

**Adopted
COMMITTEE AMENDMENT NO 1 PROPOSED TO**

House Bill No. 1620

BY: Committee

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

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

12 27-67-35. (1) (a) There is hereby created a special fund
13 in the State Treasury. The fund shall be maintained by the State
14 Treasurer as a separate and special fund, separate and apart from
15 the General Fund of the state. The fund shall consist of monies
16 deposited therein under Section 27-67-31(e) and monies from any
17 other source designated for deposit into such fund. Monies in the
18 fund shall be expended by the department to provide funds to



19 assist municipalities in this state in paying costs associated
20 with:

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

23 (ii) Repair, maintenance and/or other improvements
24 to water infrastructure and sewer infrastructure, including storm
25 water and drainage improvements * * *; and/or

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

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

41 (b) (i) Subject to the provisions of this paragraph
42 (b) and Section 65-21-31, funds provided to municipalities under



43 this subsection (1) shall be allocated and distributed to
44 municipalities as follows:

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

47 2. The remainder of the funds allocated as
48 follows:

49 a. One-half (1/2) shall be allocated to
50 municipalities based on the proportion that the population of a
51 municipality according to the most recent federal decennial census
52 bears to the total population of all municipalities in the state
53 according to the most recent federal decennial census, and

54 b. One-half (1/2) shall be allocated to
55 municipalities based on the proportion that the amount of sales
56 tax revenue distributed to a municipality during the preceding
57 fiscal year under Section 27-65-75(1)(a) bears to the total amount
58 of sales tax revenue distributed to all municipalities during the
59 preceding fiscal year under Section 27-65-75(1)(a). The
60 department shall distribute funds under this subsection (1) on a
61 semiannual basis with distributions being made in the months of
62 January and July.

63 (ii) In order to be eligible to receive the full
64 amount of funds allocated for distribution to a municipality
65 during a year under this subsection (1), the municipality must
66 have expended an amount not less than the amount of base
67 expenditures during the previous municipal fiscal year for the



68 purposes described in paragraph (a) of this subsection (1). If a
69 municipality fails to expend such required amount, then the amount
70 of funds allocated for distribution to the municipality shall be
71 reduced by the percentage by which the municipality failed to
72 expend the amount of base expenditures. For the purposes of this
73 subsection (1), "base expenditures" means the average annual
74 expenditures made by a municipality for purposes described in
75 paragraph (a) of this subsection (1) for the two-year period
76 beginning October 1, 2020, and ending September 30, 2022.
77 Expenditure of grant proceeds, loan proceeds, or the proceeds of
78 bonds issued by a municipality for the purposes described in
79 paragraph (a) of this subsection (1) shall not be considered when
80 calculating the base period. Beginning July 1, 2023, and each
81 succeeding July 1 thereafter, the amount of the base expenditures
82 shall be adjusted and compounded annually by increasing or
83 decreasing such amount by a percentage amount that is equal to the
84 lesser of one-half percent (0.5%) or to the United States
85 inflation rate for the previous calendar year ending on December
86 31 as certified by the department and provided to the
87 municipalities thereby within thirty (30) days of such
88 certification. The United States inflation rate for a calendar
89 year shall be the Consumer Price Index for the calendar year for
90 urban consumers as calculated by the Bureau of Labor Statistics of
91 the United States Department of Labor.



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

95 (2) (a) There is hereby created a special fund in the State
96 Treasury. The fund shall be maintained by the State Treasurer as
97 a separate and special fund, separate and apart from the General
98 Fund of the state. The fund shall consist of monies deposited
99 therein under Section 27-67-31(f) and monies from any other source
100 designated for deposit into such fund. Monies in the fund shall
101 be expended by the department to provide funds to assist counties
102 in this state in paying costs associated with (i) the repair,
103 maintenance and/or reconstruction of roads, streets and bridges in
104 counties, and/or (ii) as a pledge to pay all or a portion of debt
105 service on debt issued by a county for the purposes provided in
106 this subsection (2) (a). These monies shall not be used for
107 salaries, benefits or any form of compensation for employees, or
108 for contract employees, administrative costs, debt service except
109 as provided in this subsection (2) (a), personal property or
110 equipment (other than equipment to be permanently installed as
111 part of a road or bridge), or for the construction or maintenance
112 of public buildings or other structures that are not integral to
113 the system of roads and bridges. Unexpended amounts remaining in
114 the fund at the end of a fiscal year shall not lapse into the
115 State General Fund, and any interest earned or investment earnings



116 on amounts in the fund shall be deposited to the credit of the
117 fund.

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

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

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

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

132 The department shall distribute funds under this subsection (2) on
133 a semiannual basis with distributions being made in the months of
134 January and July. Rural road miles and rural road population in
135 the counties shall be determined in the same manner as they are
136 determined for the purposes of the distribution formula in Section
137 65-9-3.

138 (ii) From and after July 1, 2020, of the funds
139 allocated for distribution to a county during a year under this
140 subsection (2), the maximum amount of such funds that may be



141 distributed to the county during that year shall not exceed the
142 amount of county funds expended by the county during the previous
143 county fiscal year for purposes described in paragraph (a) of this
144 subsection (2). Expenditure of the proceeds of bonds issued by a
145 county to pay costs associated with the repair, maintenance and/or
146 reconstruction of roads, streets and bridges shall not be
147 considered when determining the amount of county funds expended by
148 the county during the previous county fiscal year.

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

152 **SECTION 2.** This act shall take effect and be in force from
153 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; AND FOR RELATED
8 PURPOSES.

