

By: Senator(s) Jordan (24th)

To: Finance

SENATE BILL NO. 2591

1 AN ACT TO CREATE A SPECIAL FUND IN THE STATE TREASURY TO BE
2 KNOWN AS THE "MUNICIPAL INFRASTRUCTURE IMPROVEMENT FUND;" TO
3 PROVIDE FOR THE DISTRIBUTION OF THE MONEY IN THE FUND TO EACH
4 MUNICIPALITY IN THE PROPORTION THAT THE POPULATION OF THE
5 MUNICIPALITY BEARS TO THE TOTAL POPULATION OF ALL MUNICIPALITIES
6 IN THE STATE OF MISSISSIPPI; TO PROVIDE THAT MONEY RECEIVED FROM
7 SUCH FUND BY A MUNICIPALITY SHALL BE UTILIZED BY SUCH MUNICIPALITY
8 ONLY TO PROVIDE FUNDING FOR INFRASTRUCTURE IMPROVEMENTS; TO AMEND
9 SECTIONS 27-55-11 AND 27-5-101, MISSISSIPPI CODE OF 1972, TO
10 INCREASE THE GASOLINE EXCISE TAX BY ONE CENT PER GALLON AND TO
11 PROVIDE THAT THE PROCEEDS OF SUCH INCREASE SHALL BE DEPOSITED INTO
12 THE MUNICIPAL INFRASTRUCTURE IMPROVEMENT FUND; AND FOR RELATED
13 PURPOSES. BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF
14 MISSISSIPPI:

15
16 SECTION 1. (1) There is created in the State Treasury a
17 special fund to be known as the "Municipal Infrastructure
18 Improvement Fund" into which shall be deposited the funds
19 specified in Section 27-5-101(f) and such other money as the
20 Legislature may provide by appropriation. Money in the fund shall
21 be utilized to make payments to municipalities to be used by such
22 municipalities as provided for in subsection (3) of this section.

23 (2) The Municipal Infrastructure Improvement Fund shall be
24 administered by the State Tax Commission, and monies in the fund
25 shall be expended upon appropriation by the Legislature.

26 Unexpended amounts remaining in the fund at the end of the state
27 fiscal year shall not lapse into the State General Fund, and any
28 interest earned on amounts in the fund shall be deposited to the
29 credit of the fund.

30 (3) On the first day of each month all of the money in the
31 Municipal Infrastructure Improvement Fund shall be distributed by
32 the Department of Finance and Administration to each municipality

33 in the state in the proportion that the population of the
34 municipality bears to the total population of all municipalities
35 in the state according to the latest federal decennial census.
36 Upon receipt of funds pursuant to this section, such funds shall
37 be placed into a separate fund apart from the municipal general
38 fund and any other funds of the municipality, and shall be
39 expended by the municipality solely for the purpose of providing
40 funding for infrastructure improvements within the municipality.

41 SECTION 2. Section 27-55-11, Mississippi Code of 1972, is
42 amended as follows:

43 27-55-11. Any person in business as a distributor of
44 gasoline or who acts as a distributor of gasoline, as defined in
45 this article, shall pay for the privilege of engaging in such
46 business or acting as such distributor an excise tax equal to
47 Nineteen Cents (19¢) per gallon until the date specified in
48 Section 65-39-35, and Fifteen and Four-tenths Cents (15.4¢) per
49 gallon thereafter, on all gasoline and blend stock stored, sold,
50 distributed, manufactured, refined, distilled, blended or
51 compounded in this state or received in this state for sale, use
52 on the highways, storage, distribution, or for any purpose.

53 Any person in business as a distributor of aviation gasoline,
54 or who acts as a distributor of aviation gasoline, shall pay for
55 the privilege of engaging in such business or acting as such
56 distributor an excise tax equal to Six and Four-tenths Cents
57 (6.4¢) per gallon on all aviation gasoline stored, sold,
58 distributed, manufactured, refined, distilled, blended or
59 compounded in this state or received in this state for sale,
60 storage, distribution or for any purpose.

61 The excise taxes collected under this section shall be paid
62 and distributed in accordance with Section 27-5-101.

63 The tax herein imposed and assessed shall be collected and
64 paid to the State of Mississippi but once in respect to any
65 gasoline. The basis for determining the tax liability shall be
66 the correct invoiced gallons, adjusted to sixty (60) degrees
67 Fahrenheit at the refinery or point of origin of shipment when
68 such shipment is made by tank car or by motor carrier. The point
69 of origin of shipment of gasoline transported into this state by

70 pipelines shall be deemed to be that point in this state where
71 such gasoline is withdrawn from the pipeline for storage or
72 distribution, and adjustment to sixty (60) degrees Fahrenheit
73 shall there be made. The basis for determining the tax liability
74 on gasoline shipped into this state in barge cargoes and by
75 pipeline shall be the actual number of gallons adjusted to sixty
76 (60) degrees Fahrenheit unloaded into storage tanks or other
77 containers in this state, such gallonage to be determined by
78 measurement and/or gauge of storage tank or tanks or by any other
79 method authorized by the commission. The tank or tanks into which
80 barge cargoes of gasoline are discharged, or into which gasoline
81 transported by pipeline is discharged, shall have correct gauge
82 tables listing capacity, such gauge tables to be prepared by some
83 recognized calibrating agency and to be approved by the
84 commission.

85 The tax levied herein shall accrue at the time gasoline is
86 withdrawn from a refinery in this state except when withdrawal is
87 by pipeline, barge, ship or vessel. The refiner shall pay to the
88 commission the tax levied herein when gasoline is sold or
89 delivered to persons who do not hold gasoline distributor permits.

90 The refiner shall report to the commission all sales and
91 deliveries of gasoline to bonded distributors of gasoline. The
92 bonded distributor of gasoline who purchases, receives or acquires
93 gasoline from a refinery in this state shall report such gasoline
94 and pay the tax levied herein.

95 Gasoline imported by common carrier shall be deemed to be
96 received by the distributor of gasoline, and the tax levied herein
97 shall accrue, when the car or tank truck containing such gasoline
98 is unloaded by the carrier.

99 With respect to distributors or other persons who bring,
100 ship, have transported, or have brought into this state gasoline
101 by means other than through a common carrier, the tax accrues and
102 the tax liability attaches on the distributor or other person for

103 each gallon of gasoline brought into the state at the time when
104 and at the point where such gasoline is brought into the state.

105 The tax levied herein shall accrue on blend stock at the time
106 it is blended with gasoline. The blender shall pay to the
107 commission the tax levied herein when blend stock is sold or
108 delivered to persons who do not hold gasoline distributor permits.

109 The blender shall report to the commission all sales and
110 deliveries of blend stock to bonded distributors of gasoline. The
111 bonded distributor of gasoline who purchases, receives or acquires
112 blend stock from a blender in this state shall report blend stock
113 and pay the tax levied herein.

114 SECTION 3. Section 27-5-101, Mississippi Code of 1972, is
115 amended as follows:

116 **[With regard to any county which is exempt from the**
117 **provisions of Section 19-2-3, this section shall read as follows:]**

118 27-5-101. Unless otherwise provided in this section, on or
119 before the fifteenth day of each month, all gasoline, diesel fuel
120 or kerosene taxes which are levied under the laws of this state
121 and collected during the previous month shall be paid and
122 apportioned by the State Tax Commission as follows:

123 (a) (i) From the gross amount of gasoline, diesel fuel
124 or kerosene taxes produced by the state, there shall be deducted
125 an amount equal to one-sixth (1/6) of principal and interest
126 certified by the State Treasurer to the State Tax Commission to be
127 due on the next semiannual bond and interest payment date, as
128 required under the provisions of Chapter 130, Laws of 1938, and
129 subsequent acts authorizing the issuance of bonds payable from
130 gasoline, diesel fuel or kerosene tax revenue on a parity with the
131 bonds issued under authority of said Chapter 130. The State
132 Treasurer shall certify to the State Tax Commission on or before
133 the fifteenth day of each month the amount to be paid to the
134 "Highway Bonds Sinking Fund" as provided by said Chapter 130, Laws
135 of 1938, and subsequent acts authorizing the issuance of bonds

136 payable from gasoline, diesel fuel or kerosene tax revenue, on a
137 parity with the bonds issued under authority of said Chapter 130;
138 and the State Tax Commission shall, on or before the twenty-fifth
139 day of each month, pay into the State Treasury for credit to the
140 "Highway Bonds Sinking Fund" the amount so certified to him by the
141 State Treasurer due to be paid into such fund each month. The
142 payments to the "Highway Bonds Sinking Fund" shall be made out of
143 gross gasoline, diesel fuel or kerosene tax collections before
144 deductions of any nature are considered; however, such payments
145 shall be deducted from the allocation to the Mississippi
146 Department of Transportation under paragraph (c) of this section.

147 (ii) From collections derived from the portion of
148 the gasoline excise tax that exceeds Seven Cents (7¢) per gallon,
149 from the portion of the tax on aviation gas under Section 27-55-11
150 that exceeds Six and Four-tenths Cents (6.4¢) per gallon, from the
151 portion of the diesel fuel tax levied under Section 27-55-313 that
152 exceeds Ten Cents (10¢) per gallon, from the portion of the taxes
153 levied under Section 27-57-315 that exceeds One Cent (1¢) per
154 gallon on oil and Five and One-fourth Cents (5.25¢) per gallon on
155 oil used as aircraft fuel, from the portion of the excise tax on
156 compressed gas used as a motor fuel that exceeds the rate of tax
157 in effect on June 30, 1987, and from the portion of the gasoline
158 excise tax in excess of Seven Cents (7¢) per gallon and the diesel
159 excise tax in excess of Ten Cents (10¢) per gallon under Section
160 27-61-5 there shall be deducted:

161 1. An amount as provided in Section
162 27-65-75(4) to the credit of a special fund designated as the
163 "Office of State Aid Road Construction."

164 2. An amount equal to the tax collections
165 derived from Two Cents (2¢) per gallon of the gasoline excise tax
166 for distribution to the State Highway Fund to be used exclusively
167 for the construction, reconstruction and maintenance of highways
168 of the State of Mississippi or the payment of interest and

169 principal on bonds when specifically authorized by the Legislature
170 for that purpose.

171 3. The balance shall be deposited in the
172 State Treasury to the credit of the State Highway Fund.

173 (b) Subject to the provisions that said basis of
174 distribution shall in nowise affect adversely the amount
175 specifically pledged in paragraph (a) of this section to be paid
176 into the "Highway Bonds Sinking Fund," the following shall be
177 deducted from the amount produced by the state tax on gasoline,
178 diesel fuel or kerosene tax collections, excluding collections
179 derived from the portion of the gasoline excise tax that exceeds
180 Seven Cents (7¢) per gallon, from the portion of the tax on
181 aviation gas under Section 27-55-11 that exceeds Six and
182 Four-tenths Cents (6.4¢) per gallon, from the portion of the
183 diesel fuel tax levied under Section 27-55-313 that exceeds Ten
184 Cents (10¢) per gallon, from the portion of the taxes levied under
185 Section 27-57-315 that exceeds One Cent (1¢) per gallon on oil and
186 Five and One-fourth Cents (5.25¢) per gallon on oil used as
187 aircraft fuel, from the portion of the excise tax on compressed
188 gas used as a motor fuel that exceeds the rate of tax in effect on
189 June 30, 1987, and from the portion of the gasoline excise tax in
190 excess of Seven Cents (7¢) per gallon and the diesel excise tax in
191 excess of Ten Cents (10¢) per gallon under Section 27-61-5:

192 (i) Twenty percent (20%) of such amount which
193 shall be earmarked and set aside for the construction,
194 reconstruction and maintenance of the highways and roads of the
195 state, provided that if such twenty percent (20%) should reduce
196 any county to a lesser amount than that received in the fiscal
197 year ending June 30, 1966, then such twenty percent (20%) shall be
198 reduced to a percentage to provide that no county shall receive
199 less than its portion for the fiscal year ending June 30, 1966;

200 (ii) The amount allowed as refund on gasoline or
201 as tax credit on diesel fuel or kerosene used for agricultural,

202 maritime, industrial, domestic, and nonhighway purposes;

203 (iii) Five percent (5%) of such amount shall be
204 paid to the State Highway Fund;

205 (iv) The amount or portion thereof authorized by
206 legislative appropriation to the Fisheries and Wildlife Fund
207 created under Section 59-21-25;

208 (v) The amount for deposit into the special
209 aviation fund under paragraph (d) of this section; and

210 (vi) The remainder shall be divided on a basis of
211 nine-fourteenths (9/14) and five-fourteenths (5/14) (being the
212 same basis as Four and One-half Cents (4-1/2¢) and Two and
213 One-half Cents (2-1/2¢) is to Seven Cents (7¢) on gasoline, and
214 six and forty-three one-hundredths (6.43) and three and
215 fifty-seven one-hundredths (3.57) is to Ten Cents (10¢) on diesel
216 fuel or kerosene). The amount produced by the nine-fourteenths
217 (9/14) division shall be allocated to the Transportation
218 Department and paid into the State Treasury as provided in this
219 section and in Section 27-5-103 and the five-fourteenths (5/14)
220 division shall be returned to the counties of the state on the
221 following basis:

222 1. In each fiscal year, each county shall be
223 paid each month the same percentage of the monthly total to be
224 distributed as was paid to that county during the same month in
225 the fiscal year which ended April 9, 1960, until the county
226 receives One Hundred Ninety Thousand Dollars (\$190,000.00) in such
227 fiscal year, at which time funds shall be distributed under the
228 provisions of paragraph (b)(vi)4 of this section.

229 2. If after payments in 1 above, any county
230 has not received a total of One Hundred Ninety Thousand Dollars
231 (\$190,000.00) at the end of the fiscal year ending June 30, 1961,
232 and each fiscal year thereafter, then any available funds not
233 distributed under 1 above shall be used to bring such county or
234 counties up to One Hundred Ninety Thousand Dollars (\$190,000.00)

235 or such funds shall be divided equally among such counties not
236 reaching One Hundred Ninety Thousand Dollars (\$190,000.00) if
237 there is not sufficient money to bring all the counties to said
238 One Hundred Ninety Thousand Dollars (\$190,000.00).

239 3. When a county has been paid an amount
240 equal to the total which was paid to the same county during the
241 fiscal year ended April 9, 1960, such county shall receive no
242 further payments during the then current fiscal year until the
243 last month of such current fiscal year, at which time distribution
244 will be made under 2 above, except as set out in 4 below.

245 4. During the last month of the current
246 fiscal year, should it be determined that there are funds
247 available in excess of the amount distributed for the year under 1
248 and 2 above, then such excess funds shall be distributed among the
249 various counties as follows:

250 One-third (1/3) of such excess to be
251 divided equally among the counties;

252 One-third (1/3) of such excess to be paid
253 to the counties in the proportion which the population of each
254 county bears to the total population of the state according to the
255 last federal census;

256 One-third (1/3) of such excess to be paid
257 to the counties in the proportion which the number of square miles
258 of each county bears to the total square miles in the state.

259 5. It is the declared purpose and intent of
260 the Legislature that no county shall be paid less than was paid
261 during the year ended April 9, 1960, unless the amount to be
262 distributed to all counties in any year is less than the amount
263 distributed to all counties during the year ended April 9, 1960.

264 The Municipal Aid Fund as established by Section 27-5-103
265 shall not participate in any portion of any funds allocated to any
266 county hereunder over and above One Hundred Ninety Thousand
267 Dollars (\$190,000.00).

268 In any county having countywide road or bridge bonds, or
269 supervisors district or district road or bridge bonds outstanding,
270 which exceed, in the aggregate, twelve percent (12%) of the
271 assessed valuation of the taxable property of the county or
272 district, it shall be the duty of the board of supervisors to set
273 aside not less than sixty percent (60%) of such county's share or
274 district's share of the gasoline, diesel fuel or kerosene taxes to
275 be used in paying the principal and interest on such road or
276 bridge bonds as they mature.

277 In any county having such countywide road or bridge bonds or
278 district road or bridge bonds outstanding which exceed, in the
279 aggregate, eight percent (8%) of the assessed valuation of the
280 taxable property of the county, but which do not exceed, in the
281 aggregate, twelve percent (12%) of the assessed valuation of the
282 taxable property of the county, it shall be the duty of the board
283 of supervisors to set aside not less than thirty-five percent
284 (35%) of such county's share of the gasoline, diesel fuel or
285 kerosene taxes to be used in paying the principal and interest of
286 such road or bridge bonds as they mature.

287 In any county having such countywide road or bridge bonds or
288 district road or bridge bonds outstanding which exceed, in the
289 aggregate, five percent (5%) of the assessed valuation of the
290 taxable property of the county, but which do not exceed, in the
291 aggregate, eight percent (8%) of the assessed valuation of the
292 taxable property of the county, it shall be the duty of the board
293 of supervisors to set aside not less than twenty percent (20%) of
294 such county's share of the gasoline, diesel fuel or kerosene taxes
295 to be used in paying the principal and interest of such road and
296 bridge bonds as they mature.

297 In any county having such countywide road or bridge bonds or
298 district road or bridge bonds outstanding which do not exceed, in
299 the aggregate, five percent (5%) of the assessed valuation of the
300 taxable property of the county, it shall be the duty of the board

301 of supervisors to set aside not less than ten percent (10%) of
302 such county's share of the gasoline, diesel fuel or kerosene taxes
303 to be used in paying the principal and interest on such road or
304 bridge bonds as they mature.

305 The portion of any such county's share of the gasoline,
306 diesel fuel or kerosene taxes thus set aside for the payment of
307 the principal and interest of road or bridge bonds, as provided
308 for in this section, shall be used first in paying the currently
309 maturing installments of the principal and interest of such
310 countywide road or bridge bonds, if there be any such countywide
311 road or bridge bonds outstanding, and secondly, in paying the
312 currently maturing installments of principal and interest of
313 district road or bridge bonds outstanding. It shall be the duty
314 of the board of supervisors to pay bonds and interest maturing in
315 each supervisors district out of the supervisors district's share
316 of the gasoline, diesel fuel or kerosene taxes of such district.

317 The remaining portion of such county's share of the gasoline,
318 diesel fuel or kerosene taxes, after setting aside the portion
319 above provided for the payment of the principal and interest of
320 bonds, shall be used in the construction and maintenance of any
321 public highways, bridges, or culverts of the county, including the
322 roads in special or separate road districts, in the discretion of
323 the board of supervisors, or in paying the interest and principal
324 of county road and bridge bonds or district road and bridge bonds,
325 in the discretion of the board of supervisors.

326 In any county having no countywide road or bridge bonds or
327 district road or bridge bonds outstanding, all such county's share
328 of the gasoline, diesel fuel or kerosene taxes shall be used in
329 the construction, reconstruction, and maintenance of the public
330 highways, bridges, or culverts of the county as the board of
331 supervisors may determine.

332 In every county in which there are county road bonds or
333 seawall or road protection bonds outstanding which were issued for

334 the purpose of building bridges or constructing public roads or
335 seawalls, such funds shall be used in the manner provided by law.

336 (c) From the amount produced by the nine-fourteenths
337 (9/14) division allocated to the Transportation Department, there
338 shall be deducted:

339 (i) The amount paid to the State Treasurer for the
340 "Highway Bonds Sinking Fund" under paragraph (a) of this section;

341 (ii) Any amounts due counties in accordance with
342 Section 65-33-45 which have outstanding bonds issued for seawall
343 or road protection purposes, issued under provisions of Chapter
344 319, Laws of 1924, and amendments thereto;

345 (iii) Beginning August 15, 2002, and on or before
346 the fifteenth day of each month thereafter, an amount equal to
347 one-sixth (1/6) of the principal and interest certified by the
348 State Treasurer to the State Tax Commission to be due on the next
349 semiannual bond and interest payment date for the bonds issued
350 under Sections 65-39-5 through 65-39-33. On or before the
351 twenty-fifth day of each month the State Tax Commission shall pay
352 into the State Treasury for credit to the Gaming Counties Bond
353 Sinking Fund created in Section 65-39-3, the amount so certified
354 by the State Treasurer.

355 (iv) The remainder shall be paid by the State Tax
356 Commission to the State Treasurer on the fifteenth day of each
357 month next succeeding the month in which the gasoline, diesel fuel
358 or kerosene taxes were collected to the credit of the State
359 Highway Fund.

360 The funds allocated for the construction, reconstruction, and
361 improvement of state highways, bridges, and culverts, or so much
362 thereof as may be necessary, shall first be used in conjunction
363 with funds supplied by the federal government for such purposes
364 and allocated to the State Transportation Department to be
365 expended on the state highway system. It is specifically provided
366 hereby that the necessary portion of such funds hereinabove

367 allocated to the State Transportation Department may be used for
368 the prompt payment of principal and interest on highway bonds
369 heretofore issued, including such bonds issued or to be issued
370 under the provisions of Chapter 312, Laws of 1956, and amendments
371 thereto.

372 Nothing contained in this section shall be construed to
373 reduce the amount of such gasoline, diesel fuel or kerosene excise
374 taxes levied by the state, allotted under the provisions of Title
375 65, Chapter 33, Mississippi Code of 1972, to counties in which
376 there are outstanding bonds issued for seawall or road protection
377 purposes issued under the provisions of Chapter 319, Laws of 1924,
378 and amendments thereto; the amount of said gasoline, diesel fuel
379 or kerosene excise taxes designated in this section for the
380 payment of bonds and interest authorized and issued or to be
381 issued under the provisions of Chapter 130, Laws of 1938, and
382 subsequent acts authorizing the issuance of bonds payable from
383 gasoline, diesel fuel or kerosene tax revenue, shall, in such
384 counties, be considered as being paid "into the State Treasury to
385 the credit of the State Highway Fund" within the meaning of
386 Section 65-33-45 in computing the amount to be paid to such
387 counties under the provisions of said section, and this section
388 shall be administered in connection with Title 65, Chapter 33,
389 Mississippi Code of 1972, and Sections 65-33-45, 65-33-47 and
390 65-33-49 dealing with seawalls, as if made a part of this section.

391 (d) The proceeds of the Five and One-fourth Cents
392 (5.25¢) of the tax per gallon on oils used as a propellant for jet
393 aircraft engines, and Six and Four-tenths Cents (6.4¢) of the tax
394 per gallon on aviation gasoline and the tax of One Cent (1¢) per
395 gallon for each gallon of gasoline for which a refund has been
396 made pursuant to Section 27-55-23 because such gasoline was used
397 for aviation purposes, shall be paid to the State Treasury into a
398 special fund to be used exclusively, pursuant to legislative
399 appropriation, for the support and development of aeronautics as

400 defined in Section 61-1-3.

401 (e) State highway funds in an amount equal to the
402 difference between Forty-two Million Dollars (\$42,000,000.00) and
403 the annual debt service payable on the state's highway revenue
404 refunding bonds, Series 1985, shall be expended for the
405 construction or reconstruction of highways designated under the
406 Four-Lane Highway Program created under Section 65-3-97.

407 (f) Beginning August 15, 1999, and on or before the
408 fifteenth day of each month thereafter, the proceeds of One Cent
409 (1¢) per gallon of the tax on gasoline levied pursuant to Section
410 27-55-11 shall be deposited into the Municipal Infrastructure
411 Improvement Fund established in Section 1 of Senate Bill No. 2591,
412 1999 Regular Session.

413 (g) "Gasoline, diesel fuel or kerosene taxes" as used
414 in this section shall be deemed to mean and include state
415 gasoline, diesel fuel or kerosene taxes levied and imposed on
416 distributors of gasoline, diesel fuel or kerosene, and all state
417 excise taxes derived from any fuel used to propel vehicles upon
418 the highways of this state, when levied by any statute.

419 **[With regard to any county which is required to operate on a**
420 **countywide system of road administration as described in Section**
421 **19-2-3, this section shall read as follows:]**

422 27-5-101. Unless otherwise provided in this section, on or
423 before the fifteenth day of each month, all gasoline, diesel fuel
424 or kerosene taxes which are levied under the laws of this state
425 and collected during the previous month shall be paid and
426 apportioned by the State Tax Commission as follows:

427 (a) (i) From the gross amount of gasoline, diesel fuel
428 or kerosene taxes produced by the state, there shall be deducted
429 an amount equal to one-sixth (1/6) of principal and interest
430 certified by the State Treasurer to the State Tax Commission to be
431 due on the next semiannual bond and interest payment date, as
432 required under the provisions of Chapter 130, Laws of 1938, and

433 subsequent acts authorizing the issuance of bonds payable from
434 gasoline, diesel fuel or kerosene tax revenue on a parity with the
435 bonds issued under authority of said Chapter 130. The State
436 Treasurer shall certify to the State Tax Commission on or before
437 the fifteenth day of each month the amount to be paid to the
438 "Highway Bonds Sinking Fund" as provided by said Chapter 130, Laws
439 of 1938, and subsequent acts authorizing the issuance of bonds
440 payable from gasoline, diesel fuel or kerosene tax revenue, on a
441 parity with the bonds issued under authority of said Chapter 130;
442 and the State Tax Commission shall, on or before the twenty-fifth
443 day of each month, pay into the State Treasury for credit to the
444 "Highway Bonds Sinking Fund" the amount so certified to him by the
445 State Treasurer due to be paid into such fund each month. The
446 payments to the "Highway Bonds Sinking Fund" shall be made out of
447 gross gasoline, diesel fuel or kerosene tax collections before
448 deductions of any nature are considered; however, such payments
449 shall be deducted from the allocation to the Transportation
450 Department under paragraph (c) of this section.

451 (ii) From collections derived from the portion of
452 the gasoline excise tax that exceeds Seven Cents (7¢) per gallon,
453 from the portion of the tax on aviation gas under Section 27-55-11
454 that exceeds Six and Four-tenths Cents (6.4¢) per gallon, from the
455 portion of the diesel fuel tax levied under Section 27-55-313 that
456 exceeds Ten Cents (10¢) per gallon, from the portion of the taxes
457 levied under Section 27-57-315 that exceeds One Cent (1¢) per
458 gallon on oil and Five and One-fourth Cents (5.25¢) per gallon on
459 oil used as aircraft fuel, from the portion of the excise tax on
460 compressed gas used as a motor fuel that exceeds the rate of tax
461 in effect on June 30, 1987, and from the portion of the gasoline
462 excise tax in excess of Seven Cents (7¢) per gallon and the diesel
463 excise tax in excess of Ten Cents (10¢) per gallon under Section
464 27-61-5 there shall be deducted:

465 1. An amount as provided in Section

466 27-65-75(4) to the credit of a special fund designated as the
467 "Office of State Aid Road Construction."

468 2. An amount equal to the tax collections
469 derived from Two Cents (2¢) per gallon of the gasoline excise tax
470 for distribution to the State Highway Fund to be used exclusively
471 for the construction, reconstruction and maintenance of highways
472 of the State of Mississippi or the payment of interest and
473 principal on bonds when specifically authorized by the Legislature
474 for that purpose.

475 3. The balance shall be deposited in the
476 State Treasury to the credit of the State Highway Fund.

477 (b) Subject to the provisions that said basis of
478 distribution shall in nowise affect adversely the amount
479 specifically pledged in paragraph (a) of this section to be paid
480 into the "Highway Bonds Sinking Fund," the following shall be
481 deducted from the amount produced by the state tax on gasoline,
482 diesel fuel or kerosene tax collections, excluding collections
483 derived from the portion of the gasoline excise tax that exceeds
484 Seven Cents (7¢) per gallon, from the portion of the tax on
485 aviation gas under Section 27-55-11 that exceeds Six and
486 Four-tenths Cents (6.4¢) per gallon, from the portion of the
487 diesel fuel tax levied under Section 27-55-313, that exceeds Ten
488 Cents (10¢) per gallon, from the portion of the taxes levied under
489 Section 27-57-315, that exceeds One Cent (1¢) per gallon on oil
490 and Five and One-fourth Cents (5.25¢) per gallon on oil used as
491 aircraft fuel, from the portion of the excise tax on compressed
492 gas used as a motor fuel that exceeds the rate of tax in effect on
493 June 30, 1987, and from the portion of the gasoline excise tax in
494 excess of Seven Cents (7¢) per gallon and the diesel excise tax in
495 excess of Ten Cents (10¢) per gallon under Section 27-61-5:

496 (i) Twenty percent (20%) of such amount which
497 shall be earmarked and set aside for the construction,
498 reconstruction and maintenance of the highways and roads of the

499 state, provided that if such twenty percent (20%) should reduce
500 any county to a lesser amount than that received in the fiscal
501 year ending June 30, 1966, then such twenty percent (20%) shall be
502 reduced to a percentage to provide that no county shall receive
503 less than its portion for the fiscal year ending June 30, 1966;

504 (ii) The amount allowed as refund on gasoline or
505 as tax credit on diesel fuel or kerosene used for agricultural,
506 maritime, industrial, domestic and nonhighway purposes;

507 (iii) Five percent (5%) of such amount shall be
508 paid to the State Highway Fund;

509 (iv) The amount or portion thereof authorized by
510 legislative appropriation to the Fisheries and Wildlife Fund
511 created under Section 59-21-25;

512 (v) The amount for deposit into the special
513 aviation fund under paragraph (d) of this section; and

514 (vi) The remainder shall be divided on a basis of
515 nine-fourteenths (9/14) and five-fourteenths (5/14) (being the
516 same basis as Four and One-half Cents (4-1/2¢) and Two and
517 One-half Cents (2-1/2¢) is to Seven Cents (7¢) on gasoline, and
518 six and forty-three one-hundredths (6.43) and three and
519 fifty-seven one-hundredths (3.57) is to Ten Cents (10¢) on diesel
520 fuel or kerosene). The amount produced by the nine-fourteenths
521 (9/14) division shall be allocated to the Transportation
522 Department and paid into the State Treasury as provided in this
523 section and in Section 27-5-103 and the five-fourteenths (5/14)
524 division shall be returned to the counties of the state on the
525 following basis:

526 1. In each fiscal year, each county shall be
527 paid each month the same percentage of the monthly total to be
528 distributed as was paid to that county during the same month in
529 the fiscal year which ended April 9, 1960, until the county
530 receives One Hundred Ninety Thousand Dollars (\$190,000.00) in such
531 fiscal year, at which time funds shall be distributed under the

532 provisions of paragraph (b)(vi)4 of this section.

533 2. If after payments in 1 above, any county
534 has not received a total of One Hundred Ninety Thousand Dollars
535 (\$190,000.00) at the end of the fiscal year ending June 30, 1961,
536 and each fiscal year thereafter, then any available funds not
537 distributed under 1 above shall be used to bring such county or
538 counties up to One Hundred Ninety Thousand Dollars (\$190,000.00)
539 or such funds shall be divided equally among such counties not
540 reaching One Hundred Ninety Thousand Dollars (\$190,000.00) if
541 there is not sufficient money to bring all the counties to said
542 One Hundred Ninety Thousand Dollars (\$190,000.00).

543 3. When a county has been paid an amount
544 equal to the total which was paid to the same county during the
545 fiscal year ended April 9, 1960, such county shall receive no
546 further payments during the then current fiscal year until the
547 last month of such current fiscal year, at which time distribution
548 will be made under 2 above, except as set out in 4 below.

549 4. During the last month of the current
550 fiscal year, should it be determined that there are funds
551 available in excess of the amount distributed for the year under 1
552 and 2 above, then such excess funds shall be distributed among the
553 various counties as follows:

554 One-third (1/3) of such excess to be
555 divided equally among the counties;

556 One-third (1/3) of such excess to be paid
557 to the counties in the proportion which the population of each
558 county bears to the total population of the state according to the
559 last federal census;

560 One-third (1/3) of such excess to be paid
561 to the counties in the proportion which the number of square miles
562 of each county bears to the total square miles in the state.

563 5. It is the declared purpose and intent of
564 the Legislature that no county shall be paid less than was paid

565 during the year ended April 9, 1960, unless the amount to be
566 distributed to all counties in any year is less than the amount
567 distributed to all counties during the year ended April 9, 1960.

568 The Municipal Aid Fund as established by Section 27-5-103
569 shall not participate in any portion of any funds allocated to any
570 county hereunder over and above One Hundred Ninety Thousand
571 Dollars (\$190,000.00).

572 In any county having road or bridge bonds outstanding which
573 exceed, in the aggregate, twelve percent (12%) of the assessed
574 valuation of the taxable property of the county, it shall be the
575 duty of the board of supervisors to set aside not less than sixty
576 percent (60%) of such county's share of the gasoline, diesel fuel
577 or kerosene taxes to be used in paying the principal and interest
578 on such road or bridge bonds as they mature.

579 In any county having such road or bridge bonds outstanding
580 which exceed, in the aggregate, eight percent (8%) of the assessed
581 valuation of the taxable property of the county, but which do not
582 exceed, in the aggregate, twelve percent (12%) of the assessed
583 valuation of the taxable property of the county, it shall be the
584 duty of the board of supervisors to set aside not less than
585 thirty-five percent (35%) of such county's share of the gasoline,
586 diesel fuel or kerosene taxes to be used in paying the principal
587 and interest of such road or bridge bonds as they mature.

588 In any county having such road or bridge bonds outstanding
589 which exceed, in the aggregate, five percent (5%) of the assessed
590 valuation of the taxable property of the county, but which do not
591 exceed, in the aggregate, eight percent (8%) of the assessed
592 valuation of the taxable property of the county, it shall be the
593 duty of the board of supervisors to set aside not less than twenty
594 percent (20%) of such county's share of the gasoline, diesel fuel
595 or kerosene taxes to be used in paying the principal and interest
596 of such road and bridge bonds as they mature.

597 In any county having such road or bridge bonds outstanding

598 which do not exceed, in the aggregate, five percent (5%) of the
599 assessed valuation of the taxable property of the county, it shall
600 be the duty of the board of supervisors to set aside not less than
601 ten percent (10%) of such county's share of the gasoline, diesel
602 fuel or kerosene taxes to be used in paying the principal and
603 interest on such road or bridge bonds as they mature.

604 The portion of any such county's share of the gasoline,
605 diesel fuel or kerosene taxes thus set aside for the payment of
606 the principal and interest of road or bridge bonds, as provided
607 for in this section, shall be used in paying the currently
608 maturing installments of the principal and interest of such road
609 or bridge bonds, if there be any such road or bridge bonds
610 outstanding.

611 The remaining portion of such county's share of the gasoline,
612 diesel fuel or kerosene taxes, after setting aside the portion
613 above provided for the payment of the principal and interest of
614 bonds, shall be used in the construction and maintenance of any
615 public highways, bridges or culverts of the county, in the
616 discretion of the board of supervisors.

617 In any county having no road or bridge bonds outstanding, all
618 such county's share of the gasoline, diesel fuel or kerosene taxes
619 shall be used in the construction, reconstruction and maintenance
620 of the public highways, bridges or culverts of the county, as the
621 board of supervisors may determine.

622 In every county in which there are county road bonds or
623 seawall or road protection bonds outstanding which were issued for
624 the purpose of building bridges or constructing public roads or
625 seawalls, such funds shall be used in the manner provided by law.

626 (c) From the amount produced by the nine-fourteenths
627 (9/14) division allocated to the Transportation Department, there
628 shall be deducted:

629 (i) The amount paid to the State Treasurer for the
630 "Highway Bonds Sinking Fund" under paragraph (a) of this section;

631 (ii) Any amounts due counties in accordance with
632 Section 65-33-45 which have outstanding bonds issued for seawall
633 or road protection purposes, issued under provisions of Chapter
634 319, Laws of 1924, and amendments thereto; and

635 (iii) Beginning August 15, 2002, and on or before
636 the fifteenth day of each month thereafter, an amount equal to
637 one-sixth (1/6) of the principal and interest certified by the
638 State Treasurer to the State Tax Commission to be due on the next
639 semiannual bond and interest payment date for the bonds issued
640 under Sections 65-39-5 through 65-39-33. On or before the
641 twenty-fifth day of each month the State Tax Commission shall pay
642 into the State Treasury for credit to the Gaming Counties Bond
643 Sinking Fund created in Section 65-39-3, the amount certified by
644 the State Treasurer.

645 (iv) The remainder shall be paid by the State Tax
646 Commission to the State Treasurer on the fifteenth day of each
647 month next succeeding the month in which the gasoline, diesel fuel
648 or kerosene taxes were collected to the credit of the State
649 Highway Fund.

650 The funds allocated for the construction, reconstruction and
651 improvement of state highways, bridges and culverts, or so much
652 thereof as may be necessary, shall first be used in conjunction
653 with funds supplied by the federal government for such purposes
654 and allocated to the Transportation Department to be expended on
655 the state highway system. It is specifically provided hereby that
656 the necessary portion of such funds hereinabove allocated to the
657 Transportation Department may be used for the prompt payment of
658 principal and interest on highway bonds heretofore issued,
659 including such bonds issued or to be issued under the provisions
660 of Chapter 312, Laws of 1956, and amendments thereto.

661 Nothing contained in this section shall be construed to
662 reduce the amount of such gasoline, diesel fuel or kerosene excise
663 taxes levied by the state, allotted under the provisions of Title

664 65, Chapter 33, Mississippi Code of 1972, to counties in which
665 there are outstanding bonds issued for seawall or road protection
666 purposes issued under the provisions of Chapter 319, Laws of 1924,
667 and amendments thereto; the amount of said gasoline, diesel fuel
668 or kerosene excise taxes designated in this section for the
669 payment of bonds and interest authorized and issued or to be
670 issued under the provisions of Chapter 130, Laws of 1938, and
671 subsequent acts authorizing the issuance of bonds payable from
672 gasoline, diesel fuel or kerosene tax revenue, shall, in such
673 counties, be considered as being paid "into the State Treasury to
674 the credit of the State Highway Fund" within the meaning of
675 Section 65-33-45 in computing the amount to be paid to such
676 counties under the provisions of said section, and this section
677 shall be administered in connection with Title 65, Chapter 33,
678 Mississippi Code of 1972, and Sections 65-33-45, 65-33-47 and
679 65-33-49 dealing with seawalls, as if made a part of this section.

680 (d) The proceeds of the Five and One-fourth Cents
681 (5.25¢) of the tax per gallon on oils used as a propellant for jet
682 aircraft engines, and Six and Four-tenths Cents (6.4¢) of the tax
683 per gallon on aviation gasoline and the tax of One Cent (1¢) per
684 gallon for each gallon of gasoline for which a refund has been
685 made pursuant to Section 27-55-23 because such gasoline was used
686 for aviation purposes, shall be paid to the State Treasury into a
687 special fund to be used exclusively, pursuant to legislative
688 appropriation, for the support and development of aeronautics as
689 defined in Section 61-1-3.

690 (e) State highway funds in an amount equal to the
691 difference between Forty-two Million Dollars (\$42,000,000.00) and
692 the annual debt service payable on the state's highway revenue
693 refunding bonds, Series 1985, shall be expended for the
694 construction or reconstruction of highways designated under the
695 Four-Lane Highway Program created under Section 65-3-97.

696 (f) Beginning August 15, 1999, and on or before the

697 fifteenth day of each month thereafter, the proceeds of One Cent
698 (1¢) per gallon of the tax on gasoline levied pursuant to Section
699 27-55-11 shall be deposited into the Municipal Infrastructure
700 Improvement Fund established in Section 1 of Senate Bill No. 2591,
701 1999 Regular Session.

702 (g) "Gasoline, diesel fuel or kerosene taxes" as used
703 in this section shall be deemed to mean and include state
704 gasoline, diesel fuel or kerosene taxes levied and imposed on
705 distributors of gasoline, diesel fuel or kerosene, and all state
706 excise taxes derived from any fuel used to propel vehicles upon
707 the highways of this state, when levied by any statute.

708 SECTION 4. This act shall take effect and be in force from
709 and after July 1, 1999.