

By: Representative Bounds

To: Public Utilities

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1117

1 AN ACT TO AMEND SECTION 77-3-87, MISSISSIPPI CODE OF 1972, TO
2 REQUIRE CERTAIN TAXES COLLECTED FROM UTILITIES TO BE CREDITED TO
3 THE PUBLIC UTILITIES STAFF REGULATION FUND TO COVER THE EXPENSES
4 OF THE PUBLIC UTILITIES STAFF; TO AMEND SECTION 27-104-205,
5 MISSISSIPPI CODE OF 1972, TO CLARIFY THAT THE PUBLIC UTILITIES
6 STAFF IS NOT INCLUDED IN THE LIST OF STATE AGENCIES FUNDED BY
7 APPROPRIATION FROM THE STATE GENERAL FUND UNDER THE MISSISSIPPI
8 BUDGET TRANSPARENCY AND SIMPLIFICATION ACT OF 2016; AND FOR
9 RELATED PURPOSES.

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

11 **SECTION 1.** Section 77-3-87, Mississippi Code of 1972, is
12 amended as follows:

13 77-3-87. All reasonable and necessary expenses of the
14 administration of the duties imposed on the Public Utilities Staff
15 and on the commission by Title 77, Mississippi Code of 1972,
16 excluding the reasonable and necessary expenses of the
17 administration and enforcement by the commission of the laws of
18 this state pursuant to Chapters 7 and 9, Title 77, Mississippi
19 Code of 1972, shall be provided as follows: There is * * * levied
20 a tax upon (a) all utilities, the rates of which are subject to
21 regulation by the provisions of this chapter and upon (b) all



22 utilities not subject to such rate regulation which furnish to the
23 ultimate consumer utility services of the type described by
24 subparagraph (i) of paragraph (d) of Section 77-3-3 and otherwise
25 subject to regulation by the provisions of this chapter, such levy
26 to be effective on the first day of each year and to be calculated
27 as follows: The rate of the tax shall be one hundred sixty-four
28 thousandths of one percent (164/1000 of 1%) per year, of the gross
29 revenues from the intrastate operations of the utilities taxed
30 under this section. The rate of the tax for electric power
31 associations and rural electrification authorities shall be ninety
32 thousandths of one percent (90/1000 of 1%) per year of the gross
33 revenues from the intrastate operations of electric power
34 associations and rural electrification authorities taxed under
35 this section. Effective July 1, 2017, the sum of all taxes levied
36 by this section shall not exceed the total legislative
37 appropriation of monies for the Public Utilities Staff and the
38 Public Service Commission for the ensuing fiscal year. The
39 commission and the executive director of the Public Utilities
40 Staff shall certify to the Department of Revenue the amount of
41 legislative appropriations of monies for the regulation of
42 utilities. The Department of Revenue shall adjust the tax rates
43 on a pro rata basis to generate the necessary revenues established
44 by such legislative appropriations. Each utility which is subject
45 to the tax levied by this section shall file a statement of its
46 gross revenue by April 1 of each year showing the gross revenue



47 for the preceding year's operation. These statements of gross
48 revenue shall be filed with the Department of Revenue on forms
49 prescribed and furnished by the Department of Revenue. The
50 Department of Revenue shall file a copy of these statements of
51 gross revenue with the Public Utilities Staff and the commission.
52 The Department of Revenue shall calculate the amount of tax to be
53 paid by each of the utilities and shall submit a statement thereof
54 to the respective utilities, and the amount shown due in the
55 statements to the utilities shall be paid by them within thirty
56 (30) days thereafter to the Department of Revenue. The Department
57 of Revenue shall furnish the Public Utilities Staff and the
58 commission with an itemized list showing gross and net revenues,
59 assessments, tax collections and other related information for the
60 respective utilities. The Department of Revenue shall deposit
61 funds into the State Treasury to the credit of the Public
62 Utilities Staff Regulation Fund for the expenses of the Public
63 Utilities Staff in the same proportion that the total legislative
64 appropriation of monies to the Public Utilities Staff from the
65 Public Utilities Staff Regulation Fund bears to the total
66 legislative appropriation of monies from the Public Service
67 Commission Regulation Fund to the Public Service Commission for
68 the ensuing fiscal year. The Department of Revenue shall deposit
69 these funds * * * on the same day collected.

70 All administrative provisions of the Mississippi Sales Tax
71 Law, including those which fix damages, penalties and interest for



72 nonpayment of taxes and for noncompliance with the provisions of
73 such chapter, and all other duties and requirements imposed upon
74 taxpayers, shall apply to all persons liable for taxes under the
75 provisions of this chapter, and the Commissioner of Revenue shall
76 exercise all the power and authority and perform all the duties
77 with respect to taxpayers under this chapter as are provided in
78 the Mississippi Sales Tax Law except where there is a conflict,
79 then the provisions of this chapter shall control. The term
80 "gross revenue" as used in this section is the total amount of all
81 revenue derived by each of the utilities from its intrastate
82 operations, which are subject to rate regulation under the
83 provisions of this chapter or which constitute utility services of
84 the type described by subparagraph (i) of paragraph (d) of Section
85 77-3-3 and which are regulated by this chapter and furnished to
86 ultimate consumers. The Department of Revenue is * * * authorized
87 to use all tax returns of any utilities available to it and to
88 make audits as may be deemed necessary of all records of utilities
89 in order to correctly determine the amount of such gross revenue.

90 All proceeds of the above-mentioned tax are * * * to be
91 allocated to the Public Utilities Staff and to the commission in
92 the manner provided in this section for the purpose of this
93 chapter.

94 Each utility subject to the provisions of this section shall
95 be allowed to recover, through the use of a rate adjustment clause
96 or rider, the total amount of taxes paid by the utility pursuant



97 to this section for the reasonable and necessary expenses of the
98 commission and the Public Utilities Staff.

99 * * * The expenses of * * * the Public Service Commission
100 shall be defrayed by appropriation from the State General Fund,
101 and all user charges and fees authorized under this section which
102 are not credited to the Public Utilities Staff Regulation Fund
103 shall be deposited into the State General Fund as authorized by
104 law.

105 * * * The Public Service Commission shall not charge another
106 state agency a fee, assessment, rent or other charge for services
107 or resources received by authority of this section.

108 **SECTION 2.** Section 27-104-205, Mississippi Code of 1972, is
109 amended as follows:

110 27-104-205. (1) From and after July 1, 2016, the expenses
111 of the following enumerated state agencies shall be defrayed by
112 appropriation of the Legislature from the State General Fund: the
113 State Fire Marshal, the State Fire Academy (not including the
114 State Fire Academy Workforce Program Fund), the Office of
115 Secretary of State (not including the Preneed Contracts Loss
116 Recovery Fund), the Mississippi Public Service Commission (not
117 including the Public Utilities Staff Regulation Fund, from which
118 the expenses of the Public Utilities Staff are paid), the
119 Mississippi Department of Information Technology Services, (not
120 including the Mississippi Department of Information Technology
121 Services Revolving Fund), the State Personnel Board, the



122 Mississippi Department of Insurance (not including the Municipal
123 Fire Protection Fund, Section 83-1-37, the County Volunteer Fire
124 Department Fund, Section 83-1-39, and the Mississippi Propane
125 Education and Research Fund, Section 75-57-119), the Mississippi
126 Law Enforcement Officers' Minimum Standards Board, the Mississippi
127 Gaming Commission, the Office of the State Public Defender, the
128 Mississippi Workers' Compensation Commission (not including the
129 Second Injury Trust Fund) and the Office of Attorney General.
130 Beginning July 1, 2016, any fees, assessments or other revenues
131 charged for the support of the above-named state agencies shall be
132 deposited into the State General Fund, and any special fund or
133 depository established within the State Treasury for the deposit
134 of such fees, assessments or revenues shall be abolished and the
135 balance transferred to the State General Fund. Expenses
136 heretofore drawn from such special funds or other depositories
137 shall be drawn from the agencies' General Fund Account.

138 (2) Beginning with the fiscal year ending June 30, 2016, the
139 amount to be appropriated annually from the State General Fund for
140 the support of each of the above-named state agencies shall not
141 exceed the amount appropriated for such purpose in the preceding
142 fiscal year, plus any increases in or additional fees, assessments
143 or other charges authorized by act of the Legislature for the
144 succeeding fiscal year.

145 (3) The provisions of this section shall not apply to any
146 trust fund account that is maintained by any above-named agency.



147 (4) The provisions of this section shall not prohibit any of
148 the above-named agencies from maintaining clearing accounts in
149 approved depositories.

150 (5) The provisions of this section shall not apply to any
151 trust fund accounts maintained by the Public Employees' Retirement
152 System and protected under Section 272A of the Mississippi
153 Constitution of 1890.

154 **SECTION 3.** This act shall take effect and be in force from
155 and after July 1, 2024.

