

By: Senator(s) Horhn, Frazier

To: Finance

## SENATE BILL NO. 2705

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 subsection is for the purpose of assisting the city defray the ad

96 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 and law enforcement and other  
99 public safety costs the city incurs as a result of being the seat  
100 of state government. The amount paid to the City of Jackson under  
101 this paragraph (b) shall be in addition to any other funds  
102 allocated for distribution to the city under any other provision  
103 of this section.

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

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

129 credit of the "State Aid Road Fund," created by Section 65-9-17.  
130 Those funds shall be pledged to pay the principal of and interest  
131 on state aid road bonds heretofore issued under Sections 19-9-51  
132 through 19-9-77, in lieu of and in substitution for the funds  
133 previously allocated to counties under this section. Those funds  
134 may not be pledged for the payment of any state aid road bonds  
135 issued after April 1, 1981; however, this prohibition against the  
136 pledging of any such funds for the payment of bonds shall not  
137 apply to any bonds for which intent to issue those bonds has been  
138 published, for the first time, as provided by law before March 29,  
139 1981. From the amount of taxes paid into the special fund under  
140 this subsection and subsection (9) of this section, there shall be  
141 first deducted and paid the amount necessary to pay the expenses  
142 of the Office of State Aid Road Construction, as authorized by the  
143 Legislature for all other general and special fund agencies. The  
144 remainder of the fund shall be allocated monthly to the several  
145 counties in accordance with the following formula:

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

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

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

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

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

162 Any reference in the general laws of this state or the  
163 Mississippi Code of 1972 to Section 27-5-105 shall mean and be  
164 construed to refer and apply to subsection (4) of Section  
165 27-65-75.

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

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

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

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

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

206 (9) On or before August 15, 1994, and each succeeding month  
207 thereafter, from the revenue collected under this chapter during  
208 the preceding month, Two Hundred Fifty Thousand Dollars  
209 (\$250,000.00) shall be paid into the State Aid Road Fund.

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

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

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

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

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

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

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

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



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

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

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

275 (19) (a) On or before August 15, 2005, and each succeeding  
276 month thereafter, the sales tax revenue collected during the  
277 preceding month under the provisions of this chapter on the gross  
278 proceeds of sales of a business enterprise located within a  
279 redevelopment project area under the provisions of Sections  
280 57-91-1 through 57-91-11, and the revenue collected on the gross  
281 proceeds of sales from sales made to a business enterprise located  
282 in a redevelopment project area under the provisions of Sections  
283 57-91-1 through 57-91-11 (provided that such sales made to a  
284 business enterprise are made on the premises of the business  
285 enterprise), shall, except as otherwise provided in this  
286 subsection (19), be deposited, after all diversions, into the  
287 Redevelopment Project Incentive Fund as created in Section  
288 57-91-9.

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

293 enterprise located within a redevelopment project area under the  
294 provisions of Sections 57-91-1 through 57-91-11, and attributable  
295 to the gross proceeds of sales from sales made to a business  
296 enterprise located in a redevelopment project area under the  
297 provisions of Sections 57-91-1 through 57-91-11 (provided that  
298 such sales made to a business enterprise are made on the premises  
299 of the business enterprise), shall be deposited into the  
300 Redevelopment Project Incentive Fund as created in Section  
301 57-91-9, as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

405                   3. An amount as provided in Section  
406 27-65-75(2)(b) to the credit of the City of Jackson, Mississippi.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

515                                   In any county having such countywide road or bridge bonds or  
516 district road or bridge bonds outstanding which exceed, in the  
517 aggregate, eight percent (8%) of the assessed valuation of the  
518 taxable property of the county, but which do not exceed, in the  
519 aggregate, twelve percent (12%) of the assessed valuation of the  
520 taxable property of the county, it shall be the duty of the board  
521 of supervisors to set aside not less than thirty-five percent  
522 (35%) of such county's share of the gasoline, diesel fuel or



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

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

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

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

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

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

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

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

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

579                   (ii) Any amounts due counties in accordance with  
580 Section 65-33-45 which have outstanding bonds issued for seawall  
581 or road protection purposes, issued under provisions of Chapter  
582 319, Laws of 1924, and amendments thereto;

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

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

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

601         Nothing contained in this section shall be construed to  
602 reduce the amount of such gasoline, diesel fuel or kerosene excise  
603 taxes levied by the state, allotted under the provisions of Title  
604 65, Chapter 33, Mississippi Code of 1972, to counties in which  
605 there are outstanding bonds issued for seawall or road protection  
606 purposes issued under the provisions of Chapter 319, Laws of 1924,  
607 and amendments thereto; the amount of said gasoline, diesel fuel  
608 or kerosene excise taxes designated in this section for the  
609 payment of bonds and interest authorized and issued or to be  
610 issued under the provisions of Chapter 130, Laws of 1938, and  
611 subsequent acts authorizing the issuance of bonds payable from  
612 gasoline, diesel fuel or kerosene tax revenue, shall, in such  
613 counties, be considered as being paid "into the State Treasury to  
614 the credit of the State Highway Fund" within the meaning of  
615 Section 65-33-45 in computing the amount to be paid to such  
616 counties under the provisions of said section, and this section  
617 shall be administered in connection with Title 65, Chapter 33,  
618 Mississippi Code of 1972, and Sections 65-33-45, 65-33-47 and  
619 65-33-49 dealing with seawalls, as if made a part of this section.

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

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

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

642 **[With regard to any county which is required to operate on a**  
643 **countywide system of road administration as described in Section**  
644 **19-2-3, this section shall read as follows:]**

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

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

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

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

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

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

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

701 3. An amount as provided in Section  
702 27-65-75((2)(b) to the credit of the City of Jackson, Mississippi.

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

705 (b) Subject to the provisions that said basis of  
706 distribution shall in nowise affect adversely the amount  
707 specifically pledged in paragraph (a) of this section to be paid  
708 into the "Highway Bonds Sinking Fund," the following shall be  
709 deducted from the amount produced by the state tax on gasoline,  
710 diesel fuel or kerosene tax collections, excluding collections  
711 derived from the portion of the gasoline excise tax that exceeds  
712 Seven Cents (7¢) per gallon, from the portion of the tax on  
713 aviation gas under Section 27-55-11 that exceeds Six and  
714 Four-tenths Cents (6.4¢) per gallon, from the portion of the  
715 special fuel tax levied under Sections 27-55-519 and 27-55-521, at  
716 Eighteen Cents (18¢) per gallon, that exceeds Ten Cents (10¢) per  
717 gallon, from the portion of the taxes levied under Section  
718 27-55-519, at Five and Three-fourths Cents (5.75¢) that exceeds

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

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

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

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

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

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

744 (vi) The remainder shall be divided on a basis of  
745 nine-fourteenths (9/14) and five-fourteenths (5/14) (being the  
746 same basis as Four and One-half Cents (4-1/2¢) and Two and  
747 One-half Cents (2-1/2¢) is to Seven Cents (7¢) on gasoline, and  
748 six and forty-three one-hundredths (6.43) and three and  
749 fifty-seven one-hundredths (3.57) is to Ten Cents (10¢) on diesel  
750 fuel or kerosene). The amount produced by the nine-fourteenths  
751 (9/14) division shall be allocated to the Transportation

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

861 (ii) Any amounts due counties in accordance with  
862 Section 65-33-45 which have outstanding bonds issued for seawall  
863 or road protection purposes, issued under provisions of Chapter  
864 319, Laws of 1924, and amendments thereto; and

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

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

882           Nothing contained in this section shall be construed to  
883 reduce the amount of such gasoline, diesel fuel or kerosene excise  
884 taxes levied by the state, allotted under the provisions of Title  
885 65, Chapter 33, Mississippi Code of 1972, to counties in which  
886 there are outstanding bonds issued for seawall or road protection  
887 purposes issued under the provisions of Chapter 319, Laws of 1924,  
888 and amendments thereto; the amount of said gasoline, diesel fuel  
889 or kerosene excise taxes designated in this section for the  
890 payment of bonds and interest authorized and issued or to be  
891 issued under the provisions of Chapter 130, Laws of 1938, and  
892 subsequent acts authorizing the issuance of bonds payable from  
893 gasoline, diesel fuel or kerosene tax revenue, shall, in such  
894 counties, be considered as being paid "into the State Treasury to  
895 the credit of the State Highway Fund" within the meaning of  
896 Section 65-33-45 in computing the amount to be paid to such  
897 counties under the provisions of said section, and this section  
898 shall be administered in connection with Title 65, Chapter 33,  
899 Mississippi Code of 1972, and Sections 65-33-45, 65-33-47 and  
900 65-33-49 dealing with seawalls, as if made a part of this section.

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

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

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

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

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