

2012 State Legislative/Regulatory Profile

STATE: Mississippi

CAPITOL CITY: Jackson
GOVERNOR: Phil Bryant (R)
GENERAL ELECTIONS: 1st Tuesday after 1st Monday in November
LEGISLATURE CONVENES: First (1st) Tuesday after first (1st) Monday in January at 12:00 noon
FLOOR PERIODS: 125 days - with new administration and 90 days for next three (3) years

SENATE: 52 Members 34 standing committees
REPUBLICANS: 31
DEMOCRATS: 21

TERM: 4 years

PRESIDING OFFICER(S): Tate Reeves (R) (Lt. Governor);
Terry Brown (R) (President Pro-Tem)

MINORITY LEADER(S): N/A

MAJOR UTILITY COMMITTEE: Senate Energy Committee (15 members)
Chairman: Merle Flowers (R) Vice-Chairman: Giles Ward (R)

CURRENT ISSUES: Budget/Taxation/Net Metering/PSC/Eminent Domain

HOUSE (ASSEMBLY): 122 members 37 standing committees
REPUBLICANS: 64
DEMOCRATS: 58

TERM: 4 years

PRESIDING OFFICER(S): Phillip Gunn (R) (Speaker); Greg Snowden (R) (Speaker Pro. Tem)

MINORITY LEADER(S): Bobby Moak (D)

MAJOR UTILITY COMMITTEE: House Public Utilities Committee (17 members)
Chairman: Jim Beckett (R) Vice-Chairman: Kevin McGee (R)
House Energy Committee (17 members)
Chairman: Angela Cockerham (D) V-Chairman: Gary Staples (R)

CURRENT ISSUES: Budget/Taxation/Net Metering/PSC/Eminent Domain

REGULATORY BODY: Public Service Commission

MEMBERS: Brandon Presley (D); Commissioner, Northern District
Lynn Posey (R); Commissioner, Central District
Leonard Bentz (R); Commissioner, Southern District

METHOD OF APPOINTMENT/ELECTION (Other Requirements): Election - 4 year term

CURRENT ISSUES: Lignite Coal Plant/Net Metering

History in Mississippi

The 2012 Regular Session of the Mississippi Legislature brought many historic changes to the Magnolia State. For the first time since 1976, there was a new Governor, Lieutenant Governor, and Speaker of the House, all taking office for the first time. And, for the first time since Reconstruction, Republicans would control not only the Governor's Mansion, but also *both* chambers of the Legislature as a result of the November, 2011 general elections.

The Session began on January 3, 2012, with the historic election of three-term Rep. Philip Gunn (R-Clinton) as the first Republican Speaker of the House in 140 years, and the election of four-term Rep. Greg Snowden (R-Meridian) as the very first ever Republican Speaker *Pro Tempore*. Speaker Gunn noted in his acceptance speech that Mississippians too long have been separated by opinion, age, race, region, and party, and he pledged to do his best to promote a new spirit of unity. "Let us work together to make Mississippi better than it has ever been before," Gunn said.

The Session brought many new faces to the Legislature. The House welcomed 32 freshman legislators (out of 122 members total), while the Senate welcomed 14 new members (of 52 members total). The new lawmakers jumped right in by authoring bills, presenting them in committee and on the floor, serving on committees and actively stepping into various important leadership roles.

Utility Issues

Several bills were proposed that could have negatively impacted our business in 2012 but we are happy to report none of them were successful.

HB 275 – Repeal of the baseload act- would have repealed the base load act which is critical to the success of new generation facilities in Mississippi.

A bill that did pass was the "move over" bill as it relates to Utility service vehicles. Currently it is state law to "move over" or slow down as you approach an emergency service vehicle on the side of the road. **HB 984** added utility service vehicles to that definition. This should help add to the safety of our linemen as they go about performing their daily jobs.

Another bill that passed was (**HB 582**) provides for the sale of certain utilities (including electricity) to churches shall be exempt from sales taxation.

Pro-Business, Pro-Economic Growth

Several bills were brought forward this session which supported Mississippi businesses and the pro-economic growth agenda of the House and Senate legislative leadership. Workers' Compensation revisions, the "Mississippi Health Care Industry Zone Act," Inventory Tax Reform, and the Mississippi Small Business Regulatory Flexibility Act, all passed both chambers.

Workers' Compensation reform was addressed several times during the Session and ultimately passed both chambers in the form of a conference report on SB 2576.

Provisions include restoration of “fair and impartial interpretation;” stronger measures related to drug and alcohol usage; clarification of an employee’s choice of physician; and significant increases in benefits for surviving spouses and funeral costs.

“**Mississippi Health Care Industry Zone Act**” provides certain tax incentives for qualified businesses located within certain hospitals or medical zones. The Mississippi Development Authority can designate areas in counties as a Health Care Industry Zone if they meet certain criteria. Special incentives encourage health-related businesses to relocate to these areas. In order to qualify for the incentives, a Health Care Industry Facility must create at least 25 full-time, permanent jobs.

The **Inventory Tax Reform bill** (SB 2934) increases the income tax credit authorized for the ad valorem tax paid on inventory starting in 2014. “Raw materials” and “works-in-process” are now qualified to be eligible for the inventory tax credit. The existing \$5,000 credit increases to \$10,000 in 2014, then \$15,000 in 2015. For the 2016 taxable year and each taxable year thereafter, the tax credit of the taxpayer shall be the lesser of the amount of the ad valorem taxes paid on inventory or the amount of the income tax liability.

Senate Bill 2398 (SB 2398) creates the **Mississippi Small Business Regulatory Flexibility Act**. This bill establishes a volunteer committee comprised of 12 people from associations of various businesses throughout the state. This committee is charged with reviewing regulations put out by various state agencies that affect small businesses. SB 2398 requires each agency to determine whether any proposed rules by the agency affect small business and prepare an economic impact statement. Enactment of this bill allows the committee to file a written petition with an agency to oppose all or part of a regulation that has a negative impact on small business.

This year, the House and Senate agreed to permit the amount of alcohol in beer to be raised from five percent to eight percent by weight. Senate Bill 2878 passed both chambers and was signed into law by Governor Bryant. The enactment of this bill will allow specialty/craft beers to be bought and sold in Mississippi, starting July 1, 2012. Of all the states, Mississippi currently permits the lowest alcohol by weight for beer.

The House ended the 2012 Legislative session on Thursday, May 3 – a full three days ahead of the scheduled May 6 deadline. Mississippi legislators can be proud to have completed their business ahead of schedule, and especially proud of the good legislation adopted in the 2012 Regular Session.

Attorney General Sunshine

The Attorney General Sunshine Act, House Bill (HB) 211, allows state agency heads to retain counsel other than the Attorney General and to hire their own outside attorneys and/or law firms to represent them in lawsuits under certain defined circumstances. The bill, requires the disclosure of attorney retention contracts, and includes protections insuring that the attorney fees paid for representing the state in major litigation are both transparent and appropriate.

Voter ID

After Amendment 27 passed (by 62 percent of Mississippi’s electorate) in the November, 2011 general election requiring photo voter identification at the polls,

legislative leaders presented House Bill (HB) 921, or the Voter ID Law, in order to comply with the expressed wishes of the overwhelming majority of Magnolia State voters. HB 921 was a contentious issue which predictably sparked passion among both Republicans and Democrats. Under the new law, persons appearing to vote must present valid identification (ID) in any of the following forms: Mississippi Drivers' License, a photo ID card issued by an agency of the State; U.S. Passport; an employee ID card bearing a photo; an accredited college, university or community college student ID bearing a photo; Mississippi license to carry a concealed weapon; travel ID card bearing a photo; military ID card; or Mississippi Voter ID card with a photo. Should any person wishing to vote not possess one of the required forms of ID, they nevertheless may apply to receive a free Voter ID card (provided free to them by the State). To apply for such a Voter ID card, a person will be required to show their Social Security card, Medicare card, Medicaid card or a verification of residence in the county of their residence. Voters may vote by affidavit if they present a valid ID within five days of voting. As Mississippi is a "covered jurisdiction" under the Federal Voting Rights Act, the Voter ID provisions will not become law unless ultimately approved by the U.S. Justice Department or by the Federal Courts.

Redistricting

During the 2012 Legislative session, as is the case every ten years following the Census, the Legislature is tasked with tackling the politically thorny issue of reapportionment and redistricting. With population shifts occurring throughout the state districts were shifted to reflect the change in people. The new plan significantly reduces the amount of split precincts throughout the state. Split precincts have been the cause in the past for many problems at the polls, with their multiplicity of ballots and the resulting higher likelihood of voter confusion and decreased voter participation. As is the case with any proposed electoral change, the redistricting plan enacted by the Mississippi Legislature must be approved by the U.S. Justice Department or the Federal courts before it will become effective. Proponents believe that the legislatively adopted plans for both the House and Senate are fair, legal, and constitutionally sound, that the plans comport with Sections 2 and 5 of the Voting Rights Act, as well as all applicable state laws, and that the plans at length will be approved for use in the next legislative elections.