



May 17, 2016

**Biloxi  
Legislative Summary 2016 Session**

The 2016 Session of the Mississippi Legislature came to an end when the House finally adjourned *sine die*. By all accounts this session was truly unique. There was conflict between the caucuses, within the caucuses and between the House and Senate. Bills were read aloud by electronic readers as members exercised their constitutional right to have bills read aloud. At the end of the day agreements were reached and the Legislature was able to complete the people's business.

Biloxi had some successes and some disappointments. There was no negative legislation passed relating to the Gulf Coast Broadband Initiative, the Economic Development and Infrastructure Fund for gaming counties was created, leisure and recreation districts were authorized, the city obtained \$700,000 in tidelands funds, Historic Tax Credits were renewed and the Tourism Tax Credit was extended.

Key bills were as follows:

HB 1074: This bill created the Economic Development and Infrastructure Fund for gaming counties. The first \$2,500,000 transferred to this fund is for the purposes of the Air Service Incentive Program which includes revenue guarantees. The Air Service Incentive Program is limited to gaming counties as well. Throughout most of the session this Fund was to be supported by the Gaming Roads Bond Sinking Fund excess funds after

payment of bond obligations. The fund received \$2,500,000 of BP State Economic Damages money through SB 2924.

SB 2924: The first of the BP State Economic Damages money was transferred through this bill. \$5,000,000 was allocated to the Keesler Gate. \$2,500,000 was transferred to the Fund created by HB 1074. An updated analysis of the distribution is attached. While the total percentage is approximately 70% it should be noted that there was no local input on how this money was allocated. This becomes significant as the Governor has announced a probable special session in May or June to spend the remaining BP money.

HB 1223: Otherwise known as the Fishbone Alley bill, authorizes Leisure and Recreation Districts. Municipalities are required to adopt an ordinance describing the district boundaries and the security plan for the district. A public hearing is required and then the Department of Revenue is required to give final approval. This authorizes licensed ABC permittees to sell alcoholic beverages on public streets with al fresco dining and to allow beverages to be removed from the premises so long as they are within the District. We have a meeting scheduled with the Department of Revenue and the Alcohol Beverage Control Division this Thursday.

HB 1381: This is the Uber bill which placed oversight in the Department of Insurance. Most local regulation was preempted by the state oversight. However, we were able to remove a prohibition on inspection of vehicles which combined with the other requirements in the bill should allow the city to have similar restrictions on Uber as it does through the Motor Vehicle for Hire Authority. I had a preliminary meeting with the Department of Insurance last week relating to their regulations.

HB 1657: DMR appropriation which contains the Tidelands Grant language. Biloxi secured \$700,000 of the total of less than \$4,500,000 for the West Biloxi Festival Boardwalk (Phase 1). Additionally, Harrison County was awarded \$300,000 for Sand Beach Boardwalk within the City of Biloxi. \$3,000,000 of BP State Economic Damages money was included in this appropriation to go to SMPDD for the National Flood Insurance Program Flood Map Review.

SB 2146: This bill would have increased the diversion of sales tax revenue to municipalities from 18.5% to 20% over a three-year phase in. The funds were to be dedicated to infrastructure. Unfortunately, the bill died in conference after the State's revenue projections were reduced by an additional \$101,000,000 and SB 2858, the Taxpayer Pay Raise Act of 2016, cut taxes by \$415,000,000 over the next 10 years.

SB 2858: The Taxpayer Pay Raise Act of 2016 will phase out the Franchise Tax over a period of 10 years and do away with the lower tier of personal income tax. The result is a \$415,000,000 tax cut over 10 years.

HB 2922: This bill contained both an extension for the Historic Tax Credit (HTC) program and an extension on the repealer on the Tourism Tax Credit program. The HTC was increased from \$60,000,000 to \$120,000,000. However, an annual cap of \$12,000,000 was established and single-family residential properties were prohibited unless listed on the National Register of Historic Places.