

**REPORT TO MADISON COUNTY BOARD OF SUPERVISORS
REGARDING ROAD FUND MILLAGE
September 21, 2009**

The Half Road Tax Law

§ 65-15-21. Refund to municipalities.

[With regard to any county which is required to operate on a countywide system of road administration as described in Section 19-2-3, this section shall read as follows:]

One-half (1/2) of all ad valorem taxes collected by or for a county on property within a municipality (the streets of which are worked at the expense of the municipal treasury, or worked by municipal authority) for road purposes of such county, not including taxes for the purposes of paying bonds issued for road purposes or the interest thereon or for creating a bond and interest fund for retiring the same, shall be paid over to the treasurer of such municipality for said municipality.

Any municipality may contract with its board of supervisors, whereby work may be performed on the streets maintained by said municipality in lieu of the refund of one-half (1/2) of the road taxes collected under this section, and in such event such agreement shall be spread at large upon the minutes of both the governing authorities of such municipality and the board of supervisors of such county.

Sources: Codes, Hemingway's 1921 Supp. § 7259n; Laws, 1930, § 6417; Laws, 1942, § 8367; Laws, 1920, ch. 232; Laws, 1950, ch. 233, § 1; Laws, 1988 Ex Sess, ch. 14, § 55, eff from and after October 1, 1989.

Madison County Road Tax Millage Rates

The amount of millage levied by Madison County for roads has changed each year since 2004, sometimes increasing and sometimes decreasing. This is a routine part of the budgeting process when the levy is set after preparation of the budget is complete. The levy rate is routinely requested by and provided to municipalities.

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Road Levy	2.98	3.76	3.33	3.00	4.18	3.83	3.85

As the chart above shows, the road levy reduced from 2004 to 2005, and again from 2006 to 2007 by 1.18 mils, considerably more than the drop of .78 mils from 2009 to 2010.

Also, it should be noted that when the levy reduces, municipalities receive less tax money from the county but also pay less tax to the extent the reduction in millage is applied to taxing districts which exclude municipalities.

Half Road Tax Dollars Received by Municipalities from the County

The chart below shows the actual dollars municipalities have received from the county for the half road tax:

	<u>Canton</u>	<u>Flora</u>	<u>Ridgeland</u>	<u>Madison</u>
10/1/04-9/30/05	99,275.30	15,819.32	564,330.68	301,857.07
10/1/05-9/30/06	113,375.88	18,247.06	652,028.67	368,898.13
10/1/06-9/30/07	82,391.68	13,197.03	529,923.78	292,933.74
10/1/07-9/30/08	104,599.89	14,624.61	614,402.57	344,977.97
10/1/08-7/31/09	107,305.63	14,647.27	658,686.33	411,172.99
FY 2010 Projected	<u>105,088.00</u>	<u>14,968.00</u>	<u>604,326.00</u>	<u>466,593.00</u>
Total	<u>612,036.38</u>	<u>91,503.29</u>	<u>3,623,698.03</u>	<u>2,186,432.90</u>

It should be noted that *even with the millage reduction in 2010* each municipality is receiving more dollars than in 2008, with the exception of Ridgeland due to a significant assessed value decrease with AT&T. This occurs because while the mills may drop, there is growth in assessed value. The City of Madison will actually *see an increase* in 2010 of approximately \$55,420.01 due to this assessment growth and the inclusion of the annexation area.

Additional Road Funds Provided to Municipalities

In addition to the half road tax shown above, Madison County has provided direct support for the roads in municipalities from county tax dollars. A listing of some such amounts since 2004 is shown below. The costs shown are based on project estimates, Road Department reports, and financial records but in most cases are approximate.

	Approx. Cost
City of Canton	
SAFETEA-LU Street Overlay Project	\$ 86,400
Road Striping	\$ 80,000
Canton Parkway	\$ 10,000
Total	<u>\$ 176,400</u>
Town of Flora	
Street Repaving	<u>\$ 98,000</u>

City of Madison

Emergency Repair, Madison Avenue Bridge near Liberty Park	\$ 35,000
One half cost of Ridgecrest-McClelland Street Bridge	\$ 112,500
Paved Magnolia Street	\$ 62,000
Re-Surfaced Madison Avenue Highway 51 - Rice Road	\$ 220,000
Re-Surfaced Madison Avenue Highland Colony - Liberty Park	\$ 182,000
Madison Avenue from Highway 51 - City Hall (cash contribution)	\$ 200,000
Re-Surfaced Lake Castle Road	\$ 137,970
Constructed Park Place Boulevard	\$2,348,400
Bozeman Road Slope Stabilization	\$ 50,000
Constructed Tisdale Road	<u>\$ 296,000</u>
Subtotal, Pre-Annexation	<u>\$3,643,870</u>
Reunion Boulevard	\$7,150,931
Re-Surfaced Countryside Place	\$ 50,000
Re-Surfaced Audrie Lane	\$ 18,000
Re-Surfaced Perry Williams Road	\$ 20,000
Re-Surfaced Lansbury Way	<u>\$ 30,000</u>
Subtotal Annexation Area	<u>\$7,268,931</u>
Grand Total	<u>\$10,912,801</u>

City of Ridgeland

One half cost of Ridgecrest-McClelland Street Bridge	\$ 112,500
Rice Road Overlay, Old Canton Road to Post Road	\$ 100,000
Pear Orchard Overlay	<u>\$ 80,000</u>
Total	<u>\$ 292,500</u>

Other Support

Madison County also received an allocation of \$1.6 million dollars through the American Recovery and Reinvestment Act (ARRA). These funds have been divided equally in Madison County to use at the discretion of each government as follows:

Madison County	\$ 320,000
City of Madison	\$ 320,000
City of Ridgeland	\$ 320,000
City of Canton	\$ 320,000
Town of Flora	\$ 320,000

Madison County allocated State Aid funds of \$1.5 million dollars to the Old Canton Road Bridge project in the City of Madison, as well as providing considerable effort for the Multipurpose Equine Center in Canton, donating patrol cars to Canton, and a parking lot for Holmes Community College in Ridgeland. The Madison County Economic Development Authority (MCEDA) expended or designated county dollars by way of cash donations to municipalities for economic development. Ridgeland and Madison received \$200,000, while Canton and Flora received \$110,000. MCEDA provides various other grants to support municipalities as well. Madison County also has provided or pledged millions of dollars in Tax Increment Financing to Madison and Ridgeland.