

By: Representatives Reynolds, Sykes

To: Transportation; Ways and Means

HOUSE BILL NO. 711

1 AN ACT TO PROVIDE THAT A REFERENDUM SHALL BE HELD IN EACH  
 2 MISSISSIPPI DEPARTMENT OF TRANSPORTATION DISTRICT AT THE ELECTION  
 3 IN 2018 ON WHETHER A .50% GENERAL SALES TAX SHOULD BE IMPOSED  
 4 WITHIN THE DISTRICT TO FUND ROAD IMPROVEMENTS; TO PROVIDE THAT 25%  
 5 OF THE SPECIAL TRANSPORTATION DISTRICT SALES TAX REVENUE SHALL BE  
 6 DISTRIBUTED TO THE COUNTIES AND MUNICIPALITIES WITHIN EACH  
 7 DISTRICT AND THAT 75% OF THE REVENUE SHALL BE USED BY THE  
 8 MISSISSIPPI DEPARTMENT OF TRANSPORTATION TO FUND PROJECTS WITHIN  
 9 THE DISTRICT; TO CREATE A DISTRICT COMMISSION WITHIN EACH DISTRICT  
 10 THAT APPROVES THE REFERENDUM TO SET THE PRIORITY OF PROJECTS THAT  
 11 THE MISSISSIPPI DEPARTMENT OF TRANSPORTATION WILL UNDERTAKE WITH  
 12 FUNDS FROM THE SPECIAL SALES TAX DESIGNATED TO THE DEPARTMENT; AND  
 13 FOR RELATED PURPOSES.

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

15 **SECTION 1.** For purposes of this chapter:

16 (a) "District" means the six (6) districts of the  
 17 Mississippi Department of Transportation as they exist on July 1,  
 18 2018.

19 (b) "Executive director" means the executive director  
 20 of the Mississippi Department of Transportation.

21 **SECTION 2.** (1) (a) Subject to the provisions of this  
 22 chapter, a special transportation district sales tax may be  
 23 imposed upon all persons as a privilege for engaging or continuing



24 in business or doing business within each district of the state at  
25 a rate of one-half of one percent (.50%) of the gross proceeds of  
26 sales or gross income of the business, as the case may be, derived  
27 from any of the activities taxed under the Mississippi Sales Tax  
28 Law, Section 27-65-1 et seq.

29 (b) The tax levied under this section shall apply to  
30 every person making sales of tangible property or services within  
31 the district, but shall not apply to:

32 (i) Retail sales of food for human consumption not  
33 purchased with food stamps issued by the United States Department  
34 of Agriculture, or other federal agency, but which would be exempt  
35 under Section 27-65-111(o) from the taxes imposed by Chapter 65,  
36 Title 27, Mississippi Code of 1972, if the food items were  
37 purchased with food stamps;

38 (ii) Sales exempted by Sections 27-65-19,  
39 27-65-101, 27-65-103, 27-65-105, 27-65-107, 27-65-109 and  
40 27-65-111 of the Mississippi Sales Tax Law; and

41 (iii) Gross proceeds of sales that are subject to  
42 any tax, other than a general sales tax upon all sales and  
43 services within a municipality, levied and collected under the  
44 authority of a local and private law of the State of Mississippi,  
45 and which tax is collected and paid to the Department of Revenue  
46 in the same or similar manner that state sales taxes are collected  
47 and paid.



48           (2)   (a)   Before any tax authorized under this chapter may be  
49 imposed, there shall be a referendum in each district, to be held  
50 on the first Tuesday after the first Monday of November 2018. If  
51 a majority of the qualified electors in a district, as determined  
52 by the Secretary of State, approves the measure imposing the  
53 special transportation district sales tax, then the tax shall be  
54 imposed within the district beginning on February 1, 2019.

55           (b)   The ballots used at the election shall have printed  
56 thereon a brief description of the special transportation district  
57 sales tax, the amount of the sales tax levy, a description of the  
58 purposes for which the tax revenue may be used and expended and  
59 the words "FOR THE SPECIAL TRANSPORTATION DISTRICT SALES TAX" and  
60 "AGAINST THE SPECIAL TRANSPORTATION DISTRICT SALES TAX" and the  
61 voter shall vote by placing a cross (X) or check mark (✓)  
62 opposite his choice on the proposition.

63           **SECTION 3.**   (1)   (a)   The revenue derived from the special  
64 transportation district sales tax authorized by this article shall  
65 be collected by the Department of Revenue, and the revenue derived  
66 from the tax collected from each district shall be accounted for  
67 separately from other districts and the amount of any other sales  
68 tax. Twenty-five percent (25%) of the revenue derived from the  
69 special transportation district sales tax from a district shall be  
70 distributed to the municipalities and counties within the district  
71 in proportion to the amount of revenue generated within such  
72 county and municipality and seventy-five percent (75%) shall be



73 allocated to the Mississippi Department of Transportation.  
74 Revenue generated from the special transportation district sales  
75 tax that is distributed to the municipalities and counties shall  
76 only be expended on projects for the construction, reconstruction  
77 or improvement of roads, streets and bridges within the county or  
78 municipality. Revenue generated from the special transportation  
79 district sales tax that is distributed to the Department of  
80 Transportation shall only be expended on projects for the  
81 construction, reconstruction or improvement of roads, streets and  
82 bridges within the district in accordance with the priority set by  
83 the special transportation district sales tax regional commission  
84 established in Section 4 of this act.

85 **SECTION 4.** (1) In any district that approves the imposition  
86 of the special transportation district sales tax there shall be  
87 created a district commission.

88 (2) Each district commission shall be composed of five (5)  
89 voting members as follows:

90 (a) The Mississippi Department of Transportation  
91 district engineer of that district;

92 (b) A representative of the county engineers of those  
93 counties that comprise the district;

94 (c) A representative of the county board of supervisors  
95 of those counties that comprise the district;

96 (d) A representative of the mayors of those  
97 municipalities that are within the district; and



98           (e) A representative of the business community within  
99 the district, appointed by the Governor. The term of the member  
100 of the commission appointed by the Governor shall be concurrent  
101 with the term of the appointed Governor, however, the member may  
102 be reappointed.

103           (3) A quorum shall consist of three (3) members of the  
104 commission. Each commission shall adopt such rules and  
105 regulations as may govern the time and place for holding meetings,  
106 regular and special.

107           (4) The duty of the commission is to determine the  
108 priorities of projects that the Mississippi Department of  
109 Transportation shall undertake within the district with the  
110 special transportation district sales tax revenue allocated to the  
111 department.

112           **SECTION 5.** (1) The tax authorized by this chapter shall not  
113 be subject to any allocation or balancing of state and federal  
114 funds provided for by general law, nor may such proceeds be  
115 considered or taken into account in any such allocation or  
116 balancing.

117           (2) The approval of the special transportation district  
118 sales tax shall not in any way diminish the percentage of any  
119 other funds allocated to a Mississippi Department of  
120 Transportation district or any of the local governments within a  
121 transportation district. The amount of funds expended in a



122 transportation district shall not be decreased due to the use of  
123 proceeds from the special transportation district sales tax.

124 **SECTION 6.** All provisions of the Mississippi Sales Tax Law  
125 applicable to filing of returns, discounts to the taxpayer,  
126 remittances to the Department of Revenue, enforced collection,  
127 rights of taxpayers, recovery of improper taxes, refunds of  
128 overpaid taxes or other provisions of law providing for imposition  
129 and collection of the state sales tax shall apply to the special  
130 transportation district sales tax authorized by this chapter,  
131 except where there is a conflict, in which case the provisions of  
132 this chapter shall control. Any damages, penalties or interest  
133 collected for the nonpayment of taxes imposed under this chapter,  
134 or for noncompliance with the provisions of this chapter, shall be  
135 paid to the municipality, county or the Department of  
136 Transportation, as the case may be, on the same basis and in the  
137 same manner as the tax proceeds. Any overpayment of tax for any  
138 reason that has been disbursed to a municipality, county or the  
139 Department of Transportation or any payment of the tax to a  
140 municipality, county or the Department of Transportation in error  
141 may be adjusted by the Department of Revenue on any subsequent  
142 payment to the municipality pursuant to the provisions of the  
143 Mississippi Sales Tax Law. The Department of Revenue may, from  
144 time to time, make such rules and regulations not inconsistent  
145 with this chapter as may be deemed necessary to carry out the



146 provisions of this chapter, and such rules and regulations shall  
147 have the full force and effect of law.

148         **SECTION 7.** Sections 1 through 6 of this act shall be  
149 codified as a new chapter in Title 27, Mississippi Code of 1972.

150         **SECTION 8.** This act shall take effect and be in force from  
151 and after July 1, 2018.

