AN ACT TO CREATE A SPECIAL FUND TO BE KNOWN AS THE FUEL TAX COMPLIANCE FUND TO BE UTILIZED BY THE MISSISSIPPI DEPARTMENT OF TRANSPORTATION TO PURCHASE EQUIPMENT OR CONTRACT FOR SERVICES TO INSURE COMPLIANCE WITH THE FUEL TAX LAWS; TO AMEND SECTION 27-55-539, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT ALL THE PENALTIES COLLECTED FOR THE UNLAWFUL USE OF DYED FUEL OR KEROSENE ON HIGHWAYS SHALL BE DEPOSITED INTO THE FUEL TAX COMPLIANCE FUND; AND FOR RELATED PURPOSES.

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

SECTION 1. There is created in the State Treasury a special fund to be known as the Fuel Tax Compliance Fund, into which shall be deposited the penalties collected pursuant to Section 27-55-539. The money in the fund shall be utilized by the Mississippi Department of Transportation to purchase equipment or contract for services to insure compliance with the fuel tax laws. The money in the fund shall be expended upon appropriation by the Legislature. Unexpended amounts remaining in the fund at the end of the state fiscal year shall not lapse into the State General Fund, and any interest earned on amounts in the fund shall be deposited to the credit of the fund.

SECTION 2. Section 27-55-539, Mississippi Code of 1972, is amended as follows:

27-55-539. It shall be unlawful to use dyed diesel fuel or kerosene in a motor vehicle on a highway unless that use is permitted under Section 4082 of the Internal Revenue Code. A person who operates on a highway a motor vehicle whose supply tank contains dyed diesel fuel or kerosene whose use is unlawful under this section shall be liable for a penalty of One Thousand Dollars ($1,000.00) which shall be in addition to any taxes that may be
due. All penalties collected pursuant to this section shall be deposited into the Fuel Tax Compliance Fund created pursuant to Section 1 of Senate Bill No. 2432, 2001 Regular Session.

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