

By: Representative Cummings

To: Transportation; Ways and Means

HOUSE BILL NO. 1161

1 AN ACT TO AMEND SECTION 27-5-101, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT A PORTION OF THE REVENUES DERIVED FROM MOTOR FUEL
3 TAXES AND ALLOCATED TO THE MISSISSIPPI DEPARTMENT OF
4 TRANSPORTATION SHALL BE DIVERTED FOR USE UNDER THE LOCAL SYSTEM
5 ROAD PROGRAM; TO AMEND SECTIONS 65-18-9 AND 65-18-11, MISSISSIPPI
6 CODE OF 1972, TO CREATE THE LOCAL SYSTEM ROAD FUND; TO AUTHORIZE
7 THE STATE ENGINEER TO ALLOCATE MONIES IN THE FUND TO EACH COUNTY
8 FOR CONSTRUCTING AND RECONSTRUCTING LOCAL SYSTEM ROADS; AND FOR
9 RELATED PURPOSES.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

243 (ii) Any amounts due counties in accordance with
244 Section 65-33-45 which have outstanding bonds issued for seawall
245 or road protection purposes, issued under provisions of Chapter
246 319, Laws of 1924, and amendments thereto;

247 (iii) Beginning August 15, 2006, and on or before
248 the fifteenth day of each month thereafter, the State Tax
249 Commission shall pay into the State Treasury for credit to the
250 Local System Road Fund created under Section 65-18-9(3), One
251 Million Five Hundred Thousand Dollars (\$1,500,000.00); and

252 (iv) Except as otherwise provided in Section
253 31-17-127, the remainder shall be paid by the State Tax Commission
254 to the State Treasurer on the fifteenth day of each month next
255 succeeding the month in which the gasoline, diesel fuel or
256 kerosene taxes were collected to the credit of the State Highway
257 Fund.

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

270 Nothing contained in this section shall be construed to
271 reduce the amount of such gasoline, diesel fuel or kerosene excise
272 taxes levied by the state, allotted under the provisions of Title
273 65, Chapter 33, Mississippi Code of 1972, to counties in which
274 there are outstanding bonds issued for seawall or road protection
275 purposes issued under the provisions of Chapter 319, Laws of 1924,
276 and amendments thereto; the amount of said gasoline, diesel fuel
277 or kerosene excise taxes designated in this section for the
278 payment of bonds and interest authorized and issued or to be
279 issued under the provisions of Chapter 130, Laws of 1938, and
280 subsequent acts authorizing the issuance of bonds payable from
281 gasoline, diesel fuel or kerosene tax revenue, shall, in such
282 counties, be considered as being paid "into the State Treasury to
283 the credit of the State Highway Fund" within the meaning of
284 Section 65-33-45 in computing the amount to be paid to such
285 counties under the provisions of said section, and this section
286 shall be administered in connection with Title 65, Chapter 33,
287 Mississippi Code of 1972, and Sections 65-33-45, 65-33-47 and
288 65-33-49 dealing with seawalls, as if made a part of this section.

289 (d) The proceeds of the Five and One-fourth Cents
290 (5.25¢) of the tax per gallon on oils used as a propellant for jet

291 aircraft engines, and Six and Four-tenths Cents (6.4¢) of the tax
292 per gallon on aviation gasoline and the tax of One Cent (1¢) per
293 gallon for each gallon of gasoline for which a refund has been
294 made pursuant to Section 27-55-23 because such gasoline was used
295 for aviation purposes, shall be paid to the State Treasury into a
296 special fund to be used exclusively, pursuant to legislative
297 appropriation, for the support and development of aeronautics as
298 defined in Section 61-1-3.

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

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

311 **[With regard to any county which is required to operate on a**
312 **countywide system of road administration as described in Section**
313 **19-2-3, this section shall read as follows:]**

314 27-5-101. Unless otherwise provided in this section, on or
315 before the fifteenth day of each month, all gasoline, diesel fuel
316 or kerosene taxes which are levied under the laws of this state
317 and collected during the previous month shall be paid and
318 apportioned by the State Tax Commission as follows:

319 (a) (i) Except as otherwise provided in Section
320 31-17-127, from the gross amount of gasoline, diesel fuel or
321 kerosene taxes produced by the state, there shall be deducted an
322 amount equal to one-sixth (1/6) of principal and interest
323 certified by the State Treasurer to the State Tax Commission to be

324 due on the next semiannual bond and interest payment date, as
325 required under the provisions of Chapter 130, Laws of 1938, and
326 subsequent acts authorizing the issuance of bonds payable from
327 gasoline, diesel fuel or kerosene tax revenue on a parity with the
328 bonds issued under authority of said Chapter 130. The State
329 Treasurer shall certify to the State Tax Commission on or before
330 the fifteenth day of each month the amount to be paid to the
331 "Highway Bonds Sinking Fund" as provided by said Chapter 130, Laws
332 of 1938, and subsequent acts authorizing the issuance of bonds
333 payable from gasoline, diesel fuel or kerosene tax revenue, on a
334 parity with the bonds issued under authority of said Chapter 130;
335 and the State Tax Commission shall, on or before the twenty-fifth
336 day of each month, pay into the State Treasury for credit to the
337 "Highway Bonds Sinking Fund" the amount so certified to him by the
338 State Treasurer due to be paid into such fund each month. The
339 payments to the "Highway Bonds Sinking Fund" shall be made out of
340 gross gasoline, diesel fuel or kerosene tax collections before
341 deductions of any nature are considered; however, such payments
342 shall be deducted from the allocation to the Transportation
343 Department under paragraph (c) of this section.

344 (ii) From collections derived from the portion of
345 the gasoline excise tax that exceeds Seven Cents (7¢) per gallon,
346 from the portion of the tax on aviation gas under Section 27-55-11
347 that exceeds Six and Four-tenths Cents (6.4¢) per gallon, from the
348 portion of the special fuel tax levied under Sections 27-55-519
349 and 27-55-521, at Eighteen Cents (18¢) per gallon that exceeds Ten
350 Cents (10¢) per gallon, from the portion of the taxes levied under
351 Section 27-55-519, at Five and Three-fourths Cents (5.75¢) per
352 gallon that exceeds One Cent (1¢) per gallon on special fuel and
353 Five and One-fourth Cents (5.25¢) per gallon on special fuel used
354 as aircraft fuel, from the portion of the excise tax on compressed
355 gas used as a motor fuel that exceeds the rate of tax in effect on
356 June 30, 1987, and from the portion of the gasoline excise tax in

357 excess of Seven Cents (7¢) per gallon and the diesel excise tax in
358 excess of Ten Cents (10¢) per gallon under Section 27-61-5 there
359 shall be deducted:

360 1. An amount as provided in Section
361 27-65-75(4) to the credit of a special fund designated as the
362 "Office of State Aid Road Construction."

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

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

372 (b) Subject to the provisions that said basis of
373 distribution shall in nowise affect adversely the amount
374 specifically pledged in paragraph (a) of this section to be paid
375 into the "Highway Bonds Sinking Fund," the following shall be
376 deducted from the amount produced by the state tax on gasoline,
377 diesel fuel or kerosene tax collections, excluding collections
378 derived from the portion of the gasoline excise tax that exceeds
379 Seven Cents (7¢) per gallon, from the portion of the tax on
380 aviation gas under Section 27-55-11 that exceeds Six and
381 Four-tenths Cents (6.4¢) per gallon, from the portion of the
382 special fuel tax levied under Sections 27-55-519 and 27-55-521, at
383 Eighteen Cents (18¢) per gallon, that exceeds Ten Cents (10¢) per
384 gallon, from the portion of the taxes levied under Section
385 27-55-519, at Five and Three-fourths Cents (5.75¢) that exceeds
386 One Cent (1¢) per gallon on special fuel and Five and One-fourth
387 Cents (5.25¢) per gallon on special fuel used as aircraft fuel,
388 from the portion of the excise tax on compressed gas used as a
389 motor fuel that exceeds the rate of tax in effect on June 30,

390 1987, and from the portion of the gasoline excise tax in excess of
391 Seven Cents (7¢) per gallon and the diesel excise tax in excess of
392 Ten Cents (10¢) per gallon under Section 27-61-5:

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

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

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

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

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

411 (vi) The remainder shall be divided on a basis of
412 nine-fourteenths (9/14) and five-fourteenths (5/14) (being the
413 same basis as Four and One-half Cents (4-1/2¢) and Two and
414 One-half Cents (2-1/2¢) is to Seven Cents (7¢) on gasoline, and
415 six and forty-three one-hundredths (6.43) and three and
416 fifty-seven one-hundredths (3.57) is to Ten Cents (10¢) on diesel
417 fuel or kerosene). The amount produced by the nine-fourteenths
418 (9/14) division shall be allocated to the Transportation
419 Department and paid into the State Treasury as provided in this
420 section and in Section 27-5-103 and the five-fourteenths (5/14)
421 division shall be returned to the counties of the state on the
422 following basis:

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

430 2. If after payments in 1 above, any county
431 has not received a total of One Hundred Ninety Thousand Dollars
432 (\$190,000.00) at the end of the fiscal year ending June 30, 1961,
433 and each fiscal year thereafter, then any available funds not
434 distributed under 1 above shall be used to bring such county or
435 counties up to One Hundred Ninety Thousand Dollars (\$190,000.00)
436 or such funds shall be divided equally among such counties not
437 reaching One Hundred Ninety Thousand Dollars (\$190,000.00) if
438 there is not sufficient money to bring all the counties to said
439 One Hundred Ninety Thousand Dollars (\$190,000.00).

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

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

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

453 One-third (1/3) of such excess to be paid
454 to the counties in the proportion which the population of each

455 county bears to the total population of the state according to the
456 last federal census;

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

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

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

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

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

485 In any county having such road or bridge bonds outstanding
486 which exceed, in the aggregate, five percent (5%) of the assessed
487 valuation of the taxable property of the county, but which do not

488 exceed, in the aggregate, eight percent (8%) of the assessed
489 valuation of the taxable property of the county, it shall be the
490 duty of the board of supervisors to set aside not less than twenty
491 percent (20%) of such county's share of the gasoline, diesel fuel
492 or kerosene taxes to be used in paying the principal and interest
493 of such road and bridge bonds as they mature.

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

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

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

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

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

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

523 (c) From the amount produced by the nine-fourteenths
524 (9/14) division allocated to the Transportation Department, there
525 shall be deducted:

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

528 (ii) Any amounts due counties in accordance with
529 Section 65-33-45 which have outstanding bonds issued for seawall
530 or road protection purposes, issued under provisions of Chapter
531 319, Laws of 1924, and amendments thereto; * * *

532 (iii) Beginning August 15, 2006, and on or before
533 the fifteenth day of each month thereafter, the State Tax
534 Commission shall pay into the State Treasury for credit to the
535 Local System Road Fund created under Section 65-18-9(3), One
536 Million Five Hundred Thousand Dollars (\$1,500,000.00); and

537 (iv) Except as otherwise provided in Section
538 31-17-127, the remainder shall be paid by the State Tax Commission
539 to the State Treasurer on the fifteenth day of each month next
540 succeeding the month in which the gasoline, diesel fuel or
541 kerosene taxes were collected to the credit of the State Highway
542 Fund.

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

554 Nothing contained in this section shall be construed to
555 reduce the amount of such gasoline, diesel fuel or kerosene excise
556 taxes levied by the state, allotted under the provisions of Title
557 65, Chapter 33, Mississippi Code of 1972, to counties in which
558 there are outstanding bonds issued for seawall or road protection
559 purposes issued under the provisions of Chapter 319, Laws of 1924,
560 and amendments thereto; the amount of said gasoline, diesel fuel
561 or kerosene excise taxes designated in this section for the
562 payment of bonds and interest authorized and issued or to be
563 issued under the provisions of Chapter 130, Laws of 1938, and
564 subsequent acts authorizing the issuance of bonds payable from
565 gasoline, diesel fuel or kerosene tax revenue, shall, in such
566 counties, be considered as being paid "into the State Treasury to
567 the credit of the State Highway Fund" within the meaning of
568 Section 65-33-45 in computing the amount to be paid to such
569 counties under the provisions of said section, and this section
570 shall be administered in connection with Title 65, Chapter 33,
571 Mississippi Code of 1972, and Sections 65-33-45, 65-33-47 and
572 65-33-49 dealing with seawalls, as if made a part of this section.

573 (d) The proceeds of the Five and One-fourth Cents
574 (5.25¢) of the tax per gallon on oils used as a propellant for jet
575 aircraft engines, and Six and Four-tenths Cents (6.4¢) of the tax
576 per gallon on aviation gasoline and the tax of One Cent (1¢) per
577 gallon for each gallon of gasoline for which a refund has been
578 made pursuant to Section 27-55-23 because such gasoline was used
579 for aviation purposes, shall be paid to the State Treasury into a
580 special fund to be used exclusively, pursuant to legislative
581 appropriation, for the support and development of aeronautics as
582 defined in Section 61-1-3.

583 (e) State highway funds in an amount equal to the
584 difference between Forty-two Million Dollars (\$42,000,000.00) and
585 the annual debt service payable on the state's highway revenue
586 refunding bonds, Series 1985, shall be expended for the

587 construction or reconstruction of highways designated under the
588 highway program created under Section 65-3-97.

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

595 **SECTION 2.** Section 65-18-9, Mississippi Code of 1972, is
596 amended as follows:

597 65-18-9. (1) The State Aid Engineer shall allocate annually
598 the amount of the state aid road allocation of a county that is
599 requested by such county for use in the construction,
600 reconstruction and paving of local system roads in the county if
601 the county has met the requirements of this chapter; provided,
602 however, that the State Aid Engineer shall not allocate more than
603 twenty-five percent (25%) of the annual state aid road allocation
604 of a county for such purposes.

605 (2) The State Aid Engineer shall allocate annually the
606 amount of the Local System Bridge Replacement and Rehabilitation
607 Program allocation of a county that is requested by such county
608 for use in the construction, reconstruction and paving of local
609 system roads in the county if:

610 (a) The State Aid Engineer has certified, pursuant to
611 Section 65-37-7, that all the local system bridges within the
612 county have a sufficiency rating of greater than fifty (50) or
613 that all such bridges within the county with a sufficiency rating
614 of fifty (50) or less are currently under contract for replacement
615 or rehabilitation; and

616 (b) The county has met the requirements of this
617 chapter.

618 (3) There is created in the State Treasury a special fund to
619 be designated as the "Local System Road Fund." The fund shall

620 consist of the monies directed to be deposited into the fund under
621 Section 27-5-101(c)(iii), and such other monies as the Legislature
622 may designate for deposit into the fund. The State Aid Engineer
623 shall allocate annually to each county monies in the fund
624 according to the state aid road formula under Section 27-65-75(4).
625 Monies allocated to a county under this subsection may be used by
626 a county in the construction, reconstruction and paving of local
627 system roads in the county if the county meets the requirements of
628 this chapter.

629 (4) The State Aid Engineer shall establish specific designs
630 and standards to be followed by such counties in the construction,
631 reconstruction and paving of local system roads. The specific
632 designs and standards shall be based upon policies on geometric
633 design of local rural roads, highways and streets adopted and
634 published by the American Association of State Highway and
635 Transportation Officials.

636 **SECTION 3.** Section 65-18-11, Mississippi Code of 1972, is
637 amended as follows:

638 65-18-11. (1) In order for a county to be eligible to
639 utilize its Local System Bridge Replacement and Rehabilitation
640 Program allocation, any of its state aid road funds, or any of
641 the monies allocated to it from the Local System Road Fund, for
642 the Local System Road Program, a county must meet the following
643 conditions:

644 (a) The county has employed a county engineer, together
645 with such other technical assistance as is necessary to carry out
646 the duties of this chapter, the same as provided under the
647 provisions of Section 65-9-15, for its state aid road system and,
648 through its official minutes, has authorized the county engineer
649 to perform the necessary engineering services connected with the
650 Local System Road Program. The county engineer shall prepare the
651 necessary plans and designs for all construction projects,
652 including state aid projects and projects provided under this

653 chapter. He also shall provide engineering supervision for the
654 construction of such projects and shall approve all estimate
655 payments made on the projects. Engineering cost for any project
656 performed under the Local System Road Program may be paid from any
657 funds allocated to a county under the program; however, the
658 maximum fee paid to an engineer shall not exceed twelve percent
659 (12%) of the final construction cost. No such cost shall be
660 reimbursed to the county before the letting of the project; and

661 (b) The county has presented a plan for the
662 construction, reconstruction and paving of a local system road
663 which plan has been made and approved by the county engineer of
664 the county, showing the specific road or project to be improved,
665 stating the condition of the existing roadbed, drainage and
666 bridges and outlining the type of construction or reconstruction
667 to be made and the designs and specifications therefor, including
668 the paving of the road and the sources of revenue to be used and
669 the sources and types of material to be used thereon. The plan
670 shall be presented to the State Aid Engineer for the initial
671 approval of the beginning of a project to receive monies.

672 (2) After the initial approval of the plan and plans as
673 specified in subsection (1)(b) of this section has been made by
674 the State Aid Engineer, the county shall be eligible to receive
675 all funds made available to the county under the Local System Road
676 Program to be used exclusively for the construction,
677 reconstruction or paving of the local system road. The project
678 may be done either by contract or by using county equipment and
679 employees. It shall be according to the original plan or any
680 amendments thereto which have been approved by the State Aid
681 Engineer. The board may use county equipment and employees if the
682 construction can be accomplished at a more reasonable cost than
683 can be achieved by contract.

684 **SECTION 4.** This act shall take effect and be in force from
685 and after July 1, 2006.