

By: Representative Ward

To: Transportation; Ways and
Means

HOUSE BILL NO. 495

1 AN ACT TO AMEND SECTION 27-55-11, MISSISSIPPI CODE OF 1972,
2 TO INCREASE THE GASOLINE EXCISE TAX BY FOUR CENTS PER GALLON; TO
3 AMEND SECTION 27-5-101, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT
4 THE PROCEEDS OF SUCH TAX INCREASE SHALL BE DEPOSITED INTO A
5 SPECIAL ACCOUNT WITHIN THE STATE HIGHWAY FUND AND EXPENDED BY THE
6 MISSISSIPPI DEPARTMENT OF TRANSPORTATION SOLELY FOR THE
7 CONSTRUCTION AND RECONSTRUCTION OF FOUR LANES OF TRAFFIC FOR
8 MISSISSIPPI HIGHWAY 15; AND FOR RELATED PURPOSES.

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

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

12 27-55-11. Any person in business as a distributor of
13 gasoline or who acts as a distributor of gasoline, as defined in
14 this article, shall pay for the privilege of engaging in such
15 business or acting as such distributor an excise tax equal to
16 Twenty-two Cents (22¢) per gallon until the date specified in
17 Section 65-39-35, and Eighteen and Four-tenths Cents (18.4¢) per
18 gallon thereafter, on all gasoline and blend stock stored, sold,
19 distributed, manufactured, refined, distilled, blended or
20 compounded in this state or received in this state for sale, use
21 on the highways, storage, distribution, or for any purpose.

22 Any person in business as a distributor of aviation gasoline,
23 or who acts as a distributor of aviation gasoline, shall pay for
24 the privilege of engaging in such business or acting as such
25 distributor an excise tax equal to Six and Four-tenths Cents
26 (6.4¢) per gallon on all aviation gasoline stored, sold,
27 distributed, manufactured, refined, distilled, blended or
28 compounded in this state or received in this state for sale,
29 storage, distribution or for any purpose.

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

32 The tax herein imposed and assessed shall be collected and
33 paid to the State of Mississippi but once in respect to any
34 gasoline. The basis for determining the tax liability shall be
35 the correct invoiced gallons, adjusted to sixty (60) degrees
36 Fahrenheit at the refinery or point of origin of shipment when
37 such shipment is made by tank car or by motor carrier. The point
38 of origin of shipment of gasoline transported into this state by
39 pipelines shall be deemed to be that point in this state where
40 such gasoline is withdrawn from the pipeline for storage or
41 distribution, and adjustment to sixty (60) degrees Fahrenheit
42 shall there be made. The basis for determining the tax liability
43 on gasoline shipped into this state in barge cargoes and by
44 pipeline shall be the actual number of gallons adjusted to sixty
45 (60) degrees Fahrenheit unloaded into storage tanks or other
46 containers in this state, such gallonage to be determined by
47 measurement and/or gauge of storage tank or tanks or by any other
48 method authorized by the commission. The tank or tanks into which
49 barge cargoes of gasoline are discharged, or into which gasoline
50 transported by pipeline is discharged, shall have correct gauge
51 tables listing capacity, such gauge tables to be prepared by some
52 recognized calibrating agency and to be approved by the
53 commission.

54 The tax levied herein shall accrue at the time gasoline is
55 withdrawn from a refinery in this state except when withdrawal is
56 by pipeline, barge, ship or vessel. The refiner shall pay to the
57 commission the tax levied herein when gasoline is sold or
58 delivered to persons who do not hold gasoline distributor permits.
59 The refiner shall report to the commission all sales and
60 deliveries of gasoline to bonded distributors of gasoline. The
61 bonded distributor of gasoline who purchases, receives or acquires

62 gasoline from a refinery in this state shall report such gasoline
63 and pay the tax levied herein.

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

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

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

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

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

87 27-5-101. Unless otherwise provided in this section, on or
88 before the fifteenth day of each month, all gasoline, diesel fuel
89 or kerosene taxes which are levied under the laws of this state
90 and collected during the previous month shall be paid and
91 apportioned by the State Tax Commission as follows:

92 (a) (i) Except as otherwise provided in Section
93 31-17-127, from the gross amount of gasoline, diesel fuel or
94 kerosene taxes produced by the state, there shall be deducted an

95 amount equal to one-sixth (1/6) of principal and interest
96 certified by the State Treasurer to the State Tax Commission to be
97 due on the next semiannual bond and interest payment date, as
98 required under the provisions of Chapter 130, Laws of 1938, and
99 subsequent acts authorizing the issuance of bonds payable from
100 gasoline, diesel fuel or kerosene tax revenue on a parity with the
101 bonds issued under authority of said Chapter 130. The State
102 Treasurer shall certify to the State Tax Commission on or before
103 the fifteenth day of each month the amount to be paid to the
104 "Highway Bonds Sinking Fund" as provided by said Chapter 130, Laws
105 of 1938, and subsequent acts authorizing the issuance of bonds
106 payable from gasoline, diesel fuel or kerosene tax revenue, on a
107 parity with the bonds issued under authority of said Chapter 130;
108 and the State Tax Commission shall, on or before the twenty-fifth
109 day of each month, pay into the State Treasury for credit to the
110 "Highway Bonds Sinking Fund" the amount so certified to him by the
111 State Treasurer due to be paid into such fund each month. The
112 payments to the "Highway Bonds Sinking Fund" shall be made out of
113 gross gasoline, diesel fuel or kerosene tax collections before
114 deductions of any nature are considered; however, such payments
115 shall be deducted from the allocation to the Mississippi
116 Department of Transportation under paragraph (c) of this section.

117 (ii) From collections derived from the portion of
118 the gasoline excise tax that exceeds Seven Cents (7¢) per gallon,
119 from the portion of the tax on aviation gas under Section 27-55-11
120 that exceeds Six and Four-tenths Cents (6.4¢) per gallon, from the
121 portion of the special fuel tax levied under Sections 27-55-519
122 and 27-55-521, at Eighteen Cents (18¢) per gallon that exceeds Ten
123 Cents (10¢) per gallon, from the portion of the taxes levied under
124 Section 27-55-519, at Five and Three-fourths Cents (5.75¢) per
125 gallon that exceeds One Cent (1¢) per gallon on special fuel and
126 Five and One-fourth Cents (5.25¢) per gallon on special fuel used
127 as aircraft fuel, from the portion of the excise tax on compressed

128 gas used as a motor fuel that exceeds the rate of tax in effect on
129 June 30, 1987, and from the portion of the gasoline excise tax in
130 excess of Seven Cents (7¢) per gallon and the diesel excise tax in
131 excess of Ten Cents (10¢) per gallon under Section 27-61-5 there
132 shall be deducted:

133 1. An amount as provided in Section
134 27-65-75(4) to the credit of a special fund designated as the
135 "Office of State Aid Road Construction."

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

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

145 (b) Subject to the provisions that said basis of
146 distribution shall in nowise affect adversely the amount
147 specifically pledged in paragraph (a) of this section to be paid
148 into the "Highway Bonds Sinking Fund," the following shall be
149 deducted from the amount produced by the state tax on gasoline,
150 diesel fuel or kerosene tax collections, excluding collections
151 derived from the portion of the gasoline excise tax that exceeds
152 Seven Cents (7¢) per gallon, from the portion of the tax on
153 aviation gas under Section 27-55-11 that exceeds Six and
154 Four-tenths Cents (6.4¢) per gallon, from the portion of the
155 special fuel tax levied under Sections 27-55-519 and 27-55-521, at
156 Eighteen Cents (18¢) per gallon that exceeds Ten Cents (10¢) per
157 gallon, from the portion of the taxes levied under Section
158 27-55-519, at Five and Three-fourths Cents (5.75¢) per gallon that
159 exceeds One Cent (1¢) per gallon on special fuel and Five and
160 One-fourth Cents (5.25¢) per gallon on special fuel used as

161 aircraft fuel, from the portion of the excise tax on compressed
162 gas used as a motor fuel that exceeds the rate of tax in effect on
163 June 30, 1987, and from the portion of the gasoline excise tax in
164 excess of Seven Cents (7¢) per gallon and the diesel excise tax in
165 excess of Ten Cents (10¢) per gallon under Section 27-61-5:

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

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

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

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

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

184 (vi) The remainder shall be divided on a basis of
185 nine-fourteenths (9/14) and five-fourteenths (5/14) (being the
186 same basis as Four and One-half Cents (4-1/2¢) and Two and
187 One-half Cents (2-1/2¢) is to Seven Cents (7¢) on gasoline, and
188 six and forty-three one-hundredths (6.43) and three and
189 fifty-seven one-hundredths (3.57) is to Ten Cents (10¢) on diesel
190 fuel or kerosene). The amount produced by the nine-fourteenths
191 (9/14) division shall be allocated to the Transportation
192 Department and paid into the State Treasury as provided in this
193 section and in Section 27-5-103 and the five-fourteenths (5/14)

194 division shall be returned to the counties of the state on the
195 following basis:

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

203 2. If after payments in 1 above, any county
204 has not received a total of One Hundred Ninety Thousand Dollars
205 (\$190,000.00) at the end of the fiscal year ending June 30, 1961,
206 and each fiscal year thereafter, then any available funds not
207 distributed under 1 above shall be used to bring such county or
208 counties up to One Hundred Ninety Thousand Dollars (\$190,000.00)
209 or such funds shall be divided equally among such counties not
210 reaching One Hundred Ninety Thousand Dollars (\$190,000.00) if
211 there is not sufficient money to bring all the counties to said
212 One Hundred Ninety Thousand Dollars (\$190,000.00).

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

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

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

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

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

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

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

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

251 In any county having such countywide road or bridge bonds or
252 district road or bridge bonds outstanding which exceed, in the
253 aggregate, eight percent (8%) of the assessed valuation of the
254 taxable property of the county, but which do not exceed, in the
255 aggregate, twelve percent (12%) of the assessed valuation of the
256 taxable property of the county, it shall be the duty of the board
257 of supervisors to set aside not less than thirty-five percent
258 (35%) of such county's share of the gasoline, diesel fuel or

259 kerosene taxes to be used in paying the principal and interest of
260 such road or bridge bonds as they mature.

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

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

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

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

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

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

310 (c) From the amount produced by the nine-fourteenths
311 (9/14) division allocated to the Transportation Department, there
312 shall be deducted:

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

315 (ii) Any amounts due counties in accordance with
316 Section 65-33-45 which have outstanding bonds issued for seawall
317 or road protection purposes, issued under provisions of Chapter
318 319, Laws of 1924, and amendments thereto;

319 (iii) Except as otherwise provided in Section
320 31-17-127, the remainder shall be paid by the State Tax Commission
321 to the State Treasurer on the fifteenth day of each month next
322 succeeding the month in which the gasoline, diesel fuel or

323 kerosene taxes were collected to the credit of the State Highway
324 Fund.

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

337 Nothing contained in this section shall be construed to
338 reduce the amount of such gasoline, diesel fuel or kerosene excise
339 taxes levied by the state, allotted under the provisions of Title
340 65, Chapter 33, Mississippi Code of 1972, to counties in which
341 there are outstanding bonds issued for seawall or road protection
342 purposes issued under the provisions of Chapter 319, Laws of 1924,
343 and amendments thereto; the amount of said gasoline, diesel fuel
344 or kerosene excise taxes designated in this section for the
345 payment of bonds and interest authorized and issued or to be
346 issued under the provisions of Chapter 130, Laws of 1938, and
347 subsequent acts authorizing the issuance of bonds payable from
348 gasoline, diesel fuel or kerosene tax revenue, shall, in such
349 counties, be considered as being paid "into the State Treasury to
350 the credit of the State Highway Fund" within the meaning of
351 Section 65-33-45 in computing the amount to be paid to such
352 counties under the provisions of said section, and this section
353 shall be administered in connection with Title 65, Chapter 33,
354 Mississippi Code of 1972, and Sections 65-33-45, 65-33-47 and
355 65-33-49 dealing with seawalls, as if made a part of this section.

356 (d) The proceeds of the Five and One-fourth Cents
357 (5.25¢) of the tax per gallon on oils used as a propellant for jet
358 aircraft engines, and Six and Four-tenths Cents (6.4¢) of the tax
359 per gallon on aviation gasoline and the tax of One Cent (1¢) per
360 gallon for each gallon of gasoline for which a refund has been
361 made pursuant to Section 27-55-23 because such gasoline was used
362 for aviation purposes, shall be paid to the State Treasury into a
363 special fund to be used exclusively, pursuant to legislative
364 appropriation, for the support and development of aeronautics as
365 defined in Section 61-1-3.

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

372 (f) Beginning August 15, 2007, and on or before the
373 fifteenth day of each month thereafter, the proceeds of Four Cents
374 (4¢) per gallon of the tax on gasoline levied under Section
375 27-55-11 shall be deposited into a special account within the
376 State Highway Fund. Monies in the special account shall be
377 expended by the Mississippi Department of Transportation solely
378 for the construction and reconstruction of four (4) lanes, that
379 is, not less than two (2) lanes for traffic flowing in each
380 direction, along Mississippi Highway 15 as described under Section
381 65-3-97(4).

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

388 **[With regard to any county which is required to operate on a**
389 **countywide system of road administration as described in Section**
390 **19-2-3, this section shall read as follows:]**

391 27-5-101. Unless otherwise provided in this section, on or
392 before the fifteenth day of each month, all gasoline, diesel fuel
393 or kerosene taxes which are levied under the laws of this state
394 and collected during the previous month shall be paid and
395 apportioned by the State Tax Commission as follows:

396 (a) (i) Except as otherwise provided in Section
397 31-17-127, from the gross amount of gasoline, diesel fuel or
398 kerosene taxes produced by the state, there shall be deducted an
399 amount equal to one-sixth (1/6) of principal and interest
400 certified by the State Treasurer to the State Tax Commission to be
401 due on the next semiannual bond and interest payment date, as
402 required under the provisions of Chapter 130, Laws of 1938, and
403 subsequent acts authorizing the issuance of bonds payable from
404 gasoline, diesel fuel or kerosene tax revenue on a parity with the
405 bonds issued under authority of said Chapter 130. The State
406 Treasurer shall certify to the State Tax Commission on or before
407 the fifteenth day of each month the amount to be paid to the
408 "Highway Bonds Sinking Fund" as provided by said Chapter 130, Laws
409 of 1938, and subsequent acts authorizing the issuance of bonds
410 payable from gasoline, diesel fuel or kerosene tax revenue, on a
411 parity with the bonds issued under authority of said Chapter 130;
412 and the State Tax Commission shall, on or before the twenty-fifth
413 day of each month, pay into the State Treasury for credit to the
414 "Highway Bonds Sinking Fund" the amount so certified to him by the
415 State Treasurer due to be paid into such fund each month. The
416 payments to the "Highway Bonds Sinking Fund" shall be made out of
417 gross gasoline, diesel fuel or kerosene tax collections before
418 deductions of any nature are considered; however, such payments
419 shall be deducted from the allocation to the Transportation
420 Department under paragraph (c) of this section.

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

437 1. An amount as provided in Section
438 27-65-75(4) to the credit of a special fund designated as the
439 "Office of State Aid Road Construction."

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

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

449 (b) Subject to the provisions that said basis of
450 distribution shall in nowise affect adversely the amount
451 specifically pledged in paragraph (a) of this section to be paid
452 into the "Highway Bonds Sinking Fund," the following shall be
453 deducted from the amount produced by the state tax on gasoline,

454 diesel fuel or kerosene tax collections, excluding collections
455 derived from the portion of the gasoline excise tax that exceeds
456 Seven Cents (7¢) per gallon, from the portion of the tax on
457 aviation gas under Section 27-55-11 that exceeds Six and
458 Four-tenths Cents (6.4¢) per gallon, from the portion of the
459 special fuel tax levied under Sections 27-55-519 and 27-55-521, at
460 Eighteen Cents (18¢) per gallon, that exceeds Ten Cents (10¢) per
461 gallon, from the portion of the taxes levied under Section
462 27-55-519, at Five and Three-fourths Cents (5.75¢) that exceeds
463 One Cent (1¢) per gallon on special fuel and Five and One-fourth
464 Cents (5.25¢) per gallon on special fuel used as aircraft fuel,
465 from the portion of the excise tax on compressed gas used as a
466 motor fuel that exceeds the rate of tax in effect on June 30,
467 1987, and from the portion of the gasoline excise tax in excess of
468 Seven Cents (7¢) per gallon and the diesel excise tax in excess of
469 Ten Cents (10¢) per gallon under Section 27-61-5:

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

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

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

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

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

488 (vi) The remainder shall be divided on a basis of
489 nine-fourteenths (9/14) and five-fourteenths (5/14) (being the
490 same basis as Four and One-half Cents (4-1/2¢) and Two and
491 One-half Cents (2-1/2¢) is to Seven Cents (7¢) on gasoline, and
492 six and forty-three one-hundredths (6.43) and three and
493 fifty-seven one-hundredths (3.57) is to Ten Cents (10¢) on diesel
494 fuel or kerosene). The amount produced by the nine-fourteenths
495 (9/14) division shall be allocated to the Transportation
496 Department and paid into the State Treasury as provided in this
497 section and in Section 27-5-103 and the five-fourteenths (5/14)
498 division shall be returned to the counties of the state on the
499 following basis:

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

507 2. If after payments in 1 above, any county
508 has not received a total of One Hundred Ninety Thousand Dollars
509 (\$190,000.00) at the end of the fiscal year ending June 30, 1961,
510 and each fiscal year thereafter, then any available funds not
511 distributed under 1 above shall be used to bring such county or
512 counties up to One Hundred Ninety Thousand Dollars (\$190,000.00)
513 or such funds shall be divided equally among such counties not
514 reaching One Hundred Ninety Thousand Dollars (\$190,000.00) if
515 there is not sufficient money to bring all the counties to said
516 One Hundred Ninety Thousand Dollars (\$190,000.00).

517 3. When a county has been paid an amount
518 equal to the total which was paid to the same county during the

519 fiscal year ended April 9, 1960, such county shall receive no
520 further payments during the then current fiscal year until the
521 last month of such current fiscal year, at which time distribution
522 will be made under 2 above, except as set out in 4 below.

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

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

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

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

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

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

546 In any county having road or bridge bonds outstanding which
547 exceed, in the aggregate, twelve percent (12%) of the assessed
548 valuation of the taxable property of the county, it shall be the
549 duty of the board of supervisors to set aside not less than sixty
550 percent (60%) of such county's share of the gasoline, diesel fuel

551 or kerosene taxes to be used in paying the principal and interest
552 on such road or bridge bonds as they mature.

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

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

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

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

583 or bridge bonds, if there be any such road or bridge bonds
584 outstanding.

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

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

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

600 (c) From the amount produced by the nine-fourteenths
601 (9/14) division allocated to the Transportation Department, there
602 shall be deducted:

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

605 (ii) Any amounts due counties in accordance with
606 Section 65-33-45 which have outstanding bonds issued for seawall
607 or road protection purposes, issued under provisions of Chapter
608 319, Laws of 1924, and amendments thereto; and

609 (iii) Except as otherwise provided in Section
610 31-17-127, the remainder shall be paid by the State Tax Commission
611 to the State Treasurer on the fifteenth day of each month next
612 succeeding the month in which the gasoline, diesel fuel or
613 kerosene taxes were collected to the credit of the State Highway
614 Fund.

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

626 Nothing contained in this section shall be construed to
627 reduce the amount of such gasoline, diesel fuel or kerosene excise
628 taxes levied by the state, allotted under the provisions of Title
629 65, Chapter 33, Mississippi Code of 1972, to counties in which
630 there are outstanding bonds issued for seawall or road protection
631 purposes issued under the provisions of Chapter 319, Laws of 1924,
632 and amendments thereto; the amount of said gasoline, diesel fuel
633 or kerosene excise taxes designated in this section for the
634 payment of bonds and interest authorized and issued or to be
635 issued under the provisions of Chapter 130, Laws of 1938, and
636 subsequent acts authorizing the issuance of bonds payable from
637 gasoline, diesel fuel or kerosene tax revenue, shall, in such
638 counties, be considered as being paid "into the State Treasury to
639 the credit of the State Highway Fund" within the meaning of
640 Section 65-33-45 in computing the amount to be paid to such
641 counties under the provisions of said section, and this section
642 shall be administered in connection with Title 65, Chapter 33,
643 Mississippi Code of 1972, and Sections 65-33-45, 65-33-47 and
644 65-33-49 dealing with seawalls, as if made a part of this section.

645 (d) The proceeds of the Five and One-fourth Cents
646 (5.25¢) of the tax per gallon on oils used as a propellant for jet
647 aircraft engines, and Six and Four-tenths Cents (6.4¢) of the tax

648 per gallon on aviation gasoline and the tax of One Cent (1¢) per
649 gallon for each gallon of gasoline for which a refund has been
650 made pursuant to Section 27-55-23 because such gasoline was used
651 for aviation purposes, shall be paid to the State Treasury into a
652 special fund to be used exclusively, pursuant to legislative
653 appropriation, for the support and development of aeronautics as
654 defined in Section 61-1-3.

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

661 (f) Beginning August 15, 2007, and on or before the
662 fifteenth day of each month thereafter, the proceeds of Four Cents
663 (4¢) per gallon of the tax on gasoline levied under Section
664 27-55-11 shall be deposited into a special account within the
665 State Highway Fund. Monies in the special account shall be
666 expended by the Mississippi Department of Transportation solely
667 for the construction and reconstruction of four (4) lanes, that
668 is, not less than two (2) lanes for traffic flowing in each
669 direction, along Mississippi Highway 15 as described under Section
670 65-3-97(4).

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

677 **SECTION 3.** This act shall take effect and be in force from
678 and after July 1, 2007.