

House Amendments to Senate Bill No. 2492

TO THE SECRETARY OF THE SENATE:

THIS IS TO INFORM YOU THAT THE HOUSE 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:

18 **SECTION 1.** Section 27-67-35, Mississippi Code of 1972, is
19 amended as follows:

20 27-67-35. (1) (a) There is hereby created a special fund
21 in the State Treasury. The fund shall be maintained by the State
22 Treasurer as a separate and special fund, separate and apart from
23 the General Fund of the state. The fund shall consist of monies
24 deposited therein under Section 27-67-31(e) and monies from any
25 other source designated for deposit into such fund. Monies in the
26 fund shall be expended by the department to provide funds to
27 assist municipalities in this state in paying costs associated
28 with:

29 (i) Repair, maintenance and/or reconstruction of
30 roads, streets and bridges in municipalities * * *;

31 (ii) Repair, maintenance and/or other improvements
32 to water infrastructure and sewer infrastructure, including storm
33 water and drainage improvements * * *; and/or

34 (iii) As a pledge to pay all or a portion of debt
35 service on debt issued by a municipality for the purposes provided
36 in this subsection (1)(a).

37 These monies shall not be used for salaries, benefits or any
38 form of compensation for employees, or for contract employees,
39 administrative costs, debt service except as provided in this
40 subsection (1)(a), personal property or equipment * * *, except
41 for personal property or equipment to be used for the purposes
42 allowed in subparagraphs (i) and (ii) of this subsection (1)(a),
43 or for the construction or maintenance of public buildings or
44 other structures that are not integral to the system of roads and
45 bridges. Unexpended amounts remaining in the fund at the end of a
46 fiscal year shall not lapse into the State General Fund, and any
47 interest earned or investment earnings on amounts in the fund
48 shall be deposited to the credit of the fund.

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

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

55 2. The remainder of the funds allocated as
56 follows:

57 a. One-half (1/2) shall be allocated to
58 municipalities based on the proportion that the population of a
59 municipality according to the most recent federal decennial census

60 bears to the total population of all municipalities in the state
61 according to the most recent federal decennial census, and

62 b. One-half (1/2) shall be allocated to
63 municipalities based on the proportion that the amount of sales
64 tax revenue distributed to a municipality during the preceding
65 fiscal year under Section 27-65-75(1)(a) bears to the total amount
66 of sales tax revenue distributed to all municipalities during the
67 preceding fiscal year under Section 27-65-75(1)(a). The
68 department shall distribute funds under this subsection (1) on a
69 semiannual basis with distributions being made in the months of
70 January and July.

71 (ii) In order to be eligible to receive the full
72 amount of funds allocated for distribution to a municipality
73 during a year under this subsection (1), the municipality must
74 have expended an amount not less than the amount of base
75 expenditures during the previous municipal fiscal year for the
76 purposes described in paragraph (a) of this subsection (1). If a
77 municipality fails to expend such required amount, then the amount
78 of funds allocated for distribution to the municipality shall be
79 reduced by the percentage by which the municipality failed to
80 expend the amount of base expenditures. For the purposes of this
81 subsection (1), "base expenditures" means the average annual
82 expenditures made by a municipality for purposes described in
83 paragraph (a) of this subsection (1) for the two-year period
84 beginning October 1, 2020, and ending September 30, 2022.

85 Expenditure of grant proceeds, loan proceeds, or the proceeds of

86 bonds issued by a municipality for the purposes described in
87 paragraph (a) of this subsection (1) shall not be considered when
88 calculating the base period. Expenditures by a municipality for
89 purposes described in paragraph (a) of this subsection (1) and for
90 which the municipality may not use monies received from the
91 department under this subsection (1), may be considered when
92 calculating the amount of funds expected by the municipality
93 during the previous municipal fiscal year, provided the
94 expenditures are related to the purposes described in (i), (ii)
95 and/or (iii) in paragraph (a) of this subsection (1). Beginning
96 July 1, 2023, and each succeeding July 1 thereafter, the amount of
97 the base expenditures shall be adjusted and compounded annually by
98 increasing or decreasing such amount by a percentage amount that
99 is equal to the lesser of one-half percent (0.5%) or to the United
100 States inflation rate for the previous calendar year ending on
101 December 31 as certified by the department and provided to the
102 municipalities thereby within thirty (30) days of such
103 certification. The United States inflation rate for a calendar
104 year shall be the Consumer Price Index for the calendar year for
105 urban consumers as calculated by the Bureau of Labor Statistics of
106 the United States Department of Labor.

107 (c) The department and the Office of the State Auditor
108 shall have all powers necessary to ensure the proper
109 implementation of this subsection (1).

110 (2) (a) There is hereby created a special fund in the State
111 Treasury. The fund shall be maintained by the State Treasurer as

112 a separate and special fund, separate and apart from the General
113 Fund of the state. The fund shall consist of monies deposited
114 therein under Section 27-67-31(f) and monies from any other source
115 designated for deposit into such fund. Monies in the fund shall
116 be expended by the department to provide funds to assist counties
117 in this state in paying costs associated with (i) the repair,
118 maintenance and/or reconstruction of roads, streets and bridges in
119 counties, and/or (ii) as a pledge to pay all or a portion of debt
120 service on debt issued by a county for the purposes provided in
121 this subsection (2)(a). These monies shall not be used for
122 salaries, benefits or any form of compensation for employees, or
123 for contract employees, administrative costs, debt service except
124 as provided in this subsection (2)(a), personal property or
125 equipment * * * except for personal property or equipment to be
126 used for the purposes allowed in subparagraph (i) of this
127 subsection (2)(a), or for the construction or maintenance of
128 public buildings or other structures that are not integral to the
129 system of roads and bridges. Unexpended amounts remaining in the
130 fund at the end of a fiscal year shall not lapse into the State
131 General Fund, and any interest earned or investment earnings on
132 amounts in the fund shall be deposited to the credit of the fund.

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

137 1. One-third ($1/3$) shall be allocated to all
138 counties in equal shares,

139 2. One-third ($1/3$) shall be allocated to
140 counties based on the proportion that the total number of rural
141 road miles in a county bears to the total number of rural road
142 miles in all counties of the state, and

143 3. One-third ($1/3$) shall be allocated to
144 counties based on the proportion that the rural population of a
145 county bears to the total rural population in all counties of the
146 state, according to the latest federal decennial census.

147 The department shall distribute funds under this subsection (2) on
148 a semiannual basis with distributions being made in the months of
149 January and July. Rural road miles and rural road population in
150 the counties shall be determined in the same manner as they are
151 determined for the purposes of the distribution formula in Section
152 65-9-3.

153 (ii) From and after July 1, 2020, of the funds
154 allocated for distribution to a county during a year under this
155 subsection (2), the maximum amount of such funds that may be
156 distributed to the county during that year shall not exceed the
157 amount of county funds expended by the county during the previous
158 county fiscal year for purposes described in paragraph (a) of this
159 subsection (2). Expenditure of the proceeds of bonds issued by a
160 county to pay costs associated with the repair, maintenance and/or
161 reconstruction of roads, streets and bridges shall not be
162 considered when determining the amount of county funds expended by

163 the county during the previous county fiscal year. Expenditures
164 by a county for purposes described in paragraph (a) of this
165 subsection (2) and for which the county may not use monies
166 received from the department under this subsection (2), may be
167 considered when calculating the amount of county funds expended by
168 the county during the previous county fiscal year, provided the
169 expenditures are related to purposes described in (i) and/or (ii)
170 in paragraph (a) of this subsection (2).

171 (c) The department and the Office of the State Auditor
172 shall have all powers necessary to ensure the proper
173 implementation of this subsection (2).

174 **SECTION 2.** This act shall take effect and be in force from
175 and after July 1, 2024.

**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 TO ALLOW MUNICIPALITIES TO USE MONIES FROM USE TAX REVENUE FOR
3 PERSONAL PROPERTY OR EQUIPMENT TO BE USED FOR THE REPAIR,
4 MAINTENANCE AND/OR RECONSTRUCTION OF ROADS, STREETS AND BRIDGES,
5 OR TO BE USED FOR THE REPAIR, MAINTENANCE AND/OR OTHER
6 IMPROVEMENTS TO WATER INFRASTRUCTURE AND SEWER INFRASTRUCTURE,
7 INCLUDING STORM WATER AND DRAINAGE IMPROVEMENTS; TO ALLOW COUNTIES
8 TO USE MONIES FROM USE TAX REVENUE FOR PERSONAL PROPERTY OR
9 EQUIPMENT TO BE USED FOR THE REPAIR, MAINTENANCE AND/OR
10 RECONSTRUCTION OF ROADS, STREETS AND BRIDGES; TO REVISE THE TYPES
11 OF EXPENDITURES THAT MAY BE CONSIDERED WHEN CALCULATING
12 EXPENDITURES MADE BY A MUNICIPALITY OR COUNTY FOR ROAD AND BRIDGE
13 IMPROVEMENTS AND, FOR MUNICIPALITIES, WATER AND SEWER
14 INFRASTRUCTURE IMPROVEMENTS, DURING THE PREVIOUS FISCAL YEAR FOR
15 THE PURPOSE OF ALLOCATING USE TAX REVENUE TO THE MUNICIPALITY OR
16 COUNTY; AND FOR RELATED PURPOSES.

HR43\SB2492A.J

Andrew Ketchings
Clerk of the House of Representatives