Mississippi Counties

State Summary of Transportation Funding and Finance

## **Transportation and Financial Authority:**

• A county may impose property taxes on the assessed value in its jurisdiction for a number of purposes, including: general county expenditures, roads and bridges, school districts, payment of bonds, and perhaps even to offset shortfalls in severance tax revenues. The county must enumerate all the purposes for which the general revenues will be used in the official order imposing the tax. Total property tax revenues may not increase by more than 10% from year to year, and the amount of revenues collected from the specific property tax for roads and bridges in any given year may not be greater than 110% of the revenues from any of the three years preceding it.

• Counties have the authority to levy a tax on the distribution of gasoline at a rate of three cents per gallon. All proceed must be dedicated to the financing of road protections.

• Counties collect personal property taxes on motor vehicles at a rate of 30 percent.

• Counties may enter into contracts and interlocal agreements. The county may establish a cooperative service district in which they may jointly provide services with other counties or municipalities. The cooperative district may issue revenue bonds and levy tax to fund any service provision they might undertake.

• Counties do not have the authority to implement their own sales and use tax.

Mandated/Authorized Transportation Services:

• County commissioners have complete control over roads, bridges, and ferries located within the county. Counties may not establish road districts, but must instead operate and maintain a countywide system of roads to ensure equal distribution of infrastructure resources. Counties which did not vote to have countywide road systems in 1988 may maintain their road districts.

• Counties in which there is a railroad property may create local railroad authority or may join regional railroad authority with other contiguous counties. The authority may charge fees for use of the rail system and make contracts. The county may levy an ad valorem tax to maintain railroad properties.

• Each County Board of Supervisors is required to appoint a County Engineer and a Local Systems Bridge Engineer to act on behalf of the Board and administer road and bridge functions at the county level.

## **Funding Sources for County Transportation Projects:**

Counties Receive:

• A portion of the revenues from the state’s general sales taxes and taxes on the rental and sales of motor vehicles. These revenues are channeled to counties through the Motor Vehicle Ad Valorem Tax Reduction Fund in order to offset the county’s loss of revenue from ad valorem tax credits given for motor vehicles.

• Certain counties receive a portion of the proceeds from a state excise tax on motor fuel that is distributed through the State Aid Road Fund for road projects in part according to the number of rural roads and the size of the rural population.

• Local System Bridge Program (LSBP) was signed into law February 15, 2013 providing an appropriation for $20 million for the Local System Bridges for the year 2013 through June 2014

• Local System Road Program (LSRP) allows the counties to utilize up to 25 percent of their allocated State Aid funds to address the problem of sub-standard roads not eligible for the original State Aid Road Program.

• Counties levy a tax on the distribution of gasoline, revenues of which must be dedicated to the financing of road protections.

## **Challenges in Funding and Financing Transportation Projects:**

• MDOT is passing on maintenance of roads that were originally constructed as state highways to counties. Senate Bill 2570 seeks to clarify jurisdiction of county over roads originally constructed as state highways and would provide the county board of supervisors the legal ability to reject maintenance of a state highway issued to them by MDOT.

## **Innovative Solutions to Funding and Financing Challenges**