

By: Representative Bounds

To: Public Utilities

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 and into the State General Fund for the expenses
64 of the Public Service Commission in the same proportion that the
65 total legislative appropriation of monies to the Public Utilities
66 Staff from the Public Utilities Staff Regulation Fund bears to the
67 total legislative appropriation of monies from the General Fund to
68 the Public Service Commission for the ensuing fiscal year. The
69 Department of Revenue shall deposit these funds * * * on the same
70 day collected.



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

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



95 Each utility subject to the provisions of this section shall
96 be allowed to recover, through the use of a rate adjustment clause
97 or rider, the total amount of taxes paid by the utility pursuant
98 to this section for the reasonable and necessary expenses of the
99 commission and the Public Utilities Staff.

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

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

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

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



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

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



144 or other charges authorized by act of the Legislature for the
145 succeeding fiscal year.

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

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

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

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

