

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.

