

**Adopted
AMENDMENT NO 3 TO COMMITTEE AMENDMENT NO 1 PROPOSED
TO**

House Bill No. 1

BY: Senator(s) Turner-Ford

1 **AMEND** by inserting the following after line 2415 and
2 renumbering subsequent section(s) and internal reference(s)
3 accordingly:

4 **SECTION *.** Section 27-67-35, Mississippi Code of 1972, is
5 amended as follows:

6 27-67-35. (1) (a) There is hereby created a special fund
7 in the State Treasury. The fund shall be maintained by the State
8 Treasurer as a separate and special fund, separate and apart from
9 the General Fund of the state. The fund shall consist of monies
10 deposited therein under Section 27-67-31(e) and monies from any
11 other source designated for deposit into such fund. Monies in the
12 fund shall be expended by the department to provide funds to
13 assist municipalities in this state in paying costs associated
14 with:



15 (i) Repair, maintenance and/or reconstruction of
16 roads, streets and bridges, and acquisition and/or rehabilitation
17 of buildings, in municipalities;

18 (ii) Repair, maintenance and/or other improvements
19 to water infrastructure and sewer infrastructure, including storm
20 water and drainage improvements; and/or

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

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

36 (b) (i) Subject to the provisions of this paragraph
37 (b) and Section 65-21-31, funds provided to municipalities under
38 this subsection (1) shall be allocated and distributed to
39 municipalities as follows:



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

42 2. The remainder of the funds allocated as
43 follows:

44 a. One-half (1/2) shall be allocated to
45 municipalities based on the proportion that the population of a
46 municipality according to the most recent federal decennial census
47 bears to the total population of all municipalities in the state
48 according to the most recent federal decennial census, and

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

58 (ii) In order to be eligible to receive the full
59 amount of funds allocated for distribution to a municipality
60 during a year under this subsection (1), the municipality must
61 have expended an amount not less than the amount of base
62 expenditures during the previous municipal fiscal year for the
63 purposes described in paragraph (a) of this subsection (1). If a
64 municipality fails to expend such required amount, then the amount



65 of funds allocated for distribution to the municipality shall be
66 reduced by the percentage by which the municipality failed to
67 expend the amount of base expenditures. For the purposes of this
68 subsection (1), "base expenditures" means the average annual
69 expenditures made by a municipality for purposes described in
70 paragraph (a) of this subsection (1) for the two-year period
71 beginning October 1, 2020, and ending September 30, 2022.
72 Expenditure of grant proceeds, loan proceeds, or the proceeds of
73 bonds issued by a municipality for the purposes described in
74 paragraph (a) of this subsection (1) shall not be considered when
75 calculating the base period. Expenditures by a municipality for
76 purposes described in paragraph (a) of this subsection (1) and for
77 which the municipality may not use monies received from the
78 department under this subsection (1), may be considered when
79 calculating the amount of funds expended by the municipality
80 during the previous municipal fiscal year, provided the
81 expenditures are related to the purposes described in
82 subparagraphs (i), (ii) and/or (iii) in paragraph (a) of this
83 subsection (1). Beginning July 1, 2023, and each succeeding July
84 1 thereafter, the amount of the base expenditures shall be
85 adjusted and compounded annually by increasing or decreasing such
86 amount by a percentage amount that is equal to the lesser of
87 one-half percent (0.5%) or to the United States inflation rate for
88 the previous calendar year ending on December 31 as certified by
89 the department and provided to the municipalities thereby within



90 thirty (30) days of such certification. The United States
91 inflation rate for a calendar year shall be the Consumer Price
92 Index for the calendar year for urban consumers as calculated by
93 the Bureau of Labor Statistics of the United States Department of
94 Labor.

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

98 (2) (a) There is hereby created a special fund in the State
99 Treasury. The fund shall be maintained by the State Treasurer as
100 a separate and special fund, separate and apart from the General
101 Fund of the state. The fund shall consist of monies deposited
102 therein under Section 27-67-31(f) and monies from any other source
103 designated for deposit into such fund. Monies in the fund shall
104 be expended by the department to provide funds to assist counties
105 in this state in paying costs associated with (i) the repair,
106 maintenance and/or reconstruction of roads, streets and bridges in
107 counties, and/or (ii) as a pledge to pay all or a portion of debt
108 service on debt issued by a county for the purposes provided in
109 this subsection (2) (a). These monies shall not be used for
110 salaries, benefits or any form of compensation for employees, or
111 for contract employees, administrative costs, debt service except
112 as provided in this subsection (2) (a), personal property or
113 equipment except for personal property or equipment to be used for
114 the purposes allowed in subparagraph (i) of this subsection



115 (2) (a), or for the construction or maintenance of public buildings
116 or other structures that are not integral to the system of roads
117 and bridges. Unexpended amounts remaining in the fund at the end
118 of a fiscal year shall not lapse into the State General Fund, and
119 any interest earned or investment earnings on amounts in the fund
120 shall be deposited to the credit of the fund.

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

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

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

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

135 The department shall distribute funds under this subsection (2) on
136 a semiannual basis with distributions being made in the months of
137 January and July. Rural road miles and rural road population in
138 the counties shall be determined in the same manner as they are



139 determined for the purposes of the distribution formula in Section
140 65-9-3.

141 (ii) From and after July 1, 2020, of the funds
142 allocated for distribution to a county during a year under this
143 subsection (2), the maximum amount of such funds that may be
144 distributed to the county during that year shall not exceed the
145 amount of county funds expended by the county during the previous
146 county fiscal year for purposes described in paragraph (a) of this
147 subsection (2). Expenditure of the proceeds of bonds issued by a
148 county to pay costs associated with the repair, maintenance and/or
149 reconstruction of roads, streets and bridges shall not be
150 considered when determining the amount of county funds expended by
151 the county during the previous county fiscal year. Expenditures
152 by a county for purposes described in paragraph (a) of this
153 subsection (2) and for which the county may not use monies
154 received from the department under this subsection (2), may be
155 considered when calculating the amount of county funds expended by
156 the county during the previous county fiscal year, provided the
157 expenditures are related to purposes described in subparagraphs
158 (i) and/or (ii) in paragraph (a) of this subsection (2).

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

162 **FURTHER, AMEND the title to conform.**

