

**Adopted
COMMITTEE AMENDMENT NO 1 PROPOSED TO**

Senate Bill No. 2842

BY: Committee

**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) * * * From and after July 1, 2023, of the
53 funds allocated for distribution to a municipality during a year
54 under this subsection (1), the maximum amount of such funds that
55 may be distributed to the municipality during that year shall not
56 exceed the amount of municipal funds expended by the municipality
57 during the previous municipal fiscal year for purposes described
58 in paragraph (a) of this subsection (1). Expenditure of the
59 proceeds of bonds issued by a municipality to pay costs associated
60 with the repair, maintenance and/or reconstruction of roads,
61 streets and bridges shall not be considered when determining the
62 amount of municipal funds expended by the municipality during the
63 previous municipal fiscal year.

64 (c) The Department of Revenue and the Department of
65 Audit shall have all powers necessary to ensure the proper
66 implementation of this subsection (1).

67 (2) (a) There is hereby created a special fund in the State
68 Treasury. The fund shall be maintained by the State Treasurer as
69 a separate and special fund, separate and apart from the General
70 Fund of the state. The fund shall consist of monies deposited



71 therein under Section 27-67-31(f) and monies from any other source
72 designated for deposit into such fund. Monies in the fund shall
73 be expended by the Department of Revenue to provide funds to
74 assist counties in this state in paying costs associated with the
75 repair, maintenance and/or reconstruction of roads, streets and
76 bridges in counties and/or as a pledge to pay all or a portion of
77 debt service on debt issued by a county for such purposes.
78 Unexpended amounts remaining in the fund at the end of a fiscal
79 year shall not lapse into the State General Fund, and any interest
80 earned or investment earnings on amounts in the fund shall be
81 deposited to the credit of the fund.

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

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

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

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



96 Department of Revenue shall distribute funds under this subsection
97 (2) on a semiannual basis with distributions being made in the
98 months of January and July. Rural road miles and rural road
99 population in the counties shall be determined in the same manner
100 as they are determined for the purposes of the distribution
101 formula in Section 65-9-3.

102 (ii) From and after July 1, 2020, of the funds
103 allocated for distribution to a county during a year under this
104 subsection (2), the maximum amount of such funds that may be
105 distributed to the county during that year shall not exceed the
106 amount of county funds expended by the county during the previous
107 county fiscal year for purposes described in paragraph (a) of this
108 subsection (2). Expenditure of the proceeds of bonds issued by a
109 county to pay costs associated with the repair, maintenance and/or
110 reconstruction of roads, streets and bridges shall not be
111 considered when determining the amount of county funds expended by
112 the county during the previous county fiscal year.

113 (c) The Department of Revenue and the Department of
114 Audit shall have all powers necessary to ensure the proper
115 implementation of this subsection (2).

116 **SECTION 2.** This act shall take effect and be in force from
117 and after July 2, 2023, and shall stand repealed on July 1, 2023.

**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 A SPECIAL FUND 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, TO REMOVE CALCULATIONS OF CERTAIN
6 AVERAGE ANNUAL EXPENDITURES THAT A MUNICIPALITY MUST EXPEND IN
7 ORDER TO BE ELIGIBLE FOR MONIES FROM THE SPECIAL FUND; TO PLACE
8 MUNICIPALITIES UNDER THE SAME DISTRIBUTION RESTRICTIONS AS
9 COUNTIES; AND FOR RELATED PURPOSES.

