

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

1 AN ACT TO PROVIDE THAT AN AMOUNT EQUAL TO A PORTION OF THE
2 USE TAX REVENUE COLLECTED UNDER THE MISSISSIPPI USE TAX LAW SHALL
3 BE DISTRIBUTED TO MUNICIPALITIES; TO PROVIDE THAT SUCH FUNDS
4 DISTRIBUTED TO MUNICIPALITIES SHALL BE EXPENDED SOLELY FOR PAYING
5 COSTS ASSOCIATED WITH REPAIR, MAINTENANCE AND RECONSTRUCTION OF
6 ROADS, STREETS AND BRIDGES IN MUNICIPALITIES; TO PROVIDE THAT A
7 PORTION OF USE TAX REVENUE COLLECTED UNDER THE MISSISSIPPI USE TAX
8 LAW SHALL BE DEPOSITED INTO A SPECIAL FUND IN THE STATE TREASURY
9 AND USED TO ASSIST COUNTIES IN PAYING COSTS ASSOCIATED WITH THE
10 REPAIR, MAINTENANCE AND RECONSTRUCTION OF ROADS, STREETS AND
11 BRIDGES IN COUNTIES; TO PROVIDE THAT A PORTION OF USE TAX REVENUE
12 COLLECTED UNDER THE MISSISSIPPI USE TAX LAW SHALL BE DEPOSITED
13 INTO A SPECIAL FUND IN THE STATE TREASURY AND USED BY THE
14 MISSISSIPPI DEVELOPMENT AUTHORITY TO PROVIDE GRANTS TO ASSIST
15 MUNICIPALITIES AND COUNTIES IN PAYING COSTS ASSOCIATED WITH THE
16 REPAIR, MAINTENANCE AND RECONSTRUCTION OF ROADS, STREETS AND
17 BRIDGES IN MUNICIPALITIES; AND FOR RELATED PURPOSES.

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

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



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

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

37 (2) (a) (i) The Department of Revenue shall deposit an
38 amount equal to fifteen percent (15%) of the total amount of use
39 tax revenue collected during the preceding fiscal year under this
40 article into a special fund that is hereby created in the State
41 Treasury. The fund shall be maintained by the State Treasurer as
42 a separate and special fund, separate and apart from the General
43 Fund of the state. The fund shall consist of monies deposited
44 therein as provided in this paragraph (a) and monies from any
45 other source designated for deposit into such fund. Monies in the
46 fund may be expended by the Office of State Aid Road Construction,
47 upon appropriation by the Legislature, to provide funds to assist
48 counties in this state in paying costs associated with the repair,
49 maintenance and/or reconstruction of roads, streets and bridges in
50 counties. Unexpended amounts remaining in the fund at the end of



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

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

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

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

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

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

72 (c) The Office of State Aid Road Construction shall
73 have all powers necessary for the implementation of this
74 subsection (2).



75 (3) (a) (i) The Department of Revenue shall deposit an
76 amount equal to five percent (5%) of the total amount of use tax
77 revenue collected during the preceding fiscal year under this
78 article into a special fund that is hereby created in the State
79 Treasury. The fund shall be maintained by the State Treasurer as
80 a separate and special fund, separate and apart from the General
81 Fund of the state. The fund shall consist of monies deposited
82 therein as provided in this paragraph (a) and monies from any
83 other source designated for deposit into such fund. Monies in the
84 fund may be expended by the Mississippi Development Authority,
85 upon appropriation by the Legislature, to provide grants to assist
86 municipalities and counties in this state in paying costs
87 associated with the repair, maintenance and/or reconstruction of
88 roads, streets and bridges in municipalities and counties.
89 Unexpended amounts remaining in the fund at the end of a fiscal
90 year shall not lapse into the State General Fund, and any interest
91 earned or investment earnings on amounts in the fund shall be
92 deposited to the credit of the fund.

93 (ii) The Mississippi Development Authority shall
94 establish a program to make grants to municipalities and counties
95 for the purpose of assisting such municipalities and counties in
96 paying costs associated with the repair, maintenance and/or
97 reconstruction of roads, streets and bridges in municipalities and
98 counties. The maximum amount of a grant made to a municipality or
99 county under this subsection (3) cannot exceed One Million Five



100 Hundred Thousand Dollars (\$1,500,000.00). A municipality or
101 county may apply to the Mississippi Development Authority for a
102 grant under this subsection (3) in the manner provided for in this
103 subparagraph (ii). A municipality or county desiring a grant must
104 submit an application to the Mississippi Development Authority.
105 The application must include a description of the project for
106 which the grant is requested, the cost of the project for which
107 the grant is requested, the amount of the grant requested and any
108 other information required by the Mississippi Development
109 Authority.

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

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

121 **SECTION 2.** Section 1 of this act shall be codified as a new
122 section in Article 1, Chapter 67, Title 27, Mississippi Code of
123 1972.



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

