MISSISSIPPI LEGISLATURE REGULAR SESSION 2021

By: Representative Hines

To: Accountability, Efficiency, Transparency; Appropriations

HOUSE BILL NO. 44

AN ACT TO ESTABLISH THE MISSISSIPPI AFFORDABLE HOUSING OPPORTUNITY FUND; TO CREATE SECTION 43-33-801, MISSISSIPPI CODE OF 1972, TO DEFINE CERTAIN TERMS RELATED TO THE HOUSING OPPORTUNITY FUND; TO CREATE SECTION 43-33-803, MISSISSIPPI CODE OF 1972, TO ESTABLISH AND PROVIDE FOR THE ADMINISTRATION OF THE HOUSING OPPORTUNITY FUND; TO CREATE SECTION 43-33-805, MISSISSIPPI CODE OF 1972, TO AUTHORIZE MISSISSIPPI HOME CORPORATION TO IMPLEMENT AND ADMINISTER THE HOUSING OPPORTUNITY FUND; TO CREATE SECTION 43-33-807, MISSISSIPPI CODE OF 1972, TO ESTABLISH THE MISSISSIPPI AFFORDABLE HOUSING OPPORTUNITY FUND ADVISORY COUNCIL; TO CREATE SECTION 43-33-809, MISSISSIPPI CODE OF 1972, TO PROVIDE FOR THE PERCENTAGE OF FUNDING AVAILABLE TO CERTAIN PERSONS OR TO CERTAIN ACTIVITIES; TO CREATE SECTION 43-33-811, MISSISSIPPI CODE OF 1972, TO ESTABLISH MINIMUM AFFORDABILITY PERIODS FOR APPLICANTS; TO CREATE SECTION 43-33-813, MISSISSIPPI CODE OF 1972, TO PROVIDE MINIMUM STANDARDS FOR THE HOUSING OPPORTUNITY FUND APPLICATION PROCESS; TO CREATE SECTION 43-33-815, MISSISSIPPI CODE OF 1972, TO AUTHORIZE MISSISSIPPI HOME CORPORATION TO ADMINISTER THE HOUSING OPPORTUNITY FUND IN COMPLIANCE WITH STATE AND FEDERAL HOUSING PROGRAMS; TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT 2.5% OF ALL TAXES COLLECTED BY THE DEPARTMENT OF REVENUE ON LUMBER AND BUILDING MATERIALS SHALL BE CREDITED TO THE MISSISSIPPI AFFORDABLE HOUSING OPPORTUNITY FUND; AND FOR RELATED PURPOSES.

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

SECTION 1. The following shall be codified as Section 43-33-801, Mississippi Code of 1972:

43-33-801. (1) The Legislature finds and declares that there exists in the state a need to:

(a) Assist extremely low-income to moderate-income persons in accessing affordable rental and home ownership housing;

(b) Provide for the development, rehabilitation and preservation of decent, safe and affordable housing for extremely low-income to moderate-income persons;

(c) Revitalize distressed neighborhoods and build healthy, vibrant communities; and

(d) Leverage additional private investment in state communities and contribute to economic growth through increased housing production, employment and tax revenues.

(2) To address these needs, there is established the Mississippi Affordable Housing Opportunity Fund. The fund shall seek to:

(a) Fill the growing gap in the state's ability to build affordable rental and ownership housing by the dedication of public revenue sources to fund additional needed housing activities;

(b) Promote home ownership, address and prevent homelessness, and produce, rehabilitate and preserve affordable housing throughout the state for extremely low-income to moderate-income individuals and families;

(c) Develop affordable rental housing for extremely low-income to moderate-income individuals and families both in mixed-income areas and in areas with the greatest economic opportunities; and

(d) Promote accessible housing for individuals with disabilities, down-payment assistance for eligible homebuyers, housing and foreclosure counseling, technical assistance and capacity building for nonprofit housing organizations.

(3) For the purposes of this article, the following terms shall be defined as provided in this subsection:

(a) "Advisory council" means the Mississippi Affordable Housing Opportunity Fund Advisory Council.

(b) "Affordability period" means the length of time during which a housing project must comply with prescribed rental, income and deed restrictions.

(c) "Area median income" means: (i) for a rural area, the median income for the state, or (ii) for a nonrural area, the greater of the median income for the state or the median income for the applicable metropolitan area or county, all as determined by the United States Department of Housing and Urban Development.

(d) "Corporation" means Mississippi Home Corporation.

(e) "Eligible" means any for-profit entity, nonprofit entity, tribal government, housing authority, political subdivision of this state, or state agency who meets the qualifications to receive funds from the Mississippi Housing Opportunity Fund. An individual is not eligible to apply for funding directly from the fund.

(f) "Extremely low-income individual or family" means an individual or family that, at the time of initial occupancy of

a unit, has a total annual gross household income at or below thirty percent (30%) of the area median income, as adjusted for family size.

(g) "Fund" or "Housing Opportunity Fund" means the Mississippi Affordable Housing Opportunity Fund.

(h) "Low-income individual or family" means an individual or family that, at the time of initial occupancy of a unit, has a total annual gross household income at or below eighty percent (80%) of the area median income, as adjusted for family size.

(i) "Nonrural area" means a county inside a Metropolitan Statistical Area as designated by the United States Office of Management and Budget.

(j) "Rural area" means a county outside of a Metropolitan Statistical Area as designated by the United States Office of Management and Budget.

(k) "Very low-income individual or family" means an individual or family that, at the time of initial occupancy of a unit, has a total annual gross household income at or below fifty percent (50%) of the area median income, as adjusted for family size.

SECTION 2. The following shall be codified as Section 43-33-803, Mississippi Code of 1972:

43-33-803. (1) There is created within the State Treasury a special fund to be known as the "Mississippi Affordable Housing

Opportunity Fund," which shall consist of funds required to be deposited into the fund under Section 27-65-75 and funds designated for deposit into the fund from any source. Unexpended and unencumbered monies in the fund at the end of each fiscal year shall remain in the fund. Except for the income that a recipient earns and expends on a Housing Opportunity Fund financed project, the following amounts shall be deposited:

(a) No less than two and one-half percent (2.5%) of the sales taxes collected on lumber and building materials;

(b) All receipts, including dividends, principal and interest repayments attributable to any loans or agreements funded from the fund;

(c) All proceeds of assets of whatever nature received by the corporation that are attributable to the default of loans or agreements funded from the fund;

(d) Any appropriations, grants, gifts of funds or property, or financial or other assistance from any individual or entity made to the fund;

(e) Any income received as a result of the investment of monies in the fund; and

(f) All fees or charges collected related to the fund.

(2) The corporation shall be responsible for the general administration of the fund. The corporation shall promulgate and enact the rules and regulations necessary to distribute payments from the fund.

SECTION 3. The following shall be codified as Section 43-33-805, Mississippi Code of 1972:

43-33-805. (1) The corporation shall have the duty and responsibility of managing and overseeing the fund.

(2) Consistent with the provisions of this article, the corporation shall:

(a) Market the fund to eligible applicants;

(b) Receive, evaluate and approve applications for fund awards;

(c) Ensure that an independent auditor completes an annual audit of the fund in accordance with generally accepted accounting principles and that the auditor submits the audit to the advisory council not later than one hundred eighty (180) days after the end of each fiscal year;

(d) Produce an annual report on all activities, expenditures and accomplishments of the fund and an assessment of the areas of the state with the greatest housing needs that shall be made available to the public and be submitted to the Governor and to the Mississippi Legislature;

(e) Receive and consider the recommendations of the advisory council; and

(f) Promulgate and enact rules and regulations for the fund. At a minimum, these rules and regulations shall establish a competitive application process for making awards from the fund and shall reflect the:

(i) Percentage goals for fund awards according to applicant income, project location and project type;

(ii) Eligible uses for fund awards;

(iii) Minimum applicable affordability periods;

(iv) Procedure for the annual verification of rental and income levels of tenants;

(v) Procedure requiring the deed or other applicable land title recordation document to a project financed by the fund to provide for binding periods of affordability and mandatory resale or recapture upon any transfer of title during the affordability period; and

(vi) Procedure to ensure that recipients of fund awards comply in all respects with applicable fair housing laws and regulations.

SECTION 4. The following shall be codified as Section 43-33-807, Mississippi Code of 1972:

43-33-807. (1) There is created the Mississippi Affordable Housing Opportunity Fund Advisory Council, which shall consist of at least eleven (11) members. The corporation shall appoint council members based upon recommendations from affected stakeholders. In the administration of the fund, the corporation shall solicit and receive input from advisory council members, affected stakeholders and their representatives, including, but not limited to, the following: low-income, very low-income and extremely low-income individuals and communities, senior citizens

and retired persons, disabled citizens, homeless individuals, the Mississippi Association of Affordable Housing Providers, nonprofit organizations that provide affordable housing assistance to low-income or distressed communities, the University of Mississippi Housing Law Clinic, representatives from the legal services community, fair housing advocates and any other similar individuals and organizations as may exist in the future to promote the development of affordable housing.

(2) The members of the advisory council shall be Mississippi residents who reflect the demographics of the state with respect to geography, race, gender and urban-rural mix. Members shall have a demonstrated interest in the needs of low-income individuals and families and the revitalization of distressed neighborhoods.

(3) Members of the advisory council shall serve for four-year terms and shall be eligible for reappointment to two (2) additional terms of service.

(4) Members of the advisory council shall serve without compensation, but shall be reimbursed from the fund for necessary expenses and mileage incurred in the discharge of their official duties.

(5) The advisory council shall advise the corporation on all matters relating to the fund. The advisory council shall have the duty and responsibility to:

(a) Review and make recommendations on all matters related to the operation of the fund such as applicable rules, regulations and funding determinations; and

(b) Review and submit comments with any recommended changes on the corporation's annual report on the fund operations, expenditures and activities by July 1 of each year.

SECTION 5. The following shall be codified as Section 43-33-809, Mississippi Code of 1972:

43-33-809. (1) The corporation shall make distributions from the fund to eligible applicants to conduct activities to assist extremely low-income to moderate-income individuals and to finance activities that benefit such individuals and families. Eligible applicants may receive loans, loan guarantees, loan subsidies, grants or other comparable forms of assistance from the fund for the following activities:

(a) To construct, rehabilitate or adapt rental or residential houses;

(b) To acquire land or other existing dwellings that may be used, in whole or in part, for residential purposes;

(c) To provide rental assistance payments;

(d) To provide down payment assistance for home ownership;

(e) To preserve existing affordable housing, including emergency repair and weatherization; and

(f) To provide housing related support services, including home ownership education, financial counseling and foreclosure prevention.

(2) Each fiscal year, the corporation shall make distributions from the fund consistent with the following guidelines:

(a) One hundred percent (100%) of funds distributed for affordable housing shall be used for persons or families who earn up to one hundred twenty percent (120%) of the area median income;

(i) At least sixty percent (60%) of the fund shall benefit low-income individuals or families; and

(ii) At least fifteen percent (15%) of the fund shall benefit extremely low-income individuals or families;

(b) At least fifty-five percent (55%) of the fund shall benefit rural areas;

(c) No more than five percent (5%) of the fund may be awarded to nonprofit organizations, Native American tribes, and tribal organizations to expand their capacity to provide affordable housing and housing-related services; and

(d) No more than eight percent (8%) of the fund may be used to defray the administrative costs of the corporation and the advisory council, but such administrative costs shall not exceed Four Hundred Thousand Dollars ($400,000.00).

(3) If sufficient acceptable applications are not received to meet the set-aside funding priorities for each fiscal year, any

remaining available funds may be used for other eligible activities outlined in this section.

SECTION 6. The following shall be codified as Section 43-33-811, Mississippi Code of 1972:

43-33-811. All housing projects financed by the fund shall meet a minimum applicable affordability period of fifteen (15) years.

SECTION 7. The following shall be codified as Section 43-33-813, Mississippi Code of 1972:

43-33-813. (1) The corporation shall establish, publish and administer a competitive application process to receive distributions from the fund. The corporation shall evaluate applications and award points based on the following minimum standards:

(a) The property management history of the developer and management agent in maintaining quality housing;

(b) The timeliness with which the proposed project will be placed in service and available for occupancy;

(c) The commitment to extend the required length of the affordability period for the project;

(d) The percentage of units in the proposed project that will be made available to extremely low-income individuals or families;

(e) The degree to which fund monies will be used to leverage additional funds for the proposed project or the time frame for repayment of fund monies;

(f) Demonstration of the ability to minimize negative impacts on existing tenants and community members and to avoid the displacement of existing occupants;

(g) The extent to which the proposed project serves individuals with all types of disabilities and the families of those members;

(h) The extent to which the proposed project serves the housing needs of elderly individuals;

(i) The extent to which special needs and elderly individuals are integrated into mixed affordable housing communities; and

(j) The extent to which the proposed project adheres to energy-efficient standards and other such principles.

(2) For applications for capacity building grants, the corporation shall give funding priority to applications that:

(a) Benefit extremely low-income individuals or families;

(b) Are submitted by applicants who have previously provided housing-related services to extremely low-income individuals or families; and

(c) Demonstrate a commitment of local resources, which may include in-kind contributions.

SECTION 8. The following shall be codified as Section 43-33-815, Mississippi Code of 1972:

43-33-815. To the greatest extent possible, the corporation shall implement and operate the fund in coordination with other state and federal housing programs, including, but not limited to, the HOME Investment Partnership program, the Community Development Block Grant program, the Low-Income Housing Tax Credit program, any United States Department of Housing and Urban Development programs and any United States Department of Agriculture Rural Housing programs.

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

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

(1) (a) On or before August 15, 1992, and each succeeding month thereafter through July 15, 1993, eighteen percent (18%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on business activities within a municipal corporation shall be allocated for distribution to the municipality and paid to the municipal corporation. Except as otherwise provided in this paragraph (a), on or before August 15, 1993, and each succeeding month thereafter, eighteen and one-half percent (18-1/2%) of the

total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business activities within a municipal corporation shall be allocated for distribution to the municipality and paid to the municipal corporation. However, in the event the State Auditor issues a certificate of noncompliance pursuant to Section 21-35-31, the Department of Revenue shall withhold ten percent (10%) of the allocations and payments to the municipality that would otherwise be payable to the municipality under this paragraph (a) until such time that the department receives written notice of the cancellation of a certificate of noncompliance from the State Auditor.

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

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

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

municipality shall be paid to the county treasury in which the municipality is located, and those funds shall be used for road, bridge and street construction or maintenance in the county.

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

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

month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business activities within the corporate limits of the City of Jackson, Mississippi, shall be deposited into the Capitol Complex Improvement District Project Fund created in Section 29-5-215. On or before August 15, 2020, and each succeeding month thereafter, six percent (6%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business activities within the corporate limits of the City of Jackson, Mississippi, shall be deposited into the Capitol Complex Improvement District Project Fund created in Section 29-5-215.

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

1. The county borders on the Mississippi Sound and the State of Alabama;

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

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

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

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

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

utilized solely to satisfy the indebtedness incurred by the county.

(2) On or before September 15, 1987, and each succeeding month thereafter, from the revenue collected under this chapter during the preceding month, One Million One Hundred Twenty-five Thousand Dollars ($1,125,000.00) shall be allocated for distribution to municipal corporations as defined under subsection (1) of this section in the proportion that the number of gallons of gasoline and diesel fuel sold by distributors to consumers and retailers in each such municipality during the preceding fiscal year bears to the total gallons of gasoline and diesel fuel sold by distributors to consumers and retailers in municipalities statewide during the preceding fiscal year. The Department of Revenue shall require all distributors of gasoline and diesel fuel to report to the department monthly the total number of gallons of gasoline and diesel fuel sold by them to consumers and retailers in each municipality during the preceding month. The Department of Revenue shall have the authority to promulgate such rules and regulations as is necessary to determine the number of gallons of gasoline and diesel fuel sold by distributors to consumers and retailers in each municipality. In determining the percentage allocation of funds under this subsection for the fiscal year beginning July 1, 1987, and ending June 30, 1988, the Department of Revenue may consider gallons of gasoline and diesel fuel sold for a period of less than one (1) fiscal year. For the purposes

of this subsection, the term "fiscal year" means the fiscal year beginning July 1 of a year.

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

(4) On or before August 15, 1994, and on or before the fifteenth day of each succeeding month through July 15, 1999, from the proceeds of gasoline, diesel fuel or kerosene taxes as provided in Section 27-5-101(a)(ii)1, Four Million Dollars ($4,000,000.00) shall be deposited in the State Treasury to the credit of a special fund designated as the "State Aid Road Fund," created by Section 65-9-17. On or before August 15, 1999, and on or before the fifteenth day of each succeeding month, from the total amount of the proceeds of gasoline, diesel fuel or kerosene taxes apportioned by Section 27-5-101(a)(ii)1, Four Million Dollars ($4,000,000.00) or an amount equal to twenty-three and

one-fourth percent (23-1/4%) of those funds, whichever is the greater amount, shall be deposited in the State Treasury to the credit of the "State Aid Road Fund," created by Section 65-9-17. Those funds shall be pledged to pay the principal of and interest on state aid road bonds heretofore issued under Sections 19-9-51 through 19-9-77, in lieu of and in substitution for the funds previously allocated to counties under this section. Those funds may not be pledged for the payment of any state aid road bonds issued after April 1, 1981; however, this prohibition against the pledging of any such funds for the payment of bonds shall not apply to any bonds for which intent to issue those bonds has been published for the first time, as provided by law before March 29, 1981. From the amount of taxes paid into the special fund under this subsection and subsection (9) of this section, there shall be first deducted and paid the amount necessary to pay the expenses of the Office of State Aid Road Construction, as authorized by the Legislature for all other general and special fund agencies. The remainder of the fund shall be allocated monthly to the several counties in accordance with the following formula:

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

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

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

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

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

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

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

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

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

(8) On or before August 15, 1992, and each succeeding month thereafter, nine and seventy-three one-thousandths percent (9.073%) of the total sales tax revenue collected during the

preceding month under the provisions of this chapter, except that collected under the provisions of Section 27-65-17(2), shall be deposited into the Education Enhancement Fund created under Section 37-61-33.

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

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

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

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

preceding month under the provisions of Section 27-65-17(1) on retail sales of private carriers of passengers and light carriers of property, as defined in Section 27-51-101 and the corresponding levy in Section 27-65-23 on the rental or lease of these vehicles, shall be deposited, after diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund established in Section 27-51-105.

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

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

deposited in an amount not to exceed Two Million Dollars ($2,000,000.00) into the special fund created under Section 69-37-39 until all debts or other obligations incurred by the Certified Cotton Growers Organization under the Mississippi Boll Weevil Management Act before January 1, 2007, are satisfied in full. On or before August 15, 2010, and each succeeding month thereafter through July 15, 2011, fifty percent (50%) of that portion of the avails of the tax imposed in Section 27-65-23 that is derived from sales by cotton compresses or cotton warehouses and that would otherwise be paid into the General Fund shall be deposited into the special fund created under Section 69-37-39 until such time that the total amount deposited into the fund during a fiscal year equals One Million Dollars ($1,000,000.00). On or before August 15, 2011, and each succeeding month thereafter, that portion of the avails of the tax imposed in Section 27-65-23 that is derived from sales by cotton compresses or cotton warehouses and that would otherwise be paid into the General Fund shall be deposited into the special fund created under Section 69-37-39 until such time that the total amount deposited into the fund during a fiscal year equals One Million Dollars ($1,000,000.00).

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

27-65-19(1)(d)(i)2, and 27-65-19(1)(d)(i)3 shall be deposited, without diversion, into the Telecommunications Ad Valorem Tax Reduction Fund established in Section 27-38-7.

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

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

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

(18) [Repealed]

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

(b) For a municipality participating in the Economic Redevelopment Act created in Sections 57-91-1 through 57-91-11, the diversion provided for in subsection (1) of this section attributable to the gross proceeds of sales of a business enterprise located within a redevelopment project area under the provisions of Sections 57-91-1 through 57-91-11, and attributable to the gross proceeds of sales from sales made to a business enterprise located in a redevelopment project area under the provisions of Sections 57-91-1 through 57-91-11 (provided that such sales made to a business enterprise are made on the premises

of the business enterprise), shall be deposited into the Redevelopment Project Incentive Fund as created in Section 57-91-9, as follows:

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

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

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

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

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

(20) On or before January 15, 2007, and each succeeding month thereafter, eighty percent (80%) of the sales tax revenue collected during the preceding month under the provisions of this

chapter from the operation of a tourism project under the provisions of Sections 57-28-1 through 57-28-5 shall be deposited, after the diversions required in subsections (7) and (8) of this section, into the Tourism Sales Tax Incentive Fund created in Section 57-28-3.

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

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

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

(23) (a) On or before August 15, 2019, and each month thereafter through July 15, 2020, one percent (1%) of the total

sales tax revenue collected during the preceding month from restaurants and hotels shall be allocated for distribution to the Mississippi Development Authority Tourism Advertising Fund established under Section 57-1-64, to be used exclusively for the purpose stated therein. On or before August 15, 2020, and each month thereafter through July 15, 2021, two percent (2%) of the total sales tax revenue collected during the preceding month from restaurants and hotels shall be allocated for distribution to the Mississippi Development Authority Tourism Advertising Fund established under Section 57-1-64, to be used exclusively for the purpose stated therein. On or before August 15, 2021, and each month thereafter, three percent (3%) of the total sales tax revenue collected during the preceding month from restaurants and hotels shall be allocated for distribution to the Mississippi Development Authority Tourism Advertising Fund established under Section 57-1-64, to be used exclusively for the purpose stated therein. The revenue diverted pursuant to this subsection shall not be available for expenditure until February 1, 2020.

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

(24) Notwithstanding any other provision of this section to the contrary, on or before August 15, 2021, and each succeeding month thereafter, two and one-half percent (2-1/2%) of the sales tax revenue collected during the preceding month under the provisions of this chapter on retail sales of lumber and building materials shall be deposited into the Affordable Housing Opportunity Fund created in Section 43-33-803.

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

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

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

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

SECTION 10. Sections 1 through 8 of this act shall be codified as a new Article 13 in Chapter 33, Title 43, Mississippi Code of 1972.

SECTION 11. This act shall take effect and be in force from and after July 1, 2021.