

By: Representative Miles

To: Ways and Means

HOUSE BILL NO. 694

1 AN ACT TO AMEND SECTION 27-5-101, MISSISSIPPI CODE OF 1972,
2 TO REVISE THE DATE UPON WHICH A PORTION OF THE REVENUES DERIVED
3 FROM MOTOR FUEL TAXES IS REQUIRED TO BE DEPOSITED INTO THE GAMING
4 COUNTIES BOND SINKING FUND FOR THE PURPOSES OF PAYING THE DEBT
5 SERVICE ON BONDS ISSUED IN SUPPORT OF THE GAMING COUNTIES
6 INFRASTRUCTURE PROGRAM; TO PROVIDE FOR THE TRANSFER OF A PORTION
7 OF THE FUNDS DEPOSITED INTO THE GAMING COUNTIES BOND SINKING FUND
8 INTO THE STATE HIGHWAY FUND; AND FOR RELATED PURPOSES.

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

10 **SECTION 1.** Section 27-5-101, Mississippi Code of 1972, is
11 amended as follows:

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

14 27-5-101. Unless otherwise provided in this section, on or
15 before the fifteenth day of each month, all gasoline, diesel fuel
16 or kerosene taxes which are levied under the laws of this state
17 and collected during the previous month shall be paid and
18 apportioned by the State Tax Commission as follows:

19 (a) (i) Except as otherwise provided in Section
20 31-17-127, from the gross amount of gasoline, diesel fuel or
21 kerosene taxes produced by the state, there shall be deducted an
22 amount equal to one-sixth (1/6) of principal and interest
23 certified by the State Treasurer to the State Tax Commission to be
24 due on the next semiannual bond and interest payment date, as
25 required under the provisions of Chapter 130, Laws of 1938, and
26 subsequent acts authorizing the issuance of bonds payable from
27 gasoline, diesel fuel or kerosene tax revenue on a parity with the
28 bonds issued under authority of said Chapter 130. The State
29 Treasurer shall certify to the State Tax Commission on or before
30 the fifteenth day of each month the amount to be paid to the

31 "Highway Bonds Sinking Fund" as provided by said Chapter 130, Laws
32 of 1938, and subsequent acts authorizing the issuance of bonds
33 payable from gasoline, diesel fuel or kerosene tax revenue, on a
34 parity with the bonds issued under authority of said Chapter 130;
35 and the State Tax Commission shall, on or before the twenty-fifth
36 day of each month, pay into the State Treasury for credit to the
37 "Highway Bonds Sinking Fund" the amount so certified to him by the
38 State Treasurer due to be paid into such fund each month. The
39 payments to the "Highway Bonds Sinking Fund" shall be made out of
40 gross gasoline, diesel fuel or kerosene tax collections before
41 deductions of any nature are considered; however, such payments
42 shall be deducted from the allocation to the Mississippi
43 Department of Transportation under paragraph (c) of this section.

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

60 1. An amount as provided in Section
61 27-65-75(4) to the credit of a special fund designated as the
62 "Office of State Aid Road Construction."

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

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

72 (b) Subject to the provisions that said basis of
73 distribution shall in nowise affect adversely the amount
74 specifically pledged in paragraph (a) of this section to be paid
75 into the "Highway Bonds Sinking Fund," the following shall be
76 deducted from the amount produced by the state tax on gasoline,
77 diesel fuel or kerosene tax collections, excluding collections
78 derived from the portion of the gasoline excise tax that exceeds
79 Seven Cents (7¢) per gallon, from the portion of the tax on
80 aviation gas under Section 27-55-11 that exceeds Six and
81 Four-tenths Cents (6.4¢) per gallon, from the portion of the
82 special fuel tax levied under Sections 27-55-519 and 27-55-521, at
83 Eighteen Cents (18¢) per gallon that exceeds Ten Cents (10¢) per
84 gallon, from the portion of the taxes levied under Section
85 27-55-519, at Five and Three-fourths Cents (5.75¢) per gallon that
86 exceeds One Cent (1¢) per gallon on special fuel and Five and
87 One-fourth Cents (5.25¢) per gallon on special fuel used as
88 aircraft fuel, from the portion of the excise tax on compressed
89 gas used as a motor fuel that exceeds the rate of tax in effect on
90 June 30, 1987, and from the portion of the gasoline excise tax in
91 excess of Seven Cents (7¢) per gallon and the diesel excise tax in
92 excess of Ten Cents (10¢) per gallon under Section 27-61-5:

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

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

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

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

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

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

111 (vi) The remainder shall be divided on a basis of
112 nine-fourteenths ($9/14$) and five-fourteenths ($5/14$) (being the
113 same basis as Four and One-half Cents ($4-1/2\text{¢}$) and Two and
114 One-half Cents ($2-1/2\text{¢}$) is to Seven Cents (7¢) on gasoline, and
115 six and forty-three one-hundredths (6.43) and three and
116 fifty-seven one-hundredths (3.57) is to Ten Cents (10¢) on diesel
117 fuel or kerosene). The amount produced by the nine-fourteenths
118 ($9/14$) division shall be allocated to the Transportation
119 Department and paid into the State Treasury as provided in this
120 section and in Section 27-5-103 and the five-fourteenths ($5/14$)
121 division shall be returned to the counties of the state on the
122 following basis:

123 1. In each fiscal year, each county shall be
124 paid each month the same percentage of the monthly total to be
125 distributed as was paid to that county during the same month in
126 the fiscal year which ended April 9, 1960, until the county
127 receives One Hundred Ninety Thousand Dollars ($\$190,000.00$) in such

128 fiscal year, at which time funds shall be distributed under the
129 provisions of paragraph (b)(vi)4 of this section.

130 2. If after payments in 1 above, any county
131 has not received a total of One Hundred Ninety Thousand Dollars
132 (\$190,000.00) at the end of the fiscal year ending June 30, 1961,
133 and each fiscal year thereafter, then any available funds not
134 distributed under 1 above shall be used to bring such county or
135 counties up to One Hundred Ninety Thousand Dollars (\$190,000.00)
136 or such funds shall be divided equally among such counties not
137 reaching One Hundred Ninety Thousand Dollars (\$190,000.00) if
138 there is not sufficient money to bring all the counties to said
139 One Hundred Ninety Thousand Dollars (\$190,000.00).

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

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

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

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

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

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

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

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

178 In any county having such countywide road or bridge bonds or
179 district road or bridge bonds outstanding which exceed, in the
180 aggregate, eight percent (8%) of the assessed valuation of the
181 taxable property of the county, but which do not exceed, in the
182 aggregate, twelve percent (12%) of the assessed valuation of the
183 taxable property of the county, it shall be the duty of the board
184 of supervisors to set aside not less than thirty-five percent
185 (35%) of such county's share of the gasoline, diesel fuel or
186 kerosene taxes to be used in paying the principal and interest of
187 such road or bridge bonds as they mature.

188 In any county having such countywide road or bridge bonds or
189 district road or bridge bonds outstanding which exceed, in the
190 aggregate, five percent (5%) of the assessed valuation of the
191 taxable property of the county, but which do not exceed, in the
192 aggregate, eight percent (8%) of the assessed valuation of the

193 taxable property of the county, it shall be the duty of the board
194 of supervisors to set aside not less than twenty percent (20%) of
195 such county's share of the gasoline, diesel fuel or kerosene taxes
196 to be used in paying the principal and interest of such road and
197 bridge bonds as they mature.

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

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

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

225 of county road and bridge bonds or district road and bridge bonds,
226 in the discretion of the board of supervisors.

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

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

237 (c) From the amount produced by the nine-fourteenths
238 (9/14) division allocated to the Transportation Department, there
239 shall be deducted:

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

242 (ii) Any amounts due counties in accordance with
243 Section 65-33-45 which have outstanding bonds issued for seawall
244 or road protection purposes, issued under provisions of Chapter
245 319, Laws of 1924, and amendments thereto;

246 (iii) Beginning on the fifteenth day of the month
247 that a portion of the fees collected under Section 75-76-177(1)(c)
248 is no longer required under Section 75-76-129 to be paid to the
249 Gaming Counties Bond Sinking Fund created under Section 65-39-3,
250 and on or before the fifteenth day of each month thereafter, an
251 amount equal to one-sixth (1/6) of the principal and interest
252 certified by the State Treasurer to the State Tax Commission to be
253 due on the next semiannual bond and interest payment date for the
254 bonds issued under Sections 65-39-5 through 65-39-33. On or
255 before the twenty-fifth day of each month the State Tax Commission
256 shall pay into the State Treasury for credit to the Gaming

257 Counties Bond Sinking Fund created in Section 65-39-3, the amount
258 so certified by the State Treasurer.

259 The State Treasurer shall transfer from the Gaming Counties
260 Bond Sinking Fund to the State Highway Fund a sum equal to the
261 amount of monies which, before the effective date of House Bill
262 No. _____, 2004 Regular Session, were paid into and credited under
263 the provisions of this section to the Gaming Counties Bond Sinking
264 Fund;

265 (iv) Except as otherwise provided in Section
266 31-17-127, the remainder shall be paid by the State Tax Commission
267 to the State Treasurer on the fifteenth day of each month next
268 succeeding the month in which the gasoline, diesel fuel or
269 kerosene taxes were collected to the credit of the State Highway
270 Fund.

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

283 Nothing contained in this section shall be construed to
284 reduce the amount of such gasoline, diesel fuel or kerosene excise
285 taxes levied by the state, allotted under the provisions of Title
286 65, Chapter 33, Mississippi Code of 1972, to counties in which
287 there are outstanding bonds issued for seawall or road protection
288 purposes issued under the provisions of Chapter 319, Laws of 1924,
289 and amendments thereto; the amount of said gasoline, diesel fuel

290 or kerosene excise taxes designated in this section for the
291 payment of bonds and interest authorized and issued or to be
292 issued under the provisions of Chapter 130, Laws of 1938, and
293 subsequent acts authorizing the issuance of bonds payable from
294 gasoline, diesel fuel or kerosene tax revenue, shall, in such
295 counties, be considered as being paid "into the State Treasury to
296 the credit of the State Highway Fund" within the meaning of
297 Section 65-33-45 in computing the amount to be paid to such
298 counties under the provisions of said section, and this section
299 shall be administered in connection with Title 65, Chapter 33,
300 Mississippi Code of 1972, and Sections 65-33-45, 65-33-47 and
301 65-33-49 dealing with seawalls, as if made a part of this section.

302 (d) The proceeds of the Five and One-fourth Cents
303 (5.25¢) of the tax per gallon on oils used as a propellant for jet
304 aircraft engines, and Six and Four-tenths Cents (6.4¢) of the tax
305 per gallon on aviation gasoline and the tax of One Cent (1¢) per
306 gallon for each gallon of gasoline for which a refund has been
307 made pursuant to Section 27-55-23 because such gasoline was used
308 for aviation purposes, shall be paid to the State Treasury into a
309 special fund to be used exclusively, pursuant to legislative
310 appropriation, for the support and development of aeronautics as
311 defined in Section 61-1-3.

312 (e) State highway funds in an amount equal to the
313 difference between Forty-two Million Dollars (\$42,000,000.00) and
314 the annual debt service payable on the state's highway revenue
315 refunding bonds, Series 1985, shall be expended for the
316 construction or reconstruction of highways designated under the
317 highway program created under Section 65-3-97.

318 (f) "Gasoline, diesel fuel or kerosene taxes" as used
319 in this section shall be deemed to mean and include state
320 gasoline, diesel fuel or kerosene taxes levied and imposed on
321 distributors of gasoline, diesel fuel or kerosene, and all state

322 excise taxes derived from any fuel used to propel vehicles upon
323 the highways of this state, when levied by any statute.

324 **[With regard to any county which is required to operate on a**
325 **countywide system of road administration as described in Section**
326 **19-2-3, this section shall read as follows:]**

327 27-5-101. Unless otherwise provided in this section, on or
328 before the fifteenth day of each month, all gasoline, diesel fuel
329 or kerosene taxes which are levied under the laws of this state
330 and collected during the previous month shall be paid and
331 apportioned by the State Tax Commission as follows:

332 (a) (i) Except as otherwise provided in Section
333 31-17-127, from the gross amount of gasoline, diesel fuel or
334 kerosene taxes produced by the state, there shall be deducted an
335 amount equal to one-sixth (1/6) of principal and interest
336 certified by the State Treasurer to the State Tax Commission to be
337 due on the next semiannual bond and interest payment date, as
338 required under the provisions of Chapter 130, Laws of 1938, and
339 subsequent acts authorizing the issuance of bonds payable from
340 gasoline, diesel fuel or kerosene tax revenue on a parity with the
341 bonds issued under authority of said Chapter 130. The State
342 Treasurer shall certify to the State Tax Commission on or before
343 the fifteenth day of each month the amount to be paid to the
344 "Highway Bonds Sinking Fund" as provided by said Chapter 130, Laws
345 of 1938, and subsequent acts authorizing the issuance of bonds
346 payable from gasoline, diesel fuel or kerosene tax revenue, on a
347 parity with the bonds issued under authority of said Chapter 130;
348 and the State Tax Commission shall, on or before the twenty-fifth
349 day of each month, pay into the State Treasury for credit to the
350 "Highway Bonds Sinking Fund" the amount so certified to him by the
351 State Treasurer due to be paid into such fund each month. The
352 payments to the "Highway Bonds Sinking Fund" shall be made out of
353 gross gasoline, diesel fuel or kerosene tax collections before
354 deductions of any nature are considered; however, such payments

355 shall be deducted from the allocation to the Transportation
356 Department under paragraph (c) of this section.

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

373 1. An amount as provided in Section
374 27-65-75(4) to the credit of a special fund designated as the
375 "Office of State Aid Road Construction."

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

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

385 (b) Subject to the provisions that said basis of
386 distribution shall in nowise affect adversely the amount
387 specifically pledged in paragraph (a) of this section to be paid

388 into the "Highway Bonds Sinking Fund," the following shall be
389 deducted from the amount produced by the state tax on gasoline,
390 diesel fuel or kerosene tax collections, excluding collections
391 derived from the portion of the gasoline excise tax that exceeds
392 Seven Cents (7¢) per gallon, from the portion of the tax on
393 aviation gas under Section 27-55-11 that exceeds Six and
394 Four-tenths Cents (6.4¢) per gallon, from the portion of the
395 special fuel tax levied under Sections 27-55-519 and 27-55-521, at
396 Eighteen Cents (18¢) per gallon, that exceeds Ten Cents (10¢) per
397 gallon, from the portion of the taxes levied under Section
398 27-55-519, at Five and Three-fourths Cents (5.75¢) that exceeds
399 One Cent (1¢) per gallon on special fuel and Five and One-fourth
400 Cents (5.25¢) per gallon on special fuel used as aircraft fuel,
401 from the portion of the excise tax on compressed gas used as a
402 motor fuel that exceeds the rate of tax in effect on June 30,
403 1987, and from the portion of the gasoline excise tax in excess of
404 Seven Cents (7¢) per gallon and the diesel excise tax in excess of
405 Ten Cents (10¢) per gallon under Section 27-61-5:

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

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

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

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

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

424 (vi) The remainder shall be divided on a basis of
425 nine-fourteenths ($9/14$) and five-fourteenths ($5/14$) (being the
426 same basis as Four and One-half Cents ($4-1/2\text{¢}$) and Two and
427 One-half Cents ($2-1/2\text{¢}$) is to Seven Cents (7¢) on gasoline, and
428 six and forty-three one-hundredths (6.43) and three and
429 fifty-seven one-hundredths (3.57) is to Ten Cents (10¢) on diesel
430 fuel or kerosene). The amount produced by the nine-fourteenths
431 ($9/14$) division shall be allocated to the Transportation
432 Department and paid into the State Treasury as provided in this
433 section and in Section 27-5-103 and the five-fourteenths ($5/14$)
434 division shall be returned to the counties of the state on the
435 following basis:

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

443 2. If after payments in 1 above, any county
444 has not received a total of One Hundred Ninety Thousand Dollars
445 ($\$190,000.00$) at the end of the fiscal year ending June 30, 1961,
446 and each fiscal year thereafter, then any available funds not
447 distributed under 1 above shall be used to bring such county or
448 counties up to One Hundred Ninety Thousand Dollars ($\$190,000.00$)
449 or such funds shall be divided equally among such counties not
450 reaching One Hundred Ninety Thousand Dollars ($\$190,000.00$) if

451 there is not sufficient money to bring all the counties to said
452 One Hundred Ninety Thousand Dollars (\$190,000.00).

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

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

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

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

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

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

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

482 In any county having road or bridge bonds outstanding which
483 exceed, in the aggregate, twelve percent (12%) of the assessed

484 valuation of the taxable property of the county, it shall be the
485 duty of the board of supervisors to set aside not less than sixty
486 percent (60%) of such county's share of the gasoline, diesel fuel
487 or kerosene taxes to be used in paying the principal and interest
488 on such road or bridge bonds as they mature.

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

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

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

514 The portion of any such county's share of the gasoline,
515 diesel fuel or kerosene taxes thus set aside for the payment of
516 the principal and interest of road or bridge bonds, as provided

517 for in this section, shall be used in paying the currently
518 maturing installments of the principal and interest of such road
519 or bridge bonds, if there be any such road or bridge bonds
520 outstanding.

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

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

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

536 (c) From the amount produced by the nine-fourteenths
537 (9/14) division allocated to the Transportation Department, there
538 shall be deducted:

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

541 (ii) Any amounts due counties in accordance with
542 Section 65-33-45 which have outstanding bonds issued for seawall
543 or road protection purposes, issued under provisions of Chapter
544 319, Laws of 1924, and amendments thereto; and

545 (iii) Beginning on the fifteenth day of the month
546 that a portion of the fees collected under Section 75-76-177(1)(c)
547 is no longer required under Section 75-76-129 to be paid to the
548 Gaming Counties Bond Sinking Fund created under Section 65-39-3,
549 and on or before the fifteenth day of each month thereafter, an

550 amount equal to one-sixth (1/6) of the principal and interest
551 certified by the State Treasurer to the State Tax Commission to be
552 due on the next semiannual bond and interest payment date for the
553 bonds issued under Sections 65-39-5 through 65-39-33. On or
554 before the twenty-fifth day of each month the State Tax Commission
555 shall pay into the State Treasury for credit to the Gaming
556 Counties Bond Sinking Fund created in Section 65-39-3, the amount
557 certified by the State Treasurer.

558 The State Treasurer shall transfer from the Gaming Counties
559 Bond Sinking Fund to the State Highway Fund a sum equal to the
560 amount of monies which, before the effective date of House Bill
561 No. _____, 2004 Regular Session, were paid into and credited under
562 the provisions of this section to the Gaming Counties Bond Sinking
563 Fund;

564 (iv) Except as otherwise provided in Section
565 31-17-127, the remainder shall be paid by the State Tax Commission
566 to the State Treasurer on the fifteenth day of each month next
567 succeeding the month in which the gasoline, diesel fuel or
568 kerosene taxes were collected to the credit of the State Highway
569 Fund.

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

581 Nothing contained in this section shall be construed to
582 reduce the amount of such gasoline, diesel fuel or kerosene excise

583 taxes levied by the state, allotted under the provisions of Title
584 65, Chapter 33, Mississippi Code of 1972, to counties in which
585 there are outstanding bonds issued for seawall or road protection
586 purposes issued under the provisions of Chapter 319, Laws of 1924,
587 and amendments thereto; the amount of said gasoline, diesel fuel
588 or kerosene excise taxes designated in this section for the
589 payment of bonds and interest authorized and issued or to be
590 issued under the provisions of Chapter 130, Laws of 1938, and
591 subsequent acts authorizing the issuance of bonds payable from
592 gasoline, diesel fuel or kerosene tax revenue, shall, in such
593 counties, be considered as being paid "into the State Treasury to
594 the credit of the State Highway Fund" within the meaning of
595 Section 65-33-45 in computing the amount to be paid to such
596 counties under the provisions of said section, and this section
597 shall be administered in connection with Title 65, Chapter 33,
598 Mississippi Code of 1972, and Sections 65-33-45, 65-33-47 and
599 65-33-49 dealing with seawalls, as if made a part of this section.

600 (d) The proceeds of the Five and One-fourth Cents
601 (5.25¢) of the tax per gallon on oils used as a propellant for jet
602 aircraft engines, and Six and Four-tenths Cents (6.4¢) of the tax
603 per gallon on aviation gasoline and the tax of One Cent (1¢) per
604 gallon for each gallon of gasoline for which a refund has been
605 made pursuant to Section 27-55-23 because such gasoline was used
606 for aviation purposes, shall be paid to the State Treasury into a
607 special fund to be used exclusively, pursuant to legislative
608 appropriation, for the support and development of aeronautics as
609 defined in Section 61-1-3.

610 (e) State highway funds in an amount equal to the
611 difference between Forty-two Million Dollars (\$42,000,000.00) and
612 the annual debt service payable on the state's highway revenue
613 refunding bonds, Series 1985, shall be expended for the
614 construction or reconstruction of highways designated under the
615 highway program created under Section 65-3-97.

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

622 **SECTION 2.** This act shall take effect and be in force from
623 and after its passage.