

REPORT OF CONFERENCE COMMITTEE

MR. SPEAKER AND MR. PRESIDENT:

We, the undersigned conferees, have had under consideration the amendments to the following entitled **BILL**:

H.B. No. 458: Fuel taxes; revise amount diverted to State Aid Road Fund.

We, therefore, respectfully submit the following report and recommendation:

1. That the Senate recede from its Amendment No. 1.
2. That the House and Senate adopt the following amendment:

Amend by striking all after the enacting clause and inserting in lieu thereof the following:

7 SECTION 1. Section 27-65-75, Mississippi Code of 1972, as
8 amended by Senate Bill No. 3023, 1999 Regular Session, is amended
9 as follows:

10 **[Until July 1, 2002, this section reads as follows:]**

11 27-65-75. On or before the fifteenth day of each month, the
12 revenue collected under the provisions of this chapter during the
13 preceding month shall be paid and distributed as follows:

14 (1) On or before August 15, 1992, and each succeeding month
15 thereafter through July 15, 1993, eighteen percent (18%) of the
16 total sales tax revenue collected during the preceding month under
17 the provisions of this chapter, except that collected under the
18 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
19 business activities within a municipal corporation shall be
20 allocated for distribution to such municipality and paid to such
21 municipal corporation. On or before August 15, 1993, and each
22 succeeding month thereafter, eighteen and one-half percent
23 (18-1/2%) of the total sales tax revenue collected during the
24 preceding month under the provisions of this chapter, except that
25 collected under the provisions of Sections 27-65-15, 27-65-19(3)
26 and 27-65-21, on business activities within a municipal
27 corporation shall be allocated for distribution to such
28 municipality and paid to such municipal corporation.

29 A municipal corporation, for the purpose of distributing the

30 tax under this subsection, shall mean and include all incorporated
31 cities, towns and villages.

32 Monies allocated for distribution and credited to a municipal
33 corporation under this subsection may be pledged as security for
34 any loan received by the municipal corporation for the purpose of
35 capital improvements as authorized under Section 57-1-303, or
36 loans as authorized under Section 57-44-7, or water systems
37 improvements as authorized under Section 41-3-16.

38 In any county having a county seat which is not an
39 incorporated municipality, the distribution provided hereunder
40 shall be made as though the county seat was an incorporated
41 municipality; however, the distribution to such municipality shall
42 be paid to the county treasury wherein the municipality is located
43 and such funds shall be used for road, bridge and street
44 construction or maintenance therein.

45 (2) On or before September 15, 1987, and each succeeding
46 month thereafter, from the revenue collected under this chapter
47 during the preceding month One Million One Hundred Twenty-five
48 Thousand Dollars (\$1,125,000.00) shall be allocated for
49 distribution to municipal corporations as defined under subsection
50 (1) of this section in the proportion that the number of gallons
51 of gasoline and diesel fuel sold by distributors to consumers and
52 retailers in each such municipality during the preceding fiscal
53 year bears to the total gallons of gasoline and diesel fuel sold
54 by distributors to consumers and retailers in municipalities
55 statewide during the preceding fiscal year. The State Tax
56 Commission shall require all distributors of gasoline and diesel
57 fuel to report to the commission monthly the total number of
58 gallons of gasoline and diesel fuel sold by them to consumers and
59 retailers in each municipality during the preceding month. The
60 State Tax Commission shall have the authority to promulgate such
61 rules and regulations as is necessary to determine the number of
62 gallons of gasoline and diesel fuel sold by distributors to
63 consumers and retailers in each municipality. In determining the
64 percentage allocation of funds under this subsection for the

65 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
66 State Tax Commission may consider gallons of gasoline and diesel
67 fuel sold for a period of less than one (1) fiscal year. For the
68 purposes of this subsection, the term "fiscal year" means the
69 fiscal year beginning July 1 of a year.

70 (3) On or before September 15, 1987, and on or before the
71 fifteenth day of each succeeding month, until the date specified
72 in Section 65-39-35, the proceeds derived from contractors' taxes
73 levied under Section 27-65-21 on contracts for the construction or
74 reconstruction of highways designated under the Four-Lane Highway
75 Program created under Section 65-3-97 shall, except as otherwise
76 provided in Section 31-17-127, be deposited into the State
77 Treasury to the credit of the State Highway Fund to be used to
78 fund such Four-Lane Highway Program. The Mississippi Department
79 of Transportation shall provide to the State Tax Commission such
80 information as is necessary to determine the amount of proceeds to
81 be distributed under this subsection.

82 (4) On or before August 15, 1994, and on or before the
83 fifteenth day of each succeeding month through July 15, 1999, from
84 the proceeds of gasoline, diesel fuel or kerosene taxes as
85 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
86 (\$4,000,000.00) shall be deposited in the State Treasury to the
87 credit of a special fund designated as the "State Aid Road Fund,"
88 created by Section 65-9-17. On or before August 15, 1999, and on
89 or before the fifteenth day of each succeeding month, from the
90 total amount of the proceeds of gasoline, diesel fuel or kerosene
91 taxes apportioned by Section 27-5-101(a)(ii), Four Million Dollars
92 (\$4,000,000.00) or an amount equal to twenty-three and one-fourth
93 percent (23.25%) of such funds, whichever is the greater amount,
94 shall be deposited in the State Treasury to the credit of the
95 "State Aid Road Fund," created by Section 65-9-17. Such funds
96 shall be pledged to pay the principal of and interest on state aid
97 road bonds heretofore issued under Sections 19-9-51 through
98 19-9-77, in lieu of and in substitution for the funds heretofore
99 allocated to counties under this section. Such funds may not be

100 pledged for the payment of any state aid road bonds issued after
101 April 1, 1981; however, this prohibition against the pledging of
102 any such funds for the payment of bonds shall not apply to any
103 bonds for which intent to issue such bonds has been published, for
104 the first time, as provided by law prior to March 29, 1981. From
105 the amount of taxes paid into the special fund pursuant to this
106 subsection and subsection (9) of this section, there shall be
107 first deducted and paid the amount necessary to pay the expenses
108 of the Office of State Aid Road Construction, as authorized by the
109 Legislature for all other general and special fund agencies. The
110 remainder of the fund shall be allocated monthly to the several
111 counties in accordance with the following formula:

112 (a) One-third (1/3) shall be allocated to all counties
113 in equal shares;

114 (b) One-third (1/3) shall be allocated to counties
115 based on the proportion that the total number of rural road miles
116 in a county bears to the total number of rural road miles in all
117 counties of the state; and

118 (c) One-third (1/3) shall be allocated to counties
119 based on the proportion that the rural population of the county
120 bears to the total rural population in all counties of the state,
121 according to the latest federal decennial census.

122 For the purposes of this subsection, the term "gasoline,
123 diesel fuel or kerosene taxes" means such taxes as defined in
124 paragraph (f) of Section 27-5-101.

125 The amount of funds allocated to any county under this
126 subsection for any fiscal year after fiscal year 1994 shall not be
127 less than the amount allocated to such county for fiscal year
128 1994. Monies allocated to a county from the State Aid Road Fund
129 for fiscal year 1995 or any fiscal year thereafter that exceed the
130 amount of funds year 1994, first must be expended by the county
131 for replacement or rehabilitation of bridges on the state aid road
132 system that have a sufficiency rating of less than twenty-five
133 (25), according to National Bridge Inspection standards before
134 such monies may be approved for expenditure by the State Aid Road

135 Engineer on other projects that qualify for the use of state aid
136 road funds.

137 Any reference in the general laws of this state or the
138 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
139 construed to refer and apply to subsection (4) of Section
140 27-65-75.

141 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
142 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
143 the special fund known as the "State Public School Building Fund"
144 created and existing under the provisions of Sections 37-47-1
145 through 37-47-67. Such payments into said fund are to be made on
146 the last day of each succeeding month hereafter.

147 (6) An amount each month beginning August 15, 1983, through
148 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
149 of 1983, shall be paid into the special fund known as the
150 Correctional Facilities Construction Fund created in Section 6 of
151 Chapter 542, Laws of 1983.

152 (7) On or before August 15, 1992, and each succeeding month
153 thereafter, two and two hundred sixty-six one-thousandths percent
154 (2.266%) of the total sales tax revenue collected during the
155 preceding month under the provisions of this chapter, except that
156 collected under the provisions of Section 27-65-17(2) shall be
157 deposited by the commission into the School Ad Valorem Tax
158 Reduction Fund created pursuant to Section 37-61-35.

159 (8) On or before August 15, 1992, and each succeeding month
160 thereafter, nine and seventy-three one-thousandths percent
161 (9.073%) of the total sales tax revenue collected during the
162 preceding month under the provisions of this chapter, except that
163 collected under the provisions of Section 27-65-17(2) shall be
164 deposited into the Education Enhancement Fund created pursuant to
165 Section 37-61-33.

166 (9) On or before August 15, 1994, and each succeeding month
167 thereafter, from the revenue collected under this chapter during
168 the preceding month, Two Hundred Fifty Thousand Dollars
169 (\$250,000.00) shall be paid into the State Aid Road Fund.

170 (10) On or before August 15, 1994, and each succeeding month
171 thereafter through August 15, 1995, from the revenue collected
172 under this chapter during the preceding month, Two Million Dollars
173 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
174 Valorem Tax Reduction Fund established in Section 27-51-105.

175 (11) Notwithstanding any other provision of this section to
176 the contrary, on or before February 15, 1995, and each succeeding
177 month thereafter, the sales tax revenue collected during the
178 preceding month under the provisions of Section 27-65-17(2) and
179 the corresponding levy in Section 27-65-23 on the rental or lease
180 of private carriers of passengers and light carriers of property
181 as defined in Section 27-51-101 shall be deposited, without
182 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
183 established in Section 27-51-105.

184 (12) Notwithstanding any other provision of this section to
185 the contrary, on or before August 15, 1995, and each succeeding
186 month thereafter, the sales tax revenue collected during the
187 preceding month under the provisions of Section 27-65-17(1) on
188 retail sales of private carriers of passengers and light carriers
189 of property, as defined in Section 27-51-101 and the corresponding
190 levy in Section 27-65-23 on the rental or lease of these vehicles,
191 shall be deposited, after diversion, into the Motor Vehicle Ad
192 Valorem Tax Reduction Fund established in Section 27-51-105.

193 (13) On or before July 15, 1994, and on or before the
194 fifteenth day of each succeeding month thereafter, that portion of
195 the avails of the tax imposed in Section 27-65-22, which is
196 derived from activities held on the Mississippi state fairgrounds
197 complex, shall be paid into a special fund hereby created in the
198 State Treasury and shall be expended pursuant to legislative
199 appropriations solely to defray the costs of repairs and
200 renovation at such Trade Mart and Coliseum.

201 (14) On or before August 15, 1998, and each succeeding month
202 thereafter through July 15, 2005, that portion of the avails of
203 the tax imposed in Section 27-65-23 which is derived from sales by
204 cotton compresses or cotton warehouses and which would otherwise

205 be paid into the General Fund, shall be deposited in an amount not
206 to exceed Two Million Dollars (\$2,000,000.00) into the special
207 fund created pursuant to Section 69-37-39.

208 (15) The remainder of the amounts collected under the
209 provisions of this chapter shall be paid into the State Treasury
210 to the credit of the General Fund.

211 (16) It shall be the duty of the municipal officials of any
212 municipality which expands its limits, or of any community which
213 incorporates as a municipality, to notify the commissioner of such
214 action thirty (30) days before the effective date. Failure to so
215 notify the commissioner shall cause such municipality to forfeit
216 the revenue which it would have been entitled to receive during
217 this period of time when the commissioner had no knowledge of the
218 action. If any funds have been erroneously disbursed to any
219 municipality or any overpayment of tax is recovered by the
220 taxpayer, the commissioner may make correction and adjust the
221 error or overpayment with such municipality by withholding the
222 necessary funds from any subsequent payment to be made to the
223 municipality.

224 **[From and after July 1, 2002, this section reads as follows:]**

225 27-65-75. On or before the fifteenth day of each month, the
226 revenue collected under the provisions of this chapter during the
227 preceding month shall be paid and distributed as follows:

228 (1) On or before August 15, 1992, and each succeeding month
229 thereafter through July 15, 1993, eighteen percent (18%) of the
230 total sales tax revenue collected during the preceding month under
231 the provisions of this chapter, except that collected under the
232 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
233 business activities within a municipal corporation shall be
234 allocated for distribution to such municipality and paid to such
235 municipal corporation. On or before August 15, 1993, and each
236 succeeding month thereafter, eighteen and one-half percent
237 (18-1/2%) of the total sales tax revenue collected during the
238 preceding month under the provisions of this chapter, except that
239 collected under the provisions of Sections 27-65-15, 27-65-19(3)

240 and 27-65-21, on business activities within a municipal
241 corporation shall be allocated for distribution to such
242 municipality and paid to such municipal corporation.

243 A municipal corporation, for the purpose of distributing the
244 tax under this subsection, shall mean and include all incorporated
245 cities, towns and villages.

246 Monies allocated for distribution and credited to a municipal
247 corporation under this subsection may be pledged as security for
248 any loan received by the municipal corporation for the purpose of
249 capital improvements as authorized under Section 57-1-303, or
250 loans as authorized under Section 57-44-7, or water systems
251 improvements as authorized under Section 41-3-16.

252 In any county having a county seat which is not an
253 incorporated municipality, the distribution provided hereunder
254 shall be made as though the county seat was an incorporated
255 municipality; however, the distribution to such municipality shall
256 be paid to the county treasury wherein the municipality is located
257 and such funds shall be used for road, bridge and street
258 construction or maintenance therein.

259 (2) On or before September 15, 1987, and each succeeding
260 month thereafter, from the revenue collected under this chapter
261 during the preceding month One Million One Hundred Twenty-five
262 Thousand Dollars (\$1,125,000.00) shall be allocated for
263 distribution to municipal corporations as defined under subsection
264 (1) of this section in the proportion that the number of gallons
265 of gasoline and diesel fuel sold by distributors to consumers and
266 retailers in each such municipality during the preceding fiscal
267 year bears to the total gallons of gasoline and diesel fuel sold
268 by distributors to consumers and retailers in municipalities
269 statewide during the preceding fiscal year. The State Tax
270 Commission shall require all distributors of gasoline and diesel
271 fuel to report to the commission monthly the total number of
272 gallons of gasoline and diesel fuel sold by them to consumers and
273 retailers in each municipality during the preceding month. The
274 State Tax Commission shall have the authority to promulgate such

275 rules and regulations as is necessary to determine the number of
276 gallons of gasoline and diesel fuel sold by distributors to
277 consumers and retailers in each municipality. In determining the
278 percentage allocation of funds under this subsection for the
279 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
280 State Tax Commission may consider gallons of gasoline and diesel
281 fuel sold for a period of less than one (1) fiscal year. For the
282 purposes of this subsection, the term "fiscal year" means the
283 fiscal year beginning July 1 of a year.

284 (3) On or before September 15, 1987, and on or before the
285 fifteenth day of each succeeding month, until the date specified
286 in Section 65-39-35, the proceeds derived from contractors' taxes
287 levied under Section 27-65-21 on contracts for the construction or
288 reconstruction of highways designated under the Four-Lane Highway
289 Program created under Section 65-3-97 shall, except as otherwise
290 provided in Section 31-17-127, be deposited into the State
291 Treasury to the credit of the State Highway Fund to be used to
292 fund such Four-Lane Highway Program. The Mississippi Department
293 of Transportation shall provide to the State Tax Commission such
294 information as is necessary to determine the amount of proceeds to
295 be distributed under this subsection.

296 (4) On or before August 15, 1994, and on or before the
297 fifteenth day of each succeeding month through July 15, 1999, from
298 the proceeds of gasoline, diesel fuel or kerosene taxes as
299 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
300 (\$4,000,000.00) shall be deposited in the State Treasury to the
301 credit of a special fund designated as the "State Aid Road Fund,"
302 created by Section 65-9-17. On or before August 15, 1999, and on
303 or before the fifteenth day of each succeeding month, from the
304 total amount of the proceeds of gasoline, diesel fuel or kerosene
305 taxes apportioned by Section 27-5-101(a)(ii), Four Million Dollars
306 (\$4,000,000.00) or an amount equal to twenty-three and one-fourth
307 percent (23.25%) of such funds, whichever is the greater amount,
308 shall be deposited in the State Treasury to the credit of the
309 "State Aid Road Fund," created by Section 65-9-17. Such funds

310 shall be pledged to pay the principal of and interest on state aid
311 road bonds heretofore issued under Sections 19-9-51 through
312 19-9-77, in lieu of and in substitution for the funds heretofore
313 allocated to counties under this section. Such funds may not be
314 pledged for the payment of any state aid road bonds issued after
315 April 1, 1981; however, this prohibition against the pledging of
316 any such funds for the payment of bonds shall not apply to any
317 bonds for which intent to issue such bonds has been published, for
318 the first time, as provided by law prior to March 29, 1981. From
319 the amount of taxes paid into the special fund pursuant to this
320 subsection and subsection (9) of this section, there shall be
321 first deducted and paid the amount necessary to pay the expenses
322 of the Office of State Aid Road Construction, as authorized by the
323 Legislature for all other general and special fund agencies. The
324 remainder of the fund shall be allocated monthly to the several
325 counties in accordance with the following formula:

326 (a) One-third (1/3) shall be allocated to all counties
327 in equal shares;

328 (b) One-third (1/3) shall be allocated to counties
329 based on the proportion that the total number of rural road miles
330 in a county bears to the total number of rural road miles in all
331 counties of the state; and

332 (c) One-third (1/3) shall be allocated to counties
333 based on the proportion that the rural population of the county
334 bears to the total rural population in all counties of the state,
335 according to the latest federal decennial census.

336 For the purposes of this subsection, the term "gasoline,
337 diesel fuel or kerosene taxes" means such taxes as defined in
338 paragraph (f) of Section 27-5-101.

339 The amount of funds allocated to any county under this
340 subsection for any fiscal year after fiscal year 1994 shall not be
341 less than the amount allocated to such county for fiscal year
342 1994. Monies allocated to a county from the State Aid Road Fund
343 for fiscal year 1995 or any fiscal year thereafter that exceed the
344 amount of funds allocated to that county from the State Aid Road

345 Fund for fiscal year 1994, first must be expended by the county
346 for replacement or rehabilitation of bridges on the state aid road
347 system that have a sufficiency rating of less than twenty-five
348 (25), according to National Bridge Inspection standards before
349 such monies may be approved for expenditure by the State Aid Road
350 Engineer on other projects that qualify for the use of state aid
351 road funds.

352 Any reference in the general laws of this state or the
353 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
354 construed to refer and apply to subsection (4) of Section
355 27-65-75.

356 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
357 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
358 the special fund known as the "State Public School Building Fund"
359 created and existing under the provisions of Sections 37-47-1
360 through 37-47-67. Such payments into said fund are to be made on
361 the last day of each succeeding month hereafter.

362 (6) An amount each month beginning August 15, 1983, through
363 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
364 of 1983, shall be paid into the special fund known as the
365 Correctional Facilities Construction Fund created in Section 6 of
366 Chapter 542, Laws of 1983.

367 (7) On or before August 15, 1992, and each succeeding month
368 thereafter, two and two hundred sixty-six one-thousandths percent
369 (2.266%) of the total sales tax revenue collected during the
370 preceding month under the provisions of this chapter, except that
371 collected under the provisions of Section 27-65-17(2), not to
372 exceed the fiscal year 1997 appropriated level shall be deposited
373 by the commission into the School Ad Valorem Tax Reduction Fund
374 created pursuant to Section 37-61-35, with the balance to be
375 transferred to the Education Enhancement Fund created under
376 Section 37-61-33 for appropriation by the Legislature as other
377 education needs and not subject to the percentage set asides set
378 forth in Section 37-61-33.

379 (8) On or before August 15, 1992, and each succeeding month

380 thereafter, nine and seventy-three one-thousandths percent
381 (9.073%) of the total sales tax revenue collected during the
382 preceding month under the provisions of this chapter, except that
383 collected under the provisions of Section 27-65-17(2) shall be
384 deposited into the Education Enhancement Fund created pursuant to
385 Section 37-61-33.

386 (9) On or before August 15, 1994, and each succeeding month
387 thereafter, from the revenue collected under this chapter during
388 the preceding month, Two Hundred Fifty Thousand Dollars
389 (\$250,000.00) shall be paid into the State Aid Road Fund.

390 (10) On or before August 15, 1994, and each succeeding month
391 thereafter through August 15, 1995, from the revenue collected
392 under this chapter during the preceding month, Two Million Dollars
393 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
394 Valorem Tax Reduction Fund established in Section 27-51-105.

395 (11) Notwithstanding any other provision of this section to
396 the contrary, on or before February 15, 1995, and each succeeding
397 month thereafter, the sales tax revenue collected during the
398 preceding month under the provisions of Section 27-65-17(2) shall
399 be deposited, without diversion, into the Motor Vehicle Ad Valorem
400 Tax Reduction Fund established in Section 27-51-105.

401 (12) Notwithstanding any other provision of this section to
402 the contrary, on or before August 15, 1995, and each succeeding
403 month thereafter, the sales tax revenue collected during the
404 preceding month under the provisions of Section 27-65-17(1) on
405 retail sales of private carriers of passengers and light carriers
406 of property, as defined in Section 27-51-101, shall be deposited,
407 after diversion, into the Motor Vehicle Ad Valorem Tax Reduction
408 Fund established in Section 27-51-105.

409 (13) On or before July 15, 1994, and on or before the
410 fifteenth day of each succeeding month thereafter, that portion of
411 the avails of the tax imposed in Section 27-65-22, which is
412 derived from activities held on the Mississippi state fairgrounds
413 complex, shall be paid into a special fund hereby created in the
414 State Treasury and shall be expended pursuant to legislative

415 appropriations solely to defray the costs of repairs and
416 renovation at such Trade Mart and Coliseum.

417 (14) On or before August 15, 1998, and each succeeding month
418 thereafter through July 15, 2005, that portion of the avails of
419 the tax imposed in Section 27-65-23 which is derived from sales by
420 cotton compresses or cotton warehouses and which would otherwise
421 be paid into the General Fund, shall be deposited in an amount not
422 to exceed Two Million Dollars (\$2,000,000.00) into the special
423 fund created pursuant to Section 69-37-39.

424 (15) The remainder of the amounts collected under the
425 provisions of this chapter shall be paid into the State Treasury
426 to the credit of the General Fund.

427 (16) It shall be the duty of the municipal officials of any
428 municipality which expands its limits, or of any community which
429 incorporates as a municipality, to notify the commissioner of such
430 action thirty (30) days before the effective date. Failure to so
431 notify the commissioner shall cause such municipality to forfeit
432 the revenue which it would have been entitled to receive during
433 this period of time when the commissioner had no knowledge of the
434 action. If any funds have been erroneously disbursed to any
435 municipality or any overpayment of tax is recovered by the
436 taxpayer, the commissioner may make correction and adjust the
437 error or overpayment with such municipality by withholding the
438 necessary funds from any subsequent payment to be made to the
439 municipality.

440 SECTION 2. This act shall take effect and be in force from
441 and after July 1, 1999.

CONFEREES FOR THE HOUSE:

CONFEREES FOR THE SENATE:

X
Jimmy Green

X
Hob Bryan

X
Charlie Smith

X
Travis L. Little

X
Ferr Smith

X
David Jordan