

WEEKLY LEGISLATIVE UPDATE 2016 REGULAR LEGISLATIVE SESSION



Mississippi Association of Supervisors

2016 REGULAR LEGISLATIVE SESSION ENDS

The 2016 Regular Session of the Mississippi Legislature has adjourned after 107 days of debate. The closing days of the session were spent hashing out agreements on budget and tax measures as well as wrapping up the remaining general bills on the calendar. The Senate adjourned Sine Die on Wednesday, while the House waited until Thursday morning for final adjournment.

We would like to extend a special thank you to the MAS membership for all of your hard work and dedication. Your phone calls and capital visits helped to protect county government from any major unfunded mandates. In addition, MAS was fortunate to avoid any cuts to counties' core state revenue funding streams.

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FINALIZING THE STATE BUDGET

Over the past weekend, the two chambers came to an agreement on the State's roughly \$6 billion budget. With revenue projections continuing on a downward trend, legislative leaders were forced to cut many state agency budgets. Legislative leadership was able to stick to a commitment made early in the session and did not reduce funding for the State's education formula, which distributes money to the local school districts across Mississippi. In addition, the homestead exemption reimbursement was level funded.

Major tax reform was accomplished this week as Lieutenant Governor Tate Reeves and House Speaker Phillip Gunn passed a phase-out of several tax measures that will begin in 2018. Senate Bill 2858 phases out the corporate income tax over 10 years and the 3% individual income tax bracket over four years. A reduction in self-employment taxes and small business taxes was included in the plan. The overall cost of the package (once fully implemented in 2028) will be around \$420 million.

The Historic Tax Credit and Mississippi Small Business Investment Act (SB 2922) was also approved by both chambers. This measure includes up to \$120 million in tax credits for historic preservation projects around the state, but no more than \$12 million may be awarded in one fiscal year.

LSBP FUNDED AND EXTENDED ANOTHER YEAR

In the legislative bond package (HB 1729), the Local Systems Bridge Program was funded at \$20 million. In the budget process transfer bill (HB 878), the LSBP was extended an additional year to 2017.

LEGISLATIVE BOND PACKAGE (HB 1729)

This year's omnibus legislative bond package funded various programs and projects. Below are items within the bond package that benefit county government:

Small Municipalities Limited County Population Grant Fund: Funded at \$2.5 Million. Administered through MDA; provides funds for publicly owned infrastructure for community-based projects. Funding from this program can be used by small municipalities and counties to assist with public facilities and infrastructure needs.

Community Heritage Preservation Grant Program: Funded at \$2.5 Million. Administered through MS Dept. of Archive & History; provides funds to help preserve, restore, rehabilitate, and interpret historic courthouses and schools.

HOMESTEAD EXEMPTION REIMBURSEMENT LEVEL FUNDED

When Senate Bill 2885 was originally introduced, the homestead exemption reimbursement was funded at \$78 million, which would have been a \$6 million cut from last year's funding. Thanks to the MAS members communicating with their legislators, the final product was increased to \$84 million, level funding from 2015.