

Chapter No. 518
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as 1TB/RC

SENATE BILL NO. 2975

Originated in Senate *Liz Welch* Secretary

SENATE BILL NO. 2975

AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION BONDS TO PROVIDE FUNDS TO THE NORTH CENTRAL MS REGIONAL RAIL AUTHORITY FOR THE PURPOSE OF ACQUIRING THE RAIL LINE THAT EXTENDS FROM SOUTHAVEN, MISSISSIPPI, TO A POINT NEAR CANTON, MISSISSIPPI; TO PROVIDE THAT IF THE RAIL AUTHORITY ACQUIRES THE RAIL LINE, IT MAY ENTER INTO ANY AGREEMENT WITH A RAILROAD OR OTHER ENTITY PROVIDING THAT THE RAILROAD OR OTHER ENTITY WILL LEASE THE RAIL LINE FROM THE AUTHORITY FOR COMMERCIAL PURPOSES; TO PROVIDE THAT THE PRINCIPAL OF AND INTEREST ON THE BONDS WILL BE PAID PRIMARILY FROM CERTAIN LEASE PAYMENTS DEPOSITED INTO A BOND SINKING FUND; TO AMEND SECTION 57-1-16, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE MISSISSIPPI DEVELOPMENT AUTHORITY TO MAKE GRANTS TO LOCAL UNITS OF GOVERNMENT TO ASSIST THE LOCAL UNIT OF GOVERNMENT IN PURCHASING REAL PROPERTY FOR THE BENEFIT OF CERTAIN EXISTING INDUSTRIES; TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS IN THE AMOUNT OF \$20,000,000.00 FOR THE ACE FUND; TO LIMIT THE AMOUNT OF BONDS THAT MAY BE ISSUED IN ANY ONE FISCAL YEAR; TO AMEND SECTION 27-25-505, MISSISSIPPI CODE OF 1972, TO REVISE THE MANNER IN WHICH OIL SEVERANCE TAXES ARE DISTRIBUTED TO THE STATE AND THE COUNTY IN WHICH THE OIL WAS PRODUCED; AND FOR RELATED PURPOSES.

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

SECTION 1. (1) As used in this section, the following words shall have the meanings ascribed herein unless the context clearly requires otherwise:

(a) "Accreted value" of any bond means, as of any date of computation, an amount equal to the sum of (i) the stated initial value of such bond, plus (ii) the interest accrued thereon from the issue date to the date of computation at the rate, compounded semiannually, that is necessary to produce the approximate yield to maturity shown for bonds of the same maturity.

(b) ~~"State" means the State of Mississippi.~~

(c) "Commission" means the State Bond Commission.

(2) (a) (i) A special fund, to be designated as the "2014 North Central MS Regional Rail Authority Loan Fund" is created within the State Treasury. The fund shall be maintained by the State Treasurer as a separate and special fund, separate and apart from the General Fund of the state. Unexpended amounts remaining in the 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 into such fund.

(ii) Monies deposited into the fund shall be disbursed, in the discretion of the Department of Finance and Administration, to the North Central MS Regional Rail Authority for the acquisition of the rail line that extends from Southaven, Mississippi, to a point near Canton, Mississippi, as determined necessary by the Mississippi Development Authority.

(b) Amounts deposited into such special fund shall be disbursed to pay the costs of the projects described in paragraph

(a) of this subsection. Promptly after the commission has certified, by resolution duly adopted, that the projects described in paragraph (a) of this subsection shall have been completed, abandoned, or cannot be completed in a timely fashion, any amounts remaining in such special fund shall be applied to pay debt service on the bonds issued under this section, in accordance with the proceedings authorizing the issuance of such bonds and as directed by the commission.

(3) (a) For the purposes of providing for the payment of the principal of and interest on bonds issued under this section, there is created in the State Treasury a special fund to be known as the "2014 North Central MS Regional Rail Authority Loan Bond Sinking Fund." The bond sinking fund shall consist of monies deposited into the fund from lease payments as provided in paragraph (b) of this subsection and such other amounts as may be paid into the bond sinking fund by appropriation or other authorization by the Legislature. Monies in the bond sinking fund shall be used to pay the debt service requirements of the bonds issued under this section. Unexpended amounts remaining in the bond sinking 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 bond sinking fund shall be deposited into the bond sinking fund.

(b) If the North Central MS Regional Rail Authority acquires the rail line, it may enter into any binding agreement

with a railroad or other entity providing that the railroad or other entity shall lease the rail line from the North Central MS Regional Rail Authority for commercial purposes. The North Central MS Regional Rail Authority may enter into any lease of the rail line to a railroad or other entity for commercial purposes, and the payments from any such lease shall be deposited into the special bond sinking fund created in paragraph (a) of this subsection. The lease payments paid by the railroad or other entity over a lease term shall be in an amount at least sufficient to retire the general obligation bonds issued under this section within fifteen (15) years of the commencement of the initial lease of the rail line by the North Central MS Regional Rail Authority. If the amount deposited in the sinking fund is insufficient to pay the annual debt service on the bonds issued under this section, the North Central MS Rail Authority shall sell the rail line for not less than its market value and the proceeds of the sale shall be applied to pay the debt service on the bonds issued under this section, in accordance with the proceedings authorizing the issuance of such bonds and as directed by the commission.

(4) (a) The commission, at one time, or from time to time, may declare by resolution the necessity for issuance of general obligation bonds of the State of Mississippi to provide funds for all costs incurred or to be incurred for the purposes described in subsection (2) of this section. Upon the adoption of a resolution by the Department of Finance and Administration, declaring the

necessity for the issuance of any part or all of the general obligation bonds authorized by this subsection, the department shall deliver a certified copy of its resolution or resolutions to the commission. Upon receipt of such resolution, the commission, in its discretion, may act as issuing agent, prescribe the form of the bonds, determine the appropriate method for sale of the bonds, advertise for and accept bids or negotiate the sale of the bonds, ~~issue and sell the bonds so authorized to be sold, and do any and~~ all other things necessary and advisable in connection with the issuance and sale of such bonds. The total amount of bonds issued under this section shall not exceed Thirty Million Dollars (\$30,000,000.00). No bonds shall be issued under this section after July 1, 2018.

(b) Any investment earnings on amounts deposited into the special fund created in subsection (2) of this section shall be used to pay debt service on bonds issued under this section, in accordance with the proceedings authorizing issuance of such bonds.

(5) The principal of and interest on the bonds authorized under this section shall be payable in the manner provided in this subsection. Such bonds shall bear such date or dates, be in such denomination or denominations, bear interest at such rate or rates (not to exceed the limits set forth in Section 75-17-101, Mississippi Code of 1972), be payable at such place or places within or without the State of Mississippi, shall mature

absolutely at such time or times not to exceed twenty (20) years from date of issue, be redeemable before maturity at such time or times and upon such terms, with or without premium, shall bear such registration privileges, and shall be substantially in such form, all as shall be determined by resolution of the commission.

(6) The bonds authorized by this section shall be signed by the chairman of the commission, or by his facsimile signature, and ~~the official seal of the commission shall be affixed thereto,~~ attested by the secretary of the commission. The interest coupons, if any, to be attached to such bonds may be executed by the facsimile signatures of such officers. Whenever any such bonds shall have been signed by the officials designated to sign the bonds who were in office at the time of such signing but who may have ceased to be such officers before the sale and delivery of such bonds, or who may not have been in office on the date such bonds may bear, the signatures of such officers upon such bonds and coupons shall nevertheless be valid and sufficient for all purposes and have the same effect as if the person so officially signing such bonds had remained in office until their delivery to the purchaser, or had been in office on the date such bonds may bear. However, notwithstanding anything herein to the contrary, such bonds may be issued as provided in the Registered Bond Act of the State of Mississippi.

(7) All bonds and interest coupons issued under the provisions of this section have all the qualities and incidents of

negotiable instruments under the provisions of the Uniform Commercial Code, and in exercising the powers granted by this section, the commission shall not be required to and need not comply with the provisions of the Uniform Commercial Code.

(8) The commission shall act as issuing agent for the bonds authorized under this section, prescribe the form of the bonds, determine the appropriate method for sale of the bonds, advertise for and accept bids or negotiate the sale of the bonds, issue and sell the bonds so authorized to be sold, pay all fees and costs incurred in such issuance and sale, and do any and all other things necessary and advisable in connection with the issuance and sale of such bonds. The commission is authorized and empowered to pay the costs that are incident to the sale, issuance and delivery of the bonds authorized under this section from the proceeds derived from the sale of such bonds. The commission may sell such bonds on sealed bids at public sale or may negotiate the sale of the bonds for such price as it may determine to be for the best interest of the State of Mississippi. All interest accruing on such bonds so issued shall be payable semiannually or annually.

If such bonds are sold by sealed bids at public sale, notice of the sale shall be published at least one time, not less than ten (10) days before the date of sale, and shall be so published in one or more newspapers published or having a general circulation in the City of Jackson, Mississippi, selected by the commission.

The commission, when issuing any bonds under the authority of this section, may provide that bonds, at the option of the State of Mississippi, may be called in for payment and redemption at the call price named therein and accrued interest on such date or dates named therein.

(9) The bonds issued under the provisions of this section are general obligations of the State of Mississippi, and for the payment thereof the full faith and credit of the State of Mississippi is irrevocably pledged. The principal of and the interest on the bonds shall be payable primarily from the bond sinking fund created in subsection (3) of this section. If the funds available in the bond sinking fund and any funds appropriated by the Legislature are insufficient to pay the principal of and the interest on such bonds as they become due, then the deficiency shall be paid by the State Treasurer from any funds in the State Treasury not otherwise appropriated. All such bonds shall contain recitals on their faces substantially covering the provisions of this subsection.

(10) Upon the issuance and sale of bonds under the provisions of this section, the commission shall transfer the proceeds of any such sale or sales to the special fund created in subsection (2) of this section. The proceeds of such bonds shall be disbursed solely upon the order of the Department of Finance and Administration under such restrictions, if any, as may be

contained in the resolution providing for the issuance of the bonds.

(11) The bonds authorized under this section may be issued without any other proceedings or the happening of any other conditions or things other than those proceedings, conditions and things which are specified or required by this section. Any resolution providing for the issuance of bonds under the provisions of this section shall become effective immediately upon its adoption by the commission, and any such resolution may be adopted at any regular or special meeting of the commission by a majority of its members.

(12) The bonds authorized under the authority of this section may be validated in the Chancery Court of the First Judicial District of Hinds County, Mississippi, in the manner and with the force and effect provided by Chapter 13, Title 31, Mississippi Code of 1972, for the validation of county, municipal, school district and other bonds. The notice to taxpayers required by such statutes shall be published in a newspaper published or having a general circulation in the City of Jackson, Mississippi.

(13) Any holder of bonds issued under the provisions of this section or of any of the interest coupons pertaining thereto may, either at law or in equity, by suit, action, mandamus or other proceeding, protect and enforce any and all rights granted under this section, or under such resolution, and may enforce and compel performance of all duties required by this section to be

performed, in order to provide for the payment of bonds and interest thereon.

(14) All bonds issued under the provisions of this section shall be legal investments for trustees and other fiduciaries, and for savings banks, trust companies and insurance companies organized under the laws of the State of Mississippi, and such bonds shall be legal securities which may be deposited with and shall be received by all public officers and bodies of this state and all municipalities and political subdivisions for the purpose of securing the deposit of public funds.

(15) Bonds issued under the provisions of this section and income therefrom shall be exempt from all taxation in the State of Mississippi.

(16) The proceeds of the bonds issued under this section shall be used solely for the purposes herein provided, including the costs incident to the issuance and sale of such bonds.

(17) The State Treasurer is authorized, without further process of law, to certify to the Department of Finance and Administration the necessity for warrants, and the Department of Finance and Administration is authorized and directed to issue such warrants, in such amounts as may be necessary to pay when due the principal of, premium, if any, and interest on, or the accreted value of, all bonds issued under this section; and the State Treasurer shall forward the necessary amount to the designated place or places of payment of such bonds in ample time

to discharge such bonds, or the interest thereon, on the due dates thereof.

(18) This section shall be deemed to be full and complete authority for the exercise of the powers herein granted, but this section shall not be deemed to repeal or to be in derogation of any existing law of this state.

SECTION 2. Section 57-1-16, Mississippi Code of 1972, is amended as follows:

57-1-16. (1) As used in this section:

(a) "Extraordinary economic development opportunity" means a new or expanded business or industry which maintains a strong financial condition and minimal credit risk and creates substantial employment, particularly in areas of high unemployment.

(b) "Local economic development entities" means state institutions of higher learning or public or private nonprofit local economic development entities including, but not limited to, chambers of commerce, local authorities, commissions or other entities created by local and private legislation or districts created pursuant to Section 19-5-99.

(c) "MDA" means the Mississippi Development Authority.

(2) (a) There is hereby created in the State Treasury a special fund to be designated as the ACE Fund, which shall consist of money from any public or private source designated for deposit into such fund. Unexpended amounts remaining in the fund at the

end of a fiscal year shall not lapse into the State General Fund, and any interest earned on amounts in the fund shall be deposited to the credit of the fund. The purpose of the fund shall be to assist in maximizing extraordinary economic development opportunities related to any new or expanded business or industry or to assist a local unit of government as authorized in subsection (5) of this section. Such funds may be used to make grants to local economic development entities to assist any new or expanding business or industry that meets the criteria provided in this section when such assistance aids the consummation of a project within the State of Mississippi, or to make grants to a local unit of government as authorized in subsection (5) of this section.

(b) Monies in the fund which are derived from the proceeds of general obligation bonds may be used to reimburse reasonable actual and necessary costs incurred by the MDA in providing assistance under this section through the use of general obligation bonds. An accounting of actual costs incurred for which reimbursement is sought shall be maintained for each grant by the MDA. Reimbursement of reasonable actual and necessary costs for a grant shall not exceed three percent (3%) of the proceeds of bonds issued for such grant. Monies authorized for a particular grant may not be used to reimburse administrative costs for unrelated grants. Reimbursements made under this subsection shall satisfy any applicable federal tax law requirements.

(3) The MDA shall establish a grant program to make grants from the ACE Fund created under this section. Local economic development entities may apply to the MDA for a grant under this section in the manner provided for in subsection (4) of this section. Local units of government may apply to the MDA for a grant under this section in the manner provided in subsection (5) of this section.

(4) (a) Any business or industry desiring assistance from a local economic development entity under this section shall submit an application to the local economic development entity which shall include, at a minimum:

(i) Evidence that the business or industry meets the definition of an extraordinary economic development opportunity;

(ii) A demonstration that the business or industry is at an economic disadvantage by locating the new or expanded project in the county;

(iii) A description, including the cost, of the requested assistance;

(iv) A description of the purpose for which the assistance is requested;

(v) A two-year business plan;

(vi) Financial statements or tax returns for the three (3) years immediately prior to the application;

(vii) Credit reports on all persons or entities with a twenty percent (20%) or greater interest in the business or industry; and

(viii) Any other information required by the MDA.

(b) The MDA shall require that binding commitments be entered into requiring that:

(i) The minimum requirements of this section and ~~such other requirements as the MDA considers proper shall be met;~~ and

(ii) If such requirements are not met, all or a portion of the funds provided by this section as determined by the MDA shall be repaid.

(c) Upon receipt of the application from a business or industry, the local economic development entity may apply to the MDA for assistance under this section. Such application must contain evidence that the business or industry meets the definition of an extraordinary economic development opportunity, a demonstration that the business or industry is at an economic disadvantage by locating the new or expanded project in the county, a description, including the cost, of the requested assistance, and a statement of what efforts have been made or are being made by the business or industry for securing or qualifying for other local, state, federal or private funds for the project.

(d) The MDA shall have sole discretion in the awarding of ACE funds, provided that the business or industry and the local

economic development entity have met the statutory requirements of this section. However, in making grants under this section, the MDA shall attempt to provide for an equitable distribution of such grants among each of the congressional districts of this state in order to promote economic development across the entire state.

(5) (a) The MDA may make grants to local units of government to assist the local unit of government in purchasing real property for the benefit of an existing industry that commits to maintain a minimum of one thousand three hundred (1,300) jobs for a minimum of ten (10) years after the date the grant is made.

(b) Any local unit of government seeking a grant authorized under this subsection shall apply to MDA. The application shall contain such information as the MDA may require.

(c) The MDA shall require that binding commitments be entered into requiring that:

(i) The minimum requirements of this subsection and such other requirements as the MDA considers proper shall be met; and

(ii) If such requirements are not met, all or a portion of the funds provided by this section as determined by the MDA shall be repaid.

(* * *6) The MDA shall promulgate rules and regulations, in accordance with the Mississippi Administrative Procedures Law, for the implementation of this section. However, before the implementation of any such rules and regulations, they shall be

submitted to a committee consisting of five (5) members of the Senate Finance Committee and five (5) members of the House of Representatives Ways and Means Committee, appointed by the respective committee chairmen.

SECTION 3. (1) As used in this section, the following words shall have the meanings ascribed herein unless the context clearly requires otherwise:

(a) "Accreted value" of any bonds means, as of any date of computation, an amount equal to the sum of (i) the stated initial value of such bond, plus (ii) the interest accrued thereon from the issue date to the date of computation at the rate, compounded semiannually, that is necessary to produce the approximate yield to maturity shown for bonds of the same maturity.

(b) "State" means the State of Mississippi.

(c) "Commission" means the State Bond Commission.

(2) (a) The Mississippi Development Authority, at one time, or from time to time, may declare by resolution the necessity for issuance of general obligation bonds of the State of Mississippi to provide funds for the program authorized in Section 57-1-16. Upon the adoption of a resolution by the Mississippi Development Authority declaring the necessity for the issuance of any part or all of the general obligation bonds authorized by this subsection, the Mississippi Development Authority shall deliver a certified copy of its resolution or resolutions to the commission. Upon

receipt of such resolution, the commission, in its discretion, may act as the issuing agent, prescribe the form of the bonds, determine the appropriate method for sale of the bonds, advertise for and accept bids or negotiate the sale of the bonds, issue and sell the bonds so authorized to be sold, and do any and all other things necessary and advisable in connection with the issuance and sale of such bonds. The total amount of bonds issued under this section shall not exceed Twenty Million Dollars (\$20,000,000.00); however, not more than Eight Million Dollars (\$8,000,000.00) may be issued in fiscal year 2015, not more than Six Million Dollars (\$6,000,000.00) may be issued in fiscal year 2016, and not more than Six Million Dollars (\$6,000,000.00) may be issued in fiscal year 2017. No bonds authorized under this section shall be issued after July 1, 2018.

(b) The proceeds of bonds issued pursuant to this section shall be deposited into the ACE Fund created pursuant to Section 57-1-16. Any investment earnings on bonds issued pursuant to this section shall be used to pay debt service on bonds issued under this section, in accordance with the proceedings authorizing issuance of such bonds.

(3) The principal of and interest on the bonds authorized under this section shall be payable in the manner provided in this subsection. Such bonds shall bear such date or dates, be in such denomination or denominations, bear interest at such rate or rates (not to exceed the limits set forth in Section 75-17-101,

Mississippi Code of 1972), be payable at such place or places within or without the State of Mississippi, shall mature absolutely at such time or times not to exceed twenty-five (25) years from date of issue, be redeemable before maturity at such time or times and upon such terms, with or without premium, shall bear such registration privileges, and shall be substantially in such form, all as shall be determined by resolution of the commission.

(4) The bonds authorized by this section shall be signed by the chairman of the commission, or by his facsimile signature, and the official seal of the commission shall be affixed thereto, attested by the secretary of the commission. The interest coupons, if any, to be attached to such bonds may be executed by the facsimile signatures of such officers. Whenever any such bonds shall have been signed by the officials designated to sign the bonds who were in office at the time of such signing but who may have ceased to be such officers before the sale and delivery of such bonds, or who may not have been in office on the date such bonds may bear, the signatures of such officers upon such bonds and coupons shall nevertheless be valid and sufficient for all purposes and have the same effect as if the person so officially signing such bonds had remained in office until their delivery to the purchaser, or had been in office on the date such bonds may bear. However, notwithstanding anything herein to the contrary,

such bonds may be issued as provided in the Registered Bond Act of the State of Mississippi.

(5) All bonds and interest coupons issued under the provisions of this section have all the qualities and incidents of negotiable instruments under the provisions of the Uniform Commercial Code, and in exercising the powers granted by this section, the commission shall not be required to and need not comply with the provisions of the Uniform Commercial Code.

(6) The commission shall act as the issuing agent for the bonds authorized under this section, prescribe the form of the bonds, determine the appropriate method for sale of the bonds, advertise for and accept bids or negotiate the sale of the bonds, issue and sell the bonds so authorized to be sold, pay all fees and costs incurred in such issuance and sale, and do any and all other things necessary and advisable in connection with the issuance and sale of such bonds. The commission is authorized and empowered to pay the costs that are incident to the sale, issuance and delivery of the bonds authorized under this section from the proceeds derived from the sale of such bonds. The commission shall sell such bonds on sealed bids at public sale or may negotiate the sale of the bonds for such price as it may determine to be for the best interest of the State of Mississippi. All interest accruing on such bonds so issued shall be payable semiannually or annually.

If the bonds are to be sold on sealed bids at public sale, notice of the sale of any such bonds shall be published at least one time, not less than ten (10) days before the date of sale, and shall be so published in one or more newspapers published or having a general circulation in the City of Jackson, Mississippi, selected by the commission.

The commission, when issuing any bonds under the authority of this section, may provide that bonds, at the option of the State of Mississippi, may be called in for payment and redemption at the call price named therein and accrued interest on such date or dates named therein.

(7) The bonds issued under the provisions of this section are general obligations of the State of Mississippi, and for the payment thereof the full faith and credit of the State of Mississippi is irrevocably pledged. If the funds appropriated by the Legislature are insufficient to pay the principal of and the interest on such bonds as they become due, then the deficiency shall be paid by the State Treasurer from any funds in the State Treasury not otherwise appropriated. All such bonds shall contain recitals on their faces substantially covering the provisions of this subsection.

(8) Upon the issuance and sale of bonds under the provisions of this section, the commission shall transfer the proceeds of any such sale or sales to the ACE Fund created in Section 57-1-16. The proceeds of such bonds shall be disbursed solely upon the

order of the Mississippi Development Authority under such restrictions, if any, as may be contained in the resolution providing for the issuance of the bonds.

(9) The bonds authorized under this section may be issued without any other proceedings or the happening of any other conditions or things other than those proceedings, conditions and things which are specified or required by this section. Any resolution providing for the issuance of bonds under the provisions of this section shall become effective immediately upon its adoption by the commission, and any such resolution may be adopted at any regular or special meeting of the commission by a majority of its members.

(10) The bonds authorized under the authority of this section may be validated in the Chancery Court of the First Judicial District of Hinds County, Mississippi, in the manner and with the force and effect provided by Chapter 13, Title 31, Mississippi Code of 1972, for the validation of county, municipal, school district and other bonds. The notice to taxpayers required by such statutes shall be published in a newspaper published or having a general circulation in the City of Jackson, Mississippi.

(11) Any holder of bonds issued under the provisions of this section or of any of the interest coupons pertaining thereto may, either at law or in equity, by suit, action, mandamus or other proceeding, protect and enforce any and all rights granted under this section, or under such resolution, and may enforce and compel

performance of all duties required by this section to be performed, in order to provide for the payment of bonds and interest thereon.

(12) All bonds issued under the provisions of this section shall be legal investments for trustees and other fiduciaries, and for savings banks, trust companies and insurance companies organized under the laws of the State of Mississippi, and such bonds shall be legal securities which may be deposited with and shall be received by all public officers and bodies of this state and all municipalities and political subdivisions for the purpose of securing the deposit of public funds.

(13) Bonds issued under the provisions of this section and income therefrom shall be exempt from all taxation in the State of Mississippi.

(14) The proceeds of the bonds issued under this section shall be used solely for the purposes therein provided, including the costs incident to the issuance and sale of such bonds.

(15) The State Treasurer is authorized, without further process of law, to certify to the Department of Finance and Administration the necessity for warrants, and the Department of Finance and Administration is authorized and directed to issue such warrants, in such amounts as may be necessary to pay when due the principal of, premium, if any, and interest on, or the accreted value of, all bonds issued under this section; and the State Treasurer shall forward the necessary amount to the

designated place or places of payment of such bonds in ample time to discharge such bonds, or the interest thereon, on the due dates thereof.

(16) This section shall be deemed to be full and complete authority for the exercise of the powers therein granted, but this section shall not be deemed to repeal or to be in derogation of any existing law of this state.

SECTION 4. ~~Section 27-25-505, Mississippi Code of 1972, is amended as follows:~~

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

27-25-505. (1) All taxes levied in this article and collected by the Department of Revenue shall be paid into the State Treasury on the same day collected.

(2) Except as otherwise provided in this section, the commissioner shall apportion all the tax collections made pursuant to this article to the state and to the county in which the oil was produced, in accordance with the following schedule and so certify such apportionment to the State Treasurer at the end of each month:

On the first Six Hundred Thousand Dollars (\$600,000.00) or any part thereof, sixty-six and two-thirds percent (66-2/3%) to the state and thirty-three and one-third percent (33-1/3%) to the county.

* * * Above and exceeding Six Hundred Thousand Dollars (\$600,000.00), or any part thereof, ninety percent (90%) to the state and ten percent (10%) to the county through June 30, 1989; eighty-five percent (85%) to the state and fifteen percent (15%) to the county from July 1, 1989, through June 30, 1990; * * * eighty percent (80%) to the state and twenty percent (20%) to the county from July 1, 1990, through June 30, 2015; seventy-nine percent (79%) to the state and twenty-one percent (21%) to the county from July 1, 2015, through June 30, 2016; seventy-eight percent (78%) to the state and twenty-two percent (22%) to the county from July 1, 2016, through June 30, 2017; seventy-seven percent (77%) to the state and twenty-three percent (23%) to the county from July 1, 2017, through June 30, 2018; seventy-six percent (76%) to the state and twenty-four percent (24%) to the county from July 1, 2018, through June 30, 2019; and seventy-four percent (74%) to the state and twenty-six percent (26%) to the county for each fiscal year thereafter.

* * *

(3) The state's share of all oil severance taxes collected pursuant to this article shall be deposited as provided for in Section 27-25-506.

(4) The commissioner shall apportion all the tax collections made pursuant to Section 27-25-503(1)(c) to the county in which the oil was produced.

(5) The State Treasurer shall remit the county's share of taxes collected pursuant to this article on or before the twentieth day of the month next succeeding the month in which the collections were made, for division among the municipalities and taxing districts of the county. He shall accompany his remittance with a report to the county receiving the funds prepared by the commissioner showing from whom the tax was collected. Upon receipt of the funds, the board of supervisors of the county shall allocate the funds to the municipalities and to the various maintenance and bond and interest funds of the county, school districts, supervisors districts and road districts, as provided in this subsection.

(6) Except as provided in subsection (8) of this section, when there are any oil producing properties within the corporate limits of any municipality, then the municipality shall participate in the division of the tax returned to the county in which the municipality is located, in the proportion which the tax on production of oil from any properties located within the municipal corporate limits bears to the tax on the total production of oil in the county. In no event, however, shall the amount allocated to municipalities exceed one-third (1/3) of the tax produced in the municipality and returned to the county. Any amount received by any municipality as a result of the allocation provided for in this subsection shall be used only for such purposes as are authorized by law.

(7) Except as provided in subsection (8) of this section,
the balance remaining of any amount of tax returned to the county
after the allocation to municipalities shall be divided among the
various maintenance and bond interest funds of the county, school
districts, supervisors districts and road districts, in the
discretion of the board of supervisors, and the board shall make
the division in consideration of the needs of the various taxing
districts. The funds so allocated shall be used only for purposes
as are authorized by law.

(8) Any amount above and exceeding Six Hundred Thousand
Dollars (\$600,000.00) that is remitted to the county that is more
than twenty percent (20%) of the taxes above and exceeding Six
Hundred Thousand Dollars (\$600,000.00) collected on oil produced
in the county, shall be utilized by the county for infrastructure
repairs.

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

27-25-505. (1) All taxes levied in this article and
collected by the Department of Revenue shall be paid into the
State Treasury on the same day collected.

(2) Except as otherwise provided in this section, the
commissioner shall apportion all the tax collections made pursuant
to this article to the state and to the county in which the oil
was produced, in accordance with the following schedule and so

certify such apportionment to the State Treasurer at the end of each month:

On the first Six Hundred Thousand Dollars (\$600,000.00) or any part thereof, sixty-six and two-thirds percent (66-2/3%) to the state and thirty-three and one-third percent (33-1/3%) to the county.

* * * Above and exceeding Six Hundred Thousand Dollars (\$600,000.00), or any part thereof, ninety percent (90%) to the state and ten percent (10%) to the county through June 30, 1989; eighty-five percent (85%) to the state and fifteen percent (15%) to the county from July 1, 1989, through June 30, 1990; * * * eighty percent (80%) to the state and twenty percent (20%) to the county from July 1, 1990, through June 30, 2015; seventy-nine percent (79%) to the state and twenty-one percent (21%) to the county from July 1, 2015, through June 30, 2016; seventy-eight percent (78%) to the state and twenty-two percent (22%) to the county from July 1, 2016, through June 30, 2017; seventy-seven percent (77%) to the state and twenty-three percent (23%) to the county from July 1, 2017, through June 30, 2018; seventy-six percent (76%) to the state and twenty-four percent (24%) to the county from July 1, 2018, through June 30, 2019; and seventy-four percent (74%) to the state and twenty-six percent (26%) to the county for each fiscal year thereafter.

* * *

(3) The state's share of all oil severance taxes collected pursuant to this article shall be deposited as provided for in Section 27-25-506.

(4) The commissioner shall apportion all the tax collections made pursuant to the tax levied in Section 27-25-503(1)(c) to the county in which the oil was produced.

(5) The State Treasurer shall remit the county's share of the taxes collected pursuant to this article on or before the twentieth day of the month next succeeding the month in which the collections were made, for division among the municipalities and taxing districts of the county. He shall accompany his remittance with a report to the county receiving the funds prepared by the commissioner showing from whom the tax was collected. Upon receipt of the funds, the board of supervisors of the county shall allocate the funds to the municipalities and to the various maintenance and bond and interest funds of the county and school districts, as provided in this subsection.

(6) Except as provided in subsection (8) of this section, when there are any oil producing properties within the corporate limits of any municipality, then the municipality shall participate in the division of the tax returned to the county in which the municipality is located, in the proportion which the tax on production of oil from any properties located within the municipal corporate limits bears to the tax on the total production of oil in the county. In no event, however, shall the

amount allocated to municipalities exceed one-third (1/3) of the tax produced in the municipality and returned to the county. Any amount received by any municipality as a result of the allocation provided in this subsection shall be used only for such purposes as are authorized by law.

(7) Except as provided in subsection (8) of this section, the balance remaining of any amount of tax returned to the county after the allocation to municipalities shall be divided among the various maintenance and bond interest funds of the county and school districts, in the discretion of the board of supervisors, and the board shall make the division in consideration of the needs of the various taxing districts. The funds so allocated shall be used only for purposes as are authorized by law.

(8) Any amount above and exceeding Six Hundred Thousand Dollars (\$600,000.00) that is remitted to the county that is more than twenty percent (20%) of the taxes above and exceeding Six Hundred Thousand Dollars (\$600,000.00) collected on oil produced in the county, shall be utilized by the county for infrastructure repairs.

SECTION 5. This act shall take effect and be in force from
and after July 1, 2014.

PASSED BY THE SENATE
March 31, 2014



PRESIDENT OF THE SENATE

PASSED BY THE HOUSE OF REPRESENTATIVES
March 31, 2014



SPEAKER OF THE HOUSE OF REPRESENTATIVES

APPROVED BY THE GOVERNOR



GOVERNOR

4/23/14

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