



## 2018 First Extraordinary Session Summary

On Tuesday, August 21, Governor Phil Bryant called a special session of the Legislature for Thursday, August 23. This special session was dedicated to the Mississippi Infrastructure Modernization Act and the creation of a state lottery.

Upon gaveling in at 10 a.m. on Thursday, House Ways and Means Chairman Jeff Smith called a meeting of the Ways and Means Committee to discuss [House Bill 1](#), also known as the Mississippi Infrastructure Modernization Act. This legislation appropriates funding towards repairing infrastructure problems around the state. The funds come from use tax, sports betting, hybrid and electric vehicle fees, Gaming Sinking Fund bonds and the Mississippi Groundwater Protection Fund.

[HB1](#) also further expanded the funds from use taxes. Mississippi is estimated to receive \$338 million in use taxes in the 2018 fiscal year. The legislation proposed using 35% of the \$338 million to use for infrastructure. 15% of the \$338 million (approximately \$50 million) will be divided among every city and town in the state. The first \$3 million would be divided equally among the 300 cities and towns; the remaining \$47 million will be distributed based on sales tax diversion and population. The next 15% of the \$338 million (approximately \$50 million) would be distributed to all 82 counties based on a formula: one-third of the funds will be distributed evenly among all counties, one-third of the funds will be based on population and one-third of the funds would be based on rural road miles. The final 5% of the \$338 million (approximately \$10-20 million) will go into the Local System Bridge Replacement and Rehabilitation Program.

\$300 million in revenue bonds will be issued under [HB1](#). \$250 million of the revenue bonds will be applied to the Emergency Road and Bridge Repair Fund, and the other \$50 million will go to the 2018 Transportation and Infrastructure Fund with spending to be determined by the Legislature. Funds will also be collected from electric and hybrid vehicle fees, from the revenue from sports betting and from the Mississippi Groundwater Protection Fund.

The bill left the committee with no adopted amendments and was brought before the House. Several amendments to [HB1](#) were introduced in the House including one that removed specific projects from the bill. Only four amendments were adopted by the House and did not make any major changes to the bill. The bill passed the House with a bipartisan vote of 109-5. The bill was then sent to the Senate where a few changes were made. The House concurred with the Senate's changes.

Discussion ensued when [Senate Bill 2001](#) was brought before the House. This legislation creates a state lottery system that sells paper and instant tickets. The funds collected from the lottery will go towards infrastructure needs as laid out in [HB1](#). The Gaming Committee introduced Amendment One, which was a strike-all amendment that added conforming language and deleted duplicative provisions throughout the bill. Nine other amendments were then introduced into the House. The most significant amendment to the lottery bill was Amendment Four. It called for any funds collected by the lottery exceeding \$80 million will go toward preschool education and the classroom supply fund. Amendment

Eight called for a renaming of the bill the “Alyce G. Clarke Mississippi Lottery Law,” in honor of Representative Alyce Clarke’s efforts to give Mississippi a lottery in previous years. Initially on Monday, the bill failed with a vote of 60-54. However, a motion to reconsider was entered, and the House voted again on Tuesday. The bill passed with a vote of 64-49.

On Tuesday, Governor Bryant added the distribution of the BP oil spill settlement funds to the special session call. These funds are compensation for economic damage to the state and will bring in \$40 million a year for 15 years to the state. The BP Bill, or [Senate Bill 2002](#), made its way to the House on Wednesday. The three counties on the Mississippi Gulf Coast and portions of the three counties north of the coast counties will receive a majority of the funds, and the other 25% will be used in the rest of the state. The bill creates the Gulf Coast Restoration Fund for the funds for the coastal zone counties and creates an advisory board to provide advice to the Mississippi Development Authority when reviewing applications for assistance. A significant portion of the bill is dedicated to special projects around the state totaling more than \$102 million. Every amendment brought forth in the House was tabled, except for Amendment Five which lost. The bill passed the House by a bipartisan vote of 99-11.

Governor Bryant signed the Mississippi Infrastructure Modernization Act into law on Wednesday afternoon following the adjournment sine die. He is expected to sign the Alyce G. Clarke Mississippi Lottery Law and Senate Bill 2002 into law as well.

This concluded the first extraordinary session of 2018.