

## Senate Amendments to House Bill No. 520

TO THE CLERK OF THE HOUSE:

THIS IS TO INFORM YOU THAT THE SENATE HAS ADOPTED THE AMENDMENTS SET OUT BELOW:

### AMENDMENT NO. 1

Amend by striking all after the enacting clause and inserting in lieu thereof the following:

11           **SECTION 1.** Section 27-67-35, Mississippi Code of 1972, is  
12 amended as follows:  
13           27-67-35. (1) (a) There is hereby created a special fund  
14 in the State Treasury. The fund shall be maintained by the State  
15 Treasurer as a separate and special fund, separate and apart from  
16 the General Fund of the state. The fund shall consist of monies  
17 deposited therein under Section 27-67-31(e) and monies from any  
18 other source designated for deposit into such fund. Monies in the  
19 fund shall be expended by the Department of Revenue to provide  
20 funds to assist municipalities in this state in paying costs  
21 associated with (i) repair, maintenance and/or reconstruction of  
22 roads, streets and bridges in municipalities \* \* \*, (ii) repair,  
23 maintenance and/or other improvements to water infrastructure and  
24 sewer infrastructure and/or (iii) as a pledge to pay all or a  
25 portion of debt service on debt issued by a municipality for such  
26 purposes. Unexpended amounts remaining in the fund at the end of  
27 a fiscal year shall not lapse into the State General Fund, and any

28 interest earned or investment earnings on amounts in the fund  
29 shall be deposited to the credit of the fund.

30 (b) (i) Subject to the provisions of this paragraph  
31 (b) and Section 65-21-31, funds provided to municipalities under  
32 this subsection (1) shall be allocated and distributed to  
33 municipalities as follows:

34 1. Three Million Dollars (\$3,000,000.00)  
35 shall be allocated to all municipalities in equal shares, and

36 2. The remainder of the funds allocated as  
37 follows:

38 a. One-half (1/2) shall be allocated to  
39 municipalities based on the proportion that the population of a  
40 municipality according to the most recent federal decennial census  
41 bears to the total population of all municipalities in the state  
42 according to the most recent federal decennial census, and

43 b. One-half (1/2) shall be allocated to  
44 municipalities based on the proportion that the amount of sales  
45 tax revenue distributed to a municipality during the preceding  
46 fiscal year under Section 27-65-75(1)(a) bears to the total amount  
47 of sales tax revenue distributed to all municipalities during the  
48 preceding fiscal year under Section 27-65-75(1)(a). The  
49 Department of Revenue shall distribute funds under this subsection  
50 (1) on a semiannual basis with distributions being made in the  
51 months of January and July.

52 (ii) In order to be eligible to receive the full  
53 amount of funds allocated for distribution to a municipality

54 during a year under this subsection (1), the municipality must  
55 have expended an amount not less than the amount of base  
56 expenditures during the previous municipal fiscal year for the  
57 purposes described in paragraph (a) of this subsection (1). If a  
58 municipality fails to expend such required amount, then the amount  
59 of funds allocated for distribution to the municipality shall be  
60 reduced by the percentage by which the municipality failed to  
61 expend the amount of base expenditures. For the purposes of this  
62 subsection (1), "base expenditures" means the average annual  
63 expenditures made by a municipality for purposes described in  
64 paragraph (a) of this subsection (1) for the five-year period  
65 beginning October 1, 2013, and ending September 30, 2018.  
66 However, for the purposes of calculating the average annual  
67 expenditures for such five-year period, the year within the period  
68 with the highest annual expenditures for such purposes and the  
69 year within the period with the lowest annual expenditures for  
70 such purposes shall be excluded when calculating the average  
71 annual expenditures for the five-year period. Expenditure of  
72 grant proceeds, loan proceeds, or the proceeds of bonds issued by  
73 a municipality for the purposes described in paragraph (a) of this  
74 subsection (1) shall not be considered when calculating the base  
75 period. Beginning July 1, 2020, and each succeeding July 1  
76 thereafter, the amount of the base expenditures shall be adjusted  
77 and compounded annually by increasing or decreasing such amount by  
78 a percentage amount equal to the United States inflation rate for  
79 the previous calendar year ending on December 31 as certified by

80 the Department of Revenue. The United States inflation rate for a  
81 calendar year shall be the Consumer Price Index for the calendar  
82 year for urban consumers as calculated by the Bureau of Labor  
83 Statistics of the United States Department of Labor.

84 (c) The Department of Revenue and the Department of  
85 Audit shall have all powers necessary to ensure the proper  
86 implementation of this subsection (1).

87 (2) (a) There is hereby created a special fund in the State  
88 Treasury. The fund shall be maintained by the State Treasurer as  
89 a separate and special fund, separate and apart from the General  
90 Fund of the state. The fund shall consist of monies deposited  
91 therein under Section 27-67-31(f) and monies from any other source  
92 designated for deposit into such fund. Monies in the fund shall  
93 be expended by the Department of Revenue to provide funds to  
94 assist counties in this state in paying costs associated with the  
95 repair, maintenance and/or reconstruction of roads, streets and  
96 bridges in counties and/or as a pledge to pay all or a portion of  
97 debt service on debt issued by a county for such purposes.

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

102 (b) (i) Subject to the provisions of this paragraph  
103 (b) and Section 65-21-31, funds provided to counties under this  
104 subsection (2) shall be allocated and distributed to counties in  
105 the following proportions:

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

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

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

116 The Department of Revenue shall distribute funds under this  
117 subsection (2) on a semiannual basis with distributions being made  
118 in the months of January and July. Rural road miles and rural  
119 road population in the counties shall be determined in the same  
120 manner as they are determined for the purposes of the distribution  
121 formula in Section 65-9-3.

122                   (ii) From and after July 1, 2020, of the funds  
123 allocated for distribution to a county during a year under this  
124 subsection (2), the maximum amount of such funds that may be  
125 distributed to the county during that year shall not exceed the  
126 amount of county funds expended by the county during the previous  
127 county fiscal year for purposes described in paragraph (a) of this  
128 subsection (2). Expenditure of the proceeds of bonds issued by a  
129 county to pay costs associated with the repair, maintenance and/or  
130 reconstruction of roads, streets and bridges shall not be

131 considered when determining the amount of county funds expended by  
132 the county during the previous county fiscal year.

133 (c) The Department of Revenue and the Department of  
134 Audit shall have all powers necessary to ensure the proper  
135 implementation of this subsection (2).

136 **SECTION 2.** This act shall take effect and be in force from  
137 and after July 1, 2021, and shall stand repealed on June 30, 2021.

**Further, amend by striking the title in its entirety and  
inserting in lieu thereof the following:**

1 AN ACT TO AMEND SECTION 27-67-35, MISSISSIPPI CODE OF 1972,  
2 WHICH CREATES SPECIAL FUNDS IN THE STATE TREASURY TO BE USED TO  
3 PROVIDE FUNDS TO ASSIST MUNICIPALITIES IN PAYING COSTS ASSOCIATED  
4 WITH ROAD AND BRIDGE IMPROVEMENTS AND WATER AND SEWER  
5 INFRASTRUCTURE IMPROVEMENTS AND TO ASSIST COUNTIES IN PAYING COSTS  
6 ASSOCIATED WITH ROAD AND BRIDGE IMPROVEMENTS, TO PROVIDE THAT A  
7 MUNICIPALITY OR COUNTY MAY USE SUCH FUNDS AS A PLEDGE TO PAY ALL  
8 OR A PORTION OF DEBT SERVICE ON DEBT ISSUED BY THE MUNICIPALITY OR  
9 COUNTY FOR SUCH PURPOSES; AND FOR RELATED PURPOSES.

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Eugene S. Clarke  
Secretary of the Senate