HOUSE BILL NO. 381

AN ACT TO CREATE A SPECIAL FUND IN THE STATE TREASURY TO BE
KNOWN AS THE "STATE AID ROAD CONSTRUCTION SUPPLEMENTAL FUND"; TO
PROVIDE THAT THE STATE FISCAL OFFICER SHALL TRANSFER THE SUM OF
$25,000,000.00 ANNUALLY FROM THE STATE GENERAL FUND TO THE SPECIAL
FUND DURING FISCAL YEARS 2004 THROUGH 2008; TO PROVIDE THAT MONIES
IN THE SPECIAL FUND SHALL BE ALLOCATED EQUALLY TO EACH OF THE
COUNTIES AND MAY BE EXPENDED IN THE SAME MANNER AND SUBJECT TO THE
SAME CONDITIONS AS OTHER STATE AID FUNDS; TO AMEND SECTION
65-9-17, MISSISSIPPI CODE OF 1972, IN CONFORMITY TO THE PROVISIONS
OF THIS ACT; AND FOR RELATED PURPOSES.

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

SECTION 1. (1) There is created in the State Treasury a
special fund to be designated as the "State Aid Road Construction
Supplemental Fund." The State Fiscal Officer shall transfer the
sum of Twenty-five Million Dollars ($25,000,000.00) annually from
the State General Fund to the special fund during fiscal years
2004 through 2008. The transfers shall be made in four (4) equal
quarterly payments each fiscal year, with the first payment in
each fiscal year to be made on July 1.

(2) Such monies as are deposited in the fund under the
provisions of this section, upon legislative appropriation, shall
be allocated and distributed to and may be expended by the several
counties of the state in the manner and procedure and in
accordance with the same conditions as prescribed for the
allocation and expenditure of other State Aid funds under Chapter
9 of Title 65, Mississippi Code of 1972. However, the State Aid
Engineer shall allocate monies in the State Aid Road Construction
Supplemental Fund equally to each of the counties and may not
deduct administrative expenses for the Office of State Aid Road
Construction from any of the monies in the special 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 on amounts in the special fund shall be deposited
to the credit of the special fund.

SECTION 2. Section 65-9-17, Mississippi Code of 1972, is
amended as follows:

65-9-17. (1) When any county shall have met the
requirements of this chapter and shall have become eligible for
state aid, the State Aid Engineer, as soon as practicable, shall
notify such county in writing of such eligibility and that its
proportionate part of any state funds allocated to it for state
aid may be utilized for construction in the manner provided by
law, and such notice shall also be given in writing to the
Department of Finance and Administration and to the State
Treasurer.

(2) State aid funds shall be allocated to each county for
use on state aid system roads or roads on the Local System Road
Program in accordance with the provisions of Section 27-65-75 and
Section 1 of House Bill No. ____, 2003 Regular Session.

(3) State aid funds may be credited to a county in advance
of the normal accrual to finance certain state aid improvements,
subject to the approval of the State Aid Engineer and subject
further to the following limitations:

(a) That the maximum amount of state aid funds that may
be advanced to any county shall not exceed ninety percent (90%) of
the state aid funds estimated to accrue to such county during the
remainder of the term of office of the board of supervisors of
such county.

(b) That no advance credit of funds will be made to any
county when the unobligated balance in the State Aid Road Fund is
less than One Million Dollars ($1,000,000.00).

(c) That such advance crediting of funds be effected by
the State Aid Engineer at the time of the approval of the plans
and specifications for the proposed improvements.

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It is the intent of this provision to utilize to the fullest practicable extent the balance of state aid funds on hand at all times.

(4) State aid funds shall be available to such county to the following extent and in the following manner:

(a) On state aid projects, other than those on or off the federal aid secondary system to be partially financed with federal funds, state aid funds credited to such county in the State Aid Road Fund shall be available to cover the cost of such project. Upon the awarding of a contract for such state aid project, the board of supervisors of any county will, by an official order of the board, authorize the State Aid Engineer to set up the project fund for such project from that county's state aid fund in the State Treasury. The amount of the project fund will cover the estimated cost of the project, including the contractor's payments and any other costs authorized under this chapter to be paid from state aid funds. Withdrawals from the project fund will be made by requisitions prepared by the State Aid Engineer, based on estimates and other supporting statements and documents prepared or approved by the county engineer, such requisitions, accompanied by such estimates and statements, to be directed to the Department of Finance and Administration, which will issue warrants in payment thereof. Requisitions may be drawn to cover the final cost of the project accepted by the boards of supervisors of the counties affected and the State Aid Engineer, even though such cost exceeds the aforesaid estimated project fund. Whenever, in the opinion of the State Aid Engineer, it should appear that any such estimate or statement of account has been improperly allowed or that any road construction project is not proceeding in accordance with the plans, specifications and standards set up therefor, then, in such event, due notice in writing shall be given the board of supervisors of such county and the contractor on such project, if any, stating the reason why
such account should not have been allowed or why such project is
not progressing satisfactorily; and if, within thirty (30) days
from the date of such notice in writing, such error or default is
not corrected to the satisfaction of the State Aid Engineer, all
state aid funds theretofore allocated to such eligible county
shall be immediately withdrawn and notice given the Department of
Finance and Administration and the State Treasurer that such
county has become ineligible therefor. Such county shall remain
ineligible until it again becomes eligible by satisfying the State
Aid Engineer as to its eligibility.

(b) On state aid projects on the federal aid secondary
system which are to be partially financed with federal funds,
state aid funds credited to such county in the State Aid Road Fund
shall be available to cover the sponsor's share of the cost of
such project. At the same time, the State Treasurer, on order
from the board of supervisors, shall transfer an amount up to one
hundred percent (100%) of such cost from the credit of such county
in the State Aid Road Fund to the credit of such county in the
State Highway Fund, earmarked for such project.

(c) State aid road funds credited to a county in the
State Aid Road Fund shall also be available to cover the sponsor's
cost of any other project of such county which is partially
financed with federal funds available through federal "safer
off-system" road funds and/or other federal road funds allocated
to the counties as provided for in accordance with Section
65-9-29(2). On order from the board of supervisors of such
county, the State Treasurer shall transfer an amount up to one
hundred percent (100%) of such cost from the credit of such county
in the State Aid Road Fund to the credit of such county in the
State Highway Fund, earmarked for such project.

(d) Up to one-third (1/3) of state aid road funds
credited to a county in the State Aid Road Fund may be available
to match federal bridge replacement monies or other federal funds,
or both, to construct, replace, inspect or post bridges and to conduct pavement management surveys on county roads which are not on the state aid system. To implement such projects, the State Treasurer shall, as requested in an order from the board of supervisors of the county, make transfers out of the credit of such county in the State Aid Road Fund.

(e) Up to twenty-five percent (25%) of the state aid road funds credited to a county in the State Aid Road Fund may be available for projects authorized under the Local System Road Program. Withdrawals from the fund for the Local System Road Program will be made by requisitions prepared by the State Aid Engineer, based on estimates and other supporting statements and documents prepared or approved by the county engineer; such requisitions, accompanied by such estimates and statements, to be directed to the Department of Finance and Administration, which will issue warrants in payment thereof. Requisitions may be drawn to cover the final cost of the local system road project accepted by the boards of supervisors of the counties affected and the State Aid Engineer even though such cost exceeds the aforesaid estimated project fund. Whenever, in the opinion of the State Aid Engineer, it should appear that any such estimate or statement of account has been improperly allowed or that any road construction project is not proceeding in accordance with the plans, specifications and standards set up therefor, then, in such event, due notice in writing shall be given the board of supervisors of such county and the contractor on such project, if any, stating the reason why such account should not have been allowed or why such project is not progressing satisfactorily; and if, within thirty (30) days from the date of such notice in writing, such error or default is not corrected to the satisfaction of the State Aid Engineer, all state aid funds theretofore allocated to such eligible county shall be immediately withdrawn and notice given the Department of Finance and Administration and the State...
Treasurer that such county has become ineligible therefor. Such county shall remain ineligible until it again becomes eligible by satisfying the State Aid Engineer as to its eligibility.

(5) The State Treasurer is hereby authorized to continue to receive and deposit all funds from the federal government made available by it, either by existing law or by any law which may be passed hereafter, to the credit of the State Highway Fund, and the Treasurer shall notify the commission of the amounts so received.

All accounts against the above-mentioned funds shall be certified to by the Executive Director of the Mississippi Department of Transportation, who shall request the Department of Finance and Administration to issue its warrant on the State Treasurer for the amount of the accounts; and the Treasurer shall pay same if sufficient funds are available, all in the manner prescribed herein or as may be required by law.

(6) The board of supervisors of each county is hereby authorized and empowered to pay funds into the State Treasury in the manner above set out, and to use and expend such funds for the purposes set out in this chapter. For the purpose of providing such funds, the board of supervisors is hereby authorized and empowered to use and expend any county road and bridge funds, including revenue received from any gasoline taxes paid to such county, or any funds available in the General Fund, or to issue road and bridge bonds of such county in any lawful amount in the manner and method and subject to the restrictions, limitations and conditions, and payable from the same sources of revenue, now provided by law.

SECTION 3. This act shall take effect and be in force from and after its passage.