

By: Representative Reeves

To: Ways and Means

HOUSE BILL NO. 1134

1 AN ACT TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT FROM THE PROCEEDS OF GASOLINE, DIESEL FUEL OR
3 KEROSENE TAXES, AN AMOUNT EQUAL TO 2% OF THE REVENUE FROM GASOLINE
4 AND DIESEL FUEL TAXES ON GASOLINE, DIESEL FUEL AND KEROSENE SOLD
5 WITHIN THE CITY OF JACKSON, MISSISSIPPI, SHALL BE ALLOCATED FOR
6 DISTRIBUTION TO THE CITY OF JACKSON AND PAID TO THE CITY; TO AMEND
7 SECTION 27-5-101, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO;
8 AND FOR RELATED PURPOSES.

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

10 **SECTION 1.** Section 27-65-75, Mississippi Code of 1972, is
11 amended as follows:

12 27-65-75. On or before the fifteenth day of each month, the
13 revenue collected under the provisions of this chapter during the
14 preceding month shall be paid and distributed as follows:

15 (1) (a) On or before August 15, 1992, and each succeeding
16 month thereafter through July 15, 1993, eighteen percent (18%) of
17 the total sales tax revenue collected during the preceding month
18 under the provisions of this chapter, except that collected under
19 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
20 business activities within a municipal corporation shall be
21 allocated for distribution to the municipality and paid to the
22 municipal corporation. On or before August 15, 1993, and each
23 succeeding month thereafter, eighteen and one-half percent
24 (18-1/2%) of the total sales tax revenue collected during the
25 preceding month under the provisions of this chapter, except that
26 collected under the provisions of Sections 27-65-15, 27-65-19(3)
27 and 27-65-21, on business activities within a municipal
28 corporation shall be allocated for distribution to the
29 municipality and paid to the municipal corporation.

30 A municipal corporation, for the purpose of distributing the
31 tax under this subsection, shall mean and include all incorporated
32 cities, towns and villages.

33 Monies allocated for distribution and credited to a municipal
34 corporation under this subsection may be pledged as security for a
35 loan if the distribution received by the municipal corporation is
36 otherwise authorized or required by law to be pledged as security
37 for such a loan.

38 In any county having a county seat that is not an
39 incorporated municipality, the distribution provided under this
40 subsection shall be made as though the county seat was an
41 incorporated municipality; however, the distribution to the
42 municipality shall be paid to the county treasury in which the
43 municipality is located, and those funds shall be used for road,
44 bridge and street construction or maintenance in the county.

45 (b) On or before August 15, 2006, and each succeeding
46 month thereafter, eighteen and one-half percent (18-1/2%) of the
47 total sales tax revenue collected during the preceding month under
48 the provisions of this chapter, except that collected under the
49 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
50 business activities on the campus of a state institution of higher
51 learning or community or junior college whose campus is not
52 located within the corporate limits of a municipality, shall be
53 allocated for distribution to the state institution of higher
54 learning or community or junior college and paid to the state
55 institution of higher learning or community or junior college.

56 (2) (a) On or before September 15, 1987, and each
57 succeeding month thereafter, from the revenue collected under this
58 chapter during the preceding month, One Million One Hundred
59 Twenty-five Thousand Dollars (\$1,125,000.00) shall be allocated
60 for distribution to municipal corporations as defined under
61 subsection (1) of this section in the proportion that the number
62 of gallons of gasoline and diesel fuel sold by distributors to

63 consumers and retailers in each such municipality during the
64 preceding fiscal year bears to the total gallons of gasoline and
65 diesel fuel sold by distributors to consumers and retailers in
66 municipalities statewide during the preceding fiscal year. The
67 State Tax Commission shall require all distributors of gasoline
68 and diesel fuel to report to the commission monthly the total
69 number of gallons of gasoline and diesel fuel sold by them to
70 consumers and retailers in each municipality during the preceding
71 month. The State Tax Commission shall have the authority to
72 promulgate such rules and regulations as is necessary to determine
73 the number of gallons of gasoline and diesel fuel sold by
74 distributors to consumers and retailers in each municipality. In
75 determining the percentage allocation of funds under this
76 subsection for the fiscal year beginning July 1, 1987, and ending
77 June 30, 1988, the State Tax Commission may consider gallons of
78 gasoline and diesel fuel sold for a period of less than one (1)
79 fiscal year. For the purposes of this subsection, the term
80 "fiscal year" means the fiscal year beginning July 1 of a year.

81 (b) On or before August 15, 2007, and each succeeding
82 month thereafter, from the proceeds of gasoline, diesel fuel or
83 kerosene taxes as provided for in Section 27-5-101(a)(ii)1, an
84 amount equal to two percent (2%) of the revenue from gasoline and
85 diesel fuel taxes on gasoline, diesel fuel and kerosene sold
86 within the City of Jackson, Mississippi, shall be allocated for
87 distribution to the City of Jackson and paid to the city. Money
88 allocated to the City of Jackson pursuant to this paragraph (b)
89 shall not be considered by the city as general fund revenue but
90 shall be dedicated to and expended solely for street construction
91 and repair and infrastructure maintenance and improvements. For
92 the purposes of this paragraph (b) the term "gasoline, diesel fuel
93 or kerosene taxes" means such taxes as defined in paragraph (f) of
94 Section 27-5-101. The payment to the City of Jackson under this
95 paragraph (b) is for the purpose of assisting the city defray the

96 ad valorem tax loss the city sustains as a result of the state
97 ownership of property described in Section 27-31-1(b) and for
98 defraying increased infrastructure costs the city incurs as a
99 result of being the seat of state government. The amount paid to
100 the City of Jackson under this paragraph (b) shall be in addition
101 to any other funds allocated for distribution to the city under
102 any other provision of this section.

103 (3) On or before September 15, 1987, and on or before the
104 fifteenth day of each succeeding month, until the date specified
105 in Section 65-39-35, the proceeds derived from contractors' taxes
106 levied under Section 27-65-21 on contracts for the construction or
107 reconstruction of highways designated under the highway program
108 created under Section 65-3-97 shall, except as otherwise provided
109 in Section 31-17-127, be deposited into the State Treasury to the
110 credit of the State Highway Fund to be used to fund that highway
111 program. The Mississippi Department of Transportation shall
112 provide to the State Tax Commission such information as is
113 necessary to determine the amount of proceeds to be distributed
114 under this subsection.

115 (4) On or before August 15, 1994, and on or before the
116 fifteenth day of each succeeding month through July 15, 1999, from
117 the proceeds of gasoline, diesel fuel or kerosene taxes as
118 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
119 (\$4,000,000.00) shall be deposited in the State Treasury to the
120 credit of a special fund designated as the "State Aid Road Fund,"
121 created by Section 65-9-17. On or before August 15, 1999, and on
122 or before the fifteenth day of each succeeding month, from the
123 total amount of the proceeds of gasoline, diesel fuel or kerosene
124 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
125 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
126 one-fourth percent (23-1/4%) of those funds, whichever is the
127 greater amount, shall be deposited in the State Treasury to the
128 credit of the "State Aid Road Fund," created by Section 65-9-17.

129 Those funds shall be pledged to pay the principal of and interest
130 on state aid road bonds heretofore issued under Sections 19-9-51
131 through 19-9-77, in lieu of and in substitution for the funds
132 previously allocated to counties under this section. Those funds
133 may not be pledged for the payment of any state aid road bonds
134 issued after April 1, 1981; however, this prohibition against the
135 pledging of any such funds for the payment of bonds shall not
136 apply to any bonds for which intent to issue those bonds has been
137 published, for the first time, as provided by law before March 29,
138 1981. From the amount of taxes paid into the special fund under
139 this subsection and subsection (9) of this section, there shall be
140 first deducted and paid the amount necessary to pay the expenses
141 of the Office of State Aid Road Construction, as authorized by the
142 Legislature for all other general and special fund agencies. The
143 remainder of the fund shall be allocated monthly to the several
144 counties in accordance with the following formula:

145 (a) One-third (1/3) shall be allocated to all counties
146 in equal shares;

147 (b) One-third (1/3) shall be allocated to counties
148 based on the proportion that the total number of rural road miles
149 in a county bears to the total number of rural road miles in all
150 counties of the state; and

151 (c) One-third (1/3) shall be allocated to counties
152 based on the proportion that the rural population of the county
153 bears to the total rural population in all counties of the state,
154 according to the latest federal decennial census.

155 For the purposes of this subsection, the term "gasoline,
156 diesel fuel or kerosene taxes" means such taxes as defined in
157 paragraph (f) of Section 27-5-101.

158 The amount of funds allocated to any county under this
159 subsection for any fiscal year after fiscal year 1994 shall not be
160 less than the amount allocated to the county for fiscal year 1994.

161 Any reference in the general laws of this state or the
162 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
163 construed to refer and apply to subsection (4) of Section
164 27-65-75.

165 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
166 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
167 the special fund known as the "State Public School Building Fund"
168 created and existing under the provisions of Sections 37-47-1
169 through 37-47-67. Those payments into that fund are to be made on
170 the last day of each succeeding month hereafter.

171 (6) An amount each month beginning August 15, 1983, through
172 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
173 of 1983, shall be paid into the special fund known as the
174 Correctional Facilities Construction Fund created in Section 6 of
175 Chapter 542, Laws of 1983.

176 (7) On or before August 15, 1992, and each succeeding month
177 thereafter through July 15, 2000, two and two hundred sixty-six
178 one-thousandths percent (2.266%) of the total sales tax revenue
179 collected during the preceding month under the provisions of this
180 chapter, except that collected under the provisions of Section
181 27-65-17(2) shall be deposited by the commission into the School
182 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
183 or before August 15, 2000, and each succeeding month thereafter,
184 two and two hundred sixty-six one-thousandths percent (2.266%) of
185 the total sales tax revenue collected during the preceding month
186 under the provisions of this chapter, except that collected under
187 the provisions of Section 27-65-17(2), shall be deposited into the
188 School Ad Valorem Tax Reduction Fund created under Section
189 37-61-35 until such time that the total amount deposited into the
190 fund during a fiscal year equals Forty-two Million Dollars
191 (\$42,000,000.00). Thereafter, the amounts diverted under this
192 subsection (7) during the fiscal year in excess of Forty-two
193 Million Dollars (\$42,000,000.00) shall be deposited into the

194 Education Enhancement Fund created under Section 37-61-33 for
195 appropriation by the Legislature as other education needs and
196 shall not be subject to the percentage appropriation requirements
197 set forth in Section 37-61-33.

198 (8) On or before August 15, 1992, and each succeeding month
199 thereafter, nine and seventy-three one-thousandths percent
200 (9.073%) of the total sales tax revenue collected during the
201 preceding month under the provisions of this chapter, except that
202 collected under the provisions of Section 27-65-17(2), shall be
203 deposited into the Education Enhancement Fund created under
204 Section 37-61-33.

205 (9) On or before August 15, 1994, and each succeeding month
206 thereafter, from the revenue collected under this chapter during
207 the preceding month, Two Hundred Fifty Thousand Dollars
208 (\$250,000.00) shall be paid into the State Aid Road Fund.

209 (10) On or before August 15, 1994, and each succeeding month
210 thereafter through August 15, 1995, from the revenue collected
211 under this chapter during the preceding month, Two Million Dollars
212 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
213 Valorem Tax Reduction Fund established in Section 27-51-105.

214 (11) Notwithstanding any other provision of this section to
215 the contrary, on or before February 15, 1995, and each succeeding
216 month thereafter, the sales tax revenue collected during the
217 preceding month under the provisions of Section 27-65-17(2) and
218 the corresponding levy in Section 27-65-23 on the rental or lease
219 of private carriers of passengers and light carriers of property
220 as defined in Section 27-51-101 shall be deposited, without
221 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
222 established in Section 27-51-105.

223 (12) Notwithstanding any other provision of this section to
224 the contrary, on or before August 15, 1995, and each succeeding
225 month thereafter, the sales tax revenue collected during the
226 preceding month under the provisions of Section 27-65-17(1) on

227 retail sales of private carriers of passengers and light carriers
228 of property, as defined in Section 27-51-101 and the corresponding
229 levy in Section 27-65-23 on the rental or lease of these vehicles,
230 shall be deposited, after diversion, into the Motor Vehicle Ad
231 Valorem Tax Reduction Fund established in Section 27-51-105.

232 (13) On or before July 15, 1994, and on or before the
233 fifteenth day of each succeeding month thereafter, that portion of
234 the avails of the tax imposed in Section 27-65-22 that is derived
235 from activities held on the Mississippi State Fairgrounds Complex,
236 shall be paid into a special fund that is created in the State
237 Treasury and shall be expended upon legislative appropriation
238 solely to defray the costs of repairs and renovation at the Trade
239 Mart and Coliseum.

240 (14) On or before August 15, 1998, and each succeeding month
241 thereafter through July 15, 2005, that portion of the avails of
242 the tax imposed in Section 27-65-23 that is derived from sales by
243 cotton compresses or cotton warehouses and that would otherwise be
244 paid into the General Fund, shall be deposited in an amount not to
245 exceed Two Million Dollars (\$2,000,000.00) into the special fund
246 created under Section 69-37-39.

247 (15) Notwithstanding any other provision of this section to
248 the contrary, on or before September 15, 2000, and each succeeding
249 month thereafter, the sales tax revenue collected during the
250 preceding month under the provisions of Section 27-65-19(1)(f) and
251 (g)(i)2, shall be deposited, without diversion, into the
252 Telecommunications Ad Valorem Tax Reduction Fund established in
253 Section 27-38-7.

254 (16) On or before August 15, 2000, and each succeeding month
255 thereafter, the sales tax revenue collected during the preceding
256 month under the provisions of this chapter on the gross proceeds
257 of sales of a project as defined in Section 57-30-1 shall be
258 deposited, after all diversions except the diversion provided for

259 in subsection (1) of this section, into the Sales Tax Incentive
260 Fund created in Section 57-30-3.

261 (17) Notwithstanding any other provision of this section to
262 the contrary, on or before April 15, 2002, and each succeeding
263 month thereafter, the sales tax revenue collected during the
264 preceding month under Section 27-65-23 on sales of parking
265 services of parking garages and lots at airports shall be
266 deposited, without diversion, into the special fund created under
267 Section 27-5-101(d).

268 (18) On or before August 15, 2007, and each succeeding month
269 thereafter through July 15, 2008, from the sales tax revenue
270 collected during the preceding month under the provisions of this
271 chapter, Two Million Five Hundred Thousand Dollars (\$2,500,000.00)
272 shall be deposited into the Special Funds Transfer Fund created in
273 Section 4 of Chapter 556, Laws of 2003.

274 (19) (a) On or before August 15, 2005, and each succeeding
275 month thereafter, the sales tax revenue collected during the
276 preceding month under the provisions of this chapter on the gross
277 proceeds of sales of a business enterprise located within a
278 redevelopment project area under the provisions of Sections
279 57-91-1 through 57-91-11, and the revenue collected on the gross
280 proceeds of sales from sales made to a business enterprise located
281 in a redevelopment project area under the provisions of Sections
282 57-91-1 through 57-91-11 (provided that such sales made to a
283 business enterprise are made on the premises of the business
284 enterprise), shall, except as otherwise provided in this
285 subsection (19), be deposited, after all diversions, into the
286 Redevelopment Project Incentive Fund as created in Section
287 57-91-9.

288 (b) For a municipality participating in the Economic
289 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
290 the diversion provided for in subsection (1) of this section
291 attributable to the gross proceeds of sales of a business

292 enterprise located within a redevelopment project area under the
293 provisions of Sections 57-91-1 through 57-91-11, and attributable
294 to the gross proceeds of sales from sales made to a business
295 enterprise located in a redevelopment project area under the
296 provisions of Sections 57-91-1 through 57-91-11 (provided that
297 such sales made to a business enterprise are made on the premises
298 of the business enterprise), shall be deposited into the
299 Redevelopment Project Incentive Fund as created in Section
300 57-91-9, as follows:

301 (i) For the first six (6) years in which payments
302 are made to a developer from the Redevelopment Project Incentive
303 Fund, one hundred percent (100%) of the diversion shall be
304 deposited into the fund;

305 (ii) For the seventh year in which such payments
306 are made to a developer from the Redevelopment Project Incentive
307 Fund, eighty percent (80%) of the diversion shall be deposited
308 into the fund;

309 (iii) For the eighth year in which such payments
310 are made to a developer from the Redevelopment Project Incentive
311 Fund, seventy percent (70%) of the diversion shall be deposited
312 into the fund;

313 (iv) For the ninth year in which such payments are
314 made to a developer from the Redevelopment Project Incentive Fund,
315 sixty percent (60%) of the diversion shall be deposited into the
316 fund; and

317 (v) For the tenth year in which such payments are
318 made to a developer from the Redevelopment Project Incentive Fund,
319 fifty percent (50%) of the funds shall be deposited into the fund.

320 (20) On or before January 15, 2007, and each succeeding
321 month thereafter, eighty percent (80%) of the sales tax revenue
322 collected during the preceding month under the provisions of this
323 chapter from the operation of a tourism project under the
324 provisions of Sections 57-28-1 through 57-28-5, shall be

325 deposited, after the diversions required in subsections (7) and
326 (8) of this section, into the Tourism Sales Tax Incentive Fund
327 created in Section 57-28-3.

328 (21) The remainder of the amounts collected under the
329 provisions of this chapter shall be paid into the State Treasury
330 to the credit of the General Fund.

331 (22) It shall be the duty of the municipal officials of any
332 municipality that expands its limits, or of any community that
333 incorporates as a municipality, to notify the commissioner of that
334 action thirty (30) days before the effective date. Failure to so
335 notify the commissioner shall cause the municipality to forfeit
336 the revenue that it would have been entitled to receive during
337 this period of time when the commissioner had no knowledge of the
338 action. If any funds have been erroneously disbursed to any
339 municipality or any overpayment of tax is recovered by the
340 taxpayer, the commissioner may make correction and adjust the
341 error or overpayment with the municipality by withholding the
342 necessary funds from any later payment to be made to the
343 municipality.

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

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

348 27-5-101. Unless otherwise provided in this section, on or
349 before the fifteenth day of each month, all gasoline, diesel fuel
350 or kerosene taxes which are levied under the laws of this state
351 and collected during the previous month shall be paid and
352 apportioned by the State Tax Commission as follows:

353 (a) (i) Except as otherwise provided in Section
354 31-17-127, from the gross amount of gasoline, diesel fuel or
355 kerosene taxes produced by the state, there shall be deducted an
356 amount equal to one-sixth (1/6) of principal and interest
357 certified by the State Treasurer to the State Tax Commission to be

358 due on the next semiannual bond and interest payment date, as
359 required under the provisions of Chapter 130, Laws of 1938, and
360 subsequent acts authorizing the issuance of bonds payable from
361 gasoline, diesel fuel or kerosene tax revenue on a parity with the
362 bonds issued under authority of said Chapter 130. The State
363 Treasurer shall certify to the State Tax Commission on or before
364 the fifteenth day of each month the amount to be paid to the
365 "Highway Bonds Sinking Fund" as provided by said Chapter 130, Laws
366 of 1938, and subsequent acts authorizing the issuance of bonds
367 payable from gasoline, diesel fuel or kerosene tax revenue, on a
368 parity with the bonds issued under authority of said Chapter 130;
369 and the State Tax Commission shall, on or before the twenty-fifth
370 day of each month, pay into the State Treasury for credit to the
371 "Highway Bonds Sinking Fund" the amount so certified to him by the
372 State Treasurer due to be paid into such fund each month. The
373 payments to the "Highway Bonds Sinking Fund" shall be made out of
374 gross gasoline, diesel fuel or kerosene tax collections before
375 deductions of any nature are considered; however, such payments
376 shall be deducted from the allocation to the Mississippi
377 Department of Transportation under paragraph (c) of this section.

378 (ii) From collections derived from the portion of
379 the gasoline excise tax that exceeds Seven Cents (7¢) per gallon,
380 from the portion of the tax on aviation gas under Section 27-55-11
381 that exceeds Six and Four-tenths Cents (6.4¢) per gallon, from the
382 portion of the special fuel tax levied under Sections 27-55-519
383 and 27-55-521, at Eighteen Cents (18¢) per gallon that exceeds Ten
384 Cents (10¢) per gallon, from the portion of the taxes levied under
385 Section 27-55-519, at Five and Three-fourths Cents (5.75¢) per
386 gallon that exceeds One Cent (1¢) per gallon on special fuel and
387 Five and One-fourth Cents (5.25¢) per gallon on special fuel used
388 as aircraft fuel, from the portion of the excise tax on compressed
389 gas used as a motor fuel that exceeds the rate of tax in effect on
390 June 30, 1987, and from the portion of the gasoline excise tax in

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

394 1. An amount as provided in Section
395 27-65-75(4) to the credit of a special fund designated as the
396 "Office of State Aid Road Construction."

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

404 3. An amount as provided in Section
405 27-65-75(2)(b) to the credit of the City of Jackson, Mississippi.

406 4. The balance shall be deposited in the
407 State Treasury to the credit of the State Highway Fund.

408 (b) Subject to the provisions that said basis of
409 distribution shall in nowise affect adversely the amount
410 specifically pledged in paragraph (a) of this section to be paid
411 into the "Highway Bonds Sinking Fund," the following shall be
412 deducted from the amount produced by the state tax on gasoline,
413 diesel fuel or kerosene tax collections, excluding collections
414 derived from the portion of the gasoline excise tax that exceeds
415 Seven Cents (7¢) per gallon, from the portion of the tax on
416 aviation gas under Section 27-55-11 that exceeds Six and
417 Four-tenths Cents (6.4¢) per gallon, from the portion of the
418 special fuel tax levied under Sections 27-55-519 and 27-55-521, at
419 Eighteen Cents (18¢) per gallon that exceeds Ten Cents (10¢) per
420 gallon, from the portion of the taxes levied under Section
421 27-55-519, at Five and Three-fourths Cents (5.75¢) per gallon that
422 exceeds One Cent (1¢) per gallon on special fuel and Five and
423 One-fourth Cents (5.25¢) per gallon on special fuel used as

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

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

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

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

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

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

447 (vi) The remainder shall be divided on a basis of
448 nine-fourteenths (9/14) and five-fourteenths (5/14) (being the
449 same basis as Four and One-half Cents (4-1/2¢) and Two and
450 One-half Cents (2-1/2¢) is to Seven Cents (7¢) on gasoline, and
451 six and forty-three one-hundredths (6.43) and three and
452 fifty-seven one-hundredths (3.57) is to Ten Cents (10¢) on diesel
453 fuel or kerosene). The amount produced by the nine-fourteenths
454 (9/14) division shall be allocated to the Transportation
455 Department and paid into the State Treasury as provided in this
456 section and in Section 27-5-103 and the five-fourteenths (5/14)

457 division shall be returned to the counties of the state on the
458 following basis:

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

466 2. If after payments in 1 above, any county
467 has not received a total of One Hundred Ninety Thousand Dollars
468 (\$190,000.00) at the end of the fiscal year ending June 30, 1961,
469 and each fiscal year thereafter, then any available funds not
470 distributed under 1 above shall be used to bring such county or
471 counties up to One Hundred Ninety Thousand Dollars (\$190,000.00)
472 or such funds shall be divided equally among such counties not
473 reaching One Hundred Ninety Thousand Dollars (\$190,000.00) if
474 there is not sufficient money to bring all the counties to said
475 One Hundred Ninety Thousand Dollars (\$190,000.00).

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

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

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

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

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

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

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

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

514 In any county having such countywide road or bridge bonds or
515 district road or bridge bonds outstanding which exceed, in the
516 aggregate, eight percent (8%) of the assessed valuation of the
517 taxable property of the county, but which do not exceed, in the
518 aggregate, twelve percent (12%) of the assessed valuation of the
519 taxable property of the county, it shall be the duty of the board
520 of supervisors to set aside not less than thirty-five percent
521 (35%) of such county's share of the gasoline, diesel fuel or

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

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

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

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

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

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

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

573 (c) From the amount produced by the nine-fourteenths
574 (9/14) division allocated to the Transportation Department, there
575 shall be deducted:

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

578 (ii) Any amounts due counties in accordance with
579 Section 65-33-45 which have outstanding bonds issued for seawall
580 or road protection purposes, issued under provisions of Chapter
581 319, Laws of 1924, and amendments thereto;

582 (iii) Except as otherwise provided in Section
583 31-17-127, the remainder shall be paid by the State Tax Commission
584 to the State Treasurer on the fifteenth day of each month next
585 succeeding the month in which the gasoline, diesel fuel or

586 kerosene taxes were collected to the credit of the State Highway
587 Fund.

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

600 Nothing contained in this section shall be construed to
601 reduce the amount of such gasoline, diesel fuel or kerosene excise
602 taxes levied by the state, allotted under the provisions of Title
603 65, Chapter 33, Mississippi Code of 1972, to counties in which
604 there are outstanding bonds issued for seawall or road protection
605 purposes issued under the provisions of Chapter 319, Laws of 1924,
606 and amendments thereto; the amount of said gasoline, diesel fuel
607 or kerosene excise taxes designated in this section for the
608 payment of bonds and interest authorized and issued or to be
609 issued under the provisions of Chapter 130, Laws of 1938, and
610 subsequent acts authorizing the issuance of bonds payable from
611 gasoline, diesel fuel or kerosene tax revenue, shall, in such
612 counties, be considered as being paid "into the State Treasury to
613 the credit of the State Highway Fund" within the meaning of
614 Section 65-33-45 in computing the amount to be paid to such
615 counties under the provisions of said section, and this section
616 shall be administered in connection with Title 65, Chapter 33,
617 Mississippi Code of 1972, and Sections 65-33-45, 65-33-47 and
618 65-33-49 dealing with seawalls, as if made a part of this section.

619 (d) The proceeds of the Five and One-fourth Cents
620 (5.25¢) of the tax per gallon on oils used as a propellant for jet
621 aircraft engines, and Six and Four-tenths Cents (6.4¢) of the tax
622 per gallon on aviation gasoline and the tax of One Cent (1¢) per
623 gallon for each gallon of gasoline for which a refund has been
624 made pursuant to Section 27-55-23 because such gasoline was used
625 for aviation purposes, shall be paid to the State Treasury into a
626 special fund to be used exclusively, pursuant to legislative
627 appropriation, for the support and development of aeronautics as
628 defined in Section 61-1-3.

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

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

641 **[With regard to any county which is required to operate on a**
642 **countywide system of road administration as described in Section**
643 **19-2-3, this section shall read as follows:]**

644 27-5-101. Unless otherwise provided in this section, on or
645 before the fifteenth day of each month, all gasoline, diesel fuel
646 or kerosene taxes which are levied under the laws of this state
647 and collected during the previous month shall be paid and
648 apportioned by the State Tax Commission as follows:

649 (a) (i) Except as otherwise provided in Section
650 31-17-127, from the gross amount of gasoline, diesel fuel or
651 kerosene taxes produced by the state, there shall be deducted an

652 amount equal to one-sixth (1/6) of principal and interest
653 certified by the State Treasurer to the State Tax Commission to be
654 due on the next semiannual bond and interest payment date, as
655 required under the provisions of Chapter 130, Laws of 1938, and
656 subsequent acts authorizing the issuance of bonds payable from
657 gasoline, diesel fuel or kerosene tax revenue on a parity with the
658 bonds issued under authority of said Chapter 130. The State
659 Treasurer shall certify to the State Tax Commission on or before
660 the fifteenth day of each month the amount to be paid to the
661 "Highway Bonds Sinking Fund" as provided by said Chapter 130, Laws
662 of 1938, and subsequent acts authorizing the issuance of bonds
663 payable from gasoline, diesel fuel or kerosene tax revenue, on a
664 parity with the bonds issued under authority of said Chapter 130;
665 and the State Tax Commission shall, on or before the twenty-fifth
666 day of each month, pay into the State Treasury for credit to the
667 "Highway Bonds Sinking Fund" the amount so certified to him by the
668 State Treasurer due to be paid into such fund each month. The
669 payments to the "Highway Bonds Sinking Fund" shall be made out of
670 gross gasoline, diesel fuel or kerosene tax collections before
671 deductions of any nature are considered; however, such payments
672 shall be deducted from the allocation to the Transportation
673 Department under paragraph (c) of this section.

674 (ii) From collections derived from the portion of
675 the gasoline excise tax that exceeds Seven Cents (7¢) per gallon,
676 from the portion of the tax on aviation gas under Section 27-55-11
677 that exceeds Six and Four-tenths Cents (6.4¢) per gallon, from the
678 portion of the special fuel tax levied under Sections 27-55-519
679 and 27-55-521, at Eighteen Cents (18¢) per gallon that exceeds Ten
680 Cents (10¢) per gallon, from the portion of the taxes levied under
681 Section 27-55-519, at Five and Three-fourths Cents (5.75¢) per
682 gallon that exceeds One Cent (1¢) per gallon on special fuel and
683 Five and One-fourth Cents (5.25¢) per gallon on special fuel used
684 as aircraft fuel, from the portion of the excise tax on compressed

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

690 1. An amount as provided in Section
691 27-65-75(4) to the credit of a special fund designated as the
692 "Office of State Aid Road Construction."

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

700 3. An amount as provided in Section
701 27-65-75(2)(b) to the credit of the City of Jackson, Mississippi.

702 4. The balance shall be deposited in the
703 State Treasury to the credit of the State Highway Fund.

704 (b) Subject to the provisions that said basis of
705 distribution shall in nowise affect adversely the amount
706 specifically pledged in paragraph (a) of this section to be paid
707 into the "Highway Bonds Sinking Fund," the following shall be
708 deducted from the amount produced by the state tax on gasoline,
709 diesel fuel or kerosene tax collections, excluding collections
710 derived from the portion of the gasoline excise tax that exceeds
711 Seven Cents (7¢) per gallon, from the portion of the tax on
712 aviation gas under Section 27-55-11 that exceeds Six and
713 Four-tenths Cents (6.4¢) per gallon, from the portion of the
714 special fuel tax levied under Sections 27-55-519 and 27-55-521, at
715 Eighteen Cents (18¢) per gallon, that exceeds Ten Cents (10¢) per
716 gallon, from the portion of the taxes levied under Section
717 27-55-519, at Five and Three-fourths Cents (5.75¢) that exceeds

718 One Cent (1¢) per gallon on special fuel and Five and One-fourth
719 Cents (5.25¢) per gallon on special fuel used as aircraft fuel,
720 from the portion of the excise tax on compressed gas used as a
721 motor fuel that exceeds the rate of tax in effect on June 30,
722 1987, and from the portion of the gasoline excise tax in excess of
723 Seven Cents (7¢) per gallon and the diesel excise tax in excess of
724 Ten Cents (10¢) per gallon under Section 27-61-5:

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

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

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

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

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

743 (vi) The remainder shall be divided on a basis of
744 nine-fourteenths (9/14) and five-fourteenths (5/14) (being the
745 same basis as Four and One-half Cents (4-1/2¢) and Two and
746 One-half Cents (2-1/2¢) is to Seven Cents (7¢) on gasoline, and
747 six and forty-three one-hundredths (6.43) and three and
748 fifty-seven one-hundredths (3.57) is to Ten Cents (10¢) on diesel
749 fuel or kerosene). The amount produced by the nine-fourteenths
750 (9/14) division shall be allocated to the Transportation

751 Department and paid into the State Treasury as provided in this
752 section and in Section 27-5-103 and the five-fourteenths (5/14)
753 division shall be returned to the counties of the state on the
754 following basis:

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

762 2. If after payments in 1 above, any county
763 has not received a total of One Hundred Ninety Thousand Dollars
764 (\$190,000.00) at the end of the fiscal year ending June 30, 1961,
765 and each fiscal year thereafter, then any available funds not
766 distributed under 1 above shall be used to bring such county or
767 counties up to One Hundred Ninety Thousand Dollars (\$190,000.00)
768 or such funds shall be divided equally among such counties not
769 reaching One Hundred Ninety Thousand Dollars (\$190,000.00) if
770 there is not sufficient money to bring all the counties to said
771 One Hundred Ninety Thousand Dollars (\$190,000.00).

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

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

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

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

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

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

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

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

808 In any county having such road or bridge bonds outstanding
809 which exceed, in the aggregate, eight percent (8%) of the assessed
810 valuation of the taxable property of the county, but which do not
811 exceed, in the aggregate, twelve percent (12%) of the assessed
812 valuation of the taxable property of the county, it shall be the
813 duty of the board of supervisors to set aside not less than
814 thirty-five percent (35%) of such county's share of the gasoline,

815 diesel fuel or kerosene taxes to be used in paying the principal
816 and interest of such road or bridge bonds as they mature.

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

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

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

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

846 In any county having no road or bridge bonds outstanding, all
847 such county's share of the gasoline, diesel fuel or kerosene taxes

848 shall be used in the construction, reconstruction and maintenance
849 of the public highways, bridges or culverts of the county, as the
850 board of supervisors may determine.

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

855 (c) From the amount produced by the nine-fourteenths
856 (9/14) division allocated to the Transportation Department, there
857 shall be deducted:

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

860 (ii) Any amounts due counties in accordance with
861 Section 65-33-45 which have outstanding bonds issued for seawall
862 or road protection purposes, issued under provisions of Chapter
863 319, Laws of 1924, and amendments thereto; and

864 (iii) Except as otherwise provided in Section
865 31-17-127, the remainder shall be paid by the State Tax Commission
866 to the State Treasurer on the fifteenth day of each month next
867 succeeding the month in which the gasoline, diesel fuel or
868 kerosene taxes were collected to the credit of the State Highway
869 Fund.

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

881 Nothing contained in this section shall be construed to
882 reduce the amount of such gasoline, diesel fuel or kerosene excise
883 taxes levied by the state, allotted under the provisions of Title
884 65, Chapter 33, Mississippi Code of 1972, to counties in which
885 there are outstanding bonds issued for seawall or road protection
886 purposes issued under the provisions of Chapter 319, Laws of 1924,
887 and amendments thereto; the amount of said gasoline, diesel fuel
888 or kerosene excise taxes designated in this section for the
889 payment of bonds and interest authorized and issued or to be
890 issued under the provisions of Chapter 130, Laws of 1938, and
891 subsequent acts authorizing the issuance of bonds payable from
892 gasoline, diesel fuel or kerosene tax revenue, shall, in such
893 counties, be considered as being paid "into the State Treasury to
894 the credit of the State Highway Fund" within the meaning of
895 Section 65-33-45 in computing the amount to be paid to such
896 counties under the provisions of said section, and this section
897 shall be administered in connection with Title 65, Chapter 33,
898 Mississippi Code of 1972, and Sections 65-33-45, 65-33-47 and
899 65-33-49 dealing with seawalls, as if made a part of this section.

900 (d) The proceeds of the Five and One-fourth Cents
901 (5.25¢) of the tax per gallon on oils used as a propellant for jet
902 aircraft engines, and Six and Four-tenths Cents (6.4¢) of the tax
903 per gallon on aviation gasoline and the tax of One Cent (1¢) per
904 gallon for each gallon of gasoline for which a refund has been
905 made pursuant to Section 27-55-23 because such gasoline was used
906 for aviation purposes, shall be paid to the State Treasury into a
907 special fund to be used exclusively, pursuant to legislative
908 appropriation, for the support and development of aeronautics as
909 defined in Section 61-1-3.

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

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

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

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