55-519 and 27-55-521 that exceeds Eighteen Cents (18¢)
1105 per gallon, and from the portion of the gasoline excise tax and
1106 the diesel excise tax in excess of Eighteen Cents (18¢) per gallon
1107 under Section 27-61-5, there shall be deducted:

1108 1. Twenty-three and one-fourth percent
1109 (23.25%) of such amount to the credit of a special fund designated
1110 as the "Office of State Aid Road Construction."

1111 2. Two and three-fourths percent (2.75%) of
1112 such amount to the Strategic Multi-Modal Investments Fund created
1113 in Section 65-1-901.



1114 3. Seventy-four percent (74%) of such amount
1115 to the Mississippi Department of Transportation for constructing,
1116 maintaining or improving segments of highways and bridges under
1117 its jurisdiction, and for operational improvements on such
1118 segments, in accordance with a project schedule as reported in the
1119 three-year plan as adopted, amended by or reissued by the
1120 Mississippi Transportation Commission under Section 65-1-141.

1121 (b) Subject to the provisions that said basis of
1122 distribution shall in nowise affect adversely the amount
1123 specifically pledged in paragraph (a) of this section to be paid
1124 into the "Highway Bonds Sinking Fund," the following shall be
1125 deducted from the amount produced by the state tax on gasoline,
1126 diesel fuel or kerosene tax collections, excluding collections
1127 derived from the portion of the gasoline excise tax that exceeds
1128 Seven Cents (7¢) per gallon, from the portion of the tax on
1129 aviation gas under Section 27-55-11 that exceeds Six and
1130 Four-tenths Cents (6.4¢) per gallon, from the portion of the
1131 special fuel tax levied under Sections 27-55-519 and 27-55-521, at
1132 Eighteen Cents (18¢) per gallon that exceeds Ten Cents (10¢) per
1133 gallon, from the portion of the taxes levied under Section
1134 27-55-519, at Five and Three-fourths Cents (5.75¢) per gallon that
1135 exceeds One Cent (1¢) per gallon on special fuel and Five and
1136 One-fourth Cents (5.25¢) per gallon on special fuel used as
1137 aircraft fuel, from the portion of the excise tax on compressed
1138 gas used as a motor fuel that exceeds the rate of tax in effect on



1139 June 30, 1987, and from the portion of the gasoline excise tax in
1140 excess of Seven Cents (7¢) per gallon and the diesel excise tax in
1141 excess of Ten Cents (10¢) per gallon under Section 27-61-5:

1142 (i) Twenty percent (20%) of such amount which
1143 shall be earmarked and set aside for the construction,
1144 reconstruction and maintenance of the highways and roads of the
1145 state, provided that if such twenty percent (20%) should reduce
1146 any county to a lesser amount than that received in the fiscal
1147 year ending June 30, 1966, then such twenty percent (20%) shall be
1148 reduced to a percentage to provide that no county shall receive
1149 less than its portion for the fiscal year ending June 30, 1966;

1150 (ii) The amount allowed as refund on gasoline or
1151 as tax credit on diesel fuel or kerosene used for agricultural,
1152 maritime, industrial, domestic, and nonhighway purposes;

1153 (iii) Five percent (5%) of such amount shall be
1154 paid to the State Highway Fund;

1155 (iv) The amount or portion thereof authorized by
1156 legislative appropriation to the Fisheries and Wildlife Fund
1157 created under Section 59-21-25;

1158 (v) The amount for deposit into the special
1159 aviation fund under paragraph (d) of this section; and

1160 (vi) The remainder shall be divided on a basis of
1161 nine-fourteenths (9/14) and five-fourteenths (5/14) (being the
1162 same basis as Four and One-half Cents (4-1/2¢) and Two and
1163 One-half Cents (2-1/2¢) is to Seven Cents (7¢) on gasoline, and



1164 six and forty-three one-hundredths (6.43) and three and
1165 fifty-seven one-hundredths (3.57) is to Ten Cents (10¢) on diesel
1166 fuel or kerosene). The amount produced by the nine-fourteenths
1167 (9/14) division shall be allocated to the * * * Department of
1168 Transportation and paid into the State Treasury as provided in
1169 this section and in Section 27-5-103 and the five-fourteenths
1170 (5/14) division shall be returned to the counties of the state on
1171 the following basis:

1172 1. In each fiscal year, each county shall be
1173 paid each month the same percentage of the monthly total to be
1174 distributed as was paid to that county during the same month in
1175 the fiscal year which ended April 9, 1960, until the county
1176 receives One Hundred Ninety Thousand Dollars (\$190,000.00) in such
1177 fiscal year, at which time funds shall be distributed under the
1178 provisions of paragraph (b) (vi)4 of this section.

1179 2. If after payments in 1 above, any county
1180 has not received a total of One Hundred Ninety Thousand Dollars
1181 (\$190,000.00) at the end of the fiscal year ending June 30, 1961,
1182 and each fiscal year thereafter, then any available funds not
1183 distributed under 1 above shall be used to bring such county or
1184 counties up to One Hundred Ninety Thousand Dollars (\$190,000.00)
1185 or such funds shall be divided equally among such counties not
1186 reaching One Hundred Ninety Thousand Dollars (\$190,000.00) if
1187 there is not sufficient money to bring all the counties to said
1188 One Hundred Ninety Thousand Dollars (\$190,000.00).



1189 3. When a county has been paid an amount
1190 equal to the total which was paid to the same county during the
1191 fiscal year ended April 9, 1960, such county shall receive no
1192 further payments during the then current fiscal year until the
1193 last month of such current fiscal year, at which time distribution
1194 will be made under 2 above, except as set out in 4 below.

1195 4. During the last month of the current
1196 fiscal year, should it be determined that there are funds
1197 available in excess of the amount distributed for the year under 1
1198 and 2 above, then such excess funds shall be distributed among the
1199 various counties as follows:

1200 One-third (1/3) of such excess to be
1201 divided equally among the counties;

1202 One-third (1/3) of such excess to be paid
1203 to the counties in the proportion which the population of each
1204 county bears to the total population of the state according to the
1205 last federal census;

1206 One-third (1/3) of such excess to be paid
1207 to the counties in the proportion which the number of square miles
1208 of each county bears to the total square miles in the state.

1209 5. It is the declared purpose and intent of
1210 the Legislature that no county shall be paid less than was paid
1211 during the year ended April 9, 1960, unless the amount to be
1212 distributed to all counties in any year is less than the amount
1213 distributed to all counties during the year ended April 9, 1960.



1214 The Municipal Aid Fund as established by Section 27-5-103
1215 shall not participate in any portion of any funds allocated to any
1216 county hereunder over and above One Hundred Ninety Thousand
1217 Dollars (\$190,000.00).

1218 In any county having countywide road or bridge bonds, or
1219 supervisors district or district road or bridge bonds outstanding,
1220 which exceed, in the aggregate, twelve percent (12%) of the
1221 assessed valuation of the taxable property of the county or
1222 district, it shall be the duty of the board of supervisors to set
1223 aside not less than sixty percent (60%) of such county's share or
1224 district's share of the gasoline, diesel fuel or kerosene taxes to
1225 be used in paying the principal and interest on such road or
1226 bridge bonds as they mature.

1227 In any county having such countywide road or bridge bonds or
1228 district road or bridge bonds outstanding which exceed, in the
1229 aggregate, eight percent (8%) of the assessed valuation of the
1230 taxable property of the county, but which do not exceed, in the
1231 aggregate, twelve percent (12%) of the assessed valuation of the
1232 taxable property of the county, it shall be the duty of the board
1233 of supervisors to set aside not less than thirty-five percent
1234 (35%) of such county's share of the gasoline, diesel fuel or
1235 kerosene taxes to be used in paying the principal and interest of
1236 such road or bridge bonds as they mature.

1237 In any county having such countywide road or bridge bonds or
1238 district road or bridge bonds outstanding which exceed, in the



1239 aggregate, five percent (5%) of the assessed valuation of the
1240 taxable property of the county, but which do not exceed, in the
1241 aggregate, eight percent (8%) of the assessed valuation of the
1242 taxable property of the county, it shall be the duty of the board
1243 of supervisors to set aside not less than twenty percent (20%) of
1244 such county's share of the gasoline, diesel fuel or kerosene taxes
1245 to be used in paying the principal and interest of such road and
1246 bridge bonds as they mature.

1247 In any county having such countywide road or bridge bonds or
1248 district road or bridge bonds outstanding which do not exceed, in
1249 the aggregate, five percent (5%) of the assessed valuation of the
1250 taxable property of the county, it shall be the duty of the board
1251 of supervisors to set aside not less than ten percent (10%) of
1252 such county's share of the gasoline, diesel fuel or kerosene taxes
1253 to be used in paying the principal and interest on such road or
1254 bridge bonds as they mature.

1255 The portion of any such county's share of the gasoline,
1256 diesel fuel or kerosene taxes thus set aside for the payment of
1257 the principal and interest of road or bridge bonds, as provided
1258 for in this section, shall be used first in paying the currently
1259 maturing installments of the principal and interest of such
1260 countywide road or bridge bonds, if there be any such countywide
1261 road or bridge bonds outstanding, and secondly, in paying the
1262 currently maturing installments of principal and interest of
1263 district road or bridge bonds outstanding. It shall be the duty



1264 of the board of supervisors to pay bonds and interest maturing in
1265 each supervisors district out of the supervisors district's share
1266 of the gasoline, diesel fuel or kerosene taxes of such district.

1267 The remaining portion of such county's share of the gasoline,
1268 diesel fuel or kerosene taxes, after setting aside the portion
1269 above provided for the payment of the principal and interest of
1270 bonds, shall be used in the construction and maintenance of any
1271 public highways, bridges, or culverts of the county, including the
1272 roads in special or separate road districts, in the discretion of
1273 the board of supervisors, or in paying the interest and principal
1274 of county road and bridge bonds or district road and bridge bonds,
1275 in the discretion of the board of supervisors.

1276 In any county having no countywide road or bridge bonds or
1277 district road or bridge bonds outstanding, all such county's share
1278 of the gasoline, diesel fuel or kerosene taxes shall be used in
1279 the construction, reconstruction, and maintenance of the public
1280 highways, bridges, or culverts of the county as the board of
1281 supervisors may determine.

1282 In every county in which there are county road bonds or
1283 seawall or road protection bonds outstanding which were issued for
1284 the purpose of building bridges or constructing public roads or
1285 seawalls, such funds shall be used in the manner provided by law.

1286 (c) From the amount produced by the nine-fourteenths
1287 (9/14) division allocated to the * * * Department of
1288 Transportation, there shall be deducted:



1289 (i) The amount paid to the State Treasurer for the
1290 "Highway Bonds Sinking Fund" under paragraph (a) of this section;

1291 (ii) Any amounts due counties in accordance with
1292 Section 65-33-45 which have outstanding bonds issued for seawall
1293 or road protection purposes, issued under provisions of Chapter
1294 319, Laws of 1924, and amendments thereto;

1295 (iii) Except as otherwise provided in Section
1296 31-17-127, the remainder shall be paid by the * * * Department of
1297 Revenue to the State Treasurer on the fifteenth day of each month
1298 next succeeding the month in which the gasoline, diesel fuel or
1299 kerosene taxes were collected to the credit of the State Highway
1300 Fund.

1301 The funds allocated for the construction, reconstruction, and
1302 improvement of state highways, bridges, and culverts, or so much
1303 thereof as may be necessary, shall first be used in conjunction
1304 with funds supplied by the federal government for such purposes
1305 and allocated to the * * * Department of Transportation to be
1306 expended on the state highway system. It is specifically provided
1307 hereby that the necessary portion of such funds hereinabove
1308 allocated to the * * * Department of Transportation may be used
1309 for the prompt payment of principal and interest on highway bonds
1310 heretofore issued, including such bonds issued or to be issued
1311 under the provisions of Chapter 312, Laws of 1956, and amendments
1312 thereto.



1313 Nothing contained in this section shall be construed to
1314 reduce the amount of such gasoline, diesel fuel or kerosene excise
1315 taxes levied by the state, allotted under the provisions of Title
1316 65, Chapter 33, Mississippi Code of 1972, to counties in which
1317 there are outstanding bonds issued for seawall or road protection
1318 purposes issued under the provisions of Chapter 319, Laws of 1924,
1319 and amendments thereto; the amount of said gasoline, diesel fuel
1320 or kerosene excise taxes designated in this section for the
1321 payment of bonds and interest authorized and issued or to be
1322 issued under the provisions of Chapter 130, Laws of 1938, and
1323 subsequent acts authorizing the issuance of bonds payable from
1324 gasoline, diesel fuel or kerosene tax revenue, shall, in such
1325 counties, be considered as being paid "into the State Treasury to
1326 the credit of the State Highway Fund" within the meaning of
1327 Section 65-33-45 in computing the amount to be paid to such
1328 counties under the provisions of said section, and this section
1329 shall be administered in connection with Title 65, Chapter 33,
1330 Mississippi Code of 1972, and Sections 65-33-45, 65-33-47 and
1331 65-33-49 dealing with seawalls, as if made a part of this section.

1332 (d) The proceeds of the Five and One-fourth Cents
1333 (5.25¢) of the tax per gallon on oils used as a propellant for jet
1334 aircraft engines, and Six and Four-tenths Cents (6.4¢) of the tax
1335 per gallon on aviation gasoline and the tax of One Cent (1¢) per
1336 gallon for each gallon of gasoline for which a refund has been
1337 made pursuant to Section 27-55-23 because such gasoline was used



1338 for aviation purposes, shall be paid to the State Treasury into a
1339 special fund to be used exclusively, pursuant to legislative
1340 appropriation, for the support and development of aeronautics as
1341 defined in Section 61-1-3.

1342 (e) State highway funds in an amount equal to the
1343 difference between Forty-two Million Dollars (\$42,000,000.00) and
1344 the annual debt service payable on the state's highway revenue
1345 refunding bonds, Series 1985, shall be expended for the
1346 construction or reconstruction of highways designated under the
1347 highway program created under Section 65-3-97.

1348 (f) "Gasoline, diesel fuel or kerosene taxes" as used
1349 in this section shall be deemed to mean and include state
1350 gasoline, diesel fuel or kerosene taxes levied and imposed on
1351 distributors of gasoline, diesel fuel or kerosene, and all state
1352 excise taxes derived from any fuel used to propel vehicles upon
1353 the highways of this state, when levied by any statute.

1354 **[With regard to any county which is required to operate on a**
1355 **countywide system of road administration as described in Section**
1356 **19-2-3, this section shall read as follows:]**

1357 27-5-101. Unless otherwise provided in this section, on or
1358 before the fifteenth day of each month, all gasoline, diesel fuel
1359 or kerosene taxes which are levied under the laws of this state
1360 and collected during the previous month shall be paid and
1361 apportioned by the * * * Department of Revenue as follows:



1362 (a) (i) Except as otherwise provided in Section
1363 31-17-127, from the gross amount of gasoline, diesel fuel or
1364 kerosene taxes produced by the state, there shall be deducted an
1365 amount equal to one-sixth (1/6) of principal and interest
1366 certified by the State Treasurer to the * * * Department of
1367 Revenue to be due on the next semiannual bond and interest payment
1368 date, as required under the provisions of Chapter 130, Laws of
1369 1938, and subsequent acts authorizing the issuance of bonds
1370 payable from gasoline, diesel fuel or kerosene tax revenue on a
1371 parity with the bonds issued under authority of said Chapter 130.
1372 The State Treasurer shall certify to the * * * Department of
1373 Revenue on or before the fifteenth day of each month the amount to
1374 be paid to the "Highway Bonds Sinking Fund" as provided by said
1375 Chapter 130, Laws of 1938, and subsequent acts authorizing the
1376 issuance of bonds payable from gasoline, diesel fuel or kerosene
1377 tax revenue, on a parity with the bonds issued under authority of
1378 said Chapter 130; and the * * * Department of Revenue shall, on or
1379 before the twenty-fifth day of each month, pay into the State
1380 Treasury for credit to the "Highway Bonds Sinking Fund" the amount
1381 so certified to him by the State Treasurer due to be paid into
1382 such fund each month. The payments to the "Highway Bonds Sinking
1383 Fund" shall be made out of gross gasoline, diesel fuel or kerosene
1384 tax collections before deductions of any nature are considered;
1385 however, such payments shall be deducted from the allocation to



1386 the * * * Department of Transportation under paragraph (c) of this
1387 section.

1388 (ii) From collections derived from the portion of
1389 the gasoline excise tax that exceeds Seven Cents (7¢) per gallon,
1390 up to and including Eighteen Cents (18¢) per gallon, from the
1391 portion of the tax on aviation gas under Section 27-55-11 that
1392 exceeds Six and Four-tenths Cents (6.4¢) per gallon, from the
1393 portion of the special fuel tax levied under Sections 27-55-519
1394 and 27-55-521 * * * that exceeds Ten Cents (10¢) per gallon, up to
1395 and including Eighteen Cents (18¢) per gallon, from the portion of
1396 the taxes levied under Section 27-55-519, at Five and
1397 Three-fourths Cents (5.75¢) per gallon that exceeds One Cent (1¢)
1398 per gallon on special fuel and Five and One-fourth Cents (5.25¢)
1399 per gallon on special fuel used as aircraft fuel, from the portion
1400 of the excise tax on compressed gas used as a motor fuel that
1401 exceeds the rate of tax in effect on June 30, 1987, and from the
1402 portion of the gasoline excise tax in excess of Seven Cents (7¢)
1403 per gallon and the diesel excise tax in excess of Ten Cents (10¢)
1404 per gallon under Section 27-61-5 there shall be deducted:

1405 1. An amount as provided in Section
1406 27-65-75(4) to the credit of a special fund designated as the
1407 "Office of State Aid Road Construction."

1408 2. An amount equal to the tax collections
1409 derived from Two Cents (2¢) per gallon of the gasoline excise tax
1410 for distribution to the State Highway Fund to be used exclusively



1411 for the construction, reconstruction and maintenance of highways
1412 of the State of Mississippi or the payment of interest and
1413 principal on bonds when specifically authorized by the Legislature
1414 for that purpose.

1415 3. The balance shall be deposited in the
1416 State Treasury to the credit of the State Highway Fund.

1417 (iii) From collections derived from the portion of
1418 the gasoline excise tax that exceeds Eighteen Cents (18¢) per
1419 gallon, and from the portion of the special fuel tax levied under
1420 Sections 27-55-519 and 27-55-521 that exceeds Eighteen Cents (18¢)
1421 per gallon, and from the portion of the gasoline excise tax and
1422 the diesel excise tax in excess of Eighteen Cents (18¢) per gallon
1423 under Section 27-61-5, there shall be deducted:

1424 1. Twenty-three and one-fourth percent
1425 (23.25%) of such amount to the credit of a special fund designated
1426 as the "Office of State Aid Road Construction."

1427 2. Two and three-fourths percent (2.75%) of
1428 such amount to the Strategic Multi-Modal Investments Fund created
1429 in Section 65-1-901.

1430 3. Seventy-four percent (74%) of such amount
1431 to the Mississippi Department of Transportation for constructing,
1432 maintaining or improving segments of highways and bridges under
1433 its jurisdiction, and for operational improvements on such
1434 segments, in accordance with a project schedule as reported in the



1435 three-year plan as adopted, amended by or reissued by the
1436 Mississippi Transportation Commission under Section 65-1-141.

1437 (b) Subject to the provisions that said basis of
1438 distribution shall in nowise affect adversely the amount
1439 specifically pledged in paragraph (a) of this section to be paid
1440 into the "Highway Bonds Sinking Fund," the following shall be
1441 deducted from the amount produced by the state tax on gasoline,
1442 diesel fuel or kerosene tax collections, excluding collections
1443 derived from the portion of the gasoline excise tax that exceeds
1444 Seven Cents (7¢) per gallon, from the portion of the tax on
1445 aviation gas under Section 27-55-11 that exceeds Six and
1446 Four-tenths Cents (6.4¢) per gallon, from the portion of the
1447 special fuel tax levied under Sections 27-55-519 and 27-55-521, at
1448 Eighteen Cents (18¢) per gallon, that exceeds Ten Cents (10¢) per
1449 gallon, from the portion of the taxes levied under Section
1450 27-55-519, at Five and Three-fourths Cents (5.75¢) that exceeds
1451 One Cent (1¢) per gallon on special fuel and Five and One-fourth
1452 Cents (5.25¢) per gallon on special fuel used as aircraft fuel,
1453 from the portion of the excise tax on compressed gas used as a
1454 motor fuel that exceeds the rate of tax in effect on June 30,
1455 1987, and from the portion of the gasoline excise tax in excess of
1456 Seven Cents (7¢) per gallon and the diesel excise tax in excess of
1457 Ten Cents (10¢) per gallon under Section 27-61-5:

1458 (i) Twenty percent (20%) of such amount which
1459 shall be earmarked and set aside for the construction,



1460 reconstruction and maintenance of the highways and roads of the
1461 state, provided that if such twenty percent (20%) should reduce
1462 any county to a lesser amount than that received in the fiscal
1463 year ending June 30, 1966, then such twenty percent (20%) shall be
1464 reduced to a percentage to provide that no county shall receive
1465 less than its portion for the fiscal year ending June 30, 1966;

1466 (ii) The amount allowed as refund on gasoline or
1467 as tax credit on diesel fuel or kerosene used for agricultural,
1468 maritime, industrial, domestic and nonhighway purposes;

1469 (iii) Five percent (5%) of such amount shall be
1470 paid to the State Highway Fund;

1471 (iv) The amount or portion thereof authorized by
1472 legislative appropriation to the Fisheries and Wildlife Fund
1473 created under Section 59-21-25;

1474 (v) The amount for deposit into the special
1475 aviation fund under paragraph (d) of this section; and

1476 (vi) The remainder shall be divided on a basis of
1477 nine-fourteenths (9/14) and five-fourteenths (5/14) (being the
1478 same basis as Four and One-half Cents (4-1/2¢) and Two and
1479 One-half Cents (2-1/2¢) is to Seven Cents (7¢) on gasoline, and
1480 six and forty-three one-hundredths (6.43) and three and
1481 fifty-seven one-hundredths (3.57) is to Ten Cents (10¢) on diesel
1482 fuel or kerosene). The amount produced by the nine-fourteenths
1483 (9/14) division shall be allocated to the * * * Department of
1484 Transportation and paid into the State Treasury as provided in



1485 this section and in Section 27-5-103 and the five-fourteenths
1486 (5/14) division shall be returned to the counties of the state on
1487 the following basis:

1488 1. In each fiscal year, each county shall be
1489 paid each month the same percentage of the monthly total to be
1490 distributed as was paid to that county during the same month in
1491 the fiscal year which ended April 9, 1960, until the county
1492 receives One Hundred Ninety Thousand Dollars (\$190,000.00) in such
1493 fiscal year, at which time funds shall be distributed under the
1494 provisions of paragraph (b) (vi)4 of this section.

1495 2. If after payments in 1 above, any county
1496 has not received a total of One Hundred Ninety Thousand Dollars
1497 (\$190,000.00) at the end of the fiscal year ending June 30, 1961,
1498 and each fiscal year thereafter, then any available funds not
1499 distributed under 1 above shall be used to bring such county or
1500 counties up to One Hundred Ninety Thousand Dollars (\$190,000.00)
1501 or such funds shall be divided equally among such counties not
1502 reaching One Hundred Ninety Thousand Dollars (\$190,000.00) if
1503 there is not sufficient money to bring all the counties to said
1504 One Hundred Ninety Thousand Dollars (\$190,000.00).

1505 3. When a county has been paid an amount
1506 equal to the total which was paid to the same county during the
1507 fiscal year ended April 9, 1960, such county shall receive no
1508 further payments during the then current fiscal year until the



1509 last month of such current fiscal year, at which time distribution
1510 will be made under 2 above, except as set out in 4 below.

1511 4. During the last month of the current
1512 fiscal year, should it be determined that there are funds
1513 available in excess of the amount distributed for the year under 1
1514 and 2 above, then such excess funds shall be distributed among the
1515 various counties as follows:

1516 One-third (1/3) of such excess to be
1517 divided equally among the counties;

1518 One-third (1/3) of such excess to be paid
1519 to the counties in the proportion which the population of each
1520 county bears to the total population of the state according to the
1521 last federal census;

1522 One-third (1/3) of such excess to be paid
1523 to the counties in the proportion which the number of square miles
1524 of each county bears to the total square miles in the state.

1525 5. It is the declared purpose and intent of
1526 the Legislature that no county shall be paid less than was paid
1527 during the year ended April 9, 1960, unless the amount to be
1528 distributed to all counties in any year is less than the amount
1529 distributed to all counties during the year ended April 9, 1960.

1530 The Municipal Aid Fund as established by Section 27-5-103
1531 shall not participate in any portion of any funds allocated to any
1532 county hereunder over and above One Hundred Ninety Thousand
1533 Dollars (\$190,000.00).



1534 In any county having road or bridge bonds outstanding which
1535 exceed, in the aggregate, twelve percent (12%) of the assessed
1536 valuation of the taxable property of the county, it shall be the
1537 duty of the board of supervisors to set aside not less than sixty
1538 percent (60%) of such county's share of the gasoline, diesel fuel
1539 or kerosene taxes to be used in paying the principal and interest
1540 on such road or bridge bonds as they mature.

1541 In any county having such road or bridge bonds outstanding
1542 which exceed, in the aggregate, eight percent (8%) of the assessed
1543 valuation of the taxable property of the county, but which do not
1544 exceed, in the aggregate, twelve percent (12%) of the assessed
1545 valuation of the taxable property of the county, it shall be the
1546 duty of the board of supervisors to set aside not less than
1547 thirty-five percent (35%) of such county's share of the gasoline,
1548 diesel fuel or kerosene taxes to be used in paying the principal
1549 and interest of such road or bridge bonds as they mature.

1550 In any county having such road or bridge bonds outstanding
1551 which exceed, in the aggregate, five percent (5%) of the assessed
1552 valuation of the taxable property of the county, but which do not
1553 exceed, in the aggregate, eight percent (8%) of the assessed
1554 valuation of the taxable property of the county, it shall be the
1555 duty of the board of supervisors to set aside not less than twenty
1556 percent (20%) of such county's share of the gasoline, diesel fuel
1557 or kerosene taxes to be used in paying the principal and interest
1558 of such road and bridge bonds as they mature.



1559 In any county having such road or bridge bonds outstanding
1560 which do not exceed, in the aggregate, five percent (5%) of the
1561 assessed valuation of the taxable property of the county, it shall
1562 be the duty of the board of supervisors to set aside not less than
1563 ten percent (10%) of such county's share of the gasoline, diesel
1564 fuel or kerosene taxes to be used in paying the principal and
1565 interest on such road or bridge bonds as they mature.

1566 The portion of any such county's share of the gasoline,
1567 diesel fuel or kerosene taxes thus set aside for the payment of
1568 the principal and interest of road or bridge bonds, as provided
1569 for in this section, shall be used in paying the currently
1570 maturing installments of the principal and interest of such road
1571 or bridge bonds, if there be any such road or bridge bonds
1572 outstanding.

1573 The remaining portion of such county's share of the gasoline,
1574 diesel fuel or kerosene taxes, after setting aside the portion
1575 above provided for the payment of the principal and interest of
1576 bonds, shall be used in the construction and maintenance of any
1577 public highways, bridges or culverts of the county, in the
1578 discretion of the board of supervisors.

1579 In any county having no road or bridge bonds outstanding, all
1580 such county's share of the gasoline, diesel fuel or kerosene taxes
1581 shall be used in the construction, reconstruction and maintenance
1582 of the public highways, bridges or culverts of the county, as the
1583 board of supervisors may determine.



1584 In every county in which there are county road bonds or
1585 seawall or road protection bonds outstanding which were issued for
1586 the purpose of building bridges or constructing public roads or
1587 seawalls, such funds shall be used in the manner provided by law.

1588 (c) From the amount produced by the nine-fourteenths
1589 (9/14) division allocated to the * * * Department of
1590 Transportation, there shall be deducted:

1591 (i) The amount paid to the State Treasurer for the
1592 "Highway Bonds Sinking Fund" under paragraph (a) of this section;

1593 (ii) Any amounts due counties in accordance with
1594 Section 65-33-45 which have outstanding bonds issued for seawall
1595 or road protection purposes, issued under provisions of Chapter
1596 319, Laws of 1924, and amendments thereto; and

1597 (iii) Except as otherwise provided in Section
1598 31-17-127, the remainder shall be paid by the * * * Department of
1599 Revenue to the State Treasurer on the fifteenth day of each month
1600 next succeeding the month in which the gasoline, diesel fuel or
1601 kerosene taxes were collected to the credit of the State Highway
1602 Fund.

1603 The funds allocated for the construction, reconstruction and
1604 improvement of state highways, bridges and culverts, or so much
1605 thereof as may be necessary, shall first be used in conjunction
1606 with funds supplied by the federal government for such purposes
1607 and allocated to the * * * Department of Transportation to be
1608 expended on the state highway system. It is specifically provided



1609 hereby that the necessary portion of such funds hereinabove
1610 allocated to the * * * Department of Transportation may be used
1611 for the prompt payment of principal and interest on highway bonds
1612 heretofore issued, including such bonds issued or to be issued
1613 under the provisions of Chapter 312, Laws of 1956, and amendments
1614 thereto.

1615 Nothing contained in this section shall be construed to
1616 reduce the amount of such gasoline, diesel fuel or kerosene excise
1617 taxes levied by the state, allotted under the provisions of Title
1618 65, Chapter 33, Mississippi Code of 1972, to counties in which
1619 there are outstanding bonds issued for seawall or road protection
1620 purposes issued under the provisions of Chapter 319, Laws of 1924,
1621 and amendments thereto; the amount of said gasoline, diesel fuel
1622 or kerosene excise taxes designated in this section for the
1623 payment of bonds and interest authorized and issued or to be
1624 issued under the provisions of Chapter 130, Laws of 1938, and
1625 subsequent acts authorizing the issuance of bonds payable from
1626 gasoline, diesel fuel or kerosene tax revenue, shall, in such
1627 counties, be considered as being paid "into the State Treasury to
1628 the credit of the State Highway Fund" within the meaning of
1629 Section 65-33-45 in computing the amount to be paid to such
1630 counties under the provisions of said section, and this section
1631 shall be administered in connection with Title 65, Chapter 33,
1632 Mississippi Code of 1972, and Sections 65-33-45, 65-33-47 and
1633 65-33-49 dealing with seawalls, as if made a part of this section.



1634 (d) The proceeds of the Five and One-fourth Cents
1635 (5.25¢) of the tax per gallon on oils used as a propellant for jet
1636 aircraft engines, and Six and Four-tenths Cents (6.4¢) of the tax
1637 per gallon on aviation gasoline and the tax of One Cent (1¢) per
1638 gallon for each gallon of gasoline for which a refund has been
1639 made pursuant to Section 27-55-23 because such gasoline was used
1640 for aviation purposes, shall be paid to the State Treasury into a
1641 special fund to be used exclusively, pursuant to legislative
1642 appropriation, for the support and development of aeronautics as
1643 defined in Section 61-1-3.

1644 (e) State highway funds in an amount equal to the
1645 difference between Forty-two Million Dollars (\$42,000,000.00) and
1646 the annual debt service payable on the state's highway revenue
1647 refunding bonds, Series 1985, shall be expended for the
1648 construction or reconstruction of highways designated under the
1649 highway program created under Section 65-3-97.

1650 (f) "Gasoline, diesel fuel or kerosene taxes" as used
1651 in this section shall be deemed to mean and include state
1652 gasoline, diesel fuel or kerosene taxes levied and imposed on
1653 distributors of gasoline, diesel fuel or kerosene, and all state
1654 excise taxes derived from any fuel used to propel vehicles upon
1655 the highways of this state, when levied by any statute.

1656 **SECTION 12.** Section 27-65-75, Mississippi Code of 1972, is
1657 amended as follows:



1658 27-65-75. On or before the fifteenth day of each month, the
1659 revenue collected under the provisions of this chapter during the
1660 preceding month shall be paid and distributed as follows:

1661 (1) (a) On or before August 15, 1992, and each succeeding
1662 month thereafter through July 15, 1993, eighteen percent (18%) of
1663 the total sales tax revenue collected during the preceding month
1664 under the provisions of this chapter, except that collected under
1665 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
1666 business activities within a municipal corporation shall be
1667 allocated for distribution to the municipality and paid to the
1668 municipal corporation. Except as otherwise provided in this
1669 paragraph (a), on or before August 15, 1993, and each succeeding
1670 month thereafter through August 15, 2025, eighteen and one-half
1671 percent (18-1/2%) of the total sales tax revenue collected during
1672 the preceding month under the provisions of this chapter, except
1673 that collected under the provisions of Sections 27-65-15,
1674 27-65-19(3), 27-65-21 and 27-65-24, on business activities within
1675 a municipal corporation shall be allocated for distribution to the
1676 municipality and paid to the municipal corporation. Except as
1677 otherwise provided in this paragraph (a), on or before September
1678 15, 2025, and each succeeding month thereafter, eighteen and
1679 one-half percent (18.5%) of the total sales tax revenue collected
1680 during the preceding month under this chapter, except that
1681 collected under Sections 27-65-15, 27-65-17(1) (n), 27-65-19(3),
1682 27-65-21 and 27-65-24, on business activities within a municipal



1683 corporation shall be allocated for distribution and paid to the
1684 municipal corporation. On or before September 15, 2025, and each
1685 succeeding month thereafter, twenty-five and nine-tenths percent
1686 (25.9%) of the total sales tax revenue collected during the
1687 preceding month under Section 27-65-17(1) (n) on business
1688 activities within a municipal corporation shall be allocated for
1689 distribution and paid to the municipal corporation. However, in
1690 the event the State Auditor issues a certificate of noncompliance
1691 pursuant to Section 21-35-31, the department * * * shall withhold
1692 ten percent (10%) of the allocations and payments to the
1693 municipality that would otherwise be payable to the municipality
1694 under this paragraph (a) until such time that the department
1695 receives written notice of the cancellation of a certificate of
1696 noncompliance from the State Auditor.

1697 A municipal corporation, for the purpose of distributing the
1698 tax under this subsection, shall mean and include all incorporated
1699 cities, towns and villages.

1700 Monies allocated for distribution and credited to a municipal
1701 corporation under this paragraph may be pledged as security for a
1702 loan if the distribution received by the municipal corporation is
1703 otherwise authorized or required by law to be pledged as security
1704 for such a loan.

1705 In any county having a county seat that is not an
1706 incorporated municipality, the distribution provided under this
1707 subsection shall be made as though the county seat was an



1708 incorporated municipality; however, the distribution to the
1709 municipality shall be paid to the county treasury in which the
1710 municipality is located, and those funds shall be used for road,
1711 bridge and street construction or maintenance in the county.

1712 (b) On or before August 15, 2006, and each succeeding
1713 month thereafter through August 15, 2025, eighteen and one-half
1714 percent (18-1/2%) of the total sales tax revenue collected during
1715 the preceding month under the provisions of this chapter, except
1716 that collected under the provisions of Sections 27-65-15,
1717 27-65-19(3) and 27-65-21, on business activities on the campus of
1718 a state institution of higher learning or community or junior
1719 college whose campus is not located within the corporate limits of
1720 a municipality, shall be allocated for distribution to the state
1721 institution of higher learning or community or junior college and
1722 paid to the state institution of higher learning or community or
1723 junior college. On or before September 15, 2025, and each
1724 succeeding month thereafter, eighteen and one-half percent (18.5%)
1725 of the total sales tax revenue collected during the preceding
1726 month under this chapter, except that collected under Sections
1727 27-65-15, 27-65-17(1) (n), 27-65-19(3) and 27-65-21, on business
1728 activities on the campus of a state institution of higher learning
1729 or community or junior college whose campus is not located within
1730 the corporate limits of a municipality, shall be allocated for
1731 distribution and paid to the state institution of higher learning
1732 or community or junior college. On or before September 15, 2025,



1733 and each succeeding month thereafter, twenty-five and nine-tenths
1734 percent (25.9%) of the total sales tax revenue collected during
1735 the preceding month under Section 27-65-17(1) (n) on business
1736 activities on the campus of a state institution of higher learning
1737 or community or junior college whose campus is not located within
1738 the corporate limits of a municipality, shall be allocated for
1739 distribution and paid to the state institution of higher learning
1740 or community or junior college.

1741 (c) On or before August 15, 2018, and each succeeding
1742 month thereafter until August 14, 2019, two percent (2%) of the
1743 total sales tax revenue collected during the preceding month under
1744 the provisions of this chapter, except that collected under the
1745 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
1746 27-65-24, on business activities within the corporate limits of
1747 the City of Jackson, Mississippi, shall be deposited into the
1748 Capitol Complex Improvement District Project Fund created in
1749 Section 29-5-215. On or before August 15, 2019, and each
1750 succeeding month thereafter until August 14, 2020, four percent
1751 (4%) of the total sales tax revenue collected during the preceding
1752 month under the provisions of this chapter, except that collected
1753 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
1754 and 27-65-24, on business activities within the corporate limits
1755 of the City of Jackson, Mississippi, shall be deposited into the
1756 Capitol Complex Improvement District Project Fund created in
1757 Section 29-5-215. On or before August 15, 2020, and each



1758 succeeding month thereafter through July 15, 2023, six percent
1759 (6%) of the total sales tax revenue collected during the preceding
1760 month under the provisions of this chapter, except that collected
1761 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
1762 and 27-65-24, on business activities within the corporate limits
1763 of the City of Jackson, Mississippi, shall be deposited into the
1764 Capitol Complex Improvement District Project Fund created in
1765 Section 29-5-215. On or before August 15, 2023, and each
1766 succeeding month thereafter through August 15, 2025, nine percent
1767 (9%) of the total sales tax revenue collected during the preceding
1768 month under the provisions of this chapter, except that collected
1769 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
1770 and 27-65-24, on business activities within the corporate limits
1771 of the City of Jackson, Mississippi, shall be deposited into the
1772 Capitol Complex Improvement District Project Fund created in
1773 Section 29-5-215. On or before September 15, 2025, and each
1774 succeeding month thereafter, nine percent (9%) of the total sales
1775 tax revenue collected during the preceding month under this
1776 chapter, except that collected under Sections 27-65-15,
1777 27-65-17(1) (n), 27-65-19(3), 27-65-21 and 27-65-24, on business
1778 activities within the corporate limits of the City of Jackson,
1779 Mississippi, shall be deposited into the Capitol Complex
1780 Improvement District Project Fund created in Section 27-5-215. On
1781 or before September 15, 2025, and each succeeding month
1782 thereafter, twelve and six-tenths percent (12.6%) of the total



1783 sales tax revenue collected during the preceding month under
1784 Section 27-65-17(1) (n) on business activities within the corporate
1785 limits of the City of Jackson, Mississippi, shall be deposited
1786 into the Capitol Complex Improvement District Project Fund created
1787 in Section 27-5-215.

1788 (d) (i) Except as otherwise provided in this paragraph
1789 (d), on or before the fifteenth day of the month that the
1790 diversion authorized by this section begins, and each succeeding
1791 month thereafter, eighteen and one-half percent (18-1/2%) of the
1792 total sales tax revenue collected during the preceding month under
1793 the provisions of this chapter, except that collected under the
1794 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
1795 business activities within a redevelopment project area developed
1796 under a redevelopment plan adopted under the Tax Increment
1797 Financing Act (Section 21-45-1 et seq.) shall be allocated for
1798 distribution to the county in which the project area is located
1799 if:

- 1800 1. The county:
- 1801 a. Borders on the Mississippi Sound and
1802 the State of Alabama, or
- 1803 b. Is Harrison County, Mississippi, and
1804 the project area is within a radius of two (2) miles from the
1805 intersection of Interstate 10 and Menge Avenue;



1806 2. The county has issued bonds under Section
1807 21-45-9 to finance all or a portion of a redevelopment project in
1808 the redevelopment project area;

1809 3. Any debt service for the indebtedness
1810 incurred is outstanding; and

1811 4. A development with a value of Ten Million
1812 Dollars (\$10,000,000.00) or more is, or will be, located in the
1813 redevelopment area.

1814 (ii) For a county that is eligible to receive
1815 funds under this paragraph (d), as determined by the department
1816 under this paragraph (d), from and after September 15, 2025, and
1817 each succeeding month thereafter, eighteen and one-half percent
1818 (18.5%) of the total sales tax revenue collected during the
1819 preceding month under this chapter, except that collected under
1820 Sections 27-65-15, 27-65-17(1) (n), 27-65-19(3) and 27-65-21, on
1821 business activities within a redevelopment project area developed
1822 under a redevelopment plan adopted under the Tax Increment
1823 Financing Act (Section 21-45-1 et seq.) shall be allocated for
1824 distribution to the county in which the project is located, and
1825 twenty-five and nine-tenths percent (25.9%) of the total sales tax
1826 revenue collected during the preceding month under Section
1827 27-65-17(1) (n) shall be allocated for distribution to that county.

1828 (* * *iii) Before any sales tax revenue may be
1829 allocated for distribution to a county under this paragraph (d),
1830 the county shall certify to the Department of Revenue that the



1831 requirements of this paragraph (d) have been met, the amount of
1832 bonded indebtedness that has been incurred by the county for the
1833 redevelopment project and the expected date the indebtedness
1834 incurred by the county will be satisfied.

1835 (* * *iv) The diversion of sales tax revenue
1836 authorized by this paragraph (d) shall begin the month following
1837 the month in which the Department of Revenue determines that the
1838 requirements of this paragraph (d) have been met. The diversion
1839 shall end the month the indebtedness incurred by the county is
1840 satisfied. All revenue received by the county under this
1841 paragraph (d) shall be deposited in the fund required to be
1842 created in the tax increment financing plan under Section 21-45-11
1843 and be utilized solely to satisfy the indebtedness incurred by the
1844 county.

1845 (2) On or before September 15, 1987, and each succeeding
1846 month thereafter, from the revenue collected under this chapter
1847 during the preceding month, One Million One Hundred Twenty-five
1848 Thousand Dollars (\$1,125,000.00) shall be allocated for
1849 distribution to municipal corporations as defined under subsection
1850 (1) of this section in the proportion that the number of gallons
1851 of gasoline and diesel fuel sold by distributors to consumers and
1852 retailers in each such municipality during the preceding fiscal
1853 year bears to the total gallons of gasoline and diesel fuel sold
1854 by distributors to consumers and retailers in municipalities
1855 statewide during the preceding fiscal year. The Department of



1856 Revenue shall require all distributors of gasoline and diesel fuel
1857 to report to the department monthly the total number of gallons of
1858 gasoline and diesel fuel sold by them to consumers and retailers
1859 in each municipality during the preceding month. The Department
1860 of Revenue shall have the authority to promulgate such rules and
1861 regulations as is necessary to determine the number of gallons of
1862 gasoline and diesel fuel sold by distributors to consumers and
1863 retailers in each municipality. In determining the percentage
1864 allocation of funds under this subsection for the fiscal year
1865 beginning July 1, 1987, and ending June 30, 1988, the Department
1866 of Revenue may consider gallons of gasoline and diesel fuel sold
1867 for a period of less than one (1) fiscal year. For the purposes
1868 of this subsection, the term "fiscal year" means the fiscal year
1869 beginning July 1 of a year.

1870 (3) On or before September 15, 1987, and on or before the
1871 fifteenth day of each succeeding month, until the date specified
1872 in Section 65-39-35, the proceeds derived from contractors' taxes
1873 levied under Section 27-65-21 on contracts for the construction or
1874 reconstruction of highways designated under the highway program
1875 created under Section 65-3-97 shall, except as otherwise provided
1876 in Section 31-17-127, be deposited into the State Treasury to the
1877 credit of the State Highway Fund to be used to fund that highway
1878 program. The Mississippi Department of Transportation shall
1879 provide to the Department of Revenue such information as is



1880 necessary to determine the amount of proceeds to be distributed
1881 under this subsection.

1882 (4) On or before August 15, 1994, and on or before the
1883 fifteenth day of each succeeding month through July 15, 1999, from
1884 the proceeds of gasoline, diesel fuel or kerosene taxes as
1885 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
1886 (\$4,000,000.00) shall be deposited in the State Treasury to the
1887 credit of a special fund designated as the "State Aid Road Fund,"
1888 created by Section 65-9-17. On or before August 15, 1999, and on
1889 or before the fifteenth day of each succeeding month through
1890 August 15, 2026, from the total amount of the proceeds of
1891 gasoline, diesel fuel or kerosene taxes apportioned by Section
1892 27-5-101(a)(ii)1, Four Million Dollars (\$4,000,000.00) or an
1893 amount equal to twenty-three and one-fourth percent (23-1/4%) of
1894 those funds, whichever is the greater amount, shall be deposited
1895 in the State Treasury to the credit of the "State Aid Road Fund,"
1896 created by Section 65-9-17. * * * After August 15, 2025, from the
1897 total amount of the proceeds of gasoline, diesel fuel or kerosene
1898 taxes apportioned by Section 27-5-101(a)(ii)1 and (iii), Five
1899 Million Dollars (\$5,000,000.00) or an amount equal to twenty-three
1900 and one-fourth percent (23-1/4%) of those funds, whichever is
1901 greater, shall be deposited in the State Treasury to the credit of
1902 the "State Aid Road Fund" on or before September 15, 2025, and on
1903 or before the fifteenth day of each succeeding month through
1904 August 15, 2026, and Six Million Five Hundred Thousand Dollars



1905 (\$6,500,000.00) or an amount equal to twenty-three and one-fourth
1906 percent (23-1/4%) of those funds, whichever is greater, shall be
1907 deposited in the State Treasury to the credit of the "State Aid
1908 Road Fund" on or before September 15, 2026, and on or before the
1909 fifteenth day of each succeeding month through August 15, 2027,
1910 and Eight Million Dollars (\$8,000,000.00) or an amount equal to
1911 twenty-three and one-fourth percent (23-1/4%) of those funds,
1912 whichever is greater, shall be deposited in the State Treasury to
1913 the credit of the "State Aid Road Fund" on or before September 15,
1914 2027, and on or before the fifteenth day of each succeeding month.

1915 From the amount of taxes paid into the special fund under this
1916 subsection and subsection (9) of this section, there shall be
1917 first deducted and paid the amount necessary to pay the expenses
1918 of the Office of State Aid Road Construction, as authorized by the
1919 Legislature for all other general and special fund agencies. The
1920 remainder of the funds shall be allocated monthly to the several
1921 counties in accordance with the following formula:

1922 (a) One-third (1/3) shall be allocated to all counties
1923 in equal shares;

1924 (b) One-third (1/3) shall be allocated to counties
1925 based on the proportion that the total number of rural road miles
1926 in a county bears to the total number of rural road miles in all
1927 counties of the state; and

1928 (c) One-third (1/3) shall be allocated to counties
1929 based on the proportion that the rural population of the county



1930 bears to the total rural population in all counties of the state,
1931 according to the latest federal decennial census.

1932 For the purposes of this subsection, the term "gasoline,
1933 diesel fuel or kerosene taxes" means such taxes as defined in
1934 paragraph (f) of Section 27-5-101.

1935 The amount of funds allocated to any county under this
1936 subsection for any fiscal year after fiscal year 1994 shall not be
1937 less than the amount allocated to the county for fiscal year 1994.

1938 Any reference in the general laws of this state or the
1939 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
1940 construed to refer and apply to subsection (4) of Section
1941 27-65-75.

1942 (5) On or before August 15, 2024, and each succeeding month
1943 thereafter, One Million Six Hundred Sixty-six Thousand Six Hundred
1944 Sixty-six Dollars (\$1,666,666.00) shall be paid into the special
1945 fund known as the Education Enhancement Fund created and existing
1946 under the provisions of Section 37-61-33.

1947 (6) An amount each month beginning August 15, 1983, through
1948 November 15, 1986, as specified in Section 6, Chapter 542, Laws of
1949 1983, shall be paid into the special fund known as the
1950 Correctional Facilities Construction Fund created in Section 6,
1951 Chapter 542, Laws of 1983.

1952 (7) On or before August 15, 1992, and each succeeding month
1953 thereafter through July 15, 2000, two and two hundred sixty-six
1954 one-thousandths percent (2.266%) of the total sales tax revenue



1955 collected during the preceding month under the provisions of this
1956 chapter, except that collected under the provisions of Section
1957 27-65-17(2), shall be deposited by the department into the School
1958 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
1959 or before August 15, 2000, and each succeeding month thereafter
1960 through August 15, 2025, two and two hundred sixty-six
1961 one-thousandths percent (2.266%) of the total sales tax revenue
1962 collected during the preceding month under the provisions of this
1963 chapter, except that collected under the provisions of Section
1964 27-65-17(2), shall be deposited into the School Ad Valorem Tax
1965 Reduction Fund created under Section 37-61-35 until such time that
1966 the total amount deposited into the fund during a fiscal year
1967 equals Forty-two Million Dollars (\$42,000,000.00). Thereafter,
1968 the amounts diverted under this subsection (7) during the fiscal
1969 year in excess of Forty-two Million Dollars (\$42,000,000.00) shall
1970 be deposited into the Education Enhancement Fund created under
1971 Section 37-61-33 for appropriation by the Legislature as other
1972 education needs and shall not be subject to the percentage
1973 appropriation requirements set forth in Section 37-61-33. On or
1974 before September 15, 2025, and each succeeding month thereafter,
1975 two and two hundred sixty-six one-thousandths percent (2.266%) of
1976 the total sales tax revenue collected during the preceding month
1977 under this chapter, except that collected under Section
1978 27-65-17(1) (n) and (2), and three and seventeen one-hundredths
1979 percent (3.17%) of the total sales tax revenue collected during



1980 the preceding month under Section 27-65-17(1) (n), shall be
1981 deposited into the School Ad Valorem Tax Reduction Fund created
1982 under Section 37-61-35 until such time that the total amount
1983 deposited into the fund during a fiscal year equals Forty-two
1984 Million Dollars (\$42,000,000.00). Thereafter, the amounts
1985 diverted under this subsection (7) during the fiscal year in
1986 excess of Forty-two Million Dollars (\$42,000,000.00) shall be
1987 deposited into the Education Enhancement Fund created under
1988 Section 37-61-33 for appropriation by the Legislature as other
1989 education needs and shall not be subject to the percentage
1990 appropriation requirements set forth in Section 37-61-33.

1991 (8) On or before August 15, 1992, and each succeeding month
1992 thereafter through August 15, 2025, nine and seventy-three
1993 one-thousandths percent (9.073%) of the total sales tax revenue
1994 collected during the preceding month under the provisions of this
1995 chapter, except that collected under the provisions of Section
1996 27-65-17(2), shall be deposited into the Education Enhancement
1997 Fund created under Section 37-61-33. On or before September 15,
1998 2025, and each succeeding month thereafter, nine and seventy-three
1999 one-thousandths percent (9.073%) of the total sales tax revenue
2000 collected during the preceding month this chapter, except that
2001 collected under Section 27-65-17(1) (n) and (2), and twelve and
2002 seven-tenths percent (12.7%) of the total sales tax revenue
2003 collected during the preceding month under Section 27-65-17(1) (n),



2004 shall be deposited into the Education Enhancement Fund created
2005 under Section 37-61-33.

2006 (9) On or before August 15, 1994, and each succeeding month
2007 thereafter, from the revenue collected under this chapter during
2008 the preceding month, Two Hundred Fifty Thousand Dollars
2009 (\$250,000.00) shall be paid into the State Aid Road Fund.

2010 (10) On or before August 15, 1994, and each succeeding month
2011 thereafter through August 15, 1995, from the revenue collected
2012 under this chapter during the preceding month, Two Million Dollars
2013 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
2014 Valorem Tax Reduction Fund established in Section 27-51-105.

2015 (11) Notwithstanding any other provision of this section to
2016 the contrary, on or before February 15, 1995, and each succeeding
2017 month thereafter, the sales tax revenue collected during the
2018 preceding month under the provisions of Section 27-65-17(2) and
2019 the corresponding levy in Section 27-65-23 on the rental or lease
2020 of private carriers of passengers and light carriers of property
2021 as defined in Section 27-51-101 shall be deposited, without
2022 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
2023 established in Section 27-51-105.

2024 (12) Notwithstanding any other provision of this section to
2025 the contrary, on or before August 15, 1995, and each succeeding
2026 month thereafter, the sales tax revenue collected during the
2027 preceding month under the provisions of Section 27-65-17(1) on
2028 retail sales of private carriers of passengers and light carriers



2029 of property, as defined in Section 27-51-101 and the corresponding
2030 levy in Section 27-65-23 on the rental or lease of these vehicles,
2031 shall be deposited, after diversion, into the Motor Vehicle Ad
2032 Valorem Tax Reduction Fund established in Section 27-51-105.

2033 (13) On or before July 15, 1994, and on or before the
2034 fifteenth day of each succeeding month thereafter, that portion of
2035 the avails of the tax imposed in Section 27-65-22 that is derived
2036 from activities held on the Mississippi State Fairgrounds Complex
2037 shall be paid into a special fund that is created in the State
2038 Treasury and shall be expended upon legislative appropriation
2039 solely to defray the costs of repairs and renovation at the Trade
2040 Mart and Coliseum.

2041 (14) On or before August 15, 1998, and each succeeding month
2042 thereafter through July 15, 2005, that portion of the avails of
2043 the tax imposed in Section 27-65-23 that is derived from sales by
2044 cotton compresses or cotton warehouses and that would otherwise be
2045 paid into the General Fund shall be deposited in an amount not to
2046 exceed Two Million Dollars (\$2,000,000.00) into the special fund
2047 created under Section 69-37-39. On or before August 15, 2007, and
2048 each succeeding month thereafter through July 15, 2010, that
2049 portion of the avails of the tax imposed in Section 27-65-23 that
2050 is derived from sales by cotton compresses or cotton warehouses
2051 and that would otherwise be paid into the General Fund shall be
2052 deposited in an amount not to exceed Two Million Dollars
2053 (\$2,000,000.00) into the special fund created under Section



2054 69-37-39 until all debts or other obligations incurred by the
2055 Certified Cotton Growers Organization under the Mississippi Boll
2056 Weevil Management Act before January 1, 2007, are satisfied in
2057 full. On or before August 15, 2010, and each succeeding month
2058 thereafter through July 15, 2011, fifty percent (50%) of that
2059 portion of the avails of the tax imposed in Section 27-65-23 that
2060 is derived from sales by cotton compresses or cotton warehouses
2061 and that would otherwise be paid into the General Fund shall be
2062 deposited into the special fund created under Section 69-37-39
2063 until such time that the total amount deposited into the fund
2064 during a fiscal year equals One Million Dollars (\$1,000,000.00).
2065 On or before August 15, 2011, and each succeeding month
2066 thereafter, that portion of the avails of the tax imposed in
2067 Section 27-65-23 that is derived from sales by cotton compresses
2068 or cotton warehouses and that would otherwise be paid into the
2069 General Fund shall be deposited into the special fund created
2070 under Section 69-37-39 until such time that the total amount
2071 deposited into the fund during a fiscal year equals One Million
2072 Dollars (\$1,000,000.00).

2073 (15) Notwithstanding any other provision of this section to
2074 the contrary, on or before September 15, 2000, and each succeeding
2075 month thereafter, the sales tax revenue collected during the
2076 preceding month under the provisions of Section
2077 27-65-19(1) (d) (i)2, and 27-65-19(1) (d) (i)3 shall be deposited,



2078 without diversion, into the Telecommunications Ad Valorem Tax
2079 Reduction Fund established in Section 27-38-7.

2080 (16) (a) On or before August 15, 2000, and each succeeding
2081 month thereafter, the sales tax revenue collected during the
2082 preceding month under the provisions of this chapter on the gross
2083 proceeds of sales of a project as defined in Section 57-30-1 shall
2084 be deposited, after all diversions except the diversion provided
2085 for in subsection (1) of this section, into the Sales Tax
2086 Incentive Fund created in Section 57-30-3.

2087 (b) On or before August 15, 2007, and each succeeding
2088 month thereafter, eighty percent (80%) of the sales tax revenue
2089 collected during the preceding month under the provisions of this
2090 chapter from the operation of a tourism project under the
2091 provisions of Sections 57-26-1 through 57-26-5, shall be
2092 deposited, after the diversions required in subsections (7) and
2093 (8) of this section, into the Tourism Project Sales Tax Incentive
2094 Fund created in Section 57-26-3.

2095 (17) Notwithstanding any other provision of this section to
2096 the contrary, on or before April 15, 2002, and each succeeding
2097 month thereafter, the sales tax revenue collected during the
2098 preceding month under Section 27-65-23 on sales of parking
2099 services of parking garages and lots at airports shall be
2100 deposited, without diversion, into the special fund created under
2101 Section 27-5-101(d).

2102 (18) [Repealed]



2103 (19) (a) On or before August 15, 2005, and each succeeding
2104 month thereafter, the sales tax revenue collected during the
2105 preceding month under the provisions of this chapter on the gross
2106 proceeds of sales of a business enterprise located within a
2107 redevelopment project area under the provisions of Sections
2108 57-91-1 through 57-91-11, and the revenue collected on the gross
2109 proceeds of sales from sales made to a business enterprise located
2110 in a redevelopment project area under the provisions of Sections
2111 57-91-1 through 57-91-11 (provided that such sales made to a
2112 business enterprise are made on the premises of the business
2113 enterprise), shall, except as otherwise provided in this
2114 subsection (19), be deposited, after all diversions, into the
2115 Redevelopment Project Incentive Fund as created in Section
2116 57-91-9.

2117 (b) For a municipality participating in the Economic
2118 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
2119 the diversion provided for in subsection (1) of this section
2120 attributable to the gross proceeds of sales of a business
2121 enterprise located within a redevelopment project area under the
2122 provisions of Sections 57-91-1 through 57-91-11, and attributable
2123 to the gross proceeds of sales from sales made to a business
2124 enterprise located in a redevelopment project area under the
2125 provisions of Sections 57-91-1 through 57-91-11 (provided that
2126 such sales made to a business enterprise are made on the premises
2127 of the business enterprise), shall be deposited into the



2128 Redevelopment Project Incentive Fund as created in Section
2129 57-91-9, as follows:

2130 (i) For the first six (6) years in which payments
2131 are made to a developer from the Redevelopment Project Incentive
2132 Fund, one hundred percent (100%) of the diversion shall be
2133 deposited into the fund;

2134 (ii) For the seventh year in which such payments
2135 are made to a developer from the Redevelopment Project Incentive
2136 Fund, eighty percent (80%) of the diversion shall be deposited
2137 into the fund;

2138 (iii) For the eighth year in which such payments
2139 are made to a developer from the Redevelopment Project Incentive
2140 Fund, seventy percent (70%) of the diversion shall be deposited
2141 into the fund;

2142 (iv) For the ninth year in which such payments are
2143 made to a developer from the Redevelopment Project Incentive Fund,
2144 sixty percent (60%) of the diversion shall be deposited into the
2145 fund; and

2146 (v) For the tenth year in which such payments are
2147 made to a developer from the Redevelopment Project Incentive Fund,
2148 fifty percent (50%) of the funds shall be deposited into the fund.

2149 (20) On or before January 15, 2007, and each succeeding
2150 month thereafter, eighty percent (80%) of the sales tax revenue
2151 collected during the preceding month under the provisions of this
2152 chapter from the operation of a tourism project under the



2153 provisions of Sections 57-28-1 through 57-28-5 shall be deposited,
2154 after the diversions required in subsections (7) and (8) of this
2155 section, into the Tourism Sales Tax Incentive Fund created in
2156 Section 57-28-3.

2157 (21) (a) On or before April 15, 2007, and each succeeding
2158 month thereafter through June 15, 2013, One Hundred Fifty Thousand
2159 Dollars (\$150,000.00) of the sales tax revenue collected during
2160 the preceding month under the provisions of this chapter shall be
2161 deposited into the MMEIA Tax Incentive Fund created in Section
2162 57-101-3.

2163 (b) On or before July 15, 2013, and each succeeding
2164 month thereafter, One Hundred Fifty Thousand Dollars (\$150,000.00)
2165 of the sales tax revenue collected during the preceding month
2166 under the provisions of this chapter shall be deposited into the
2167 Mississippi Development Authority Job Training Grant Fund created
2168 in Section 57-1-451.

2169 (22) On or before June 1, 2024, and each succeeding month
2170 thereafter until December 31, 2057, an amount determined annually
2171 by the Mississippi Development Authority of the sales tax revenue
2172 collected during the preceding month under the provisions of this
2173 chapter shall be deposited into the MMEIA Tax Incentive Fund
2174 created in Section 57-125-3. This amount shall be based on
2175 estimated payments due within the upcoming year to construction
2176 contractors pursuant to construction contracts subject to the tax
2177 imposed by Section 27-65-21 for construction to be performed on



2178 the project site of a project defined under Section
2179 57-75-5(f) (xxxiii) for the coming year.

2180 (23) Notwithstanding any other provision of this section to
2181 the contrary, on or before August 15, 2009, and each succeeding
2182 month thereafter, the sales tax revenue collected during the
2183 preceding month under the provisions of Section 27-65-201 shall be
2184 deposited, without diversion, into the Motor Vehicle Ad Valorem
2185 Tax Reduction Fund established in Section 27-51-105.

2186 (24) (a) On or before August 15, 2019, and each month
2187 thereafter through July 15, 2020, one percent (1%) of the total
2188 sales tax revenue collected during the preceding month from
2189 restaurants and hotels shall be allocated for distribution to the
2190 Mississippi Development Authority Tourism Advertising Fund
2191 established under Section 57-1-64, to be used exclusively for the
2192 purpose stated therein. On or before August 15, 2020, and each
2193 month thereafter through July 15, 2021, two percent (2%) of the
2194 total sales tax revenue collected during the preceding month from
2195 restaurants and hotels shall be allocated for distribution to the
2196 Mississippi Development Authority Tourism Advertising Fund
2197 established under Section 57-1-64, to be used exclusively for the
2198 purpose stated therein. On or before August 15, 2021, and each
2199 month thereafter, three percent (3%) of the total sales tax
2200 revenue collected during the preceding month from restaurants and
2201 hotels shall be allocated for distribution to the Mississippi
2202 Development Authority Tourism Advertising Fund established under



2203 Section 57-1-64, to be used exclusively for the purpose stated
2204 therein. The revenue diverted pursuant to this subsection shall
2205 not be available for expenditure until February 1, 2020.

2206 (b) The Joint Legislative Committee on Performance
2207 Evaluation and Expenditure Review (PEER) must provide an annual
2208 report to the Legislature indicating the amount of funds deposited
2209 into the Mississippi Development Authority Tourism Advertising
2210 Fund established under Section 57-1-64, and a detailed record of
2211 how the funds are spent.

2212 (25) The remainder of the amounts collected under the
2213 provisions of this chapter shall be paid into the State Treasury
2214 to the credit of the General Fund.

2215 (26) (a) It shall be the duty of the municipal officials of
2216 any municipality that expands its limits, or of any community that
2217 incorporates as a municipality, to notify the commissioner of that
2218 action thirty (30) days before the effective date. Failure to so
2219 notify the commissioner shall cause the municipality to forfeit
2220 the revenue that it would have been entitled to receive during
2221 this period of time when the commissioner had no knowledge of the
2222 action.

2223 (b) (i) Except as otherwise provided in subparagraph
2224 (ii) of this paragraph, if any funds have been erroneously
2225 disbursed to any municipality or any overpayment of tax is
2226 recovered by the taxpayer, the commissioner may make correction
2227 and adjust the error or overpayment with the municipality by



2228 withholding the necessary funds from any later payment to be made
2229 to the municipality.

2230 (ii) Subject to the provisions of Sections
2231 27-65-51 and 27-65-53, if any funds have been erroneously
2232 disbursed to a municipality under subsection (1) of this section
2233 for a period of three (3) years or more, the maximum amount that
2234 may be recovered or withheld from the municipality is the total
2235 amount of funds erroneously disbursed for a period of three (3)
2236 years beginning with the date of the first erroneous disbursement.
2237 However, if during such period, a municipality provides written
2238 notice to the Department of Revenue indicating the erroneous
2239 disbursement of funds, then the maximum amount that may be
2240 recovered or withheld from the municipality is the total amount of
2241 funds erroneously disbursed for a period of one (1) year beginning
2242 with the date of the first erroneous disbursement.

2243 **SECTION 13.** Section 27-67-31, Mississippi Code of 1972, is
2244 amended as follows:

2245 27-67-31. All administrative provisions of the sales tax
2246 law, and amendments thereto, including those which fix damages,
2247 penalties and interest for failure to comply with the provisions
2248 of said sales tax law, and all other requirements and duties
2249 imposed upon taxpayer, shall apply to all persons liable for use
2250 taxes under the provisions of this article. The commissioner
2251 shall exercise all power and authority and perform all duties with
2252 respect to taxpayers under this article as are provided in said



2253 sales tax law, except where there is conflict, then the provisions
2254 of this article shall control.

2255 The commissioner may require transportation companies to
2256 permit the examination of waybills, freight bills, or other
2257 documents covering shipments of tangible personal property into
2258 this state.

2259 On or before the fifteenth day of each month, the amount
2260 received from taxes, damages and interest under the provisions of
2261 this article during the preceding month shall be paid and
2262 distributed as follows:

2263 (a) On or before July 15, 1994, through July 15, 2000,
2264 and each succeeding month thereafter, two and two hundred
2265 sixty-six one-thousandths percent (2.266%) of the total use tax
2266 revenue collected during the preceding month under the provisions
2267 of this article shall be deposited in the School Ad Valorem Tax
2268 Reduction Fund created pursuant to Section 37-61-35. On or before
2269 August 15, 2000, and each succeeding month thereafter, two and two
2270 hundred sixty-six one-thousandths percent (2.266%) of the total
2271 use tax revenue collected during the preceding month under the
2272 provisions of this chapter shall be deposited into the School Ad
2273 Valorem Tax Reduction Fund created under Section 37-61-35 until
2274 such time that the total amount deposited into the fund during a
2275 fiscal year equals Four Million Dollars (\$4,000,000.00).
2276 Thereafter, the amounts diverted under this paragraph (a) during
2277 the fiscal year in excess of Four Million Dollars (\$4,000,000.00)



2278 shall be deposited into the Education Enhancement Fund created
2279 under Section 37-61-33 for appropriation by the Legislature as
2280 other education needs and shall not be subject to the percentage
2281 appropriation requirements set forth in Section 37-61-33.

2282 (b) On or before July 15, 1994, and each succeeding
2283 month thereafter, nine and seventy-three one-thousandths percent
2284 (9.073%) of the total use tax revenue collected during the
2285 preceding month under the provisions of this article shall be
2286 deposited into the Education Enhancement Fund created pursuant to
2287 Section 37-61-33.

2288 (c) On or before July 15, 1997, and on or before the
2289 fifteenth day of each succeeding month thereafter, the revenue
2290 collected under the provisions of this article imposed and levied
2291 as a result of Section 27-65-17(2) and the corresponding levy in
2292 Section 27-65-23 on the rental or lease of private carriers of
2293 passengers and light carriers of property as defined in Section
2294 27-51-101 shall be deposited into the Motor Vehicle Ad Valorem Tax
2295 Reduction Fund created pursuant to Section 27-51-105.

2296 (d) On or before July 15, 1997, and on or before the
2297 fifteenth day of each succeeding month thereafter and after the
2298 deposits required by paragraphs (a) and (b) of this section are
2299 made, the remaining revenue collected under the provisions of this
2300 article imposed and levied as a result of Section 27-65-17(1) and
2301 the corresponding levy in Section 27-65-23 on the rental or lease
2302 of private carriers of passengers and light carriers of property



2303 as defined in Section 27-51-101 shall be deposited into the Motor
2304 Vehicle Ad Valorem Tax Reduction Fund created pursuant to Section
2305 27-51-105.

2306 (e) On or before August 15, 2019, and each succeeding
2307 month thereafter through July 15, 2020, three and three-fourths
2308 percent (3-3/4%) of the total use tax revenue collected during the
2309 preceding month under the provisions of this article shall be
2310 deposited into the special fund created in Section 27-67-35(1).
2311 On or before August 15, 2020, and each succeeding month thereafter
2312 through July 15, 2021, seven and one-half percent (7-1/2%) of the
2313 total use tax revenue collected during the preceding month under
2314 the provisions of this article shall be deposited into the special
2315 fund created in Section 27-67-35(1). On or before August 15,
2316 2021, and each succeeding month thereafter through July 15, 2022,
2317 eleven and one-fourth percent (11-1/4%) of the total use tax
2318 revenue collected during the preceding month under the provisions
2319 of this article shall be deposited into the special fund created
2320 in Section 27-67-35(1). On or before August 15, 2022, and each
2321 succeeding month thereafter through August 15, 2025, fifteen
2322 percent (15%) of the total use tax revenue collected during the
2323 preceding month under the provisions of this article shall be
2324 deposited into the special fund created in Section 27-67-35(1).
2325 On or before September 15, 2025, and each succeeding month
2326 thereafter, fifteen percent (15%) of the total use tax revenue
2327 collected during the preceding month under this article, except



2328 that imposed and levied as a result of Section 27-65-17(1)(n), and
2329 twenty-one percent (21%) of the total use tax revenue collected
2330 during the preceding month under this article imposed and levied
2331 as a result of Section 27-65-17(1)(n), shall be deposited into the
2332 special fund created in Section 27-67-35(1).

2333 (f) On or before August 15, 2019, and each succeeding
2334 month thereafter through July 15, 2020, three and three-fourths
2335 percent (3-3/4%) of the total use tax revenue collected during the
2336 preceding month under the provisions of this article shall be
2337 deposited into the special fund created in Section 27-67-35(2).

2338 On or before August 15, 2020, and each succeeding month thereafter
2339 through July 15, 2021, seven and one-half percent (7-1/2%) of the
2340 total use tax revenue collected during the preceding month under
2341 the provisions of this article shall be deposited into the special
2342 fund created in Section 27-67-35(2). On or before August 15,

2343 2021, and each succeeding month thereafter through July 15, 2022,
2344 eleven and one-fourth percent (11-1/4%) of the total use tax
2345 revenue collected during the preceding month under the provisions
2346 of this article shall be deposited into the special fund created
2347 in Section 27-67-35(2). On or before August 15, 2022, and each

2348 succeeding month thereafter through August 15, 2025, fifteen
2349 percent (15%) of the total use tax revenue collected during the
2350 preceding month under the provisions of this article shall be
2351 deposited into the special fund created in Section 27-67-35(2).
2352 On or before September 15, 2025, and each succeeding month



2353 thereafter, fifteen percent (15%) of the total use tax revenue
2354 collected during the preceding month under this article, except
2355 that imposed and levied as a result of Section 27-65-17(1)(n), and
2356 twenty-one percent (21%) of the total use tax revenue collected
2357 during the preceding month under this article imposed and levied
2358 as a result of Section 27-65-17(1)(n), shall be deposited into the
2359 special fund created in Section 27-67-35(2).

2360 (g) On or before August 15, 2019, and each succeeding
2361 month thereafter through July 15, 2020, Four Hundred Sixteen
2362 Thousand Six Hundred Sixty-six Dollars and Sixty-seven Cents
2363 (\$416,666.67) or one and one-fourth percent (1-1/4%) of the total
2364 use tax revenue collected during the preceding month under the
2365 provisions of this article, whichever is the greater amount, shall
2366 be deposited into the Local System Bridge Replacement and
2367 Rehabilitation Fund created in Section 65-37-13. On or before
2368 August 15, 2020, and each succeeding month thereafter through July
2369 15, 2021, Eight Hundred Thirty-three Thousand Three Hundred
2370 Thirty-three Dollars and Thirty-four Cents (\$833,333.34) or two
2371 and one-half percent (2-1/2%) of the total use tax revenue
2372 collected during the preceding month under the provisions of this
2373 article, whichever is the greater amount, shall be deposited into
2374 the Local System Bridge Replacement and Rehabilitation Fund
2375 created in Section 65-37-13. On or before August 15, 2021, and
2376 each succeeding month thereafter through July 15, 2022, One
2377 Million Two Hundred Fifty Thousand Dollars (\$1,250,000.00) or



2378 three and three-fourths percent (3-3/4%) of the total use tax
2379 revenue collected during the preceding month under the provisions
2380 of this article, whichever is the greater amount, shall be
2381 deposited into the Local System Bridge Replacement and
2382 Rehabilitation Fund created in Section 65-37-13. On or before
2383 August 15, 2022, and each succeeding month thereafter through July
2384 15, 2023, One Million Six Hundred Sixty-six Thousand Six Hundred
2385 Sixty-six Dollars and Sixty-seven Cents (\$1,666,666.67) or five
2386 percent (5%) of the total use tax revenue collected during the
2387 preceding month under the provisions of this article, whichever is
2388 the greater amount, shall be deposited into the Local System
2389 Bridge Replacement and Rehabilitation Fund created in Section
2390 65-37-13. On or before August 15, 2023, and each succeeding month
2391 thereafter, (i) One Million Six Hundred Sixty-six Thousand Six
2392 Hundred Sixty-six Dollars and Sixty-seven Cents (\$1,666,666.67) or
2393 two and one-half percent (2-1/2%) of the total use tax revenue
2394 collected during the preceding month under the provisions of this
2395 article, whichever is the greater amount, shall be deposited into
2396 the Local System Bridge Replacement and Rehabilitation Fund
2397 created in Section 65-37-13, and (ii) One Million Six Hundred
2398 Sixty-six Thousand Six Hundred Sixty-six Dollars and Sixty-seven
2399 Cents (\$1,666,666.67) or two and one-half percent (2-1/2%) of the
2400 total use tax revenue collected during the preceding month under
2401 the provisions of this article, whichever is the greater amount,



2402 shall be deposited into the State Aid Road Fund created in Section
2403 65-9-17.

2404 (h) On or before August 15, 2020, and each succeeding
2405 month thereafter through July 15, 2022, One Million Dollars
2406 (\$1,000,000.00) of the total use tax revenue collected during the
2407 preceding month under the provisions of this article shall be
2408 deposited into the Local System Bridge Replacement and
2409 Rehabilitation Fund created in Section 65-37-13. Amounts
2410 deposited into the Local System Bridge Replacement and
2411 Rehabilitation Fund under this paragraph (h) shall be in addition
2412 to amounts deposited into the fund under paragraph (g) of this
2413 section.

2414 (i) The remainder of the amount received from taxes,
2415 damages and interest under the provisions of this article shall be
2416 paid into the General Fund of the State Treasury by the
2417 commissioner.

2418 **SECTION 14.** Section 27-67-35, Mississippi Code of 1972, is
2419 amended as follows:

2420 27-67-35. (1) (a) There is hereby created a special fund
2421 in the State Treasury. The fund shall be maintained by the State
2422 Treasurer as a separate and special fund, separate and apart from
2423 the General Fund of the state. The fund shall consist of monies
2424 deposited therein under Section 27-67-31(e) and monies from any
2425 other source designated for deposit into such fund. Monies in the
2426 fund shall be expended by the department to provide funds to



2427 assist municipalities in this state in paying costs associated
2428 with:

2429 (i) Repair, maintenance and/or reconstruction of
2430 roads, streets and bridges, and acquisition and/or rehabilitation
2431 of buildings, in municipalities;

2432 (ii) Repair, maintenance and/or other improvements
2433 to water infrastructure and sewer infrastructure, including storm
2434 water and drainage improvements; and/or

2435 (iii) As a pledge to pay all or a portion of debt
2436 service on debt issued by a municipality for the purposes provided
2437 in this subsection (1) (a).

2438 These monies shall not be used for salaries, benefits or any
2439 form of compensation for employees, or for contract employees,
2440 administrative costs, debt service except as provided in this
2441 subsection (1) (a), personal property or equipment * * * except for
2442 personal property or equipment to be used for the purposes allowed
2443 in subparagraphs (i) and (ii) of this subsection (1) (a), or for
2444 the construction or maintenance of public buildings or other
2445 structures that are not integral to the system of roads and
2446 bridges. Unexpended amounts remaining in the fund at the end of a
2447 fiscal year shall not lapse into the State General Fund, and any
2448 interest earned or investment earnings on amounts in the fund
2449 shall be deposited to the credit of the fund.

2450 (b) (i) Subject to the provisions of this paragraph
2451 (b) and Section 65-21-31, funds provided to municipalities under



2452 this subsection (1) shall be allocated and distributed to
2453 municipalities as follows:

2454 1. Three Million Dollars (\$3,000,000.00)
2455 shall be allocated to all municipalities in equal shares, and

2456 2. The remainder of the funds allocated as
2457 follows:

2458 a. One-half (1/2) shall be allocated to
2459 municipalities based on the proportion that the population of a
2460 municipality according to the most recent federal decennial census
2461 bears to the total population of all municipalities in the state
2462 according to the most recent federal decennial census, and

2463 b. One-half (1/2) shall be allocated to
2464 municipalities based on the proportion that the amount of sales
2465 tax revenue distributed to a municipality during the preceding
2466 fiscal year under Section 27-65-75(1)(a) bears to the total amount
2467 of sales tax revenue distributed to all municipalities during the
2468 preceding fiscal year under Section 27-65-75(1)(a). The
2469 department shall distribute funds under this subsection (1) on a
2470 semiannual basis with distributions being made in the months of
2471 January and July.

2472 (ii) In order to be eligible to receive the full
2473 amount of funds allocated for distribution to a municipality
2474 during a year under this subsection (1), the municipality must
2475 have expended an amount not less than the amount of base
2476 expenditures during the previous municipal fiscal year for the



2477 purposes described in paragraph (a) of this subsection (1). If a
2478 municipality fails to expend such required amount, then the amount
2479 of funds allocated for distribution to the municipality shall be
2480 reduced by the percentage by which the municipality failed to
2481 expend the amount of base expenditures. For the purposes of this
2482 subsection (1), "base expenditures" means the average annual
2483 expenditures made by a municipality for purposes described in
2484 paragraph (a) of this subsection (1) for the two-year period
2485 beginning October 1, 2020, and ending September 30, 2022.
2486 Expenditure of grant proceeds, loan proceeds, or the proceeds of
2487 bonds issued by a municipality for the purposes described in
2488 paragraph (a) of this subsection (1) shall not be considered when
2489 calculating the base period. Expenditures by a municipality for
2490 purposes described in paragraph (a) of this subsection (1) and for
2491 which the municipality may not use monies received from the
2492 department under this subsection (1), may be considered when
2493 calculating the amount of funds expended by the municipality
2494 during the previous municipal fiscal year, provided the
2495 expenditures are related to the purposes described in
2496 subparagraphs (i), (ii) and/or (iii) in paragraph (a) of this
2497 subsection (1). Beginning July 1, 2023, and each succeeding July
2498 1 thereafter, the amount of the base expenditures shall be
2499 adjusted and compounded annually by increasing or decreasing such
2500 amount by a percentage amount that is equal to the lesser of
2501 one-half percent (0.5%) or to the United States inflation rate for



2502 the previous calendar year ending on December 31 as certified by
2503 the department and provided to the municipalities thereby within
2504 thirty (30) days of such certification. The United States
2505 inflation rate for a calendar year shall be the Consumer Price
2506 Index for the calendar year for urban consumers as calculated by
2507 the Bureau of Labor Statistics of the United States Department of
2508 Labor.

2509 (c) The department and the Office of the State Auditor
2510 shall have all powers necessary to ensure the proper
2511 implementation of this subsection (1).

2512 (2) (a) There is hereby created a special fund in the State
2513 Treasury. The fund shall be maintained by the State Treasurer as
2514 a separate and special fund, separate and apart from the General
2515 Fund of the state. The fund shall consist of monies deposited
2516 therein under Section 27-67-31(f) and monies from any other source
2517 designated for deposit into such fund. Monies in the fund shall
2518 be expended by the department to provide funds to assist counties
2519 in this state in paying costs associated with (i) the repair,
2520 maintenance and/or reconstruction of roads, streets and bridges in
2521 counties, and/or (ii) as a pledge to pay all or a portion of debt
2522 service on debt issued by a county for the purposes provided in
2523 this subsection (2) (a). These monies shall not be used for
2524 salaries, benefits or any form of compensation for employees, or
2525 for contract employees, administrative costs, debt service except
2526 as provided in this subsection (2) (a), personal property or



2527 equipment except for personal property or equipment to be used for
2528 the purposes allowed in subparagraph (i) of this subsection
2529 (2) (a), or for the construction or maintenance of public buildings
2530 or other structures that are not integral to the system of roads
2531 and bridges. Unexpended amounts remaining in the fund at the end
2532 of a fiscal year shall not lapse into the State General Fund, and
2533 any interest earned or investment earnings on amounts in the fund
2534 shall be deposited to the credit of the fund.

2535 (b) (i) Subject to the provisions of this paragraph
2536 (b) and Section 65-21-31, funds provided to counties under this
2537 subsection (2) shall be allocated and distributed to counties in
2538 the following proportions:

2539 1. One-third (1/3) shall be allocated to all
2540 counties in equal shares,

2541 2. One-third (1/3) shall be allocated to
2542 counties based on the proportion that the total number of rural
2543 road miles in a county bears to the total number of rural road
2544 miles in all counties of the state, and

2545 3. One-third (1/3) shall be allocated to
2546 counties based on the proportion that the rural population of a
2547 county bears to the total rural population in all counties of the
2548 state, according to the latest federal decennial census.

2549 The department shall distribute funds under this subsection (2) on
2550 a semiannual basis with distributions being made in the months of
2551 January and July. Rural road miles and rural road population in



2552 the counties shall be determined in the same manner as they are
2553 determined for the purposes of the distribution formula in Section
2554 65-9-3.

2555 (ii) From and after July 1, 2020, of the funds
2556 allocated for distribution to a county during a year under this
2557 subsection (2), the maximum amount of such funds that may be
2558 distributed to the county during that year shall not exceed the
2559 amount of county funds expended by the county during the previous
2560 county fiscal year for purposes described in paragraph (a) of this
2561 subsection (2). Expenditure of the proceeds of bonds issued by a
2562 county to pay costs associated with the repair, maintenance and/or
2563 reconstruction of roads, streets and bridges shall not be
2564 considered when determining the amount of county funds expended by
2565 the county during the previous county fiscal year. Expenditures
2566 by a county for purposes described in paragraph (a) of this
2567 subsection (2) and for which the county may not use monies
2568 received from the department under this subsection (2), may be
2569 considered when calculating the amount of county funds expended by
2570 the county during the previous county fiscal year, provided the
2571 expenditures are related to purposes described in subparagraphs
2572 (i) and/or (ii) in paragraph (a) of this subsection (2).

2573 (c) The department and the Office of the State Auditor
2574 shall have all powers necessary to ensure the proper
2575 implementation of this subsection (2).



2576 **SECTION 15.** (1) Each person becoming a member of the system
2577 on or after March 1, 2026, shall have, in addition to the defined
2578 benefit plan under this article, a defined contribution plan
2579 meeting the requirements of Section 401(a) of the Internal Revenue
2580 Code. A portion of the employee's contributions shall be
2581 deposited into the employee's defined contribution account, as
2582 provided in Section 25-11-123, and in addition, the employer may
2583 elect to contribute an amount up to the maximum pretax amount
2584 allowable under federal law for plans under Section 401(a) of the
2585 Internal Revenue Code. Members shall be vested immediately in the
2586 defined contribution plan.

2587 (2) (a) Pursuant to Section 401(a) of the Internal Revenue
2588 Code, the board may establish a defined contribution, qualified
2589 plan under which a portion of the employee's mandatory
2590 contributions shall be deposited and which meets all requirements
2591 under federal and state law. To the extent state law conflicts
2592 with federal law, federal law shall govern the plan document to
2593 maintain the federal tax qualified status. The board, in its
2594 fiduciary capacity, may seek approval from the Internal Revenue
2595 Service.

2596 (b) The administration of the defined contribution plan
2597 shall be under the direction of the system. The defined
2598 contribution plan shall be operated in accordance with the
2599 guidelines established by the Internal Revenue Service for Section
2600 401(a) plans as reflected in the plan document, as may be modified



2601 from time to time by the board of trustees, and including optional
2602 variable employer contributions and a process for hardship
2603 withdrawals by members. Payroll reductions shall be made, in each
2604 instance, by the appropriate payroll officer. The administrator
2605 of the defined contribution plan may contract with a private
2606 corporation or institution for providing consolidated billing and
2607 other administrative services if deemed necessary by the
2608 administrator.

2609 (c) The board of trustees may assess the employer an
2610 amount, out of the employer's contribution rate under Section
2611 25-11-123, up to two-tenths percent (0.2%) of the participant's
2612 total earned compensation as defined in Section 25-11-103 to
2613 provide for the administrative expenses of operating the defined
2614 contribution plan, including, but not limited to, the services of
2615 auditors, consultants, money managers and third-party
2616 administrators.

2617 (3) Each participating member shall direct the investment of
2618 the individual's accumulated employer and employee contributions
2619 and earnings to one or more investment choices within available
2620 categories of investment provided by the board. The board shall
2621 provide an investment menu of investment options. In establishing
2622 the investment options, the board shall:

2623 (a) Include predetermined investment portfolio options
2624 constructed to reflect different risk profiles that automatically



2625 reallocate and rebalance contributions as a participating member
2626 ages; and

2627 (b) Allow a participating member to construct an
2628 investment portfolio using some or all of the investment options.

2629 **SECTION 16.** Section 25-11-103, Mississippi Code of 1972, is
2630 amended as follows:

2631 25-11-103. (1) The following words and phrases as used in
2632 Articles 1 and 3, unless a different meaning is plainly required
2633 by the context, have the following meanings:

2634 (a) "Accumulated contributions" means the sum of all
2635 the amounts deducted from the compensation of a member and
2636 credited to his or her individual account in the annuity savings
2637 account, together with regular interest as provided in Section
2638 25-11-123.

2639 (b) "Actuarial cost" means the amount of funds
2640 presently required to provide future benefits as determined by the
2641 board based on applicable tables and formulas provided by the
2642 actuary.

2643 (c) "Actuarial equivalent" means a benefit of equal
2644 value to the accumulated contributions, annuity or benefit, as the
2645 case may be, when computed upon the basis of such mortality tables
2646 as adopted by the board of trustees, and regular interest.

2647 (d) "Actuarial tables" mean such tables of mortality
2648 and rates of interest as adopted by the board in accordance with
2649 the recommendation of the actuary.



2650 (e) "Agency" means any governmental body employing
2651 persons in the state service.

2652 (f) "Average compensation" means, for persons who
2653 became members of the system before March 1, 2026, the average of
2654 the four (4) highest years of earned compensation reported for an
2655 employee in a fiscal or calendar year period, or combination
2656 thereof that do not overlap, or the last forty-eight (48)
2657 consecutive months of earned compensation reported for an
2658 employee. The four (4) years need not be successive or joined
2659 years of service. "Average compensation" means, for persons who
2660 became members of the system on or after March 1, 2026, the
2661 average of the eight (8) highest consecutive years of earned
2662 compensation reported for an employee in a fiscal or calendar year
2663 period, or of the last ninety-six (96) consecutive months of
2664 earned compensation reported for an employee, whichever is
2665 greater.

2666 In computing the average compensation for retirement,
2667 disability or survivor benefits, any amount lawfully paid in a
2668 lump sum for personal leave or major medical leave shall be
2669 included in the calculation to the extent that the amount does not
2670 exceed an amount that is equal to thirty (30) days of earned
2671 compensation and to the extent that it does not cause the
2672 employee's earned compensation to exceed the maximum reportable
2673 amount specified in paragraph (k) of this subsection; however,
2674 this thirty-day limitation shall not prevent the inclusion in the



2675 calculation of leave earned under federal regulations before July
2676 1, 1976, and frozen as of that date as referred to in Section
2677 25-3-99. In computing the average compensation, no amounts shall
2678 be used that are in excess of the amount on which contributions
2679 were required and paid, and no nontaxable amounts paid by the
2680 employer for health or life insurance premiums for the employee
2681 shall be used. If any member who is or has been granted any
2682 increase in annual salary or compensation of more than eight
2683 percent (8%) retires within twenty-four (24) months from the date
2684 that the increase becomes effective, then the board shall exclude
2685 that part of the increase in salary or compensation that exceeds
2686 eight percent (8%) in calculating that member's average
2687 compensation for retirement purposes. The board may enforce this
2688 provision by rule or regulation. However, increases in
2689 compensation in excess of eight percent (8%) per year granted
2690 within twenty-four (24) months of the date of retirement may be
2691 included in the calculation of average compensation if
2692 satisfactory proof is presented to the board showing that the
2693 increase in compensation was the result of an actual change in the
2694 position held or services rendered, or that the compensation
2695 increase was authorized by the State Personnel Board or was
2696 increased as a result of statutory enactment, and the employer
2697 furnishes an affidavit stating that the increase granted within
2698 the last twenty-four (24) months was not contingent on a promise
2699 or agreement of the employee to retire. Nothing in Section



2700 25-3-31 shall affect the calculation of the average compensation
2701 of any member for the purposes of this article. The average
2702 compensation of any member who retires before July 1, 1992, shall
2703 not exceed the annual salary of the Governor.

2704 (g) "Beneficiary" means any person entitled to receive
2705 a retirement allowance, an annuity or other benefit as provided by
2706 Articles 1 and 3. The term "beneficiary" may also include an
2707 organization, estate, trust or entity; however, a beneficiary
2708 designated or entitled to receive monthly payments under an
2709 optional settlement based on life contingency or under a statutory
2710 monthly benefit may only be a natural person. In the event of the
2711 death before retirement of any member who became a member of the
2712 system before July 1, 2007, and whose spouse and/or children are
2713 not entitled to a retirement allowance on the basis that the
2714 member has less than four (4) years of membership service credit,
2715 or who became a member of the system on or after July 1, 2007, and
2716 whose spouse and/or children are not entitled to a retirement
2717 allowance on the basis that the member has less than eight (8)
2718 years of membership service credit, and/or has not been married
2719 for a minimum of one (1) year or the spouse has waived his or her
2720 entitlement to a retirement allowance under Section 25-11-114, the
2721 lawful spouse of a member at the time of the death of the member
2722 shall be the beneficiary of the member unless the member has
2723 designated another beneficiary after the date of marriage in
2724 writing, and filed that writing in the office of the executive



2725 director of the board of trustees. No designation or change of
2726 beneficiary shall be made in any other manner.

2727 (h) "Board" means the board of trustees provided in
2728 Section 25-11-15 to administer the retirement system created under
2729 this article.

2730 (i) "Creditable service" means "prior service,"
2731 "retroactive service" and all lawfully credited unused leave not
2732 exceeding the accrual rates and limitations provided in Section
2733 25-3-91 et seq., as of the date of withdrawal from service plus
2734 "membership service" and other service for which credit is
2735 allowable as provided in Section 25-11-109. Except to limit
2736 creditable service reported to the system for the purpose of
2737 computing an employee's retirement allowance or annuity or
2738 benefits provided in this article, nothing in this paragraph shall
2739 limit or otherwise restrict the power of the governing authority
2740 of a municipality or other political subdivision of the state to
2741 adopt such vacation and sick leave policies as it deems necessary.

2742 (j) "Child" means either a natural child of the member,
2743 a child that has been made a child of the member by applicable
2744 court action before the death of the member, or a child under the
2745 permanent care of the member at the time of the latter's death,
2746 which permanent care status shall be determined by evidence
2747 satisfactory to the board. For purposes of this paragraph, a
2748 natural child of the member is a child of the member that is
2749 conceived before the death of the member.



2750 (k) "Earned compensation" means the full amount earned
2751 during a fiscal year by an employee not to exceed the employee
2752 compensation limit set pursuant to Section 401(a)(17) of the
2753 Internal Revenue Code for the calendar year in which the fiscal
2754 year begins and proportionately for less than one (1) year of
2755 service. Except as otherwise provided in this paragraph, the
2756 value of maintenance furnished to an employee shall not be
2757 included in earned compensation. Earned compensation shall not
2758 include any amounts paid by the employer for health or life
2759 insurance premiums for an employee. Earned compensation shall be
2760 limited to the regular periodic compensation paid, exclusive of
2761 litigation fees, bond fees, performance-based incentive payments,
2762 and other similar extraordinary nonrecurring payments. In
2763 addition, any member in a covered position, as defined by Public
2764 Employees' Retirement System laws and regulations, who is also
2765 employed by another covered agency or political subdivision shall
2766 have the earnings of that additional employment reported to the
2767 Public Employees' Retirement System regardless of whether the
2768 additional employment is sufficient in itself to be a covered
2769 position. In addition, computation of earned compensation shall
2770 be governed by the following:

2771 (i) In the case of constables, the net earnings
2772 from their office after deduction of expenses shall apply, except
2773 that in no case shall earned compensation be less than the total



2774 direct payments made by the state or governmental subdivisions to
2775 the official.

2776 (ii) In the case of chancery or circuit clerks,
2777 the net earnings from their office after deduction of expenses
2778 shall apply as expressed in Section 25-11-123(f)(4).

2779 (iii) In the case of members of the State
2780 Legislature, all remuneration or amounts paid, except mileage
2781 allowance, shall apply.

2782 (iv) The amount by which an eligible employee's
2783 salary is reduced under a salary reduction agreement authorized
2784 under Section 25-17-5 shall be included as earned compensation
2785 under this paragraph, provided this inclusion does not conflict
2786 with federal law, including federal regulations and federal
2787 administrative interpretations under the federal law, pertaining
2788 to the Federal Insurance Contributions Act or to Internal Revenue
2789 Code Section 125 cafeteria plans.

2790 (v) Compensation in addition to an employee's base
2791 salary that is paid to the employee under the vacation and sick
2792 leave policies of a municipality or other political subdivision of
2793 the state that employs him or her that exceeds the maximums
2794 authorized by Section 25-3-91 et seq. shall be excluded from the
2795 calculation of earned compensation under this article.

2796 (vi) The maximum salary applicable for retirement
2797 purposes before July 1, 1992, shall be the salary of the Governor.



2798 (vii) Nothing in Section 25-3-31 shall affect the
2799 determination of the earned compensation of any member for the
2800 purposes of this article.

2801 (viii) The value of maintenance furnished to an
2802 employee before July 1, 2013, for which the proper amount of
2803 employer and employee contributions have been paid, shall be
2804 included in earned compensation. From and after July 1, 2013, the
2805 value of maintenance furnished to an employee shall be reported as
2806 earned compensation only if the proper amount of employer and
2807 employee contributions have been paid on the maintenance and the
2808 employee was receiving maintenance and having maintenance reported
2809 to the system as of June 30, 2013. The value of maintenance when
2810 not paid in money shall be fixed by the employing state agency,
2811 and, in case of doubt, by the board of trustees as defined in
2812 Section 25-11-15.

2813 (ix) Except as otherwise provided in this
2814 paragraph, the value of any in-kind benefits provided by the
2815 employer shall not be included in earned compensation. As used in
2816 this subparagraph, "in-kind benefits" shall include, but not be
2817 limited to, group life insurance premiums, health or dental
2818 insurance premiums, nonpaid major medical and personal leave,
2819 employer contributions for social security and retirement, tuition
2820 reimbursement or educational funding, day care or transportation
2821 benefits.



2822 (1) "Employee" means any person legally occupying a
2823 position in the state service, and shall include the employees of
2824 the retirement system created under this article.

2825 (m) "Employer" means the State of Mississippi or any of
2826 its departments, agencies or subdivisions from which any employee
2827 receives his or her compensation.

2828 (n) "Executive director" means the secretary to the
2829 board of trustees, as provided in Section 25-11-15(9), and the
2830 administrator of the Public Employees' Retirement System and all
2831 systems under the management of the board of trustees. Wherever
2832 the term "Executive Secretary of the Public Employees' Retirement
2833 System" or "executive secretary" appears in this article or in any
2834 other provision of law, it shall be construed to mean the
2835 Executive Director of the Public Employees' Retirement System.

2836 (o) "Fiscal year" means the period beginning on July 1
2837 of any year and ending on June 30 of the next succeeding year.

2838 (p) "Medical board" means the board of physicians or
2839 any governmental or nongovernmental disability determination
2840 service designated by the board of trustees that is qualified to
2841 make disability determinations as provided for in Section
2842 25-11-119.

2843 (q) "Member" means any person included in the
2844 membership of the system as provided in Section 25-11-105. For
2845 purposes of Sections 25-11-103, 25-11-105, 25-11-109, 25-11-111,
2846 25-11-113, 25-11-114, 25-11-115 and 25-11-117, if a member of the



2847 system withdrew from state service and received a refund of the
2848 amount of the accumulated contributions to the credit of the
2849 member in the annuity savings account before July 1, 2007, and the
2850 person reenters state service and becomes a member of the system
2851 again on or after July 1, 2007, and repays all or part of the
2852 amount received as a refund and interest in order to receive
2853 creditable service for service rendered before July 1, 2007, the
2854 member shall be considered to have become a member of the system
2855 on or after July 1, 2007, subject to the eight-year membership
2856 service requirement, as applicable in those sections. For
2857 purposes of Sections 25-11-103, 25-11-111, 25-11-114 and
2858 25-11-115, if a member of the system withdrew from state service
2859 and received a refund of the amount of the accumulated
2860 contributions to the credit of the member in the annuity savings
2861 account before July 1, 2011, and the person reenters state service
2862 and becomes a member of the system again on or after July 1, 2011,
2863 and repays all or part of the amount received as a refund and
2864 interest in order to receive creditable service for service
2865 rendered before July 1, 2011, the member shall be considered to
2866 have become a member of the system on or after July 1, 2011. If a
2867 member of the system withdrew from state service and received a
2868 refund of the amount of the accumulated contributions to the
2869 credit of the member in the annuity savings account before March
2870 1, 2026, and the person reenters state service and becomes a
2871 member of the system again on or after March 1, 2026, the member



2872 shall be considered to have become a member of the system on or
2873 after March 1, 2026, and may not receive creditable service for
2874 service rendered before March 1, 2026.

2875 (r) "Membership service" means service as an employee
2876 in a covered position rendered while a contributing member of the
2877 retirement system.

2878 (s) "Position" means any office or any employment in
2879 the state service, or two (2) or more of them, the duties of which
2880 call for services to be rendered by one (1) person, including
2881 positions jointly employed by federal and state agencies
2882 administering federal and state funds. The employer shall
2883 determine upon initial employment and during the course of
2884 employment of an employee who does not meet the criteria for
2885 coverage in the Public Employees' Retirement System based on the
2886 position held, whether the employee is or becomes eligible for
2887 coverage in the Public Employees' Retirement System based upon any
2888 other employment in a covered agency or political subdivision. If
2889 or when the employee meets the eligibility criteria for coverage
2890 in the other position, then the employer must withhold
2891 contributions and report wages from the noncovered position in
2892 accordance with the provisions for reporting of earned
2893 compensation. Failure to deduct and report those contributions
2894 shall not relieve the employee or employer of liability thereof.
2895 The board shall adopt such rules and regulations as necessary to
2896 implement and enforce this provision.



2897 (t) "Prior service" means:

2898 (i) For persons who became members of the system
2899 before July 1, 2007, service rendered before February 1, 1953, for
2900 which credit is allowable under Sections 25-11-105 and 25-11-109,
2901 and which shall allow prior service for any person who is now or
2902 becomes a member of the Public Employees' Retirement System and
2903 who does contribute to the system for a minimum period of four (4)
2904 years.

2905 (ii) For persons who became members of the system
2906 on or after July 1, 2007, service rendered before February 1,
2907 1953, for which credit is allowable under Sections 25-11-105 and
2908 25-11-109, and which shall allow prior service for any person who
2909 is now or becomes a member of the Public Employees' Retirement
2910 System and who does contribute to the system for a minimum period
2911 of eight (8) years.

2912 (u) "Regular interest" means interest compounded
2913 annually at such a rate as determined by the board in accordance
2914 with Section 25-11-121.

2915 (v) "Retirement allowance" means an annuity for life as
2916 provided in this article, payable each year in twelve (12) equal
2917 monthly installments beginning as of the date fixed by the board.
2918 The retirement allowance shall be calculated in accordance with
2919 Section 25-11-111. However, any spouse who received a spouse
2920 retirement benefit in accordance with Section 25-11-111(d) before
2921 March 31, 1971, and those benefits were terminated because of



2922 eligibility for a social security benefit, may again receive his
2923 or her spouse retirement benefit from and after making application
2924 with the board of trustees to reinstate the spouse retirement
2925 benefit.

2926 (w) "Retroactive service" means service rendered after
2927 February 1, 1953, for which credit is allowable under Section
2928 25-11-105(b) and Section 25-11-105(k).

2929 (x) "System" means the Public Employees' Retirement
2930 System of Mississippi established and described in Section
2931 25-11-101.

2932 (y) "State" means the State of Mississippi or any
2933 political subdivision thereof or instrumentality of the state.

2934 (z) "State service" means all offices and positions of
2935 trust or employment in the employ of the state, or any political
2936 subdivision or instrumentality of the state, that elect to
2937 participate as provided by Section 25-11-105(f), including the
2938 position of elected or fee officials of the counties and their
2939 deputies and employees performing public services or any
2940 department, independent agency, board or commission thereof, and
2941 also includes all offices and positions of trust or employment in
2942 the employ of joint state and federal agencies administering state
2943 and federal funds and service rendered by employees of the public
2944 schools. Effective July 1, 1973, all nonprofessional public
2945 school employees, such as bus drivers, janitors, maids,
2946 maintenance workers and cafeteria employees, shall have the option



2947 to become members in accordance with Section 25-11-105(b), and
2948 shall be eligible to receive credit for services before July 1,
2949 1973, provided that the contributions and interest are paid by the
2950 employee in accordance with that section; in addition, the county
2951 or municipal separate school district may pay the employer
2952 contribution and pro rata share of interest of the retroactive
2953 service from available funds. "State service" shall not include
2954 the President of the Mississippi Lottery Corporation and personnel
2955 employed by the Mississippi Lottery Corporation. From and after
2956 July 1, 1998, retroactive service credit shall be purchased at the
2957 actuarial cost in accordance with Section 25-11-105(b).

2958 (aa) "Withdrawal from service" or "termination from
2959 service" means complete severance of employment in the state
2960 service of any member by resignation, dismissal or discharge.

2961 (bb) The masculine pronoun, wherever used, includes the
2962 feminine pronoun.

2963 (2) For purposes of this article, the term "political
2964 subdivision" shall have the meaning ascribed to such term in
2965 Section 25-11-5 and shall also include public charter schools.

2966 **SECTION 17.** Section 25-11-109, Mississippi Code of 1972, is
2967 amended as follows:

2968 25-11-109. (1) Under such rules and regulations as the
2969 board of trustees shall adopt, each person who becomes a member of
2970 this retirement system, as provided in Section 25-11-105, on or
2971 before July 1, 1953, or who became a member of the system before



2972 July 1, 2007, and contributes to the system for a minimum period
2973 of four (4) years, or who became a member of the system on or
2974 after July 1, 2007, and contributes to the system for a minimum
2975 period of eight (8) years, shall receive credit for all state
2976 service rendered before February 1, 1953. To receive that credit,
2977 the member shall file a detailed statement of all services as an
2978 employee rendered by him in the state service before February 1,
2979 1953. For any member who joined the system after July 1, 1953,
2980 and before July 1, 2007, any creditable service for which the
2981 member is not required to make contributions shall not be credited
2982 to the member until the member has contributed to the system for a
2983 minimum period of at least four (4) years. For any member who
2984 joined the system on or after July 1, 2007, but before March 1,
2985 2026, any creditable service for which the member is not required
2986 to make contributions shall not be credited to the member until
2987 the member has contributed to the system for a minimum period of
2988 at least eight (8) years.

2989 (2) (a) (i) In the computation of creditable service for
2990 service rendered before July 1, 2017, under the provisions of this
2991 article, the total months of accumulative service during any
2992 fiscal year shall be calculated in accordance with the schedule as
2993 follows: ten (10) or more months of creditable service during any
2994 fiscal year shall constitute a year of creditable service; seven
2995 (7) months to nine (9) months inclusive, three-quarters (3/4) of a
2996 year of creditable service; four (4) months to six (6) months



2997 inclusive, one-half (1/2) year of creditable service; one (1)
2998 month to three (3) months inclusive, one-quarter (1/4) of a year
2999 of creditable service.

3000 (ii) In the computation of creditable service
3001 rendered on or after July 1, 2017, under the provisions of this
3002 article, service credit shall be awarded in monthly increments in
3003 a manner prescribed by regulations of the board.

3004 (b) In no case shall credit be allowed for any period
3005 of absence without compensation except for disability while in
3006 receipt of a disability retirement allowance, nor shall less than
3007 fifteen (15) days of service in any month, or service less than
3008 the equivalent of one-half (1/2) of the normal working load for
3009 the position and less than one-half (1/2) of the normal
3010 compensation for the position in any month, constitute a month of
3011 creditable service, nor shall more than one (1) year of service be
3012 creditable for all services rendered in any one (1) fiscal year;
3013 however, for a school employee, substantial completion of the
3014 legal school term when and where the service was rendered shall
3015 constitute a year of service credit. Any state or local elected
3016 official shall be deemed a full-time employee for the purpose of
3017 creditable service. However, an appointed or elected official
3018 compensated on a per diem basis only shall not be allowed
3019 creditable service for terms of office.

3020 (c) In the computation of any retirement allowance or
3021 any annuity or benefits provided in this article, any fractional



3022 period of service of less than one (1) year shall be taken into
3023 account and a proportionate amount of such retirement allowance,
3024 annuity or benefit shall be granted for any such fractional period
3025 of service.

3026 (d) (i) In the computation of unused leave for
3027 creditable service authorized in Section 25-11-103, the following
3028 shall govern for members who retire before July 1, 2017:
3029 twenty-one (21) days of unused leave shall constitute one (1)
3030 month of creditable service and in no case shall credit be allowed
3031 for any period of unused leave of less than fifteen (15) days.
3032 The number of months of unused leave shall determine the number of
3033 quarters or years of creditable service in accordance with the
3034 above schedule for membership and prior service.

3035 (ii) In the computation of unused leave for
3036 creditable service authorized in Section 25-11-103, the following
3037 shall govern for members who retire on or after July 1, 2017:
3038 creditable service for unused leave shall be calculated in monthly
3039 increments in which one (1) month of service credit shall be
3040 awarded for each twenty-one (21) days of unused leave, except that
3041 the first fifteen (15) to fifty-seven (57) days of leave shall
3042 constitute three (3) months of service for those who became a
3043 member of the system before July 1, 2017.

3044 (iii) In order for the member to receive
3045 creditable service for the number of days of unused leave under



3046 this paragraph, the system must receive certification from the
3047 governing authority.

3048 (iv) For anyone who becomes a member of the system
3049 on or after March 1, 2026, no service credit shall be awarded for
3050 unused leave.

3051 (e) For the purposes of this subsection, members of the
3052 system who retire on or after July 1, 2010, shall receive credit
3053 for one-half (1/2) day of leave for each full year of membership
3054 service accrued after June 30, 2010. The amount of leave received
3055 by a member under this paragraph shall be added to the lawfully
3056 credited unused leave for which creditable service is provided
3057 under Section 25-11-103(i).

3058 (f) For the purpose of this subsection, for members of
3059 the system who are elected officers and who retire on or after
3060 July 1, 1987, the following shall govern:

3061 (i) For service before July 1, 1984, the members
3062 shall receive credit for leave (combined personal and major
3063 medical) for service as an elected official before that date at
3064 the rate of thirty (30) days per year.

3065 (ii) For service on and after July 1, 1984, the
3066 member shall receive credit for personal and major medical leave
3067 beginning July 1, 1984, at the rates authorized in Sections
3068 25-3-93 and 25-3-95, computed as a full-time employee.

3069 (iii) If a member is employed in a covered
3070 nonelected position and a covered elected position simultaneously,



3071 that member may not receive service credit for accumulated unused
3072 leave for both positions at retirement for the period during which
3073 the member was dually employed. During the period during which
3074 the member is dually employed, the member shall only receive
3075 credit for leave as provided for in this paragraph for an elected
3076 official.

3077 (iv) For any elected official who becomes a member
3078 of the system on or after March 1, 2026, no service credit shall
3079 be awarded for leave.

3080 (3) Subject to the above restrictions and to such other
3081 rules and regulations as the board may adopt, the board shall
3082 verify, as soon as practicable after the filing of such statements
3083 of service, the services therein claimed.

3084 (4) Upon verification of the statement of prior service, the
3085 board shall issue a prior service certificate certifying to each
3086 member the length of prior service for which credit shall have
3087 been allowed on the basis of his statement of service. So long as
3088 membership continues, a prior service certificate shall be final
3089 and conclusive for retirement purposes as to such service,
3090 provided that any member may within five (5) years from the date
3091 of issuance or modification of such certificate request the board
3092 of trustees to modify or correct his prior service certificate.
3093 Any modification or correction authorized shall only apply
3094 prospectively.



3095 When membership ceases, such prior service certificates shall
3096 become void. Should the employee again become a member, he shall
3097 enter the system as an employee not entitled to prior service
3098 credit except as provided in Sections 25-11-105(I), 25-11-113 and
3099 25-11-117.

3100 (5) Creditable service at retirement, on which the
3101 retirement allowance of a member shall be based, shall consist of
3102 the membership service rendered by him since he last became a
3103 member, and also, if he has a prior service certificate that is in
3104 full force and effect, the amount of the service certified on his
3105 prior service certificate.

3106 (6) Any member who served on active duty in the Armed Forces
3107 of the United States, who served in the Commissioned Corps of the
3108 United States Public Health Service before 1972 or who served in
3109 maritime service during periods of hostility in World War II,
3110 shall be entitled to creditable service at no cost for his service
3111 on active duty in the Armed Forces, in the Commissioned Corps of
3112 the United States Public Health Service before 1972 or in such
3113 maritime service, provided he entered state service after his
3114 discharge from the Armed Forces or entered state service after he
3115 completed such maritime service. The maximum period for such
3116 creditable service for all military service as defined in this
3117 subsection (6) shall not exceed four (4) years unless positive
3118 proof can be furnished by such person that he was retained in the
3119 Armed Forces during World War II or in maritime service during



3120 World War II by causes beyond his control and without opportunity
3121 of discharge. The member shall furnish proof satisfactory to the
3122 board of trustees of certification of military service or maritime
3123 service records showing dates of entrance into active duty service
3124 and the date of discharge. From and after July 1, 1993, no
3125 creditable service shall be granted for any military service or
3126 maritime service to a member who qualifies for a retirement
3127 allowance in another public retirement system administered by the
3128 Board of Trustees of the Public Employees' Retirement System
3129 based, in whole or in part, on such military or maritime service.
3130 In no case shall the member receive creditable service if the
3131 member received a dishonorable discharge from the Armed Forces of
3132 the United States.

3133 (7) (a) Any member of the Public Employees' Retirement
3134 System whose membership service is interrupted as a result of
3135 qualified military service within the meaning of Section 414(u)(5)
3136 of the Internal Revenue Code, and who has received the maximum
3137 service credit available under subsection (6) of this section,
3138 shall receive creditable service for the period of qualified
3139 military service that does not qualify as creditable service under
3140 subsection (6) of this section upon reentering membership service
3141 in an amount not to exceed five (5) years if:

3142 (i) The member pays the contributions he would
3143 have made to the retirement system if he had remained in
3144 membership service for the period of qualified military service



3145 based upon his salary at the time his membership service was
3146 interrupted;

3147 (ii) The member returns to membership service
3148 within ninety (90) days of the end of his qualified military
3149 service; and

3150 (iii) The employer at the time the member's
3151 service was interrupted and to which employment the member returns
3152 pays the contributions it would have made into the retirement
3153 system for such period based on the member's salary at the time
3154 the service was interrupted.

3155 (b) The payments required to be made in paragraph
3156 (a) (i) of this subsection may be made over a period beginning with
3157 the date of return to membership service and not exceeding three
3158 (3) times the member's qualified military service; however, in no
3159 event shall such period exceed five (5) years.

3160 (c) The member shall furnish proof satisfactory to the
3161 board of trustees of certification of military service showing
3162 dates of entrance into qualified service and the date of discharge
3163 as well as proof that the member has returned to active employment
3164 within the time specified.

3165 (8) Any member of the Public Employees' Retirement System
3166 who became a member of the system before July 1, 2007, and who has
3167 at least four (4) years of membership service credit, or who
3168 became a member of the system on or after July 1, 2007, but before
3169 March 1, 2026, and who has at least eight (8) years of membership



3170 service credit, shall be entitled to receive a maximum of five (5)
3171 years' creditable service for service rendered in another state as
3172 a public employee of such other state, or a political subdivision,
3173 public education system or other governmental instrumentality
3174 thereof, or service rendered as a teacher in American overseas
3175 dependent schools conducted by the Armed Forces of the United
3176 States for children of citizens of the United States residing in
3177 areas outside the continental United States, provided that:

3178 (a) The member shall furnish proof satisfactory to the
3179 board of trustees of certification of such services from the
3180 state, public education system, political subdivision or
3181 retirement system of the state where the services were performed
3182 or the governing entity of the American overseas dependent school
3183 where the services were performed; and

3184 (b) The member is not receiving or will not be entitled
3185 to receive from the public retirement system of the other state or
3186 from any other retirement plan, including optional retirement
3187 plans, sponsored by the employer, a retirement allowance including
3188 such services; and

3189 (c) The member shall pay to the retirement system on
3190 the date he or she is eligible for credit for such out-of-state
3191 service or at any time thereafter before the date of retirement
3192 the actuarial cost as determined by the actuary for each year of
3193 out-of-state creditable service. The provisions of this
3194 subsection are subject to the limitations of Section 415 of the



3195 Internal Revenue Code and regulations promulgated under that
3196 section.

3197 (9) Any member of the Public Employees' Retirement System
3198 who became a member of the system before July 1, 2007, and has at
3199 least four (4) years of membership service credit, or who became a
3200 member of the system on or after July 1, 2007, but before March 1,
3201 2026, and has at least eight (8) years of membership service
3202 credit, and who receives, or has received, professional leave
3203 without compensation for professional purposes directly related to
3204 the employment in state service shall receive creditable service
3205 for the period of professional leave without compensation
3206 provided:

3207 (a) The professional leave is performed with a public
3208 institution or public agency of this state, or another state or
3209 federal agency;

3210 (b) The employer approves the professional leave
3211 showing the reason for granting the leave and makes a
3212 determination that the professional leave will benefit the
3213 employee and employer;

3214 (c) Such professional leave shall not exceed two (2)
3215 years during any ten-year period of state service;

3216 (d) The employee shall serve the employer on a
3217 full-time basis for a period of time equivalent to the
3218 professional leave period granted immediately following the
3219 termination of the leave period;



3220 (e) The contributing member shall pay to the retirement
3221 system the actuarial cost as determined by the actuary for each
3222 year of professional leave. The provisions of this subsection are
3223 subject to the regulations of the Internal Revenue Code
3224 limitations;

3225 (f) Such other rules and regulations consistent
3226 herewith as the board may adopt and in case of question, the board
3227 shall have final power to decide the questions.

3228 Any actively contributing member participating in the School
3229 Administrator Sabbatical Program established in Section 37-9-77
3230 shall qualify for continued participation under this subsection
3231 (9).

3232 (10) Any member of the Public Employees' Retirement System
3233 who became a member of the system before July 1, 2007, and has at
3234 least four (4) years of credited membership service, or who became
3235 a member of the system on or after July 1, 2007, but before March
3236 1, 2026, and has at least eight (8) years of credited membership
3237 service, shall be entitled to receive a maximum of ten (10) years
3238 creditable service for:

3239 (a) Any service rendered as an employee of any
3240 political subdivision of this state, or any instrumentality
3241 thereof, that does not participate in the Public Employees'
3242 Retirement System; or

3243 (b) Any service rendered as an employee of any
3244 political subdivision of this state, or any instrumentality



3245 thereof, that participates in the Public Employees' Retirement
3246 System but did not elect retroactive coverage; or

3247 (c) Any service rendered as an employee of any
3248 political subdivision of this state, or any instrumentality
3249 thereof, for which coverage of the employee's position was or is
3250 excluded; provided that the member pays into the retirement system
3251 the actuarial cost as determined by the actuary for each year, or
3252 portion thereof, of such service. After a member has made full
3253 payment to the retirement system for all or any part of such
3254 service, the member shall receive creditable service for the
3255 period of such service for which full payment has been made to the
3256 retirement system.

3257 **SECTION 18.** Section 25-11-111, Mississippi Code of 1972, is
3258 amended as follows:

3259 25-11-111. (a) (1) Any member who became a member of the
3260 system before July 1, 2007, upon withdrawal from service upon or
3261 after attainment of the age of sixty (60) years who has completed
3262 at least four (4) years of membership service, or any member who
3263 became a member of the system before July 1, 2011, upon withdrawal
3264 from service regardless of age who has completed at least
3265 twenty-five (25) years of creditable service, shall be entitled to
3266 receive a retirement allowance, which shall begin on the first of
3267 the month following the date the member's application for the
3268 allowance is received by the board, but in no event before
3269 withdrawal from service.



3270 (2) Any member who became a member of the system on or
3271 after July 1, 2007, but before March 1, 2026, upon withdrawal from
3272 service upon or after attainment of the age of sixty (60) years
3273 who has completed at least eight (8) years of membership service,
3274 or any member who became a member of the system on or after July
3275 1, 2011, but before March 1, 2026, upon withdrawal from service
3276 regardless of age who has completed at least thirty (30) years of
3277 creditable service, shall be entitled to receive a retirement
3278 allowance, which shall begin on the first of the month following
3279 the date the member's application for the allowance is received by
3280 the board, but in no event before withdrawal from service.

3281 (3) Any member who became a member of the system on or
3282 after March 1, 2026, upon withdrawal from service upon or after
3283 attainment of the age of sixty-two (62) years who has completed at
3284 least eight (8) years of membership service, or upon withdrawal
3285 from service regardless of age who has completed at least
3286 thirty-five (35) years of creditable service, shall be entitled to
3287 receive a retirement allowance, which shall begin on the first of
3288 the month following the date the member's application for the
3289 allowance is received by the board, but in no event before
3290 withdrawal from service.

3291 (b) (1) Any member who became a member of the system before
3292 July 1, 2007, whose withdrawal from service occurs before
3293 attaining the age of sixty (60) years who has completed four (4)
3294 or more years of membership service and has not received a refund



3295 of his accumulated contributions, shall be entitled to receive a
3296 retirement allowance, beginning upon his attaining the age of
3297 sixty (60) years, of the amount earned and accrued at the date of
3298 withdrawal from service. The retirement allowance shall begin on
3299 the first of the month following the date the member's application
3300 for the allowance is received by the board, but in no event before
3301 withdrawal from service.

3302 (2) Any member who became a member of the system on or
3303 after July 1, 2007, but before March 1, 2026, whose withdrawal
3304 from service occurs before attaining the age of sixty (60) years
3305 who has completed eight (8) or more years of membership service
3306 and has not received a refund of his accumulated contributions,
3307 shall be entitled to receive a retirement allowance, beginning
3308 upon his attaining the age of sixty (60) years, of the amount
3309 earned and accrued at the date of withdrawal from service. The
3310 retirement allowance shall begin on the first of the month
3311 following the date the member's application for the allowance is
3312 received by the board, but in no event before withdrawal from
3313 service.

3314 (3) Any member who became a member of the system on or
3315 after March 1, 2026, whose withdrawal from service occurs before
3316 attaining the age of sixty-two (62) years who has completed eight
3317 (8) or more years of membership service and has not received a
3318 refund of his accumulated contributions, shall be entitled to
3319 receive a retirement allowance, beginning upon his attaining the



3320 age of sixty-two (62) years, of the amount earned and accrued at
3321 the date of withdrawal from service. The retirement allowance
3322 shall begin on the first of the month following the date the
3323 member's application for the allowance is received by the board,
3324 but in no event before withdrawal from service.

3325 (c) Any member in service who has qualified for retirement
3326 benefits may select any optional method of settlement of
3327 retirement benefits by notifying the Executive Director of the
3328 Board of Trustees of the Public Employees' Retirement System in
3329 writing, on a form prescribed by the board, of the option he has
3330 selected and by naming the beneficiary of the option and
3331 furnishing necessary proof of age. The option, once selected, may
3332 be changed at any time before actual retirement or death, but upon
3333 the death or retirement of the member, the optional settlement
3334 shall be placed in effect upon proper notification to the
3335 executive director.

3336 (d) Any member who became a member of the system before July
3337 1, 2011, shall be entitled to an annual retirement allowance which
3338 shall consist of:

3339 (1) A member's annuity, which shall be the actuarial
3340 equivalent of the accumulated contributions of the member at the
3341 time of retirement computed according to the actuarial table in
3342 use by the system; and

3343 (2) An employer's annuity, which, together with the
3344 member's annuity provided above, shall be equal to two percent



3345 (2%) of the average compensation for each year of service up to
3346 and including twenty-five (25) years of creditable service, and
3347 two and one-half percent (2-1/2%) of the average compensation for
3348 each year of service exceeding twenty-five (25) years of
3349 creditable service.

3350 (3) Any retired member or beneficiary thereof who was
3351 eligible to receive a retirement allowance before July 1, 1991,
3352 and who is still receiving a retirement allowance on July 1, 1992,
3353 shall receive an increase in the annual retirement allowance of
3354 the retired member equal to one-eighth of one percent (1/8 of 1%)
3355 of the average compensation for each year of state service in
3356 excess of twenty-five (25) years of membership service up to and
3357 including thirty (30) years. The maximum increase shall be
3358 five-eighths of one percent (5/8 of 1%). In no case shall a
3359 member who has been retired before July 1, 1987, receive less than
3360 Ten Dollars (\$10.00) per month for each year of creditable service
3361 and proportionately for each quarter year thereof. Persons
3362 retired on or after July 1, 1987, shall receive at least Ten
3363 Dollars (\$10.00) per month for each year of service and
3364 proportionately for each quarter year thereof reduced for the
3365 option selected. However, such Ten Dollars (\$10.00) minimum per
3366 month for each year of creditable service shall not apply to a
3367 retirement allowance computed under Section 25-11-114 based on a
3368 percentage of the member's average compensation.



3369 (e) Any member who became a member of the system on or after
3370 July 1, 2011, but before March 1, 2026, shall be entitled to an
3371 annual retirement allowance which shall consist of:

3372 (1) A member's annuity, which shall be the actuarial
3373 equivalent of the accumulated contributions of the member at the
3374 time of retirement computed according to the actuarial table in
3375 use by the system; and

3376 (2) An employer's annuity, which, together with the
3377 member's annuity provided above, shall be equal to two percent
3378 (2%) of the average compensation for each year of service up to
3379 and including thirty (30) years of creditable service, and two and
3380 one-half percent (2-1/2%) of average compensation for each year of
3381 service exceeding thirty (30) years of creditable service.

3382 (f) Any member who became a member of the system on or after
3383 July 1, 2011, but before March 1, 2026, upon withdrawal from
3384 service upon or after attaining the age of sixty (60) years who
3385 has completed at least eight (8) years of membership service, or
3386 any such member upon withdrawal from service regardless of age who
3387 has completed at least thirty (30) years of creditable service,
3388 shall be entitled to receive a retirement allowance computed in
3389 accordance with the formula set forth in subsection (e) of this
3390 section. In the case of the retirement of any member who has
3391 attained age sixty (60) but who has not completed at least thirty
3392 (30) years of creditable service, the retirement allowance shall
3393 be computed in accordance with the formula set forth in subsection



3394 (e) of this section except that the total annual retirement
3395 allowance shall be reduced by an actuarial equivalent factor for
3396 each year of creditable service below thirty (30) years or the
3397 number of years in age that the member is below age sixty-five
3398 (65), whichever is less.

3399 (g) Any member who became a member of the system on or after
3400 March 1, 2026, upon withdrawal from service upon or after
3401 attainment of the age of sixty-five (65) years who has completed
3402 at least eight (8) years of membership service, or upon withdrawal
3403 from service at the age of sixty-two (62) who has completed at
3404 least thirty (30) years of creditable service, or upon withdrawal
3405 from service regardless of age who has completed at least
3406 thirty-five (35) years of creditable service, shall be entitled to
3407 an annual retirement allowance which shall consist of a member's
3408 annuity, which annuity shall be equal to one percent (1%) of the
3409 average compensation for each year of creditable service. In the
3410 case of the retirement of any member who has attained the age of
3411 sixty-two (62) but has not completed at least thirty (30) years of
3412 creditable service, the total annual retirement allowance
3413 specified in this subsection (g) shall be reduced by an actuarial
3414 equivalent factor for each year of creditable service below thirty
3415 (30) years or the number of years in age that the member is below
3416 age sixty-five (65), whichever is less.

3417 (* * *h) No member, except members excluded by the Age
3418 Discrimination in Employment Act Amendments of 1986 (Public Law



3419 99-592), under either Article 1 or Article 3 in state service
3420 shall be required to retire because of age.

3421 (* * *i) No payment on account of any benefit granted under
3422 the provisions of this section shall become effective or begin to
3423 accrue until January 1, 1953.

3424 (* * *j) (1) A retiree or beneficiary may, on a form
3425 prescribed by and filed with the retirement system, irrevocably
3426 waive all or a portion of any benefits from the retirement system
3427 to which the retiree or beneficiary is entitled. The waiver shall
3428 be binding on the heirs and assigns of any retiree or beneficiary
3429 and the same must agree to forever hold harmless the Public
3430 Employees' Retirement System of Mississippi from any claim to the
3431 waived retirement benefits.

3432 (2) Any waiver under this subsection shall apply only
3433 to the person executing the waiver. A beneficiary shall be
3434 entitled to benefits according to the option selected by the
3435 member at the time of retirement. However, a beneficiary may, at
3436 the option of the beneficiary, execute a waiver of benefits under
3437 this subsection.

3438 (3) The retirement system shall retain in the annuity
3439 reserve account amounts that are not used to pay benefits because
3440 of a waiver executed under this subsection.

3441 (4) The board of trustees may provide rules and
3442 regulations for the administration of waivers under this
3443 subsection.



3444 **SECTION 19.** Section 25-11-112, Mississippi Code of 1972, is
3445 amended as follows:

3446 25-11-112. (1) Any member who became a member of the system
3447 before March 1, 2026, and is receiving a retirement allowance for
3448 service or disability retirement, or any beneficiary thereof, who
3449 has received a monthly benefit for at least one (1) full fiscal
3450 year, shall be eligible to receive an additional benefit, on
3451 December 1 or July 1 of the year as provided in subsection (3) of
3452 this section, equal to an amount calculated under paragraph (a) or
3453 (b) below:

3454 (a) For any member who became a member of the system
3455 before July 1, 2011, the sum of:

3456 (i) An amount equal to three percent (3%) of the
3457 annual retirement allowance multiplied by the number of full
3458 fiscal years in retirement before the end of the fiscal year in
3459 which the member reaches age fifty-five (55), plus

3460 (ii) An additional amount equal to three percent
3461 (3%) compounded by the number of full fiscal years in retirement
3462 beginning with the fiscal year in which the member reaches age
3463 fifty-five (55), multiplied by the amount of the annual retirement
3464 allowance.

3465 (b) For any member who became a member of the system on
3466 or after July 1, 2011, but before March 1, 2026, the sum of:

3467 (i) An amount equal to three percent (3%) of the
3468 annual retirement allowance multiplied by the number of full



3469 fiscal years in retirement before the end of the fiscal year in
3470 which the member reaches age sixty (60), plus

3471 (ii) An additional amount equal to three percent
3472 (3%) compounded by the number of full fiscal years in retirement
3473 beginning with the fiscal year in which the member reaches age
3474 sixty (60), multiplied by the amount of the annual retirement
3475 allowance.

3476 (2) The calculation of the beneficiary's additional benefit
3477 under subsection (1)(a) or (b) of this section shall be based on
3478 the member's age and full fiscal years in retirement as if the
3479 member had lived.

3480 (3) (a) The additional benefit provided for under this
3481 section shall be paid in one (1) payment in December of each year
3482 to those persons who are receiving a retirement allowance on
3483 December 1 of that year, unless an election is made under this
3484 subsection. However, if a retiree who is receiving a retirement
3485 allowance that will terminate upon the retiree's death is
3486 receiving the additional benefit in one (1) payment and dies on or
3487 after July 1 but before December 1, the beneficiary designated on
3488 the retirement application, if any, shall receive in a single
3489 payment a fractional part of the additional benefit based on the
3490 number of months in which a retirement allowance was received
3491 during the fiscal year. Likewise, if a retiree is receiving a
3492 retirement allowance that will terminate upon his or her death in
3493 two (2) to six (6) monthly installments, any remaining payments of



3494 the additional benefit will be paid in a lump sum to the
3495 beneficiary designated on the application, or if none, pursuant to
3496 Section 25-11-117.1(1). Any similar remaining payments of
3497 additional benefits payable under this section to a deceased
3498 beneficiary who was receiving a monthly benefit shall be payable
3499 in accordance with the provisions of Section 25-11-117.1(2). If
3500 the additional monthly benefit is being received in one (1)
3501 payment, the additional benefit shall also be prorated based on
3502 the number of months in which a retirement allowance was received
3503 during the fiscal year when (i) the monthly benefit payable to a
3504 beneficiary terminates due to the expiration of an option,
3505 remarriage or cessation of dependent status or due to the
3506 retiree's return to covered employment, and (ii) the monthly
3507 benefit terminates on or after July 1 and before December 1. The
3508 board may, in its discretion, allow a retired member or a
3509 beneficiary thereof who is receiving the additional annual payment
3510 in the manner provided for in this paragraph to change the manner
3511 in which the additional annual payment is received to that
3512 provided for in paragraph (b) of this subsection if the retired
3513 member or beneficiary submits satisfactory documentation that the
3514 continued receipt of the additional annual payment as provided for
3515 in this paragraph will cause a financial hardship to the retired
3516 member or beneficiary.

3517 (b) Retired members or beneficiaries thereof who on
3518 July 1, 1999, or July 1 of any fiscal year thereafter, are



3519 receiving a retirement allowance, may elect by an irrevocable
3520 agreement in writing filed in the Office of the Public Employees'
3521 Retirement System no less than thirty (30) days before July 1 of
3522 the appropriate year, to begin receiving the additional benefit
3523 provided for under this section in twelve (12) equal monthly
3524 installments beginning July 1, 1999, or July 1 of any fiscal year
3525 thereafter. This irrevocable agreement shall be binding on the
3526 member and subsequent beneficiaries. Payment of those monthly
3527 installments shall not extend beyond the month in which a
3528 retirement allowance is due and payable. The board may, in its
3529 discretion, allow a retired member or a beneficiary thereof who is
3530 receiving the additional annual payment in the manner provided for
3531 in this paragraph to change the manner in which the additional
3532 annual payment is received to that provided for in paragraph (a)
3533 of this subsection if the retired member or beneficiary submits
3534 satisfactory documentation that the continued receipt of the
3535 additional annual payment as provided for in this paragraph will
3536 cause a financial hardship to the retired member or beneficiary.

3537 (4) The additional payment or payments provided for under
3538 this section are for the fiscal year in which they are paid.

3539 (5) (a) The amount provided for under subsection (1)
3540 (a)(ii) of this section is calculated using the following formula:

3541 $[(1.03)^n - 1] \times [\text{annual retirement allowance}],$



3542 where n is the number of full fiscal years in retirement beginning
3543 with the fiscal year in which the member reaches age fifty-five
3544 (55).

3545 (b) The amount provided for under subsection (1)(b)(ii)
3546 of this section is calculated using the following formula:

3547 $[(1.03)^n - 1] \times [\text{annual retirement allowance}]$,

3548 where n is the number of full fiscal years in retirement beginning
3549 with the fiscal year in which the member reaches age sixty (60).

3550 (6) Any retired member or beneficiary thereof who has
3551 previously elected to receive the additional annual payment in
3552 monthly installments may elect, upon application on a form
3553 prescribed by the board of trustees, to have that payment made in
3554 one (1) additional payment each year. This written election must
3555 be filed in the Office of the Public Employees' Retirement System
3556 before June 1, 2000, and shall be effective for the fiscal year
3557 beginning July 1, 2000.

3558 (7) In the event of death of a retired member or a
3559 beneficiary thereof who is receiving the additional annual payment
3560 in two (2) to six (6) monthly installments pursuant to an election
3561 made before July 1, 1999, and who would otherwise be eligible to
3562 receive the additional benefit provided for under this section in
3563 one (1) payment in December of the current fiscal year, any
3564 remaining amounts shall be paid in a lump sum to the designated
3565 beneficiary.



3566 (8) When a member retires after July 1 and has previously
3567 received a retirement allowance for one or more full fiscal years,
3568 the retired member shall be eligible immediately for the
3569 additional benefit. The additional benefit shall be based on the
3570 current retirement allowance and the number of full fiscal years
3571 in retirement and shall be prorated and paid in monthly
3572 installments based on the number of months a retirement allowance
3573 is paid during the fiscal year.

3574 (9) A member who became a member of the system on or after
3575 March 1, 2026, is not entitled to the additional annual benefit
3576 under this section; however, the Legislature may provide an
3577 additional benefit for a specific year.

3578 **SECTION 20.** Section 25-11-114, Mississippi Code of 1972, is
3579 amended as follows:

3580 25-11-114. (1) The applicable benefits provided in
3581 subsections (2) and (3) of this section shall be paid to eligible
3582 beneficiaries of any member who became a member of the system
3583 before July 1, 2007, and has completed four (4) or more years of
3584 membership service, or who became a member of the system on or
3585 after July 1, 2007, and has completed eight (8) or more years of
3586 membership service, and who dies before retirement and who has not
3587 filed a Pre-Retirement Optional Retirement Form as provided in
3588 Section 25-11-111.

3589 (2) (a) The surviving spouse of a member who dies before
3590 retirement shall receive a monthly benefit computed in accordance



3591 with paragraph (d) of this subsection (2) as if the member had
3592 nominated his spouse as beneficiary if:

3593 (i) The member completed the requisite minimum
3594 number of years of membership service to qualify for a retirement
3595 allowance at age sixty (60), for any member who became a member of
3596 the system before March 1, 2026, or at age sixty-two (62), for any
3597 member who became a member of the system on or after March 1,
3598 2026;

3599 (ii) The spouse has been married to the member for
3600 not less than one (1) year preceding the death of the member;

3601 (iii) The member has not exercised any other
3602 option.

3603 (b) If, at the time of the member's death, there are no
3604 dependent children, and the surviving spouse, who otherwise would
3605 receive the annuity under this subsection (2), has filed with the
3606 system a signed written waiver of his or her rights to the annuity
3607 and that waiver was in effect at the time of the member's death, a
3608 lump-sum distribution of the deceased member's accumulated
3609 contributions shall be refunded in accordance with Section
3610 25-11-117.

3611 (c) The spouse annuity shall begin on the first day of
3612 the month following the date of the member's death, but in case of
3613 late filing, retroactive payments will be made for a period of not
3614 more than one (1) year.



3615 (d) The spouse of a member who is eligible to receive a
3616 monthly benefit under paragraph (a) of this subsection (2) shall
3617 receive a benefit for life equal to the higher of the following:

3618 (i) The greater of twenty percent (20%) of the
3619 deceased member's average compensation as defined in Section
3620 25-11-103 at the time of death or Fifty Dollars (\$50.00) monthly;
3621 or

3622 (ii) Benefits calculated under Option 2 of Section
3623 25-11-115. The method of calculating the retirement benefits
3624 shall be on the same basis as provided in Section
3625 25-11-111(d) * * *, (e) or (g), as applicable. However, if the
3626 member dies before being qualified for a full, unreduced
3627 retirement allowance, then the benefits shall be reduced by an
3628 actuarially determined percentage or factor based on the lesser of
3629 either the number of years of service credit or the number of
3630 years in age required to qualify for a full, unreduced retirement
3631 allowance in Section 25-11-111(d) * * *, (e) or (g), as
3632 applicable.

3633 (e) The surviving spouse of a deceased member who
3634 previously received spouse retirement benefits under paragraph
3635 (d)(i) of this subsection from and after July 1, 1992, and whose
3636 benefits were terminated before July 1, 2004, because of
3637 remarriage, may again receive the retirement benefits authorized
3638 under paragraph (d)(i) of this subsection by making application
3639 with the board to reinstate those benefits. Any reinstatement of



3640 the benefits shall be prospective only and shall begin after the
3641 first of the month following the date of the application for
3642 reinstatement, but no earlier than July 1, 2004. From and after
3643 July 1, 2010, any spouse who chose Option 2 from and after July 1,
3644 1992, but before July 1, 2004, where the benefit, although payable
3645 for life, was less than the benefit available under the
3646 calculation in paragraph (d)(i) of this subsection shall have his
3647 or her benefit increased to the amount which provides the greater
3648 benefit.

3649 (3) (a) Subject to the maximum limitation provided in this
3650 paragraph, the member's dependent children each shall receive an
3651 annuity of the greater of ten percent (10%) of the member's
3652 average compensation as defined in Section 25-11-103 at the time
3653 of the death of the member or Fifty Dollars (\$50.00) monthly;
3654 however, if there are more than three (3) dependent children, each
3655 dependent child shall receive an equal share of a total annuity
3656 equal to thirty percent (30%) of the member's average
3657 compensation, provided that the total annuity shall not be less
3658 than One Hundred Fifty Dollars (\$150.00) per month for all
3659 children.

3660 (b) A child shall be considered to be a dependent child
3661 until marriage, or the attainment of age nineteen (19), whichever
3662 comes first; however, this age limitation shall be extended beyond
3663 age nineteen (19), but in no event beyond the attainment of age
3664 twenty-three (23), as long as the child is a student regularly



3665 pursuing a full-time course of resident study or training in an
3666 accredited high school, trade school, technical or vocational
3667 institute, junior or community college, college, university or
3668 comparable recognized educational institution duly licensed by a
3669 state. A student child who is receiving a retirement allowance as
3670 of June 30, 2016, whose birthday falls during the school year
3671 (September 1 through June 30) is considered not to reach age
3672 twenty-three (23) until the July 1 following the actual
3673 twenty-third birthday. A full-time course of resident study or
3674 training means a day or evening noncorrespondence course that
3675 includes school attendance at the rate of at least thirty-six (36)
3676 weeks per academic year or other applicable period with a subject
3677 load sufficient, if successfully completed, to attain the
3678 educational or training objective within the period generally
3679 accepted as minimum for completion, by a full-time day student, of
3680 the academic or training program concerned. Any child who is
3681 physically or mentally incompetent, as adjudged by either a
3682 Mississippi court of competent jurisdiction or by the board, shall
3683 receive benefits for as long as the incompetency exists.

3684 (c) If there are more than three (3) dependent
3685 children, upon a child's ceasing to be a dependent child, his
3686 annuity shall terminate and there shall be a redetermination of
3687 the amounts payable to any remaining dependent children.

3688 (d) Annuities payable under this subsection (3) shall
3689 begin the first day of the month following the date of the



3690 member's death or in case of late filing, retroactive payments
3691 will be made for a period of not more than one (1) year. Those
3692 benefits may be paid to a surviving parent or the lawful custodian
3693 of a dependent child for the use and benefit of the child without
3694 the necessity of appointment as guardian.

3695 (4) (a) Death benefits in the line of duty. Regardless of
3696 the number of years of the member's creditable service, the spouse
3697 and/or the dependent children of an active member who is killed or
3698 dies as a direct result of a physical injury sustained from an
3699 accident or a traumatic event caused by external violence or
3700 physical force occurring in the line of performance of duty shall
3701 qualify, on approval of the board, for a retirement allowance on
3702 the first of the month following the date of death, but in the
3703 case of late filing, retroactive payments will be made for a
3704 period of not more than one (1) year. The spouse shall receive a
3705 retirement allowance for life equal to one-half (1/2) of the
3706 average compensation as defined in Section 25-11-103. In addition
3707 to the retirement allowance for the spouse, or if there is no
3708 surviving spouse, the member's dependent child shall receive a
3709 retirement allowance in the amount of one-fourth (1/4) of the
3710 member's average compensation as defined in Section 25-11-103;
3711 however, if there are two (2) or more dependent children, each
3712 dependent child shall receive an equal share of a total annuity
3713 equal to one-half (1/2) of the member's average compensation. If
3714 there are more than two (2) dependent children, upon a child's



3715 ceasing to be a dependent child, his annuity shall terminate and
3716 there shall be a redetermination of the amounts payable to any
3717 remaining dependent children. Those benefits shall cease to be
3718 paid for the support and maintenance of each child upon the child
3719 attaining the age of nineteen (19) years; however, the spouse
3720 shall continue to be eligible for the aforesaid retirement
3721 allowance. Those benefits may be paid to a surviving parent or
3722 lawful custodian of the children for the use and benefit of the
3723 children without the necessity of appointment as guardian. Any
3724 spouse who received spouse retirement benefits under this
3725 paragraph (a) from and after April 4, 1984, and whose benefits
3726 were terminated before July 1, 2004, because of remarriage, may
3727 again receive the retirement benefits authorized under this
3728 paragraph (a) by making application with the board to reinstate
3729 those benefits. Any reinstatement of the benefits shall be
3730 prospective only and shall begin after the first of the month
3731 following the date of the application for reinstatement, but not
3732 earlier than July 1, 2004.

3733 (b) A child shall be considered to be a dependent child
3734 until marriage, or the attainment of age nineteen (19), whichever
3735 comes first; however, this age limitation shall be extended beyond
3736 age nineteen (19), but in no event beyond the attainment of age
3737 twenty-three (23), as long as the child is a student regularly
3738 pursuing a full-time course of resident study or training in an
3739 accredited high school, trade school, technical or vocational



3740 institute, junior or community college, college, university or
3741 comparable recognized educational institution duly licensed by a
3742 state. A student child who is receiving a retirement allowance as
3743 of June 30, 2016, whose birthday falls during the school year
3744 (September 1 through June 30) is considered not to reach age
3745 twenty-three (23) until the July 1 following the actual
3746 twenty-third birthday. A full-time course of resident study or
3747 training means a day or evening noncorrespondence course that
3748 includes school attendance at the rate of at least thirty-six (36)
3749 weeks per academic year or other applicable period with a subject
3750 load sufficient, if successfully completed, to attain the
3751 educational or training objective within the period generally
3752 accepted as minimum for completion, by a full-time day student, of
3753 the academic or training program concerned. Any child who is
3754 physically or mentally incompetent, as adjudged by either a
3755 Mississippi court of competent jurisdiction or by the board, shall
3756 receive benefits for as long as the incompetency exists.

3757 (5) If all the annuities provided for in this section
3758 payable on account of the death of a member terminate before there
3759 has been paid an aggregate amount equal to the member's
3760 accumulated contributions standing to the member's credit in the
3761 annuity savings account at the time of the member's death, the
3762 difference between the accumulated contributions and the aggregate
3763 amount of annuity payments shall be paid to the person that the
3764 member has nominated by written designation duly executed and



3765 filed with the board. If there is no designated beneficiary
3766 surviving at termination of benefits, the difference shall be
3767 payable under Section 25-11-117.1(1).

3768 (6) Regardless of the number of years of creditable service,
3769 upon the application of a member or employer, any active member
3770 who becomes disabled as a direct result of a physical injury
3771 sustained from an accident or traumatic event caused by external
3772 violence or physical force occurring in the line of performance of
3773 duty, provided that the medical board or other designated
3774 governmental agency after a medical examination certifies that the
3775 member is mentally or physically incapacitated for the further
3776 performance of duty and the incapacity is likely to be permanent,
3777 may be retired by the board of trustees on the first of the month
3778 following the date of filing the application but in no event shall
3779 the retirement allowance begin before the termination of state
3780 service. If a member who has been approved for a retirement
3781 allowance under this subsection does not terminate state service
3782 within ninety (90) days after the approval, the retirement
3783 allowance and the application for the allowance shall be void.
3784 The retirement allowance shall equal the allowance on disability
3785 retirement as provided in Section 25-11-113 but shall not be less
3786 than fifty percent (50%) of average compensation. Line of duty
3787 disability benefits under this section shall be administered in
3788 accordance with the provisions of Section 25-11-113(1) (b), (c),
3789 (d), (e) and (f), (3), (4), (5) and (6).



3790 (7) For purposes of determining death or disability benefits
3791 under this section, the following shall apply:

3792 (a) Death or permanent and total disability resulting
3793 from a cardiovascular, pulmonary or musculoskeletal condition that
3794 was not a direct result of a physical injury sustained from an
3795 accident or a traumatic event caused by external violence or
3796 physical force occurring in the performance of duty shall be
3797 deemed a natural death or an ordinary disability.

3798 (b) A mental disability based exclusively on employment
3799 duties occurring on an ongoing basis shall be deemed an ordinary
3800 disability.

3801 (8) If the deceased or disabled member has less than four
3802 (4) years of membership service, the average compensation as
3803 defined in Section 25-11-103 shall be the average of all annual
3804 earned compensation in state service for the purposes of benefits
3805 provided in this section.

3806 (9) In case of death or total and permanent disability under
3807 subsection (4) or subsection (6) of this section and before the
3808 board shall consider any application for a retirement allowance,
3809 the employer must certify to the board that the member's death or
3810 disability was a direct result of an accident or a traumatic event
3811 occurring during and as a result of the performance of the regular
3812 and assigned duties of the employee and that the death or
3813 disability was not the result of the willful negligence of the
3814 employee.



3815 (10) The application for the retirement allowance must be
3816 filed within one (1) year after death of an active member who is
3817 killed in the line of performance of duty or dies as a direct
3818 result of an accident occurring in the line of performance of duty
3819 or traumatic event; but the board of trustees may consider an
3820 application for disability filed after the one-year period if it
3821 can be factually demonstrated to the satisfaction of the board of
3822 trustees that the disability is due to the accident and that the
3823 filing was not accomplished within the one-year period due to a
3824 delayed manifestation of the disability or to circumstances beyond
3825 the control of the member. However, in case of late filing,
3826 retroactive payments will be made for a period of not more than
3827 one (1) year only.

3828 (11) (a) Notwithstanding any other section of this article
3829 and in lieu of any payments to a designated beneficiary for a
3830 refund of contributions under Section 25-11-117, the spouse and/or
3831 children shall be eligible for the benefits payable under this
3832 section, and the spouse may elect, for both the spouse and/or
3833 children, to receive benefits in accordance with either
3834 subsections (2) and (3) or subsection (4) of this section;
3835 otherwise, the contributions to the credit of the deceased member
3836 shall be refunded in accordance with Section 25-11-117.

3837 (b) Notwithstanding any other section of this article,
3838 a spouse who is entitled to receive a monthly benefit under either
3839 subsection (2) or (4) of this section and who is also the named



3840 beneficiary for a refund of accumulated contributions in the
3841 member's annuity savings account, may, after the death of the
3842 member, elect to receive a refund of accumulated contributions in
3843 lieu of a monthly allowance, provided that there are no dependent
3844 children entitled to benefits under subsection (3) of this
3845 section.

3846 (12) If the member has previously received benefits from the
3847 system to which he was not entitled and has not repaid in full all
3848 amounts payable by him to the system, the annuity amounts
3849 otherwise provided by this section shall be withheld and used to
3850 effect repayment until the total of the withholdings repays in
3851 full all amounts payable by him to the system.

3852 **SECTION 21.** Section 25-11-115, Mississippi Code of 1972, is
3853 amended as follows:

3854 25-11-115. (1) Upon application for superannuation or
3855 disability retirement, any member may elect to receive his or her
3856 benefit in a retirement allowance payable throughout life with no
3857 further payments to anyone at the member's death, except that if
3858 the member's total retirement payments under this article do not
3859 equal the member's total contributions under this article, the
3860 named beneficiary shall receive the difference in cash at the
3861 member's death. Or the member may elect upon retirement, or upon
3862 becoming eligible for retirement, to receive the actuarial
3863 equivalent subject to the provisions of subsection (3) of this



3864 section of his or her retirement allowance in a reduced retirement
3865 allowance payable throughout life with the provision that:

3866 **Option 1.** If the retired member dies before he or she has
3867 received in annuity payment the value of the member's annuity
3868 savings account as it was at the time of the member's retirement,
3869 the balance shall be paid to the legal representative or to such
3870 person as the member has nominated by written designation duly
3871 acknowledged and filed with the board;

3872 **Option 2.** Upon the retired member's death, his or her
3873 reduced retirement allowance shall be continued throughout the
3874 life of, and paid to, such person as the member has nominated by
3875 written designation duly acknowledged and filed with the board of
3876 trustees at the time of his or her retirement;

3877 **Option 3.** Upon the retired member's death, one-half (1/2) of
3878 his or her reduced retirement allowance shall be continued
3879 throughout the life of, and paid to, such person as the member has
3880 nominated by written designation duly acknowledged and filed with
3881 the board of trustees at the time of his or her retirement, and
3882 the other one-half (1/2) of his or her reduced retirement
3883 allowance to some other designated beneficiary;

3884 **Option 4.** Upon the retired member's death, three-fourths
3885 (3/4) of his or her reduced retirement allowance, or such other
3886 specified amount, shall be continued throughout the life of, and
3887 paid to, such person as the member has nominated by written



3888 designation duly acknowledged and filed with the board of trustees
3889 at the time of his or her retirement;

3890 **Option 4-A.** Upon the retired member's death, one-half (1/2)
3891 of his or her reduced retirement allowance, or such other
3892 specified amount, shall be continued throughout the life of, and
3893 paid to, such person as the member has nominated by written
3894 designation duly acknowledged and filed with the board of trustees
3895 at the time of his or her retirement;

3896 **Option 4-B.** A reduced retirement allowance shall be
3897 continued throughout the life of the retirant, but with the
3898 further guarantee of payments to the named beneficiary or
3899 beneficiaries for a specified number of years certain. If the
3900 retired member or the last designated beneficiary both die before
3901 receiving all guaranteed payments due, the actuarial equivalent of
3902 the remaining payments shall be paid to the successors of the
3903 retired member under Section 25-11-117.1(1);

3904 **Option 6.** Any member who became a member of the system
3905 before July 1, 2007, and who has at least twenty-eight (28) years
3906 of creditable service at the time of retirement or who is at least
3907 sixty-three (63) years of age and eligible to retire, may select
3908 the maximum retirement benefit or an optional benefit as provided
3909 in this subsection together with a partial lump-sum distribution.
3910 Any member who became a member of the system on or after July 1,
3911 2007, but before July 1, 2011, and who has at least twenty-eight
3912 (28) years of creditable service at the time of retirement may



3913 select the maximum retirement benefit or any optional benefit as
3914 provided in this subsection together with a partial lump-sum
3915 distribution. Any member who became a member of the system on or
3916 after July 1, 2011, but before March 1, 2026, and who has at least
3917 thirty-three (33) years of creditable service at the time of
3918 retirement may select the maximum retirement benefit or any
3919 optional benefit as provided in this subsection together with a
3920 partial lump-sum distribution. Any member who became a member of
3921 the system on or after March 1, 2026, shall not be eligible for a
3922 partial lump-sum distribution. The amount of the lump-sum
3923 distribution under this option shall be equal to the maximum
3924 monthly benefit multiplied by twelve (12), twenty-four (24) or
3925 thirty-six (36) as selected by the member. The maximum retirement
3926 benefit shall be actuarially reduced to reflect the amount of the
3927 lump-sum distribution selected and further reduced for any other
3928 optional benefit selected. The annuity and lump-sum distribution
3929 shall be computed to result in no actuarial loss to the system.
3930 The lump-sum distribution shall be made as a single payment
3931 payable at the time the first monthly annuity payment is paid to
3932 the retiree. The amount of the lump-sum distribution shall be
3933 deducted from the member's annuity savings account in computing
3934 what contributions remain at the death of the retiree and/or a
3935 beneficiary. The lump-sum distribution option may be elected only
3936 once by a member upon initial retirement, and may not be elected



3937 by a retiree, by members applying for a disability retirement
3938 annuity, or by survivors.

3939 (2) No change in the option selected shall be permitted
3940 after the member's death or after the member has received his or
3941 her first retirement check except as provided in subsections (3)
3942 and (4) of this section and in Section 25-11-127. Members who are
3943 pursuing a disability retirement allowance and simultaneously or
3944 later elect to begin to receive a service retirement allowance
3945 while continuing to pursue a disability retirement allowance,
3946 shall not be eligible to select Option 6 and that option may not
3947 be selected at a later time if the application for a disability
3948 retirement allowance is voided or denied. However, any retired
3949 member who is receiving a retirement allowance under Option 2 or
3950 Option 4-A upon July 1, 1992, and whose designated beneficiary
3951 predeceased him or her or whose marriage to a spouse who is his or
3952 her designated beneficiary is terminated by divorce or other
3953 dissolution, upon written notification to the retirement system of
3954 the death of the designated beneficiary or of the termination of
3955 the retired member's marriage to the designated beneficiary, the
3956 retirement allowance payable to the member after receipt of that
3957 notification by the retirement system shall be equal to the
3958 retirement allowance that would have been payable if the member
3959 had not elected the option. In addition, any retired member who
3960 is receiving the maximum retirement allowance for life, a
3961 retirement allowance under Option 1 or who is receiving a



3962 retirement allowance under Option 2 or Option 4-A on July 1, 1992,
3963 may elect to provide survivor benefits under Option 2 or Option
3964 4-A to a spouse who was not previously the member's beneficiary
3965 and whom the member married before July 1, 1992.

3966 (3) Any retired member who is receiving a reduced retirement
3967 allowance under Option 2, Option 4 or Option 4-A whose designated
3968 beneficiary predeceases him or her, or whose marriage to a spouse
3969 who is his or her designated beneficiary is terminated by divorce
3970 or other dissolution, may elect to cancel the reduced retirement
3971 allowance and receive the maximum retirement allowance for life in
3972 an amount equal to the amount that would have been payable if the
3973 member had not elected Option 2, Option 4 or Option 4-A. That
3974 election must be made in writing to the office of the executive
3975 director of the system on a form prescribed by the board. Any
3976 such election shall be effective the first of the month following
3977 the date the election is received by the system; however, the
3978 election may be applied retroactively for not more than three (3)
3979 months but no earlier than the first of the month following the
3980 date of the death of the beneficiary.

3981 (4) Any retired member who is receiving the maximum
3982 retirement allowance for life, or a retirement allowance under
3983 Option 1, and who marries after his or her retirement may elect to
3984 cancel the maximum retirement allowance and receive a reduced
3985 retirement allowance under Option 2, Option 4 or Option 4-A to
3986 provide continuing lifetime benefits to his or her spouse. That



3987 election must be made in writing to the office of the executive
3988 director of the system on a form prescribed by the board not
3989 earlier than the date of the marriage and not later than one (1)
3990 year from the date of the marriage. Any such election shall be
3991 effective the first of the month following the date the election
3992 is received by the system.

3993 (5) (a) Except as otherwise provided in this subsection, if
3994 the election of an optional benefit is made after the member has
3995 attained the age of sixty-five (65) years, the actuarial
3996 equivalent factor shall be used to compute the reduced retirement
3997 allowance as if the election had been made on his or her
3998 sixty-fifth birthday; however, from and after January 1, 2003, if
3999 there is an election of Option 6 after the member has attained the
4000 age of sixty-five (65) years, the actuarial equivalent factor
4001 based on the retiree's age at the time of retirement shall be used
4002 to compute the reduced maximum monthly retirement allowance.
4003 However, if a retiree marries or remarries after retirement and
4004 elects either Option 2 or Option 4-A as provided in subsection (2)
4005 or (4) of this section, the actuarial equivalent factor used to
4006 compute the reduced retirement allowance shall be the factor for
4007 the age of the retiree and his or her beneficiary at the time such
4008 election for recalculation of benefits is made.

4009 (b) For members who retire on or after July 1, 2012,
4010 the actuarial equivalent factor used to compute the reduced
4011 retirement allowance at retirement or upon any subsequent



4012 recalculation of the benefit shall be the factor for the age of
4013 the retiree and his or her beneficiary at the time of retirement
4014 or at the time an election for recalculation of benefits is made.

4015 (6) Notwithstanding any provision of Section 25-11-1 et
4016 seq., no payments may be made for a retirement allowance on a
4017 monthly basis for a period of time in excess of that allowed by
4018 federal law.

4019 (7) If a retirant and his or her eligible beneficiary, if
4020 any, both die before they have received in annuity payments a
4021 total amount equal to the accumulated contributions standing to
4022 the retirant's credit in the annuity savings account at the time
4023 of his or her retirement, the difference between the accumulated
4024 contributions and the total amount of annuities received by them
4025 shall be paid to such persons as the retirant has nominated by
4026 written designation duly executed and filed in the office of the
4027 executive director. If no designated person survives the retirant
4028 and his or her beneficiary, the difference, if any, shall be paid
4029 under Section 25-11-117.1(1).

4030 (8) Any retired member who retired on Option 2(5) or 4-A(5)
4031 before July 1, 1992, who is still receiving a retirement allowance
4032 on July 1, 1994, shall receive an increase in the annual
4033 retirement allowance effective July 1, 1994, equal to the amount
4034 they would have received under Option 2 or Option 4-A without a
4035 reduction for Option 5 based on the ages at retirement of the



4036 retiree and beneficiary and option factors in effect on July 1,
4037 1992. That increase shall be prospective only.

4038 **SECTION 22.** Section 25-11-117, Mississippi Code of 1972, is
4039 amended as follows:

4040 25-11-117. (1) A member may be paid a refund of the amount
4041 of accumulated contributions to the credit of the member in the
4042 annuity savings account, provided that the member has withdrawn
4043 from state service and has not returned to state service on the
4044 date the refund of the accumulated contributions would be paid.
4045 That refund of the contributions to the credit of the member in
4046 the annuity savings account shall be paid within ninety (90) days
4047 from receipt in the office of the retirement system of the
4048 properly completed form requesting the payment. In the event of
4049 death before retirement of any member whose spouse and/or children
4050 are not entitled to a retirement allowance, the accumulated
4051 contributions to the credit of the deceased member in the annuity
4052 savings account shall be paid to the designated beneficiary on
4053 file in writing in the office of the executive director of the
4054 board of trustees within ninety (90) days from receipt of a
4055 properly completed form requesting the payment. If there is no
4056 such designated beneficiary on file for the deceased member in the
4057 office of the system, upon the filing of a proper request with the
4058 board, the contributions to the credit of the deceased member in
4059 the annuity savings account shall be refunded under Section
4060 25-11-117.1(1). The payment of the refund shall discharge all



4061 obligations of the retirement system to the member on account of
4062 any creditable service rendered by the member before the receipt
4063 of the refund. By the acceptance of the refund, the member shall
4064 waive and relinquish all accrued rights in the system.

4065 (2) Under the Unemployment Compensation Amendments of 1992
4066 (Public Law 102-318 (UCA)), a member or the spouse of a member who
4067 is an eligible beneficiary entitled to a refund under this section
4068 may elect, on a form prescribed by the board under rules and
4069 regulations established by the board, to have an eligible rollover
4070 distribution of accumulated contributions payable under this
4071 section paid directly to an eligible retirement plan, as defined
4072 under applicable federal law, or an individual retirement account.
4073 If the member or the spouse of a member who is an eligible
4074 beneficiary makes that election and specifies the eligible
4075 retirement plan or individual retirement account to which the
4076 distribution is to be paid, the distribution will be made in the
4077 form of a direct trustee-to-trustee transfer to the specified
4078 eligible retirement plan. A nonspouse beneficiary may elect to
4079 have an eligible rollover distribution paid in the form of a
4080 direct trustee-to-trustee transfer to an individual retirement
4081 account established to receive the distribution on behalf of the
4082 nonspouse beneficiary. Flexible rollovers under this subsection
4083 shall not be considered assignments under Section 25-11-129.

4084 (3) (a) If any person who has received a refund, reenters
4085 the state service and again becomes a member of the system before



4086 July 1, 2007, the member may repay all or part of the amounts
4087 previously received as a refund, together with regular interest
4088 covering the period from the date of refund to the date of
4089 repayment; however, the amounts that are repaid by the member and
4090 the creditable service related thereto shall not be used in any
4091 benefit calculation or determination until the member has remained
4092 a contributor to the system for a period of at least four (4)
4093 years after the member's reentry into state service. Repayment
4094 for that time shall be made beginning with the most recent service
4095 for which refund has been made. Upon the repayment of all or part
4096 of that refund and interest, the member shall again receive credit
4097 for the period of creditable service for which full repayment has
4098 been made to the system.

4099 (b) If any person who has received a refund, reenters
4100 the state service and again becomes a member of the system on or
4101 after July 1, 2007, but before March 1, 2026, the member may repay
4102 all or part of the amounts previously received as a refund,
4103 together with regular interest covering the period from the date
4104 of refund to the date of repayment; however, the amounts that are
4105 repaid by the member and the creditable service related thereto
4106 shall not be used in any benefit calculation or determination
4107 until the member has remained a contributor to the system for a
4108 period of at least eight (8) years after the member's reentry into
4109 state service. Repayment for that time shall be made beginning
4110 with the most recent service for which refund has been made. Upon



4111 the repayment of all or part of that refund and interest, the
4112 member shall again receive credit for the period of creditable
4113 service for which full repayment has been made to the system.

4114 (c) If any person who has received a refund reenters
4115 state service and again becomes a member of the system on or after
4116 March 1, 2026, the member shall not be eligible to repay any
4117 portion of amounts previously received as a refund and may not
4118 receive creditable service for service rendered before March 1,
4119 2026.

4120 (4) (a) In order to provide a source of income to members
4121 who have applied for disability benefits under Section 25-11-113
4122 or 25-11-114, the board may provide, at the employee's election, a
4123 temporary benefit to be paid from the member's accumulated
4124 contributions, if any, without forfeiting the right to pursue
4125 disability benefits, provided that the member has exhausted all
4126 personal and medical leave and has terminated his or her
4127 employment. The board may prescribe rules and regulations for
4128 carrying out the provisions of this subsection (4).

4129 (b) If a member who has elected to receive temporary
4130 benefits under this subsection later applies for a refund of his
4131 or her accumulated contributions, all amounts paid under this
4132 subsection shall be deducted from the accumulated contributions
4133 and the balance will be paid to the member. If a member who has
4134 elected to receive temporary benefits under this subsection is
4135 later approved for a disability retirement allowance, and a



4136 service retirement allowance or survivor benefits are paid on the
4137 account, the board shall adjust the benefits in such a manner that
4138 no more than the actuarial equivalent of the benefits to which the
4139 member or beneficiary was or is entitled shall be paid.

4140 (c) The board may study, develop and propose a
4141 disability benefit structure, including short- and long-term
4142 disability benefits, provided that it is the actuarial equivalent
4143 of the benefits currently provided in Section 25-11-113 or
4144 25-11-114.

4145 **SECTION 23.** Section 25-11-123, Mississippi Code of 1972, is
4146 amended as follows:

4147 25-11-123. All of the assets of the system shall be credited
4148 according to the purpose for which they are held to one (1) of
4149 four (4) reserves; namely, the annuity savings account, the
4150 annuity reserve, the employer's accumulation account, and the
4151 expense account; however, any employee who became a member of the
4152 system on or after March 1, 2026, shall also have a defined
4153 contribution plan administered by the system, as provided in
4154 Section 15 of this act.

4155 (a) **Annuity savings account.** In the annuity savings
4156 account shall be accumulated the contributions made by members to
4157 provide for their annuities, including interest thereon which
4158 shall be posted monthly. Credits to and charges against the
4159 annuity savings account shall be made as follows:



4160 (1) Beginning July 1, 2010, except as otherwise
4161 provided in Section 25-11-126, the employer shall cause to be
4162 deducted from the salary of each member on each and every payroll
4163 of the employer for each and every payroll period nine percent
4164 (9%) of earned compensation as defined in Section 25-11-103;
4165 however, for any employee who became a member of the system on or
4166 after March 1, 2026, only four percent (4%) of such earned
4167 compensation shall be deposited into the annuity savings account,
4168 with the remaining five percent (5%), to be deposited into the
4169 employee's defined contribution account authorized in Section 15
4170 of this act. Future contributions shall be fixed biennially by
4171 the board on the basis of the liabilities of the retirement system
4172 for the various allowances and benefits as shown by actuarial
4173 valuation; however, any member earning at a rate less than Sixteen
4174 Dollars and Sixty-seven Cents (\$16.67) per month, or Two Hundred
4175 Dollars (\$200.00) per year, shall contribute not less than One
4176 Dollar (\$1.00) per month, or Twelve Dollars (\$12.00) per year.

4177 (2) The deductions provided in paragraph (1) of
4178 this subsection shall be made notwithstanding that the minimum
4179 compensation provided by law for any member is reduced by the
4180 deduction. Every member shall be deemed to consent and agree to
4181 the deductions made and provided for in paragraph (1) of this
4182 subsection and shall receipt for his full salary or compensation,
4183 and payment of salary or compensation less the deduction shall be
4184 a full and complete discharge and acquittance of all claims and



4185 demands whatsoever for the services rendered by the person during
4186 the period covered by the payment, except as to the benefits
4187 provided under Articles 1 and 3. The board shall provide by rules
4188 for the methods of collection of contributions from members and
4189 the employer. The board shall have full authority to require the
4190 production of evidence necessary to verify the correctness of
4191 amounts contributed.

4192 (b) **Annuity reserve.** The annuity reserve shall be the
4193 account representing the actuarial value of all annuities in
4194 force, and to it shall be charged all annuities and all benefits
4195 in lieu of annuities, payable as provided in this article. If a
4196 beneficiary retired on account of disability is restored to active
4197 service with a compensation not less than his average final
4198 compensation at the time of his last retirement, the remainder of
4199 his contributions shall be transferred from the annuity reserve to
4200 the annuity savings account and credited to his individual account
4201 therein, and the balance of his annuity reserve shall be
4202 transferred to the employer's accumulation account.

4203 (c) **Employer's accumulation account.** The employer's
4204 accumulation account shall represent the accumulation of all
4205 reserves for the payment of all retirement allowances and other
4206 benefits payable from contributions made by the employer, and
4207 against this account shall be charged all retirement allowances
4208 and other benefits on account of members. Credits to and charges



4209 against the employer's accumulation account shall be made as
4210 follows:

4211 (1) On account of each member who became a member
4212 of the system before March 1, 2026, there shall be paid monthly
4213 into the employer's accumulation account by the employers for the
4214 preceding fiscal year an amount equal to a certain percentage of
4215 the total earned compensation, as defined in Section 25-11-103, of
4216 each member. From and after May 9, 2024, the increase in the
4217 employer's contribution rate scheduled to take effect on July 1,
4218 2024, is rescinded and shall not take effect; however, on July 1
4219 of each year from 2024 through 2028, the employer's contribution
4220 rate shall be increased by one-half percent (1/2%). For each
4221 member who became a member of the system on or after March 1,
4222 2026, except as provided in Section 15 of this act, the employer's
4223 monthly payment under this paragraph (1) shall be applied to the
4224 accrued liability contribution fund.

4225 (2) For the public good, any recommendation by the
4226 board to adjust the employer contributions * * * may be
4227 accompanied by at least two (2) assessments from actuaries who are
4228 independent from each other and the retirement plan. The
4229 actuaries shall analyze the economic impact of any such
4230 recommendation to the system and state, including, but not limited
4231 to, information showing the fiscal impact to every agency and arm
4232 of the state, including, but not limited to, state agencies,
4233 cities, counties and school districts. The actuarial assessments,



4234 with any such recommendation to adjust the employer contributions,
4235 shall be submitted to the Lieutenant Governor, Speaker of the
4236 House, Chairman of the Senate Appropriations Committee and
4237 Chairman of the House Appropriations Committee.

4238 (3) The board shall have the authority to make
4239 recommendations regarding additional funding sources for the
4240 retirement plan, including employer contribution increases, based
4241 on the assets and liabilities of the retirement plan, and the
4242 analyses required by paragraph (2) of this subsection (c). The
4243 Legislature shall have the sole authority to implement any such
4244 recommendations. It is the intent of the Legislature that, in the
4245 2025 Regular Session, a law be enacted to create a new tier for
4246 future members of the system, in furtherance of the system's
4247 continued financial stability and sustainability.

4248 (4) This section shall not be construed to provide
4249 authority to reduce or eliminate any earned benefits to be
4250 provided by the state to persons who, before July 1, 2025, are
4251 drawing a retirement allowance or are members of the system.

4252 (5) On the basis of regular interest and of such
4253 mortality and other tables as are adopted by the board of
4254 trustees, the actuary engaged by the board to make each valuation
4255 required by this article during the period over which the accrued
4256 liability contribution is payable, immediately after making that
4257 valuation, shall determine the uniform and constant percentage of
4258 the earnable compensation of each member which, if contributed by



4259 the employer on the basis of compensation of the member throughout
4260 his entire period of membership service, would be sufficient to
4261 provide for the payment of any retirement allowance payable on his
4262 account for that service. The percentage rate so determined shall
4263 be known as the "normal contribution rate." After the accrued
4264 liability contribution has ceased to be payable, the normal
4265 contribution rate shall be the percentage rate of the salary of
4266 all members obtained by deducting from the total liabilities on
4267 account of membership service the amount in the employer's
4268 accumulation account, and dividing the remainder by one percent
4269 (1%) of the present value of the prospective future salaries of
4270 all members as computed on the basis of the mortality and service
4271 tables adopted by the board of trustees and regular interest. The
4272 normal rate of contributions shall be determined by the actuary
4273 after each valuation.

4274 (6) The total amount payable in each year to the
4275 employer's accumulation account shall not be less than the sum of
4276 the percentage rate known as the "normal contribution rate" and
4277 the "accrued liability contribution rate" of the total
4278 compensation earnable by all members during the preceding year,
4279 provided that the payment by the employer shall be sufficient,
4280 when combined with the amounts in the account, to provide the
4281 allowances and other benefits chargeable to this account during
4282 the year then current.



4283 (7) The accrued liability contribution shall be
4284 discontinued as soon as the accumulated balance in the employer's
4285 accumulation account shall equal the present value, computed on
4286 the basis of the normal contribution rate then in force, or the
4287 prospective normal contributions to be received on account of all
4288 persons who are at that time members.

4289 (8) All allowances and benefits in lieu thereof,
4290 with the exception of those payable on account of members who
4291 receive no prior service credit, payable from contributions of the
4292 employer, shall be paid from the employer's accumulation account.

4293 (9) Upon the retirement of a member, an amount
4294 equal to his retirement allowance shall be transferred from the
4295 employer's accumulation account to the annuity reserve.

4296 (10) The employer's accumulation account shall be
4297 credited with any assets authorized by law to be credited to the
4298 account.

4299 (d) **Expense account.** The expense account shall be the
4300 account to which the expenses of the administration of the system
4301 shall be charged, exclusive of amounts payable as retirement
4302 allowances and as other benefits provided herein. The Legislature
4303 shall make annual appropriations in amounts sufficient to
4304 administer the system, which shall be credited to this account.
4305 There shall be transferred to the State Treasury from this
4306 account, not less than once per month, an amount sufficient for
4307 payment of the estimated expenses of the system for the succeeding



4308 thirty (30) days. Any interest earned on the expense account
4309 shall accrue to the benefit of the system. However,
4310 notwithstanding the provisions of Sections 25-11-15(10) and
4311 25-11-105(f) (v)5, all expenses of the administration of the system
4312 shall be paid from the interest earnings, provided the interest
4313 earnings are in excess of the actuarial interest assumption as
4314 determined by the board, and provided the present cost of the
4315 administrative expense fee of two percent (2%) of the
4316 contributions reported by the political subdivisions and
4317 instrumentalities shall be reduced to one percent (1%) from and
4318 after July 1, 1983, through June 30, 1984, and shall be eliminated
4319 thereafter.

4320 (e) **Collection of contributions.** The employer shall
4321 cause to be deducted on each and every payroll of a member for
4322 each and every payroll period, beginning subsequent to January 31,
4323 1953, the contributions payable by the member as provided in
4324 Articles 1 and 3.

4325 The employer shall make deductions from salaries of employees
4326 as provided in Articles 1 and 3 and shall transmit monthly, or at
4327 such time as the board of trustees designates, the amount
4328 specified to be deducted to the Executive Director of the Public
4329 Employees' Retirement System. The executive director, after
4330 making a record of all those receipts, shall deposit such amounts
4331 as provided by law.



4332 (f) (1) The sum of the normal contribution rate and the
4333 accrued liability contribution rate shall be known as the
4334 "employer's contribution rate."

4335 (2) The amount payable by the employer on account
4336 of normal and accrued liability contributions shall be determined
4337 by applying the employer's contribution rate to the amount of
4338 compensation earned by employees who are members of the system.
4339 Monthly, or at such time as the board of trustees designates, each
4340 department or agency shall compute the amount of the employer's
4341 contribution payable, with respect to the salaries of its
4342 employees who are members of the system, and shall cause that
4343 amount to be paid to the board of trustees from the personal
4344 service allotment of the amount appropriated for the operation of
4345 the department or agency, or from funds otherwise available to the
4346 agency, for the payment of salaries to its employees.

4347 (3) Except as otherwise provided in Section
4348 25-11-106:

4349 (i) Constables shall pay employer and
4350 employee contributions on their net fee income as well as the
4351 employee contributions on all direct treasury or county payroll
4352 income.

4353 (ii) The county shall be responsible for the
4354 employer contribution on all direct treasury or county payroll
4355 income of constables.



4356 (4) Except as otherwise provided in Section
4357 25-11-106.1, chancery and circuit clerks shall be responsible for
4358 both the employer and employee share of contributions on the
4359 proportionate share of net income attributable to fees, as well as
4360 the employee share of net income attributable to direct treasury
4361 or county payroll income, and the employing county shall be
4362 responsible for the employer contributions on the net income
4363 attributable to direct treasury or county payroll income.

4364 (5) Once each year, under procedures established
4365 by the system, each employer shall submit to the Public Employees'
4366 Retirement System a copy of their report to Social Security of all
4367 employees' earnings.

4368 (6) The board shall provide by rules for the
4369 methods of collection of contributions of employers and members.
4370 The amounts determined due by an agency to the various funds as
4371 specified in Articles 1 and 3 are made obligations of the agency
4372 to the board and shall be paid as provided herein. Failure to
4373 deduct those contributions shall not relieve the employee and
4374 employer from liability thereof. Delinquent employee
4375 contributions and any accrued interest shall be the obligation of
4376 the employee and delinquent employer contributions and any accrued
4377 interest shall be the obligation of the employer. The employer
4378 may, in its discretion, elect to pay any or all of the interest on
4379 delinquent employee contributions. From and after July 1, 1996,
4380 under rules and regulations established by the board, all



4381 employers are authorized and shall transfer all funds due to the
4382 Public Employees' Retirement System electronically and shall
4383 transmit any wage or other reports by computerized reporting
4384 systems.

4385 **SECTION 24.** Section 25-11-305, Mississippi Code of 1972, is
4386 amended as follows:

4387 25-11-305. (1) The membership of the Supplemental
4388 Legislative Retirement Plan shall be composed as follows:

4389 (a) All members of the State Legislature who are
4390 currently serving in the capacity of an elected official of the
4391 State Legislature and the person currently serving as President of
4392 the Senate shall become members of this system on July 1, 1989,
4393 unless they file with the board within thirty (30) days after July
4394 1, 1989, on a form prescribed by the board, a notice of election
4395 not to be covered in the membership of the Supplemental
4396 Legislative Retirement Plan and a duly executed waiver of all
4397 present and prospective benefits which would otherwise inure to
4398 them on account of their participation in the plan.

4399 (b) All members of the State Legislature and the
4400 President of the Senate who are elected after July 1, 1989, but
4401 before March 1, 2026.

4402 (2) Any state legislators who would have otherwise qualified
4403 for membership in the plan under subsection (1) of this section
4404 but who were excluded from membership by other provisions of this
4405 section as it read before March 26, 1991, shall become members of



4406 the plan upon March 26, 1991, and shall receive creditable service
4407 in the plan for the period from July 1, 1989, to March 26, 1991,
4408 upon payment of the proper employee and employer contributions for
4409 that period.

4410 (3) Membership in the plan shall cease by a member
4411 withdrawing his accumulated contributions, or by a member
4412 withdrawing from active service with a retirement allowance, or by
4413 death of the member.

4414 (4) No benefits under the plan shall accrue or otherwise be
4415 payable to any person who does not qualify for membership in the
4416 plan under subsection (1) of this section.

4417 (5) If a member of the Supplemental Legislative Retirement
4418 Plan under this article withdrew from state service and received a
4419 refund of the amount of the accumulated contributions to the
4420 credit of the member before March 1, 2026, and the person reenters
4421 state service on or after March 1, 2026, the member shall be
4422 considered to have become a member of the Public Employees'
4423 Retirement System of Mississippi under Article 3 of this chapter
4424 on or after March 1, 2026, and may not receive creditable service
4425 for service rendered before March 1, 2026.

4426 **SECTION 25.** Section 25-11-401, Mississippi Code of 1972, is
4427 amended as follows:

4428 25-11-401. There is established an optional retirement
4429 program for employees of the state institutions of higher learning
4430 included in Section 37-101-1 * * * who are appointed or employed



4431 after July 1, 1990. To be eligible to participate in the optional
4432 retirement program, a newly appointed employee must:

4433 (a) (i) Hold a teaching or administrative faculty
4434 position, or

4435 (ii) Hold a position as an intern or resident in
4436 training at the University Medical Center or the College of
4437 Veterinary Medicine at Mississippi State University under a
4438 teaching program at such institutions; and

4439 (b) Be eligible for membership in the Public Employees'
4440 Retirement System of Mississippi.

4441 **SECTION 26.** Section 25-11-409, Mississippi Code of 1972, is
4442 brought forward as follows:

4443 25-11-409. Eligible employees initially employed on or after
4444 July 1, 1990, shall elect to participate in the optional
4445 retirement program within thirty (30) days after (i) entry into
4446 state service, or (ii) the effective date of the optional
4447 retirement program, whichever is later. The election must be made
4448 in writing and filed with the board of trustees and will be
4449 effective as of the date of employment. If an eligible employee
4450 fails to timely make the election provided in this section, he
4451 shall become a member of the Public Employees' Retirement System
4452 of Mississippi in accordance with Article 3 of this chapter.

4453 **SECTION 27.** Section 25-11-411, Mississippi Code of 1972, is
4454 amended as follows:



4455 25-11-411. (1) Each participant shall contribute monthly to
4456 the optional retirement program * * * nine percent (9%) of the
4457 participant's total earned compensation as defined in Section
4458 25-11-103. Participant contributions may be made by a reduction
4459 in salary in accordance with the provisions of Section 403(b) of
4460 the United States Internal Revenue Code or any amendment thereto,
4461 or in accordance with Section 25-11-124, as may be appropriate
4462 under the determination made in accordance with Section 25-11-421.
4463 The entirety of each participant's contribution shall be remitted
4464 to the appropriate company or companies for application to the
4465 participant's contracts or accounts, or both. Each employer of a
4466 participant in the optional retirement program shall contribute on
4467 behalf of each participant in the optional retirement program the
4468 same amount the employer would be required to contribute to the
4469 Public Employees' Retirement System of Mississippi if the
4470 participant were a member of the retirement system. The
4471 employer's contribution shall be remitted as follows:

4472 (a) An amount equal to * * * fourteen and nine-tenths
4473 percent (14.9%), for participants employed before July 1, 2025, or
4474 up to nine percent (9%) as determined by the employer, for
4475 participants employed on or after July 1, 2025, of the
4476 participant's total earned compensation as defined in Section
4477 25-11-103 shall be remitted to the appropriate company or
4478 companies for application to the participant's contracts or
4479 accounts, or both;



4480 (b) An amount * * * up to * * * two-tenths percent
4481 (0.2%) of the participant's total earned compensation as defined
4482 in Section 25-11-103 shall be remitted to the Public Employees'
4483 Retirement System of Mississippi * * * for application to the
4484 system's expense fund to defray the cost of administering the
4485 optional retirement program created by this article;

4486 (c) The remainder * * * shall be remitted to the * * *
4487 Public Employees' Retirement System of Mississippi for application
4488 to the accrued liability contribution fund.

4489 If the employer's contribution level is decreased below nine
4490 and three-fourths percent (9-3/4%) of the employee's total earned
4491 compensation, the remittance provided by paragraph (* * *c) of
4492 this section shall be reduced accordingly. There shall be no
4493 reduction in the remittance provided by paragraph (a) of this
4494 section until such time, if any, that the employer's contribution
4495 level is less than * * * nine percent (9%) of the participant's
4496 total earned compensation. If the accrued liability contribution
4497 is reduced or discontinued under Section 25-11-123, the amount of
4498 the reduction, or the entirety of the employer's contribution, in
4499 case of discontinuance, shall be remitted to the appropriate
4500 company or companies for application to the participant's
4501 contracts or accounts, or both. Any remittance required to be
4502 made by the employer to the Public Employees' Retirement System of
4503 Mississippi shall be made at the times the employer remits
4504 contributions for members of the retirement system.



4505 (2) The employer may, in its discretion, make additional
4506 contributions to the participant's contracts or accounts up to the
4507 maximum amount allowable under federal law.

4508 **SECTION 28.** Section 25-11-415, Mississippi Code of 1972,
4509 which provides that the Public Employees' Retirement System of
4510 Mississippi may deduct not more than two percent (2%) of all
4511 employers' contributions and transfer such deductions to the
4512 expense fund of the Public Employees' Retirement System to defray
4513 the cost of administering the optional retirement program for
4514 employees of the state institutions of higher learning, is
4515 repealed.

4516 **SECTION 29.** Section 2 of this act shall be codified in
4517 Chapter 7, Title 27, Mississippi Code of 1972. Section 15 of this
4518 act shall be codified in Article 3, Chapter 11, Title 25,
4519 Mississippi Code of 1972.

4520 **SECTION 30.** Sections 1 through 13 and Sections 25 through 29
4521 of this act shall take effect and be in force from and after July
4522 1, 2025, and Sections 15 through 24 of this act shall take effect
4523 and be in force from and after March 1, 2026.

