

Mississippi Association of Supervisors

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MEMORANDUM

To: MAS Membership

From: Derrick Surrette/Executive Director
Steve Gray/Government Affair Director
Date: 5-5-2017

Re: House Continues Exploring Road/Bridge Funding

Yesterday, The Office of the Speaker of the House issued a press release identifying various options that the House leadership is evaluating as it relates to long-term infrastructure funding, as negotiations between the Lt. Governor and Speaker Gunn continues. The House leadership is considering the following:

1. Local Option Fuel Tax (LOFT)

- a. Local governments will be allowed to put to a direct referendum a local fuel tax to be collected and used by the local government for local road and bridge repair and maintenance only.
- b. Must have inner local agreements between cities and counties. All the money stays at the city and county level.

2. Gaming Sinking Fund (GSF)

- a. \$36 million is generated in GSF on an annual basis. \$16 million is obligated to paying off bond debt. The House would propose to use \$8 million of the remaining \$20 million to service a \$100 million revenue bond issue to be paid over 20 years for the purpose of road and bridge repair/maintenance in gaming counties and those adjacent counties.

3. New Road Moratorium

- a. Where construction has not already begun, unless right-of-away acquisition has occurred

4. MDOT Removed from State Personnel Board

- a. Remove MDOT from State Personnel Board. The House proposes giving MDOT lump sum funding for MDOT operations (salaries, etc.), demanding savings and efficiencies, prioritizing spending and ultimately right-sizing the agency.

- 5. Revenue Growth Trigger:** When our state general fund revenue grows more than 2% in one year, 50% of those dollars beyond the 2% growth (up to a max of \$100 million) will be devoted to road and bridge improvement under the same formula as above.
- 6. Bond Issuance:** \$50 million for bridge repair and maintenance to be distributed as follows:
 - a. 50% assist municipalities for bridge repair/maintenance.
 - b. 50% assist counties in paying costs for bridge repair/maintenance.
- 7. Voluntary Online Sales Tax Allocation:** Certain companies are already voluntarily remitting sales tax on sales they make over the internet. Of these voluntary payments, the House proposes to send the first \$50 million to the General Fund as it currently does. Of the amounts paid to the State over \$50 million and up to \$250 million, these dollars would be dedicated to repair/maintenance of roads and bridges. This is not a new tax. Those who oppose our plan have not produced any evidence to support claims that this is a new tax. The House has deleted any sort of federal law change or Supreme Court ruling as an additional trigger.
 - a. All monies collected over the 50m will be distributed as follows:
 - i. 50% to MDOT if they internally reallocate \$25 million in their existing budget to prioritize road and bridge repair.
 - ii. 25% to counties for roads and bridges
 - iii. 25% to municipalities for roads and bridges