MISSISSIPPI LEGISLATURE REGULAR SESSION 2021

By: Senator(s) Harkins

To: Finance; Accountability, Efficiency, Transparency

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 2829

AN ACT TO AMEND SECTIONS 27-19-99 AND 27-19-155, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT OF THE MOTOR VEHICLE REGISTRATION AND TAG FEES RECEIVED BY THE DEPARTMENT OF REVENUE, THE PORTION OF THE RECEIPTS EQUAL TO THE COST OF LICENSE TAGS, DECALS AND ASSOCIATED FREIGHT COSTS SHALL BE DEPOSITED INTO THE DEPARTMENT OF REVENUE LICENSE TAG ACQUISITION FUND; TO AMEND SECTION 27-19-179, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT MONIES IN THE DEPARTMENT OF REVENUE LICENSE TAG ACQUISITION FUND MAY BE USED BY THE DEPARTMENT OF REVENUE FOR THE PURPOSE OF PAYING THE COSTS INCURRED FOR PURCHASING LICENSE TAGS AND DECALS AND ASSOCIATED FREIGHT COSTS; TO PROVIDE THAT UNEXPENDED AMOUNTS ABOVE $600,000.00 AT THE END OF A FISCAL YEAR SHALL LAPSE INTO THE GENERAL FUND; TO AMEND SECTION 27-104-205, MISSISSIPPI CODE OF 1972, WHICH PROVIDES FOR THE DEFRAYAL OF EXPENSES OF CERTAIN STATE AGENCIES BY APPROPRIATION OF THE LEGISLATURE FROM THE GENERAL FUND, IN CONFORMITY TO THE ABOVE; AND FOR RELATED PURPOSES.

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

**SECTION 1.** Section 27-19-99, Mississippi Code of 1972, is amended as follows:

27-19-99. (1) The Department of Revenue shall furnish the tax collector of each county a sufficient supply of license tags or plates and a sufficient supply of license receipts with which to make the collection of the taxes imposed by the provisions of this article, which such tax collectors are required to collect. The license tag receipts shall be on forms prescribed by the

department. Upon the payment of the taxes and fees required by this article, the tax collector shall issue the license receipt in the form prescribed by the department. The department shall keep account against the tax collector for the license taxes and fees collected. The tax collector shall keep a similar account.

(2) The tax collector shall, at the end of each month or within twenty (20) days thereafter, pay into the county road fund all privilege taxes collected by him during the preceding month upon motor vehicle privilege licenses which he is entitled to issue, less the county's commission.

(3) The tax collector shall keep a record of the information furnished by the owners of each motor vehicle registered. The record shall be made in numerical order by tag number or decal number, whichever is appropriate. At the end of each month, or within twenty (20) days thereafter, the tax collector shall submit to the department a copy of such record, together with the copy of each registration receipt, and shall, at the same time, remit to the department the registration fee for each license tag or decal sold by him during the preceding month. When the tax collector shall have complied with the provisions of this section and shall have forwarded to the department, within the time specified, all reports required of him hereunder, he shall then be entitled to retain five percent (5%) of the registration fees imposed in Section 27-19-43(3)(a) and (b), to be paid into the county general fund; otherwise the county's commission shall be forfeited. The

five percent (5%) shall not apply to any additional registration fee imposed above the amounts imposed in Section 27-19-43(3)(a) and (b). The department shall keep a record from the duplicates filed by the tax collectors of all registered vehicles.

(4) Counties that use their existing computer system to communicate all data regarding vehicle title and registration transactions to the state's central computer system shall be allotted Fifty Cents (50¢) for each registration fee collected by the county and remitted to the Department of Revenue. Such communication must successfully pass any edit features and successfully create or update title/registration records on the network system. This amount paid to the county shall be deposited into the county general fund to be expended only for costs incurred for the purchase of equipment, software, maintenance, or other costs directly related to the title/registration network system, and for education and training.

(5) All monies remitted to the department by tax collectors as registration or tag fees from the portion of the rate imposed in Section 27-19-43(3)(a) and (b), and all monies received by the department directly as registration or tag fees from the portion of the rate imposed in Section 27-19-43(3)(a) and (b)<u>, except as otherwise provided in subsection (7) of this section,</u> shall be paid by the department into the General Fund of the State Treasury on the first day of the month succeeding the month in which such fees are received by the department.

(6) Except as otherwise provided in Section 31-17-127, all monies remitted to the department by tax collectors as registration or tag fees from the additional rate of Five Dollars ($5.00) and all monies received by the department directly as registration or tag fees from the additional rate of Five Dollars ($5.00) shall be paid into the State Treasury to the credit of the State Highway Fund for the construction or reconstruction of highways designated under the highway program created under Section 65-3-97.

(7) On July 1, 2021, and on the first day of each month succeeding the month in which registration or tag fees are received by the Department of Revenue, the portion of the receipts equal to the cost of the license tags, decals and associated freight costs shall be deposited into the special fund created in Section 27-19-179.

**SECTION 2.** Section 27-19-155, Mississippi Code of 1972, is amended as follows:

27-19-155. The license or number tag herein provided for shall be purchased by the License Tag Commission, composed of the Governor, Commissioner of Revenue, Attorney General and the State Treasurer, upon competitive bids, after having given three (3) weeks' notice of the time and place of purchase, by publishing said notice in at least three (3) newspapers, at least one (1) of which shall be published in the State of Mississippi, for a period of three (3) weeks prior to the date of purchase. The successful

bidder shall enter into a bond with some surety company, authorized to do business in the state, as surety thereon, payable to the State of Mississippi, in a sum equal to the amount of his contract, conditioned for the faithful and prompt carrying out of said bid, and, in the event of the failure to comply with the terms of said contract, the amount of said bond shall be forfeited as liquidated damages and may be recovered by the Attorney General in any appropriate action. The License Tag Commission is hereby authorized and empowered to renegotiate any contract entered into for the purchase of license tags in order to obtain any other or additional tags necessitated by the passage of this article.

All monies received by the Department of Revenue as registration or tag fees, either from the tax collectors, or from licenses issued by the Department of Revenue, shall be paid into the State Treasury on the same day in which such funds are collected by the Department of Revenue. On July 1, 2021, and on the first day of each month succeeding the month in which registration or tag fees are received by the Department of Revenue, the portion of the receipts equal to the cost of the license tags, decals and associated freight costs shall be deposited into the special fund created in Section 27-19-179.

**SECTION 3.** Section 27-19-179, Mississippi Code of 1972, is amended as follows:

27-19-179. (1) There is created in the State Treasury a special fund to be designated as the "Department of Revenue

License Tag Acquisition Fund." The special fund shall consist of monies deposited therein under Sections 27-19-99 and 27-19-155 and monies from any other source designated for deposit into the fund. Unexpended amounts remaining in the special fund at the end of a fiscal year shall not lapse into the State General Fund, and any interest earned or investment earnings on amounts in the fund shall be deposited to the credit of the fund.

(2) From and after July 1, 2010, monies in the special fund may be used by the Department of Revenue for the purpose of paying the costs incurred for purchasing license tags and decals and associated freight costs under Section 27-19-1 et seq. The department may escalate its budget and expend monies from the special fund in accordance with rules and regulations of the Department of Finance and Administration in a manner consistent with the escalation of federal funds.

(3) Except as otherwise provided in subsection (4) of this section, from and after July 1, 2016, the expenses of the Department of Revenue License Tag Acquisition Fund Program shall be defrayed by appropriation from the State General Fund and all user charges and fees authorized under this section shall be deposited into the State General Fund as authorized by law and as determined by the State Fiscal Officer.

(4) From and after July 1, 2021, monies in the special fund may be used by the Department of Revenue for the purpose of paying the costs incurred for purchasing license tags and decals and

associated freight costs under Section 27-19-1 et seq. The department may escalate its budget and expend monies from the special fund in accordance with rules and regulations of the Department of Finance and Administration in a manner consistent with the escalation of federal funds. Any unexpended amounts remaining in the special fund exceeding Six Hundred Thousand Dollars ($600,000.00) at the end of any fiscal year shall lapse into the General Fund.

( * * *5) From and after July 1, 2016, no state agency shall charge another state agency a fee, assessment, rent or other charge for services or resources received by authority of this section.

**SECTION 4.** Section 27-104-205, Mississippi Code of 1972, is amended as follows:

27-104-205. (1) From and after July 1, 2016, the expenses of the following enumerated state agencies shall be defrayed by appropriation of the Legislature from the State General Fund: the State Fire Marshal, the State Fire Academy, the Office of Secretary of State (not including the Preneed Contracts Loss Recovery Fund), the Mississippi Public Service Commission, the Mississippi Department of Information Technology Services, (not including the Mississippi Department of Information Technology Services Revolving Fund), the State Personnel Board, the Mississippi Department of Insurance (not including the Municipal Fire Protection Fund, Section 83-1-37, the County Volunteer Fire

Department Fund, Section 83-1-39, and the Mississippi Propane Education and Research Fund, Section 75-57-119), the Mississippi Law Enforcement Officers' Minimum Standards Board, the Mississippi Gaming Commission, * * * the Office of the State Public Defender, the Mississippi Workers' Compensation Commission (not including the Second Injury Trust Fund) and the Office of Attorney General. Beginning July 1, 2016, any fees, assessments or other revenues charged for the support of the above-named state agencies shall be deposited into the State General Fund, and any special fund or depository established within the State Treasury for the deposit of such fees, assessments or revenues shall be abolished and the balance transferred to the State General Fund. Expenses heretofore drawn from such special funds or other depositories shall be drawn from the agencies General Fund Account.

(2) Beginning with the fiscal year ending June 30, 2016, the amount to be appropriated annually from the State General Fund for the support of each of the above-named state agencies shall not exceed the amount appropriated for such purpose in the preceding fiscal year, plus any increases in or additional fees, assessments or other charges authorized by act of the Legislature for the succeeding fiscal year.

(3) The provisions of this section shall not apply to any trust fund account that is maintained by any above-named agency.

(4) The provisions of this section shall not prohibit any of the above-named agencies from maintaining clearing accounts in approved depositories.

(5) The provisions of this section shall not apply to any trust fund accounts maintained by the Public Employees' Retirement System and protected under Section 272A of the Mississippi Constitution of 1890.

**SECTION 5.** This act shall take effect and be in force from and after July 1, 2021.