MISSISSIPPI LEGISLATURE

REGULAR SESSION 2018

By: Representatives Gunn, Lamar, White, Baker, Sykes, Gipson, Miles, Rushing, Oliver, Brown, Ladner, Wilson, McNeal, Gibbs (72nd), Hopkins, Foster, Scoggin, Holloway, Criswell, Dixon, Burnett, Mickens, Steverson

To: Ways and Means

HOUSE BILL NO. 722

AN ACT TO PROVIDE THAT AN AMOUNT EQUAL TO A PORTION OF THE USE TAX REVENUE COLLECTED UNDER THE MISSISSIPPI USE TAX LAW SHALL BE DISTRIBUTED TO MUNICIPALITIES; TO PROVIDE THAT SUCH FUNDS DISTRIBUTED TO MUNICIPALITIES SHALL BE EXPENDED SOLELY FOR PAYING COSTS ASSOCIATED WITH REPAIR, MAINTENANCE AND RECONSTRUCTION OF ROADS, STREETS AND BRIDGES IN MUNICIPALITIES; TO PROVIDE THAT A PORTION OF USE TAX REVENUE COLLECTED UNDER THE MISSISSIPPI USE TAX LAW SHALL BE DEPOSITED INTO A SPECIAL FUND IN THE STATE TREASURY AND USED TO ASSIST COUNTIES IN PAYING COSTS ASSOCIATED WITH THE REPAIR, MAINTENANCE AND RECONSTRUCTION OF ROADS, STREETS AND BRIDGES IN COUNTIES; TO PROVIDE THAT A PORTION OF USE TAX REVENUE COLLECTED UNDER THE MISSISSIPPI USE TAX LAW SHALL BE DEPOSITED INTO A SPECIAL FUND IN THE STATE TREASURY AND USED BY THE MISSISSIPPI DEVELOPMENT AUTHORITY TO PROVIDE GRANTS TO ASSIST MUNICIPALITIES AND COUNTIES IN PAYING COSTS ASSOCIATED WITH THE REPAIR, MAINTENANCE AND RECONSTRUCTION OF ROADS, STREETS AND BRIDGES IN MUNICIPALITIES; AND FOR RELATED PURPOSES.

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

SECTION 1. (1) (a) The Department of Revenue shall allocate and distribute an amount equal to fifteen percent (15%) of the total amount of use tax revenue collected during the preceding fiscal year under this article to municipalities in this state in the manner provided in this section. The Department of Revenue shall distribute the funds among municipalities based on the proportion that the amount of sales tax revenue distributed to

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a municipality during the preceding fiscal year under Section 27-65-75(1)(a) bears to the total amount of sales tax revenue distributed to all municipalities during the preceding fiscal year under Section 27-65-75(1)(a). The department shall make the distributions on or before January 31, 2019, and each succeeding January 31 thereafter. The distributions shall be made from use tax collections.

(b) Funds distributed to a municipality under this subsection (1) shall be expended solely for paying costs associated with repair, maintenance and/or reconstruction of roads, streets and bridges in municipalities.

(2) (a) (i) The Department of Revenue shall deposit an amount equal to fifteen percent (15%) of the total amount of use tax revenue collected during the preceding fiscal year under this article into a special fund that is hereby created in 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. The fund shall consist of monies deposited therein as provided in this paragraph (a) and monies from any other source designated for deposit into such fund. Monies in the fund may be expended by the Office of State Aid Road Construction, upon appropriation by the Legislature, to provide funds to assist counties in this state in paying costs associated with the repair, maintenance and/or reconstruction of roads, streets and bridges in counties. 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 to the credit of the fund.

(ii) Funds provided to counties under this
subsection (2) shall be allocated and distributed to counties in
the following proportions:

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

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

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

(b) The Department of Revenue shall make the deposits
into the special fund created in paragraph (a) of this subsection
(2) on or before January 31, 2019, and each succeeding January 31
thereafter. The department shall make the deposits from use tax
collections.

(c) The Office of State Aid Road Construction shall
have all powers necessary for the implementation of this
subsection (2).
(3) (a) (i) The Department of Revenue shall deposit an amount equal to five percent (5%) of the total amount of use tax revenue collected during the preceding fiscal year under this article into a special fund that is hereby created in 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. The fund shall consist of monies deposited therein as provided in this paragraph (a) and monies from any other source designated for deposit into such fund. Monies in the fund may be expended by the Mississippi Development Authority, upon appropriation by the Legislature, to provide grants to assist municipalities and counties in this state in paying costs associated with the repair, maintenance and/or reconstruction of roads, streets and bridges in municipalities and counties. 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 to the credit of the fund.

(ii) The Mississippi Development Authority shall establish a program to make grants to municipalities and counties for the purpose of assisting such municipalities and counties in paying costs associated with the repair, maintenance and/or reconstruction of roads, streets and bridges in municipalities and counties. The maximum amount of a grant made to a municipality or county under this subsection (3) cannot exceed One Million Five
Hundred Thousand Dollars ($1,500,000.00). A municipality or county may apply to the Mississippi Development Authority for a grant under this subsection (3) in the manner provided for in this subparagraph (ii). A municipality or county desiring a grant must submit an application to the Mississippi Development Authority. The application must include a description of the project for which the grant is requested, the cost of the project for which the grant is requested, the amount of the grant requested and any other information required by the Mississippi Development Authority.

(b) The Department of Revenue shall make the deposits into the special fund created in paragraph (a) of this subsection (3) on or before January 31, 2019, and each succeeding January 31 thereafter. The department shall make the deposits from use tax collections.

(c) The Mississippi Development Authority shall have all powers necessary to implement and administer the program established under this subsection (3), and the Mississippi Development Authority shall promulgate rules and regulations, in accordance with the Mississippi Administrative Procedures Law, necessary for the implementation of this subsection (3).

SECTION 2. Section 1 of this act shall be codified as a new section in Article 1, Chapter 67, Title 27, Mississippi Code of 1972.
SECTION 3. This act shall take effect and be in force from and after July 1, 2018.