HOUSE BILL NO. 277

AN ACT TO AMEND SECTION 27-55-11, MISSISSIPPI CODE OF 1972, TO INCREASE THE GASOLINE EXCISE TAX BY TWO CENTS PER GALLON; TO AMEND SECTION 27-5-101, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE PROCEEDS OF SUCH INCREASE SHALL BE DEPOSITED INTO THE MISSISSIPPI HIGHWAY-RAILROAD GRADE CROSSING SAFETY ACCOUNT; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. Section 27-55-11, Mississippi Code of 1972, is amended as follows:

[Through June 30, 2002, this section shall read as follows:]

27-55-11. Any person in business as a distributor of gasoline or who acts as a distributor of gasoline, as defined in this article, shall pay for the privilege of engaging in such business or acting as such distributor an excise tax equal to Eighteen Cents (18¢) per gallon until the date specified in Section 65-39-35, and Fourteen and Four-tenths Cents (14.4¢) per gallon thereafter, on all gasoline and blend stock stored, sold, distributed, manufactured, refined, distilled, blended or compounded in this state or received in this state for sale, use on the highways, storage, distribution, or for any purpose.

Any person in business as a distributor of aviation gasoline, or who acts as a distributor of aviation gasoline, shall pay for the privilege of engaging in such business or acting as such distributor an excise tax equal to Six and Four-tenths Cents (6.4¢) per gallon on all aviation gasoline stored, sold, distributed, manufactured, refined, distilled, blended or compounded in this state or received in this state for sale, storage, distribution or for any purpose.
The excise taxes collected under this section shall be paid and distributed in accordance with Section 27-5-101. The tax herein imposed and assessed shall be collected and paid to the State of Mississippi but once in respect to any gasoline. The basis for determining the tax liability shall be the correct invoiced gallons, adjusted to sixty (60) degrees Fahrenheit at the refinery or point of origin of shipment when such shipment is made by tank car or by motor carrier. The point of origin of shipment of gasoline transported into this state by pipelines shall be deemed to be that point in this state where such gasoline is withdrawn from the pipeline for storage or distribution, and adjustment to sixty (60) degrees Fahrenheit shall there be made. The basis for determining the tax liability on gasoline shipped into this state in barge cargoes and by pipeline shall be the actual number of gallons adjusted to sixty (60) degrees Fahrenheit unloaded into storage tanks or other containers in this state, such gallonage to be determined by measurement and/or gauge of storage tank or tanks or by any other method authorized by the commission. The tank or tanks into which barge cargoes of gasoline are discharged, or into which gasoline transported by pipeline is discharged, shall have correct gauge tables listing capacity, such gauge tables to be prepared by some recognized calibrating agency and to be approved by the commission. The tax levied herein shall accrue at the time gasoline is withdrawn from a refinery in this state except when withdrawal is by pipeline, barge, ship or vessel. The refiner shall pay to the commission the tax levied herein when gasoline is sold or delivered to persons who do not hold gasoline distributor permits. The refiner shall report to the commission all sales and deliveries of gasoline to bonded distributors of gasoline. The bonded distributor of gasoline who purchases, receives or acquires
gasoline from a refinery in this state shall report such gasoline
and pay the tax levied herein.

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

With respect to distributors or other persons who bring,
ship, have transported, or have brought into this state gasoline
by means other than through a common carrier, the tax accrues and
the tax liability attaches on the distributor or other person for
each gallon of gasoline brought into the state at the time when
and at the point where such gasoline is brought into the state.

The tax levied herein shall accrue on blend stock at the time
it is blended with gasoline. The blender shall pay to the
commission the tax levied herein when blend stock is sold or
delivered to persons who do not hold gasoline distributor permits.
The blender shall report to the commission all sales and
deliveries of blend stock to bonded distributors of gasoline. The
bonded distributor of gasoline who purchases, receives or acquires
blend stock from a blender in this state shall report blend stock
and pay the tax levied herein.

[From and after July 1, 2002, this section shall read as
follows:]

27-55-11. Any person in business as a distributor of
gasoline or who acts as a distributor of gasoline, as defined in
this article, shall pay for the privilege of engaging in such
business or acting as such distributor an excise tax equal to
Twenty Cents (20¢) per gallon until the date specified in Section
65-39-35, and Sixteen and Four-tenths Cents (16.4¢) per gallon
thereafter, on all gasoline and blend stock stored, sold,
distributed, manufactured, refined, distilled, blended or
compounded in this state or received in this state for sale, use
on the highways, storage, distribution, or for any purpose.
Any person in business as a distributor of aviation gasoline, or who acts as a distributor of aviation gasoline, shall pay for the privilege of engaging in such business or acting as such distributor an excise tax equal to Six and Four-tenths Cents ($0.064) per gallon on all aviation gasoline stored, sold, distributed, manufactured, refined, distilled, blended or compounded in this state or received in this state for sale, storage, distribution or for any purpose.

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

The tax herein imposed and assessed shall be collected and paid to the State of Mississippi but once in respect to any gasoline. The basis for determining the tax liability shall be the correct invoiced gallons, adjusted to sixty (60) degrees Fahrenheit at the refinery or point of origin of shipment when such shipment is made by tank car or by motor carrier. The point of origin of shipment of gasoline transported into this state by pipelines shall be deemed to be that point in this state where such gasoline is withdrawn from the pipeline for storage or distribution, and adjustment to sixty (60) degrees Fahrenheit shall there be made. The basis for determining the tax liability on gasoline shipped into this state in barge cargoes and by pipeline shall be the actual number of gallons adjusted to sixty (60) degrees Fahrenheit unloaded into storage tanks or other containers in this state, such gallonage to be determined by measurement and/or gauge of storage tank or tanks or by any other method authorized by the commission. The tank or tanks into which barge cargoes of gasoline are discharged, or into which gasoline transported by pipeline is discharged, shall have correct gauge tables listing capacity, such gauge tables to be prepared by some recognized calibrating agency and to be approved by the commission.
The tax levied herein shall accrue at the time gasoline is withdrawn from a refinery in this state except when withdrawal is by pipeline, barge, ship or vessel. The refiner shall pay to the commission the tax levied herein when gasoline is sold or delivered to persons who do not hold gasoline distributor permits. The refiner shall report to the commission all sales and deliveries of gasoline to bonded distributors of gasoline. The bonded distributor of gasoline who purchases, receives or acquires gasoline from a refinery in this state shall report such gasoline and pay the tax levied herein.

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

With respect to distributors or other persons who bring, ship, have transported, or have brought into this state gasoline by means other than through a common carrier, the tax accrues and the tax liability attaches on the distributor or other person for each gallon of gasoline brought into the state at the time when and at the point where such gasoline is brought into the state.

The tax levied herein shall accrue on blend stock at the time it is blended with gasoline. The blender shall pay to the commission the tax levied herein when blend stock is sold or delivered to persons who do not hold gasoline distributor permits. The blender shall report to the commission all sales and deliveries of blend stock to bonded distributors of gasoline. The bonded distributor of gasoline who purchases, receives or acquires blend stock from a blender in this state shall report blend stock and pay the tax levied herein.

SECTION 2. Section 27-5-101, Mississippi Code of 1972, is amended as follows:

[With regard to any county which is exempt from the provisions of Section 19-2-3, this section shall read as follows:}
27-5-101. Unless otherwise provided in this section, on or before the fifteenth day of each month, all gasoline, diesel fuel or kerosene taxes which are levied under the laws of this state and collected during the previous month shall be paid and apportioned by the State Tax Commission as follows:

(a) (i) Except as otherwise provided in Section 31-17-127, from the gross amount of gasoline, diesel fuel or kerosene taxes produced by the state, there shall be deducted an amount equal to one-sixth (1/6) of principal and interest certified by the State Treasurer to the State Tax Commission to be due on the next semiannual bond and interest payment date, as required under the provisions of Chapter 130, Laws of 1938, and subsequent acts authorizing the issuance of bonds payable from gasoline, diesel fuel or kerosene tax revenue on a parity with the bonds issued under authority of said Chapter 130. The State Treasurer shall certify to the State Tax Commission on or before the fifteenth day of each month the amount to be paid to the "Highway Bonds Sinking Fund" as provided by said Chapter 130, Laws of 1938, and subsequent acts authorizing the issuance of bonds payable from gasoline, diesel fuel or kerosene tax revenue, on a parity with the bonds issued under authority of said Chapter 130; and the State Tax Commission shall, on or before the twenty-fifth day of each month, pay into the State Treasury for credit to the "Highway Bonds Sinking Fund" the amount so certified to him by the State Treasurer due to be paid into such fund each month. The payments to the "Highway Bonds Sinking Fund" shall be made out of gross gasoline, diesel fuel or kerosene tax collections before deductions of any nature are considered; however, such payments shall be deducted from the allocation to the Mississippi Department of Transportation under paragraph (c) of this section.

(ii) From collections derived from the portion of the gasoline excise tax that exceeds Seven Cents (7¢) per gallon, from the portion of the tax on aviation gas under Section 27-55-11...
that exceeds Six and Four-tenths Cents (6.4¢) per gallon, from the portion of the special fuel tax levied under Sections 27-55-519 and 27-55-521, at Eighteen Cents (18¢) per gallon that exceeds Ten Cents (10¢) per gallon, from the portion of the taxes levied under Section 27-55-519, at Five and Three-fourths Cents (5.75¢) per gallon) that exceeds One Cent (1¢) per gallon on special fuel and Five and One-fourth Cents (5.25¢) per gallon on special fuel used as aircraft fuel, from the portion of the excise tax on compressed gas used as a motor fuel that exceeds the rate of tax in effect on June 30, 1987, and from the portion of the gasoline excise tax in excess of Seven Cents (7¢) per gallon and the diesel excise tax in excess of Ten Cents (10¢) per gallon under Section 27-61-5 there shall be deducted:

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

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

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

(b) Subject to the provisions that said basis of distribution shall in nowise affect adversely the amount specifically pledged in paragraph (a) of this section to be paid into the "Highway Bonds Sinking Fund," the following shall be deducted from the amount produced by the state tax on gasoline, diesel fuel or kerosene tax collections, excluding collections derived from the portion of the gasoline excise tax that exceeds Seven Cents (7¢) per gallon, from the portion of the tax on...
aviation gas under Section 27-55-11 that exceeds Six and
Four-tenths Cents (6.4¢) per gallon, from the portion of the
special fuel tax levied under Sections 27-55-519 and 27-55-521, at
Eighteen Cents (18¢) per gallon that exceeds Ten Cents (10¢) per
gallon, from the portion of the taxes levied under Section
27-55-519, at Five and Three-fourths Cents (5.75¢) per gallon that
exceeds One Cent (1¢) per gallon on special fuel and Five and
One-fourth Cents (5.25¢) per gallon on special fuel used as
aircraft fuel, from the portion of the excise tax on compressed
gas used as a motor fuel that exceeds the rate of tax in effect on
June 30, 1987, and from the portion of the gasoline excise tax in
excess of Seven Cents (7¢) per gallon and the diesel excise tax in
excess of Ten Cents (10¢) per gallon under Section 27-61-5:
(i) Twenty percent (20%) of such amount which
shall be earmarked and set aside for the construction,
reconstruction and maintenance of the highways and roads of the
state, provided that if such twenty percent (20%) should reduce
any county to a lesser amount than that received in the fiscal
year ending June 30, 1966, then such twenty percent (20%) shall be
reduced to a percentage to provide that no county shall receive
less than its portion for the fiscal year ending June 30, 1966;
(ii) The amount allowed as refund on gasoline or
as tax credit on diesel fuel or kerosene used for agricultural,
maritime, industrial, domestic, and nonhighway purposes;
(iii) Five percent (5%) of such amount shall be
paid to the State Highway Fund;
(iv) The amount or portion thereof authorized by
legislative appropriation to the Fisheries and Wildlife Fund
created under Section 59-21-25;
(v) The amount for deposit into the special
aviation fund under paragraph (d) of this section; and
(vi) The remainder shall be divided on a basis of
nine-fourteenths (9/14) and five-fourteenths (5/14) (being the
same basis as Four and One-half Cents (4-1/2¢) and Two and
One-half Cents (2-1/2¢) is to Seven Cents (7¢) on gasoline, and
six and forty-three one-hundredths (6.43) and three and
fifty-seven one-hundredths (3.57) is to Ten Cents (10¢) on diesel
fuel or kerosene). The amount produced by the nine-fourteenths
(9/14) division shall be allocated to the Transportation
Department and paid into the State Treasury as provided in this
section and in Section 27-5-103 and the five-fourteenths (5/14)
division shall be returned to the counties of the state on the
following basis:

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

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

3. When a county has been paid an amount
equal to the total which was paid to the same county during the
fiscal year ended April 9, 1960, such county shall receive no
further payments during the then current fiscal year until the
last month of such current fiscal year, at which time distribution
will be made under 2. above, except as set out in 4. below.
4. During the last month of the current fiscal year, should it be determined that there are funds available in excess of the amount distributed for the year under 1. and 2. above, then such excess funds shall be distributed among the various counties as follows:

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

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

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

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

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

In any county having countywide road or bridge bonds, or supervisors district or district road or bridge bonds outstanding, which exceed, in the aggregate, twelve percent (12%) of the assessed valuation of the taxable property of the county or district, it shall be the duty of the board of supervisors to set aside not less than sixty percent (60%) of such county's share or district's share of the gasoline, diesel fuel or kerosene taxes to be used in paying the principal and interest on such road or bridge bonds as they mature.
In any county having such countywide road or bridge bonds or district road or bridge bonds outstanding which exceed, in the aggregate, eight percent (8%) of the assessed valuation of the taxable property of the county, but which do not exceed, in the aggregate, twelve percent (12%) of the assessed valuation of the taxable property of the county, it shall be the duty of the board of supervisors to set aside not less than thirty-five percent (35%) of such county's share of the gasoline, diesel fuel or kerosene taxes to be used in paying the principal and interest of such road or bridge bonds as they mature.

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

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

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

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

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

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

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

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

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

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

(iv) Except as otherwise provided in Section 31-17-127, the remainder shall be paid by the State Tax Commission to the State Treasurer on the fifteenth day of each month next succeeding the month in which the gasoline, diesel fuel or kerosene taxes were collected to the credit of the State Highway Fund.

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

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

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

(e) State highway funds in an amount equal to the difference between Forty-two Million Dollars ($42,000,000.00) and the annual debt service payable on the state's highway revenue refunding bonds, Series 1985, shall be expended for the construction or reconstruction of highways designated under the Four-Lane Highway Program created under Section 65-3-97.
(f) Beginning August 15, 2002, and on or before the fifteenth day of each month thereafter, the proceeds of Two Cents (2¢) per gallon of the tax on gasoline levied under Section 27-55-11 shall be deposited into the Mississippi Highway-Railroad Grade Crossing Safety Account, created in House Bill No. 2001 Regular Session.

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

[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:]

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

(a) (i) Except as otherwise provided in Section 31-17-127, from the gross amount of gasoline, diesel fuel or kerosene taxes produced by the state, there shall be deducted an amount equal to one-sixth (1/6) of principal and interest certified by the State Treasurer to the State Tax Commission to be due on the next semiannual bond and interest payment date, as required under the provisions of Chapter 130, Laws of 1938, and subsequent acts authorizing the issuance of bonds payable from gasoline, diesel fuel or kerosene tax revenue on a parity with the bonds issued under authority of said Chapter 130. The State Treasurer shall certify to the State Tax Commission on or before the fifteenth day of each month the amount to be paid to the "Highway Bonds Sinking Fund" as provided by said Chapter 130, Laws
of 1938, and subsequent acts authorizing the issuance of bonds payable from gasoline, diesel fuel or kerosene tax revenue, on a parity with the bonds issued under authority of said Chapter 130; and the State Tax Commission shall, on or before the twenty-fifth day of each month, pay into the State Treasury for credit to the "Highway Bonds Sinking Fund" the amount so certified to him by the State Treasurer due to be paid into such fund each month. The payments to the "Highway Bonds Sinking Fund" shall be made out of gross gasoline, diesel fuel or kerosene tax collections before deductions of any nature are considered; however, such payments shall be deducted from the allocation to the Transportation Department under paragraph (c) of this section.

(ii) From collections derived from the portion of the gasoline excise tax that exceeds Seven Cents (7¢) per gallon, from the portion of the tax on aviation gas under Section 27-55-11 that exceeds Six and Four-tenths Cents (6.4¢) per gallon, from the portion of the special fuel tax levied under Sections 27-55-519 and 27-55-521, at Eighteen Cents (18¢) per gallon that exceeds Ten Cents (10¢) per gallon, from the portion of the taxes levied under Section 27-55-519, at Five and Three-fourths Cents (5.75¢) per gallon that exceeds One Cent (1¢) per gallon on special fuel and Five and One-fourth Cents (5.25¢) per gallon on special fuel used as aircraft fuel, from the portion of the excise tax on compressed gas used as a motor fuel that exceeds the rate of tax in effect on June 30, 1987, and from the portion of the gasoline excise tax in excess of Seven Cents (7¢) per gallon and the diesel excise tax in excess of Ten Cents (10¢) per gallon under Section 27-61-5 there shall be deducted:

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

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

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

(b) Subject to the provisions that said basis of distribution shall in no wise affect adversely the amount specifically pledged in paragraph (a) of this section to be paid into the "Highway Bonds Sinking Fund," the following shall be deducted from the amount produced by the state tax on gasoline, diesel fuel or kerosene tax collections, excluding collections derived from the portion of the gasoline excise tax that exceeds Seven Cents (7¢) per gallon, from the portion of the tax on aviation gas under Section 27-55-11 that exceeds Six and Four-tenths Cents (6.4¢) per gallon, from the portion of the special fuel tax levied under Sections 27-55-519 and 27-55-521, at Eighteen Cents (18¢) per gallon, that exceeds Ten Cents (10¢) per gallon, from the portion of the taxes levied under Section 27-55-519, at Five and Three-fourths Cents (5.75¢) that exceeds One Cent (1¢) per gallon on special fuel and Five and One-fourth Cents (5.25¢) per gallon on special fuel used as aircraft fuel, from the portion of the excise tax on compressed gas used as a motor fuel that exceeds the rate of tax in effect on June 30, 1987, and from the portion of the gasoline excise tax in excess of Seven Cents (7¢) per gallon and the diesel excise tax in excess of Ten Cents (10¢) per gallon under Section 27-61-5:

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

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

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

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

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

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

1. In each fiscal year, each county shall be
paid each month the same percentage of the monthly total to be
distributed as was paid to that county during the same month in
the fiscal year which ended April 9, 1960, until the county
receives One Hundred Ninety Thousand Dollars ($190,000.00) in such
fiscal year, at which time funds shall be distributed under the
provisions of paragraph (b)(vi) of this section.
2. If after payments in 1. above, any county has not received a total of One Hundred Ninety Thousand Dollars ($190,000.00) at the end of the fiscal year ending June 30, 1961, and each fiscal year thereafter, then any available funds not distributed under 1. above shall be used to bring such county or counties up to One Hundred Ninety Thousand Dollars ($190,000.00) or such funds shall be divided equally among such counties not reaching One Hundred Ninety Thousand Dollars ($190,000.00) if there is not sufficient money to bring all the counties to said One Hundred Ninety Thousand Dollars ($190,000.00).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) From the amount produced by the nine-fourteenths \( \left( \frac{9}{14} \right) \) division allocated to the Transportation Department, there shall be deducted:

(i) The amount paid to the State Treasurer for the "Highway Bonds Sinking Fund" under paragraph (a) of this section;
(ii) Any amounts due counties in accordance with Section 65-33-45 which have outstanding bonds issued for seawall or road protection purposes, issued under provisions of Chapter 319, Laws of 1924, and amendments thereto; and

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

(iv) Except as otherwise provided in Section 31-17-127, the remainder shall be paid by the State Tax Commission to the State Treasurer on the fifteenth day of each month next succeeding the month in which the gasoline, diesel fuel or kerosene taxes were collected to the credit of the State Highway Fund.

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

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

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

(e) State highway funds in an amount equal to the difference between Forty-two Million Dollars ($42,000,000.00) and the annual debt service payable on the state's highway revenue refunding bonds, Series 1985, shall be expended for the construction or reconstruction of highways designated under the Four-Lane Highway Program created under Section 65-3-97.
(f) Beginning August 15, 2002, and on or before the fifteenth day of each month thereafter, the proceeds of Two Cents (2¢) per gallon of the tax on gasoline levied under Section 27-55-11 shall be deposited into the Mississippi Highway-Railroad Grade Crossing Safety Account, created in House Bill No. , 2001 Regular Session.

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

SECTION 3. This act shall take effect and be in force from and after July 1, 2001.