

By: Representatives Gunn, Aguirre, Arnold, Baker, Barnett, Beckett, Bell (21st), Bennett, Boyd, Busby, Byrd, Carpenter, Chism, Corley, Crawford, Currie, DeLano, Denny, Eure, Guice, Hale, Kinkade, Lamar, Mangold, Massengill, McNeal, Mettetal, Oliver, Read, Roberson, Rogers (61st), Scoggin, Snowden, Tullos, Turner, Weathersby, White, Willis, Wilson, Rogers (14th), Morgan, Ford, Bounds

To: Ways and Means

HOUSE BILL NO. 358

1 AN ACT TO PROVIDE THAT A PORTION OF USE TAX REVENUE COLLECTED
 2 FROM TAXPAYERS THAT DO NOT HAVE SALES TAX NEXUS WITH THIS STATE
 3 BUT VOLUNTARILY COLLECT AND REMIT USE TAX TO THIS STATE SHALL BE
 4 DEPOSITED INTO A SPECIAL FUND IN THE STATE TREASURY AND USED FOR
 5 THE REPAIR, MAINTENANCE AND RECONSTRUCTION OF ROADS, STREETS AND
 6 BRIDGES IN THE STATE; TO PROVIDE THAT A PORTION OF SUCH USE TAX
 7 REVENUE SHALL BE DEPOSITED INTO A SPECIAL FUND IN THE STATE
 8 TREASURY AND USED TO ASSIST COUNTIES IN PAYING COSTS ASSOCIATED
 9 WITH THE REPAIR, MAINTENANCE AND RECONSTRUCTION OF ROADS, STREETS
 10 AND BRIDGES IN COUNTIES; TO PROVIDE THAT A PORTION OF SUCH USE TAX
 11 REVENUE SHALL BE DEPOSITED INTO A SPECIAL FUND IN THE STATE
 12 TREASURY AND USED TO ASSIST MUNICIPALITIES IN PAYING COSTS
 13 ASSOCIATED WITH THE REPAIR, MAINTENANCE AND RECONSTRUCTION OF
 14 ROADS, STREETS AND BRIDGES IN MUNICIPALITIES; AND FOR RELATED
 15 PURPOSES.

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

17 **SECTION 1.** (1) An amount equal to the use tax revenue above
 18 the first Fifty Million Dollars (\$50,000,000.00) collected from
 19 voluntary taxpayers and deposited into the State General Fund
 20 during the preceding fiscal year, not to exceed Two Hundred Fifty
 21 Million Dollars (\$250,000,000.00), shall be allocated and
 22 distributed in the manner provided in this section. For the
 23 purposes of this section, the term "voluntary taxpayer" means a
 24 taxpayer that does not have nexus with this state for sales tax



25 purposes but voluntarily collects and remits use tax to this state
26 on behalf of this state.

27 (2) (a) An amount equal to fifty percent (50%) of such use
28 tax revenue shall be deposited into a special fund that is hereby
29 created in the State Treasury. The fund shall be maintained by
30 the State Treasurer as a separate and special fund, separate and
31 apart from the General Fund of the state. The fund shall consist
32 of monies deposited therein as provided in this paragraph (a) and
33 monies from any other source designated for deposit into such
34 fund. Monies in the fund may be expended by the Department of
35 Transportation, upon appropriation by the Legislature, for repair,
36 maintenance and/or reconstruction of roads, streets and bridges in
37 the state. However, the Legislature shall not initially
38 appropriate monies in the fund for such use by the Department of
39 Transportation unless the department provides the Legislature with
40 evidence that has been certified by the Legislative Budget Office
41 that for the initial fiscal year for which the monies are
42 available for appropriation, the department has reallocated or
43 otherwise scheduled for use during the applicable fiscal year
44 funds in the department budget of not less than Twenty-five
45 Million Dollars (\$25,000,000.00) for repair, maintenance and/or
46 reconstruction of roads, streets and bridges in the state and that
47 such funds were not allocated and used for such purposes in the
48 department's budget for the previous fiscal year. For subsequent
49 fiscal years, the Legislature shall not appropriate monies in the



50 fund for use by the Department of Transportation unless the
51 department provides the Legislature with evidence that has been
52 certified by the Legislative Budget Office, that for the
53 applicable fiscal year the department has not and will not
54 reallocate such amount of funds away from repair, maintenance
55 and/or reconstruction of roads, streets and bridges in the state.
56 Any interest earned or investment earnings on amounts in the fund
57 shall be deposited to the credit of the fund.

58 (b) An amount equal to twenty-five percent (25%) of
59 such use tax revenue shall be deposited into a special fund that
60 is hereby created in the State Treasury. The fund shall be
61 maintained by the State Treasurer as a separate and special fund,
62 separate and apart from the General Fund of the state. The fund
63 shall consist of monies deposited therein as provided in this
64 paragraph (b) and monies from any other source designated for
65 deposit into such fund. Monies in the fund may be expended by the
66 Office of State Aid Road Construction, upon appropriation by the
67 Legislature, to provide funds to assist counties in this state in
68 paying costs associated with the repair, maintenance and/or
69 reconstruction of roads, streets and bridges in counties.
70 Unexpended amounts remaining in the fund at the end of a fiscal
71 year shall not lapse into the State General Fund, and any interest
72 earned or investment earnings on amounts in the fund shall be
73 deposited to the credit of the fund. Funds provided to counties



74 under this paragraph (b) shall be allocated and distributed to
75 counties in the following proportions:

76 (i) One-third (1/3) shall be allocated to all
77 counties in equal shares,

78 (ii) One-third (1/3) shall be allocated to
79 counties based on the proportion that the total number of rural
80 road miles in a county bears to the total number of rural road
81 miles in all counties of the state, and

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

86 (c) (i) An amount equal to twenty-five percent (25%)
87 of such use tax revenue shall be deposited into a special fund
88 that is hereby created in the State Treasury. The fund shall be
89 maintained by the State Treasurer as a separate and special fund,
90 separate and apart from the General Fund of the state. The fund
91 shall consist of monies deposited therein as provided in this
92 paragraph (c) and monies from any other source designated for
93 deposit into such fund. Monies in the fund may be expended by the
94 Office of State Aid Road Construction, upon appropriation by the
95 Legislature, to provide grants to assist municipalities in this
96 state in paying costs associated with the repair, maintenance
97 and/or reconstruction of roads, streets and bridges in
98 municipalities. Unexpended amounts remaining in the fund at the



99 end of a fiscal year shall not lapse into the State General Fund,
100 and any interest earned or investment earnings on amounts in the
101 fund shall be deposited to the credit of the fund.

102 (ii) The Office of State Aid Road Construction
103 shall establish a program to make grants to municipalities for the
104 purpose of assisting such municipalities in paying costs
105 associated with the repair, maintenance and/or reconstruction of
106 roads, streets and bridges in municipalities. The maximum amount
107 of a grant made to a municipality under this paragraph (c) cannot
108 exceed One Million Five Hundred Thousand Dollars (\$1,500,000.00).
109 A municipality may apply to the Office of State Aid Road
110 Construction for a grant under this paragraph (c) in the manner
111 provided for in this subparagraph (ii). A municipality desiring a
112 grant under this paragraph (c) must submit an application to the
113 Office of State Aid Road Construction. The application must
114 include a description of the project for which the grant is
115 requested, the cost of the project for which the grant is
116 requested, the amount of the grant requested and any other
117 information required by the Office of State Aid Road Construction.

118 (iii) The Office of State Aid Road Construction
119 shall have all powers necessary to implement and administer the
120 program established under this paragraph (c), and the Office of
121 State Aid Road Construction shall promulgate rules and
122 regulations, in accordance with the Mississippi Administrative



123 Procedures Law, necessary for the implementation of this paragraph
124 (c).

125 (3) The Department of Revenue shall make the distributions
126 required under this section on or before January 31, 2019, and
127 each succeeding January 31 thereafter.

128 (4) This section shall stand repealed on July 1, 2025.

129 **SECTION 2.** Section 1 of this act shall be codified as a
130 separate section in Chapter 67, Title 27, Mississippi Code of
131 1972.

132 **SECTION 3.** This act shall take effect and be in force from
133 and after July 1, 2018.

