

By: Representatives Banks, Crudup

To: Transportation; Ways and Means

HOUSE BILL NO. 1289

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 1% 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. Except as otherwise provided in this  
23 paragraph (a), on or before August 15, 1993, and each succeeding  
24 month thereafter, eighteen and one-half percent (18-1/2%) of the  
25 total sales tax revenue collected during the preceding month under  
26 the provisions of this chapter, except that collected under the  
27 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and  
28 27-65-24, on business activities within a municipal corporation  
29 shall be allocated for distribution to the municipality and paid  
30 to the municipal corporation. However, in the event the State  
31 Auditor issues a certificate of noncompliance pursuant to Section  
32 21-35-31, the Department of Revenue shall withhold ten percent  
33 (10%) of the allocations and payments to the municipality that  
34 would otherwise be payable to the municipality under this  
35 paragraph (a) until such time that the department receives written  
36 notice of the cancellation of a certificate of noncompliance from  
37 the State Auditor.

38 A municipal corporation, for the purpose of distributing the  
39 tax under this subsection, shall mean and include all incorporated  
40 cities, towns and villages.

41 Monies allocated for distribution and credited to a municipal  
42 corporation under this paragraph may be pledged as security for a  
43 loan if the distribution received by the municipal corporation is  
44 otherwise authorized or required by law to be pledged as security  
45 for such a loan.



46           In any county having a county seat that is not an  
47 incorporated municipality, the distribution provided under this  
48 subsection shall be made as though the county seat was an  
49 incorporated municipality; however, the distribution to the  
50 municipality shall be paid to the county treasury in which the  
51 municipality is located, and those funds shall be used for road,  
52 bridge and street construction or maintenance in the county.

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

64           (c) On or before August 15, 2018, and each succeeding  
65 month thereafter until August 14, 2019, two percent (2%) of the  
66 total sales tax revenue collected during the preceding month under  
67 the provisions of this chapter, except that collected under the  
68 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and  
69 27-65-24, on business activities within the corporate limits of  
70 the City of Jackson, Mississippi, shall be deposited into the



71 Capitol Complex Improvement District Project Fund created in  
72 Section 29-5-215. On or before August 15, 2019, and each  
73 succeeding month thereafter until August 14, 2020, four percent  
74 (4%) of the total sales tax revenue collected during the preceding  
75 month under the provisions of this chapter, except that collected  
76 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21  
77 and 27-65-24, on business activities within the corporate limits  
78 of the City of Jackson, Mississippi, shall be deposited into the  
79 Capitol Complex Improvement District Project Fund created in  
80 Section 29-5-215. On or before August 15, 2020, and each  
81 succeeding month thereafter, six percent (6%) of the total sales  
82 tax revenue collected during the preceding month under the  
83 provisions of this chapter, except that collected under the  
84 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and  
85 27-65-24, on business activities within the corporate limits of  
86 the City of Jackson, Mississippi, shall be deposited into the  
87 Capitol Complex Improvement District Project Fund created in  
88 Section 29-5-215.

89 (d) (i) On or before the fifteenth day of the month  
90 that the diversion authorized by this section begins, and each  
91 succeeding month thereafter, eighteen and one-half percent  
92 (18-1/2%) of the total sales tax revenue collected during the  
93 preceding month under the provisions of this chapter, except that  
94 collected under the provisions of Sections 27-65-15, 27-65-19(3)  
95 and 27-65-21, on business activities within a redevelopment



96 project area developed under a redevelopment plan adopted under  
97 the Tax Increment Financing Act (Section 21-45-1 et seq.) shall be  
98 allocated for distribution to the county in which the project area  
99 is located if:

100 1. The county:

101 a. Borders on the Mississippi Sound and  
102 the State of Alabama, or

103 b. Is Harrison County, Mississippi, and  
104 the project area is within a radius of two (2) miles from the  
105 intersection of Interstate 10 and Menge Avenue;

106 2. The county has issued bonds under Section  
107 21-45-9 to finance all or a portion of a redevelopment project in  
108 the redevelopment project area;

109 3. Any debt service for the indebtedness  
110 incurred is outstanding; and

111 4. A development with a value of Ten Million  
112 Dollars (\$10,000,000.00) or more is, or will be, located in the  
113 redevelopment area.

114 (ii) Before any sales tax revenue may be allocated  
115 for distribution to a county under this paragraph, the county  
116 shall certify to the Department of Revenue that the requirements  
117 of this paragraph have been met, the amount of bonded indebtedness  
118 that has been incurred by the county for the redevelopment project  
119 and the expected date the indebtedness incurred by the county will  
120 be satisfied.



121 (iii) The diversion of sales tax revenue  
122 authorized by this paragraph shall begin the month following the  
123 month in which the Department of Revenue determines that the  
124 requirements of this paragraph have been met. The diversion shall  
125 end the month the indebtedness incurred by the county is  
126 satisfied. All revenue received by the county under this  
127 paragraph shall be deposited in the fund required to be created in  
128 the tax increment financing plan under Section 21-45-11 and be  
129 utilized solely to satisfy the indebtedness incurred by the  
130 county.

131 (2) (a) On or before September 15, 1987, and each  
132 succeeding month thereafter, from the revenue collected under this  
133 chapter during the preceding month, One Million One Hundred  
134 Twenty-five Thousand Dollars (\$1,125,000.00) shall be allocated  
135 for distribution to municipal corporations as defined under  
136 subsection (1) of this section in the proportion that the number  
137 of gallons of gasoline and diesel fuel sold by distributors to  
138 consumers and retailers in each such municipality during the  
139 preceding fiscal year bears to the total gallons of gasoline and  
140 diesel fuel sold by distributors to consumers and retailers in  
141 municipalities statewide during the preceding fiscal year. The  
142 Department of Revenue shall require all distributors of gasoline  
143 and diesel fuel to report to the department monthly the total  
144 number of gallons of gasoline and diesel fuel sold by them to  
145 consumers and retailers in each municipality during the preceding



146 month. The Department of Revenue shall have the authority to  
147 promulgate such rules and regulations as is necessary to determine  
148 the number of gallons of gasoline and diesel fuel sold by  
149 distributors to consumers and retailers in each municipality. In  
150 determining the percentage allocation of funds under this  
151 subsection for the fiscal year beginning July 1, 1987, and ending  
152 June 30, 1988, the Department of Revenue may consider gallons of  
153 gasoline and diesel fuel sold for a period of less than one (1)  
154 fiscal year. For the purposes of this subsection, the term  
155 "fiscal year" means the fiscal year beginning July 1 of a year.

156 (b) On or before August 15, 2021, and each succeeding  
157 month thereafter, from the proceeds of gasoline, diesel fuel or  
158 kerosene taxes as provided for in Section 27-5-101(a)(ii), an  
159 amount equal to one percent (1%) of the revenue from fuel taxes on  
160 gasoline, diesel fuel and kerosene sold within the City of  
161 Jackson, Mississippi, shall be allocated for distribution to the  
162 City of Jackson and paid to the city. Money allocated to the City  
163 of Jackson pursuant to this paragraph (b) shall not be considered  
164 by the city as general fund revenue but shall be dedicated to and  
165 expended solely for street construction and repair and  
166 infrastructure maintenance and improvements. The payment to the  
167 City of Jackson under this paragraph (b) is for the purpose of  
168 assisting the city defray the ad valorem tax loss the city  
169 sustains as a result of the state ownership of property described  
170 in Section 27-31-1(b) and for defraying increased infrastructure



171 and law enforcement and other public safety costs the city incurs  
172 as a result of being the seat of state government. The amount  
173 paid to the City of Jackson under this paragraph (b) shall be in  
174 addition to any other funds allocated for distribution to the city  
175 under any other provision of this section.

176 (3) On or before September 15, 1987, and on or before the  
177 fifteenth day of each succeeding month, until the date specified  
178 in Section 65-39-35, the proceeds derived from contractors' taxes  
179 levied under Section 27-65-21 on contracts for the construction or  
180 reconstruction of highways designated under the highway program  
181 created under Section 65-3-97 shall, except as otherwise provided  
182 in Section 31-17-127, be deposited into the State Treasury to the  
183 credit of the State Highway Fund to be used to fund that highway  
184 program. The Mississippi Department of Transportation shall  
185 provide to the Department of Revenue such information as is  
186 necessary to determine the amount of proceeds to be distributed  
187 under this subsection.

188 (4) On or before August 15, 1994, and on or before the  
189 fifteenth day of each succeeding month through July 15, 1999, from  
190 the proceeds of gasoline, diesel fuel or kerosene taxes as  
191 provided in Section 27-5-101(a)(ii)1, Four Million Dollars  
192 (\$4,000,000.00) shall be deposited in the State Treasury to the  
193 credit of a special fund designated as the "State Aid Road Fund,"  
194 created by Section 65-9-17. On or before August 15, 1999, and on  
195 or before the fifteenth day of each succeeding month, from the





196 total amount of the proceeds of gasoline, diesel fuel or kerosene  
197 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million  
198 Dollars (\$4,000,000.00) or an amount equal to twenty-three and  
199 one-fourth percent (23-1/4%) of those funds, whichever is the  
200 greater amount, shall be deposited in the State Treasury to the  
201 credit of the "State Aid Road Fund," created by Section 65-9-17.  
202 Those funds shall be pledged to pay the principal of and interest  
203 on state aid road bonds heretofore issued under Sections 19-9-51  
204 through 19-9-77, in lieu of and in substitution for the funds  
205 previously allocated to counties under this section. Those funds  
206 may not be pledged for the payment of any state aid road bonds  
207 issued after April 1, 1981; however, this prohibition against the  
208 pledging of any such funds for the payment of bonds shall not  
209 apply to any bonds for which intent to issue those bonds has been  
210 published for the first time, as provided by law before March 29,  
211 1981. From the amount of taxes paid into the special fund under  
212 this subsection and subsection (9) of this section, there shall be  
213 first deducted and paid the amount necessary to pay the expenses  
214 of the Office of State Aid Road Construction, as authorized by the  
215 Legislature for all other general and special fund agencies. The  
216 remainder of the fund shall be allocated monthly to the several  
217 counties in accordance with the following formula:

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



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

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

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

231 The amount of funds allocated to any county under this  
232 subsection for any fiscal year after fiscal year 1994 shall not be  
233 less than the amount allocated to the county for fiscal year 1994.

234 Any reference in the general laws of this state or the  
235 Mississippi Code of 1972 to Section 27-5-105 shall mean and be  
236 construed to refer and apply to subsection (4) of Section  
237 27-65-75.

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



244 (6) An amount each month beginning August 15, 1983, through  
245 November 15, 1986, as specified in Section 6, Chapter 542, Laws of  
246 1983, shall be paid into the special fund known as the  
247 Correctional Facilities Construction Fund created in Section 6,  
248 Chapter 542, Laws of 1983.

249 (7) On or before August 15, 1992, and each succeeding month  
250 thereafter through July 15, 2000, two and two hundred sixty-six  
251 one-thousandths percent (2.266%) of the total sales tax revenue  
252 collected during the preceding month under the provisions of this  
253 chapter, except that collected under the provisions of Section  
254 27-65-17(2), shall be deposited by the department into the School  
255 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On  
256 or before August 15, 2000, and each succeeding month thereafter,  
257 two and two hundred sixty-six one-thousandths percent (2.266%) of  
258 the total sales tax revenue collected during the preceding month  
259 under the provisions of this chapter, except that collected under  
260 the provisions of Section 27-65-17(2), shall be deposited into the  
261 School Ad Valorem Tax Reduction Fund created under Section  
262 37-61-35 until such time that the total amount deposited into the  
263 fund during a fiscal year equals Forty-two Million Dollars  
264 (\$42,000,000.00). Thereafter, the amounts diverted under this  
265 subsection (7) during the fiscal year in excess of Forty-two  
266 Million Dollars (\$42,000,000.00) shall be deposited into the  
267 Education Enhancement Fund created under Section 37-61-33 for  
268 appropriation by the Legislature as other education needs and



269 shall not be subject to the percentage appropriation requirements  
270 set forth in Section 37-61-33.

271 (8) On or before August 15, 1992, and each succeeding month  
272 thereafter, nine and seventy-three one-thousandths percent  
273 (9.073%) of the total sales tax revenue collected during the  
274 preceding month under the provisions of this chapter, except that  
275 collected under the provisions of Section 27-65-17(2), shall be  
276 deposited into the Education Enhancement Fund created under  
277 Section 37-61-33.

278 (9) On or before August 15, 1994, and each succeeding month  
279 thereafter, from the revenue collected under this chapter during  
280 the preceding month, Two Hundred Fifty Thousand Dollars  
281 (\$250,000.00) shall be paid into the State Aid Road Fund.

282 (10) On or before August 15, 1994, and each succeeding month  
283 thereafter through August 15, 1995, from the revenue collected  
284 under this chapter during the preceding month, Two Million Dollars  
285 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad  
286 Valorem Tax Reduction Fund established in Section 27-51-105.

287 (11) Notwithstanding any other provision of this section to  
288 the contrary, on or before February 15, 1995, and each succeeding  
289 month thereafter, the sales tax revenue collected during the  
290 preceding month under the provisions of Section 27-65-17(2) and  
291 the corresponding levy in Section 27-65-23 on the rental or lease  
292 of private carriers of passengers and light carriers of property  
293 as defined in Section 27-51-101 shall be deposited, without



294 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund  
295 established in Section 27-51-105.

296 (12) Notwithstanding any other provision of this section to  
297 the contrary, on or before August 15, 1995, and each succeeding  
298 month thereafter, the sales tax revenue collected during the  
299 preceding month under the provisions of Section 27-65-17(1) on  
300 retail sales of private carriers of passengers and light carriers  
301 of property, as defined in Section 27-51-101 and the corresponding  
302 levy in Section 27-65-23 on the rental or lease of these vehicles,  
303 shall be deposited, after diversion, into the Motor Vehicle Ad  
304 Valorem Tax Reduction Fund established in Section 27-51-105.

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

313 (14) On or before August 15, 1998, and each succeeding month  
314 thereafter through July 15, 2005, that portion of the avails of  
315 the tax imposed in Section 27-65-23 that is derived from sales by  
316 cotton compresses or cotton warehouses and that would otherwise be  
317 paid into the General Fund shall be deposited in an amount not to  
318 exceed Two Million Dollars (\$2,000,000.00) into the special fund



319 created under Section 69-37-39. On or before August 15, 2007, and  
320 each succeeding month thereafter through July 15, 2010, that  
321 portion of the avails of the tax imposed in Section 27-65-23 that  
322 is derived from sales by cotton compresses or cotton warehouses  
323 and that would otherwise be paid into the General Fund shall be  
324 deposited in an amount not to exceed Two Million Dollars  
325 (\$2,000,000.00) into the special fund created under Section  
326 69-37-39 until all debts or other obligations incurred by the  
327 Certified Cotton Growers Organization under the Mississippi Boll  
328 Weevil Management Act before January 1, 2007, are satisfied in  
329 full. On or before August 15, 2010, and each succeeding month  
330 thereafter through July 15, 2011, fifty percent (50%) of that  
331 portion of the avails of the tax imposed in Section 27-65-23 that  
332 is derived from sales by cotton compresses or cotton warehouses  
333 and that would otherwise be paid into the General Fund shall be  
334 deposited into the special fund created under Section 69-37-39  
335 until such time that the total amount deposited into the fund  
336 during a fiscal year equals One Million Dollars (\$1,000,000.00).  
337 On or before August 15, 2011, and each succeeding month  
338 thereafter, that portion of the avails of the tax imposed in  
339 Section 27-65-23 that is derived from sales by cotton compresses  
340 or cotton warehouses and that would otherwise be paid into the  
341 General Fund shall be deposited into the special fund created  
342 under Section 69-37-39 until such time that the total amount



343 deposited into the fund during a fiscal year equals One Million  
344 Dollars (\$1,000,000.00).

345 (15) Notwithstanding any other provision of this section to  
346 the contrary, on or before September 15, 2000, and each succeeding  
347 month thereafter, the sales tax revenue collected during the  
348 preceding month under the provisions of Section  
349 27-65-19(1)(d)(i)2, and 27-65-19(1)(d)(i)3 shall be deposited,  
350 without diversion, into the Telecommunications Ad Valorem Tax  
351 Reduction Fund established in Section 27-38-7.

352 (16) (a) On or before August 15, 2000, and each succeeding  
353 month thereafter, the sales tax revenue collected during the  
354 preceding month under the provisions of this chapter on the gross  
355 proceeds of sales of a project as defined in Section 57-30-1 shall  
356 be deposited, after all diversions except the diversion provided  
357 for in subsection (1) of this section, into the Sales Tax  
358 Incentive Fund created in Section 57-30-3.

359 (b) On or before August 15, 2007, and each succeeding  
360 month thereafter, eighty percent (80%) of the sales tax revenue  
361 collected during the preceding month under the provisions of this  
362 chapter from the operation of a tourism project under the  
363 provisions of Sections 57-26-1 through 57-26-5, shall be  
364 deposited, after the diversions required in subsections (7) and  
365 (8) of this section, into the Tourism Project Sales Tax Incentive  
366 Fund created in Section 57-26-3.



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

374 (18) [Repealed]

375 (19) (a) On or before August 15, 2005, and each succeeding  
376 month thereafter, the sales tax revenue collected during the  
377 preceding month under the provisions of this chapter on the gross  
378 proceeds of sales of a business enterprise located within a  
379 redevelopment project area under the provisions of Sections  
380 57-91-1 through 57-91-11, and the revenue collected on the gross  
381 proceeds of sales from sales made to a business enterprise located  
382 in a redevelopment project area under the provisions of Sections  
383 57-91-1 through 57-91-11 (provided that such sales made to a  
384 business enterprise are made on the premises of the business  
385 enterprise), shall, except as otherwise provided in this  
386 subsection (19), be deposited, after all diversions, into the  
387 Redevelopment Project Incentive Fund as created in Section  
388 57-91-9.

389 (b) For a municipality participating in the Economic  
390 Redevelopment Act created in Sections 57-91-1 through 57-91-11,  
391 the diversion provided for in subsection (1) of this section





392 attributable to the gross proceeds of sales of a business  
393 enterprise located within a redevelopment project area under the  
394 provisions of Sections 57-91-1 through 57-91-11, and attributable  
395 to the gross proceeds of sales from sales made to a business  
396 enterprise located in a redevelopment project area under the  
397 provisions of Sections 57-91-1 through 57-91-11 (provided that  
398 such sales made to a business enterprise are made on the premises  
399 of the business enterprise), shall be deposited into the  
400 Redevelopment Project Incentive Fund as created in Section  
401 57-91-9, as follows:

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

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

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

414                   (iv) For the ninth year in which such payments are  
415 made to a developer from the Redevelopment Project Incentive Fund,



416 sixty percent (60%) of the diversion shall be deposited into the  
417 fund; and

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

421 (20) On or before January 15, 2007, and each succeeding  
422 month thereafter, eighty percent (80%) of the sales tax revenue  
423 collected during the preceding month under the provisions of this  
424 chapter from the operation of a tourism project under the  
425 provisions of Sections 57-28-1 through 57-28-5 shall be deposited,  
426 after the diversions required in subsections (7) and (8) of this  
427 section, into the Tourism Sales Tax Incentive Fund created in  
428 Section 57-28-3.

429 (21) (a) On or before April 15, 2007, and each succeeding  
430 month thereafter through June 15, 2013, One Hundred Fifty Thousand  
431 Dollars (\$150,000.00) of the sales tax revenue collected during  
432 the preceding month under the provisions of this chapter shall be  
433 deposited into the MMEIA Tax Incentive Fund created in Section  
434 57-101-3.

435 (b) On or before July 15, 2013, and each succeeding  
436 month thereafter, One Hundred Fifty Thousand Dollars (\$150,000.00)  
437 of the sales tax revenue collected during the preceding month  
438 under the provisions of this chapter shall be deposited into the  
439 Mississippi Development Authority Job Training Grant Fund created  
440 in Section 57-1-451.



441           (22) Notwithstanding any other provision of this section to  
442 the contrary, on or before August 15, 2009, and each succeeding  
443 month thereafter, the sales tax revenue collected during the  
444 preceding month under the provisions of Section 27-65-201 shall be  
445 deposited, without diversion, into the Motor Vehicle Ad Valorem  
446 Tax Reduction Fund established in Section 27-51-105.

447           (23) (a) On or before August 15, 2019, and each month  
448 thereafter through July 15, 2020, one percent (1%) of the total  
449 sales tax revenue collected during the preceding month from  
450 restaurants and hotels shall be allocated for distribution to the  
451 Mississippi Development Authority Tourism Advertising Fund  
452 established under Section 57-1-64, to be used exclusively for the  
453 purpose stated therein. On or before August 15, 2020, and each  
454 month thereafter through July 15, 2021, two percent (2%) of the  
455 total sales tax revenue collected during the preceding month from  
456 restaurants and hotels shall be allocated for distribution to the  
457 Mississippi Development Authority Tourism Advertising Fund  
458 established under Section 57-1-64, to be used exclusively for the  
459 purpose stated therein. On or before August 15, 2021, and each  
460 month thereafter, three percent (3%) of the total sales tax  
461 revenue collected during the preceding month from restaurants and  
462 hotels shall be allocated for distribution to the Mississippi  
463 Development Authority Tourism Advertising Fund established under  
464 Section 57-1-64, to be used exclusively for the purpose stated



465 therein. The revenue diverted pursuant to this subsection shall  
466 not be available for expenditure until February 1, 2020.

467 (b) The Joint Legislative Committee on Performance  
468 Evaluation and Expenditure Review (PEER) must provide an annual  
469 report to the Legislature indicating the amount of funds deposited  
470 into the Mississippi Development Authority Tourism Advertising  
471 Fund established under Section 57-1-64, and a detailed record of  
472 how the funds are spent.

473 (24) The remainder of the amounts collected under the  
474 provisions of this chapter shall be paid into the State Treasury  
475 to the credit of the General Fund.

476 (25) (a) It shall be the duty of the municipal officials of  
477 any municipality that expands its limits, or of any community that  
478 incorporates as a municipality, to notify the commissioner of that  
479 action thirty (30) days before the effective date. Failure to so  
480 notify the commissioner shall cause the municipality to forfeit  
481 the revenue that it would have been entitled to receive during  
482 this period of time when the commissioner had no knowledge of the  
483 action.

484 (b) (i) Except as otherwise provided in subparagraph  
485 (ii) of this paragraph, if any funds have been erroneously  
486 disbursed to any municipality or any overpayment of tax is  
487 recovered by the taxpayer, the commissioner may make correction  
488 and adjust the error or overpayment with the municipality by



489 withholding the necessary funds from any later payment to be made  
490 to the municipality.

491 (ii) Subject to the provisions of Sections  
492 27-65-51 and 27-65-53, if any funds have been erroneously  
493 disbursed to a municipality under subsection (1) of this section  
494 for a period of three (3) years or more, the maximum amount that  
495 may be recovered or withheld from the municipality is the total  
496 amount of funds erroneously disbursed for a period of three (3)  
497 years beginning with the date of the first erroneous disbursement.  
498 However, if during such period, a municipality provides written  
499 notice to the Department of Revenue indicating the erroneous  
500 disbursement of funds, then the maximum amount that may be  
501 recovered or withheld from the municipality is the total amount of  
502 funds erroneously disbursed for a period of one (1) year beginning  
503 with the date of the first erroneous disbursement.

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

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

508 27-5-101. Unless otherwise provided in this section, on or  
509 before the fifteenth day of each month, all gasoline, diesel fuel  
510 or kerosene taxes which are levied under the laws of this state  
511 and collected during the previous month shall be paid and  
512 apportioned by the \* \* \* Department of Revenue as follows:



513                   (a)   (i)   Except as otherwise provided in Section  
514 31-17-127, from the gross amount of gasoline, diesel fuel or  
515 kerosene taxes produced by the state, there shall be deducted an  
516 amount equal to one-sixth (1/6) of principal and interest  
517 certified by the State Treasurer to the \* \* \* Department of  
518 Revenue to be due on the next semiannual bond and interest payment  
519 date, as required under the provisions of Chapter 130, Laws of  
520 1938, and subsequent acts authorizing the issuance of bonds  
521 payable from gasoline, diesel fuel or kerosene tax revenue on a  
522 parity with the bonds issued under authority of said Chapter 130.  
523 The State Treasurer shall certify to the \* \* \* Department of  
524 Revenue on or before the fifteenth day of each month the amount to  
525 be paid to the "Highway Bonds Sinking Fund" as provided by said  
526 Chapter 130, Laws of 1938, and subsequent acts authorizing the  
527 issuance of bonds payable from gasoline, diesel fuel or kerosene  
528 tax revenue, on a parity with the bonds issued under authority of  
529 said Chapter 130; and the \* \* \* Department of Revenue shall, on or  
530 before the twenty-fifth day of each month, pay into the State  
531 Treasury for credit to the "Highway Bonds Sinking Fund" the amount  
532 so certified to him by the State Treasurer due to be paid into  
533 such fund each month. The payments to the "Highway Bonds Sinking  
534 Fund" shall be made out of gross gasoline, diesel fuel or kerosene  
535 tax collections before deductions of any nature are considered;  
536 however, such payments shall be deducted from the allocation to



537 the Mississippi Department of Transportation under paragraph (c)  
538 of this section.

539 (ii) From collections derived from the portion of  
540 the gasoline excise tax that exceeds Seven Cents (7¢) per gallon,  
541 from the portion of the tax on aviation gas under Section 27-55-11  
542 that exceeds Six and Four-tenths Cents (6.4¢) per gallon, from the  
543 portion of the special fuel tax levied under Sections 27-55-519  
544 and 27-55-521, at Eighteen Cents (18¢) per gallon that exceeds Ten  
545 Cents (10¢) per gallon, from the portion of the taxes levied under  
546 Section 27-55-519, at Five and Three-fourths Cents (5.75¢) per  
547 gallon that exceeds One Cent (1¢) per gallon on special fuel and  
548 Five and One-fourth Cents (5.25¢) per gallon on special fuel used  
549 as aircraft fuel, from the portion of the excise tax on compressed  
550 gas used as a motor fuel that exceeds the rate of tax in effect on  
551 June 30, 1987, and from the portion of the gasoline excise tax in  
552 excess of Seven Cents (7¢) per gallon and the diesel excise tax in  
553 excess of Ten Cents (10¢) per gallon under Section 27-61-5 there  
554 shall be deducted:

555 1. An amount as provided in Section  
556 27-65-75(4) to the credit of a special fund designated as the  
557 "Office of State Aid Road Construction."

558 2. An amount equal to the tax collections  
559 derived from Two Cents (2¢) per gallon of the gasoline excise tax  
560 for distribution to the State Highway Fund to be used exclusively  
561 for the construction, reconstruction and maintenance of highways



562 of the State of Mississippi or the payment of interest and  
563 principal on bonds when specifically authorized by the Legislature  
564 for that purpose.

565                                   3. An amount as provided in Section  
566 27-65-75(2) (b) to the credit of the City of Jackson, Mississippi.

567                                   \* \* \*4. The balance shall be deposited in  
568 the State Treasury to the credit of the State Highway Fund.

569                                   (b) Subject to the provisions that said basis of  
570 distribution shall in nowise affect adversely the amount  
571 specifically pledged in paragraph (a) of this section to be paid  
572 into the "Highway Bonds Sinking Fund," the following shall be  
573 deducted from the amount produced by the state tax on gasoline,  
574 diesel fuel or kerosene tax collections, excluding collections  
575 derived from the portion of the gasoline excise tax that exceeds  
576 Seven Cents (7¢) per gallon, from the portion of the tax on  
577 aviation gas under Section 27-55-11 that exceeds Six and  
578 Four-tenths Cents (6.4¢) per gallon, from the portion of the  
579 special fuel tax levied under Sections 27-55-519 and 27-55-521, at  
580 Eighteen Cents (18¢) per gallon that exceeds Ten Cents (10¢) per  
581 gallon, from the portion of the taxes levied under Section  
582 27-55-519, at Five and Three-fourths Cents (5.75¢) per gallon that  
583 exceeds One Cent (1¢) per gallon on special fuel and Five and  
584 One-fourth Cents (5.25¢) per gallon on special fuel used as  
585 aircraft fuel, from the portion of the excise tax on compressed  
586 gas used as a motor fuel that exceeds the rate of tax in effect on





587 June 30, 1987, and from the portion of the gasoline excise tax in  
588 excess of Seven Cents (7¢) per gallon and the diesel excise tax in  
589 excess of Ten Cents (10¢) per gallon under Section 27-61-5:

590 (i) Twenty percent (20%) of such amount which  
591 shall be earmarked and set aside for the construction,  
592 reconstruction and maintenance of the highways and roads of the  
593 state, provided that if such twenty percent (20%) should reduce  
594 any county to a lesser amount than that received in the fiscal  
595 year ending June 30, 1966, then such twenty percent (20%) shall be  
596 reduced to a percentage to provide that no county shall receive  
597 less than its portion for the fiscal year ending June 30, 1966;

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

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

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

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

608 (vi) The remainder shall be divided on a basis of  
609 nine-fourteenths (9/14) and five-fourteenths (5/14) (being the  
610 same basis as Four and One-half Cents (4-1/2¢) and Two and  
611 One-half Cents (2-1/2¢) is to Seven Cents (7¢) on gasoline, and



612 six and forty-three one-hundredths (6.43) and three and  
613 fifty-seven one-hundredths (3.57) is to Ten Cents (10¢) on diesel  
614 fuel or kerosene). The amount produced by the nine-fourteenths  
615 (9/14) division shall be allocated to the \* \* \* Department of  
616 Transportation and paid into the State Treasury as provided in  
617 this section and in Section 27-5-103 and the five-fourteenths  
618 (5/14) division shall be returned to the counties of the state on  
619 the following basis:

620                   1. In each fiscal year, each county shall be  
621 paid each month the same percentage of the monthly total to be  
622 distributed as was paid to that county during the same month in  
623 the fiscal year which ended April 9, 1960, until the county  
624 receives One Hundred Ninety Thousand Dollars (\$190,000.00) in such  
625 fiscal year, at which time funds shall be distributed under the  
626 provisions of paragraph (b) (vi)4 of this section.

627                   2. If after payments in 1 above, any county  
628 has not received a total of One Hundred Ninety Thousand Dollars  
629 (\$190,000.00) at the end of the fiscal year ending June 30, 1961,  
630 and each fiscal year thereafter, then any available funds not  
631 distributed under 1 above shall be used to bring such county or  
632 counties up to One Hundred Ninety Thousand Dollars (\$190,000.00)  
633 or such funds shall be divided equally among such counties not  
634 reaching One Hundred Ninety Thousand Dollars (\$190,000.00) if  
635 there is not sufficient money to bring all the counties to said  
636 One Hundred Ninety Thousand Dollars (\$190,000.00).



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

643                   4. During the last month of the current  
644 fiscal year, should it be determined that there are funds  
645 available in excess of the amount distributed for the year under 1  
646 and 2 above, then such excess funds shall be distributed among the  
647 various counties as follows:

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

650                                 One-third (1/3) of such excess to be paid  
651 to the counties in the proportion which the population of each  
652 county bears to the total population of the state according to the  
653 last federal census;

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

657                   5. It is the declared purpose and intent of  
658 the Legislature that no county shall be paid less than was paid  
659 during the year ended April 9, 1960, unless the amount to be  
660 distributed to all counties in any year is less than the amount  
661 distributed to all counties during the year ended April 9, 1960.



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

666           In any county having countywide road or bridge bonds, or  
667 supervisors district or district road or bridge bonds outstanding,  
668 which exceed, in the aggregate, twelve percent (12%) of the  
669 assessed valuation of the taxable property of the county or  
670 district, it shall be the duty of the board of supervisors to set  
671 aside not less than sixty percent (60%) of such county's share or  
672 district's share of the gasoline, diesel fuel or kerosene taxes to  
673 be used in paying the principal and interest on such road or  
674 bridge bonds as they mature.

675           In any county having such countywide road or bridge bonds or  
676 district road or bridge bonds outstanding which exceed, in the  
677 aggregate, eight percent (8%) of the assessed valuation of the  
678 taxable property of the county, but which do not exceed, in the  
679 aggregate, twelve percent (12%) of the assessed valuation of the  
680 taxable property of the county, it shall be the duty of the board  
681 of supervisors to set aside not less than thirty-five percent  
682 (35%) of such county's share of the gasoline, diesel fuel or  
683 kerosene taxes to be used in paying the principal and interest of  
684 such road or bridge bonds as they mature.

685           In any county having such countywide road or bridge bonds or  
686 district road or bridge bonds outstanding which exceed, in the



687 aggregate, five percent (5%) of the assessed valuation of the  
688 taxable property of the county, but which do not exceed, in the  
689 aggregate, eight percent (8%) of the assessed valuation of the  
690 taxable property of the county, it shall be the duty of the board  
691 of supervisors to set aside not less than twenty percent (20%) of  
692 such county's share of the gasoline, diesel fuel or kerosene taxes  
693 to be used in paying the principal and interest of such road and  
694 bridge bonds as they mature.

695 In any county having such countywide road or bridge bonds or  
696 district road or bridge bonds outstanding which do not exceed, in  
697 the aggregate, five percent (5%) of the assessed valuation of the  
698 taxable property of the county, it shall be the duty of the board  
699 of supervisors to set aside not less than ten percent (10%) of  
700 such county's share of the gasoline, diesel fuel or kerosene taxes  
701 to be used in paying the principal and interest on such road or  
702 bridge bonds as they mature.

703 The portion of any such county's share of the gasoline,  
704 diesel fuel or kerosene taxes thus set aside for the payment of  
705 the principal and interest of road or bridge bonds, as provided  
706 for in this section, shall be used first in paying the currently  
707 maturing installments of the principal and interest of such  
708 countywide road or bridge bonds, if there be any such countywide  
709 road or bridge bonds outstanding, and secondly, in paying the  
710 currently maturing installments of principal and interest of  
711 district road or bridge bonds outstanding. It shall be the duty



712 of the board of supervisors to pay bonds and interest maturing in  
713 each supervisors district out of the supervisors district's share  
714 of the gasoline, diesel fuel or kerosene taxes of such district.

715 The remaining portion of such county's share of the gasoline,  
716 diesel fuel or kerosene taxes, after setting aside the portion  
717 above provided for the payment of the principal and interest of  
718 bonds, shall be used in the construction and maintenance of any  
719 public highways, bridges, or culverts of the county, including the  
720 roads in special or separate road districts, in the discretion of  
721 the board of supervisors, or in paying the interest and principal  
722 of county road and bridge bonds or district road and bridge bonds,  
723 in the discretion of the board of supervisors.

724 In any county having no countywide road or bridge bonds or  
725 district road or bridge bonds outstanding, all such county's share  
726 of the gasoline, diesel fuel or kerosene taxes shall be used in  
727 the construction, reconstruction, and maintenance of the public  
728 highways, bridges, or culverts of the county as the board of  
729 supervisors may determine.

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

734 (c) From the amount produced by the nine-fourteenths  
735 (9/14) division allocated to the \* \* \* Department of  
736 Transportation, there shall be deducted:



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

739 (ii) Any amounts due counties in accordance with  
740 Section 65-33-45 which have outstanding bonds issued for seawall  
741 or road protection purposes, issued under provisions of Chapter  
742 319, Laws of 1924, and amendments thereto;

743 (iii) Except as otherwise provided in Section  
744 31-17-127, the remainder shall be paid by the \* \* \* Department of  
745 Revenue to the State Treasurer on the fifteenth day of each month  
746 next succeeding the month in which the gasoline, diesel fuel or  
747 kerosene taxes were collected to the credit of the State Highway  
748 Fund.

749 The funds allocated for the construction, reconstruction, and  
750 improvement of state highways, bridges, and culverts, or so much  
751 thereof as may be necessary, shall first be used in conjunction  
752 with funds supplied by the federal government for such purposes  
753 and allocated to the \* \* \* Department of Transportation to be  
754 expended on the state highway system. It is specifically provided  
755 hereby that the necessary portion of such funds hereinabove  
756 allocated to the \* \* \* Department of Transportation may be used  
757 for the prompt payment of principal and interest on highway bonds  
758 heretofore issued, including such bonds issued or to be issued  
759 under the provisions of Chapter 312, Laws of 1956, and amendments  
760 thereto.



761           Nothing contained in this section shall be construed to  
762 reduce the amount of such gasoline, diesel fuel or kerosene excise  
763 taxes levied by the state, allotted under the provisions of Title  
764 65, Chapter 33, Mississippi Code of 1972, to counties in which  
765 there are outstanding bonds issued for seawall or road protection  
766 purposes issued under the provisions of Chapter 319, Laws of 1924,  
767 and amendments thereto; the amount of said gasoline, diesel fuel  
768 or kerosene excise taxes designated in this section for the  
769 payment of bonds and interest authorized and issued or to be  
770 issued under the provisions of Chapter 130, Laws of 1938, and  
771 subsequent acts authorizing the issuance of bonds payable from  
772 gasoline, diesel fuel or kerosene tax revenue, shall, in such  
773 counties, be considered as being paid "into the State Treasury to  
774 the credit of the State Highway Fund" within the meaning of  
775 Section 65-33-45 in computing the amount to be paid to such  
776 counties under the provisions of said section, and this section  
777 shall be administered in connection with Title 65, Chapter 33,  
778 Mississippi Code of 1972, and Sections 65-33-45, 65-33-47 and  
779 65-33-49 dealing with seawalls, as if made a part of this section.

780           (d) The proceeds of the Five and One-fourth Cents  
781 (5.25¢) of the tax per gallon on oils used as a propellant for jet  
782 aircraft engines, and Six and Four-tenths Cents (6.4¢) of the tax  
783 per gallon on aviation gasoline and the tax of One Cent (1¢) per  
784 gallon for each gallon of gasoline for which a refund has been  
785 made pursuant to Section 27-55-23 because such gasoline was used





786 for aviation purposes, shall be paid to the State Treasury into a  
787 special fund to be used exclusively, pursuant to legislative  
788 appropriation, for the support and development of aeronautics as  
789 defined in Section 61-1-3.

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

796 (f) "Gasoline, diesel fuel or kerosene taxes" as used  
797 in this section shall be deemed to mean and include state  
798 gasoline, diesel fuel or kerosene taxes levied and imposed on  
799 distributors of gasoline, diesel fuel or kerosene, and all state  
800 excise taxes derived from any fuel used to propel vehicles upon  
801 the highways of this state, when levied by any statute.

802 **[With regard to any county which is required to operate on a**  
803 **countywide system of road administration as described in Section**  
804 **19-2-3, this section shall read as follows:]**

805 27-5-101. Unless otherwise provided in this section, on or  
806 before the fifteenth day of each month, all gasoline, diesel fuel  
807 or kerosene taxes which are levied under the laws of this state  
808 and collected during the previous month shall be paid and  
809 apportioned by the \* \* \* Department of Revenue as follows:



810 (a) (i) Except as otherwise provided in Section  
811 31-17-127, from the gross amount of gasoline, diesel fuel or  
812 kerosene taxes produced by the state, there shall be deducted an  
813 amount equal to one-sixth (1/6) of principal and interest  
814 certified by the State Treasurer to the \* \* \* Department of  
815 Revenue to be due on the next semiannual bond and interest payment  
816 date, as required under the provisions of Chapter 130, Laws of  
817 1938, and subsequent acts authorizing the issuance of bonds  
818 payable from gasoline, diesel fuel or kerosene tax revenue on a  
819 parity with the bonds issued under authority of said Chapter 130.  
820 The State Treasurer shall certify to the \* \* \* Department of  
821 Revenue on or before the fifteenth day of each month the amount to  
822 be paid to the "Highway Bonds Sinking Fund" as provided by said  
823 Chapter 130, Laws of 1938, and subsequent acts authorizing the  
824 issuance of bonds payable from gasoline, diesel fuel or kerosene  
825 tax revenue, on a parity with the bonds issued under authority of  
826 said Chapter 130; and the \* \* \* Department of Revenue shall, on or  
827 before the twenty-fifth day of each month, pay into the State  
828 Treasury for credit to the "Highway Bonds Sinking Fund" the amount  
829 so certified to him by the State Treasurer due to be paid into  
830 such fund each month. The payments to the "Highway Bonds Sinking  
831 Fund" shall be made out of gross gasoline, diesel fuel or kerosene  
832 tax collections before deductions of any nature are considered;  
833 however, such payments shall be deducted from the allocation to



834 the \* \* \* Department of Transportation under paragraph (c) of this  
835 section.

836 (ii) From collections derived from the portion of  
837 the gasoline excise tax that exceeds Seven Cents (7¢) per gallon,  
838 from the portion of the tax on aviation gas under Section 27-55-11  
839 that exceeds Six and Four-tenths Cents (6.4¢) per gallon, from the  
840 portion of the special fuel tax levied under Sections 27-55-519  
841 and 27-55-521, at Eighteen Cents (18¢) per gallon that exceeds Ten  
842 Cents (10¢) per gallon, from the portion of the taxes levied under  
843 Section 27-55-519, at Five and Three-fourths Cents (5.75¢) per  
844 gallon that exceeds One Cent (1¢) per gallon on special fuel and  
845 Five and One-fourth Cents (5.25¢) per gallon on special fuel used  
846 as aircraft fuel, from the portion of the excise tax on compressed  
847 gas used as a motor fuel that exceeds the rate of tax in effect on  
848 June 30, 1987, and from the portion of the gasoline excise tax in  
849 excess of Seven Cents (7¢) per gallon and the diesel excise tax in  
850 excess of Ten Cents (10¢) per gallon under Section 27-61-5 there  
851 shall be deducted:

852 1. An amount as provided in Section  
853 27-65-75(4) to the credit of a special fund designated as the  
854 "Office of State Aid Road Construction."

855 2. An amount equal to the tax collections  
856 derived from Two Cents (2¢) per gallon of the gasoline excise tax  
857 for distribution to the State Highway Fund to be used exclusively  
858 for the construction, reconstruction and maintenance of highways



859 of the State of Mississippi or the payment of interest and  
860 principal on bonds when specifically authorized by the Legislature  
861 for that purpose.

862 3. An amount as provided in Section  
863 27-65-75(2) (b) to the credit of the City of Jackson, Mississippi.

864 \* \* \*4. The balance shall be deposited in  
865 the State Treasury to the credit of the State Highway Fund.

866 (b) Subject to the provisions that said basis of  
867 distribution shall in nowise affect adversely the amount  
868 specifically pledged in paragraph (a) of this section to be paid  
869 into the "Highway Bonds Sinking Fund," the following shall be  
870 deducted from the amount produced by the state tax on gasoline,  
871 diesel fuel or kerosene tax collections, excluding collections  
872 derived from the portion of the gasoline excise tax that exceeds  
873 Seven Cents (7¢) per gallon, from the portion of the tax on  
874 aviation gas under Section 27-55-11 that exceeds Six and  
875 Four-tenths Cents (6.4¢) per gallon, from the portion of the  
876 special fuel tax levied under Sections 27-55-519 and 27-55-521, at  
877 Eighteen Cents (18¢) per gallon, that exceeds Ten Cents (10¢) per  
878 gallon, from the portion of the taxes levied under Section  
879 27-55-519, at Five and Three-fourths Cents (5.75¢) that exceeds  
880 One Cent (1¢) per gallon on special fuel and Five and One-fourth  
881 Cents (5.25¢) per gallon on special fuel used as aircraft fuel,  
882 from the portion of the excise tax on compressed gas used as a  
883 motor fuel that exceeds the rate of tax in effect on June 30,



884 1987, and from the portion of the gasoline excise tax in excess of  
885 Seven Cents (7¢) per gallon and the diesel excise tax in excess of  
886 Ten Cents (10¢) per gallon under Section 27-61-5:

887 (i) Twenty percent (20%) of such amount which  
888 shall be earmarked and set aside for the construction,  
889 reconstruction and maintenance of the highways and roads of the  
890 state, provided that if such twenty percent (20%) should reduce  
891 any county to a lesser amount than that received in the fiscal  
892 year ending June 30, 1966, then such twenty percent (20%) shall be  
893 reduced to a percentage to provide that no county shall receive  
894 less than its portion for the fiscal year ending June 30, 1966;

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

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

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

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

905 (vi) The remainder shall be divided on a basis of  
906 nine-fourteenths (9/14) and five-fourteenths (5/14) (being the  
907 same basis as Four and One-half Cents (4-1/2¢) and Two and  
908 One-half Cents (2-1/2¢) is to Seven Cents (7¢) on gasoline, and



909 six and forty-three one-hundredths (6.43) and three and  
910 fifty-seven one-hundredths (3.57) is to Ten Cents (10¢) on diesel  
911 fuel or kerosene). The amount produced by the nine-fourteenths  
912 (9/14) division shall be allocated to the \* \* \* Department of  
913 Transportation and paid into the State Treasury as provided in  
914 this section and in Section 27-5-103 and the five-fourteenths  
915 (5/14) division shall be returned to the counties of the state on  
916 the following basis:

917                   1. In each fiscal year, each county shall be  
918 paid each month the same percentage of the monthly total to be  
919 distributed as was paid to that county during the same month in  
920 the fiscal year which ended April 9, 1960, until the county  
921 receives One Hundred Ninety Thousand Dollars (\$190,000.00) in such  
922 fiscal year, at which time funds shall be distributed under the  
923 provisions of paragraph (b) (vi)4 of this section.

924                   2. If after payments in 1 above, any county  
925 has not received a total of One Hundred Ninety Thousand Dollars  
926 (\$190,000.00) at the end of the fiscal year ending June 30, 1961,  
927 and each fiscal year thereafter, then any available funds not  
928 distributed under 1 above shall be used to bring such county or  
929 counties up to One Hundred Ninety Thousand Dollars (\$190,000.00)  
930 or such funds shall be divided equally among such counties not  
931 reaching One Hundred Ninety Thousand Dollars (\$190,000.00) if  
932 there is not sufficient money to bring all the counties to said  
933 One Hundred Ninety Thousand Dollars (\$190,000.00).



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

940                   4. During the last month of the current  
941 fiscal year, should it be determined that there are funds  
942 available in excess of the amount distributed for the year under 1  
943 and 2 above, then such excess funds shall be distributed among the  
944 various counties as follows:

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

947                                 One-third (1/3) of such excess to be paid  
948 to the counties in the proportion which the population of each  
949 county bears to the total population of the state according to the  
950 last federal census;

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

954                   5. It is the declared purpose and intent of  
955 the Legislature that no county shall be paid less than was paid  
956 during the year ended April 9, 1960, unless the amount to be  
957 distributed to all counties in any year is less than the amount  
958 distributed to all counties during the year ended April 9, 1960.



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

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

970           In any county having such road or bridge bonds outstanding  
971 which exceed, in the aggregate, eight percent (8%) of the assessed  
972 valuation of the taxable property of the county, but which do not  
973 exceed, in the aggregate, twelve percent (12%) of the assessed  
974 valuation of the taxable property of the county, it shall be the  
975 duty of the board of supervisors to set aside not less than  
976 thirty-five percent (35%) of such county's share of the gasoline,  
977 diesel fuel or kerosene taxes to be used in paying the principal  
978 and interest of such road or bridge bonds as they mature.

979           In any county having such road or bridge bonds outstanding  
980 which exceed, in the aggregate, five percent (5%) of the assessed  
981 valuation of the taxable property of the county, but which do not  
982 exceed, in the aggregate, eight percent (8%) of the assessed  
983 valuation of the taxable property of the county, it shall be the





984 duty of the board of supervisors to set aside not less than twenty  
985 percent (20%) of such county's share of the gasoline, diesel fuel  
986 or kerosene taxes to be used in paying the principal and interest  
987 of such road and bridge bonds as they mature.

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

995 The portion of any such county's share of the gasoline,  
996 diesel fuel or kerosene taxes thus set aside for the payment of  
997 the principal and interest of road or bridge bonds, as provided  
998 for in this section, shall be used in paying the currently  
999 maturing installments of the principal and interest of such road  
1000 or bridge bonds, if there be any such road or bridge bonds  
1001 outstanding.

1002 The remaining portion of such county's share of the gasoline,  
1003 diesel fuel or kerosene taxes, after setting aside the portion  
1004 above provided for the payment of the principal and interest of  
1005 bonds, shall be used in the construction and maintenance of any  
1006 public highways, bridges or culverts of the county, in the  
1007 discretion of the board of supervisors.



1008           In any county having no road or bridge bonds outstanding, all  
1009 such county's share of the gasoline, diesel fuel or kerosene taxes  
1010 shall be used in the construction, reconstruction and maintenance  
1011 of the public highways, bridges or culverts of the county, as the  
1012 board of supervisors may determine.

1013           In every county in which there are county road bonds or  
1014 seawall or road protection bonds outstanding which were issued for  
1015 the purpose of building bridges or constructing public roads or  
1016 seawalls, such funds shall be used in the manner provided by law.

1017                   (c) From the amount produced by the nine-fourteenths  
1018 (9/14) division allocated to the \* \* \* Department of  
1019 Transportation, there shall be deducted:

1020                           (i) The amount paid to the State Treasurer for the  
1021 "Highway Bonds Sinking Fund" under paragraph (a) of this section;

1022                           (ii) Any amounts due counties in accordance with  
1023 Section 65-33-45 which have outstanding bonds issued for seawall  
1024 or road protection purposes, issued under provisions of Chapter  
1025 319, Laws of 1924, and amendments thereto; and

1026                           (iii) Except as otherwise provided in Section  
1027 31-17-127, the remainder shall be paid by the \* \* \* Department of  
1028 Revenue to the State Treasurer on the fifteenth day of each month  
1029 next succeeding the month in which the gasoline, diesel fuel or  
1030 kerosene taxes were collected to the credit of the State Highway  
1031 Fund.



1032           The funds allocated for the construction, reconstruction and  
1033 improvement of state highways, bridges and culverts, or so much  
1034 thereof as may be necessary, shall first be used in conjunction  
1035 with funds supplied by the federal government for such purposes  
1036 and allocated to the \* \* \* Department of Transportation to be  
1037 expended on the state highway system. It is specifically provided  
1038 hereby that the necessary portion of such funds hereinabove  
1039 allocated to the \* \* \* Department of Transportation may be used  
1040 for the prompt payment of principal and interest on highway bonds  
1041 heretofore issued, including such bonds issued or to be issued  
1042 under the provisions of Chapter 312, Laws of 1956, and amendments  
1043 thereto.

1044           Nothing contained in this section shall be construed to  
1045 reduce the amount of such gasoline, diesel fuel or kerosene excise  
1046 taxes levied by the state, allotted under the provisions of Title  
1047 65, Chapter 33, Mississippi Code of 1972, to counties in which  
1048 there are outstanding bonds issued for seawall or road protection  
1049 purposes issued under the provisions of Chapter 319, Laws of 1924,  
1050 and amendments thereto; the amount of said gasoline, diesel fuel  
1051 or kerosene excise taxes designated in this section for the  
1052 payment of bonds and interest authorized and issued or to be  
1053 issued under the provisions of Chapter 130, Laws of 1938, and  
1054 subsequent acts authorizing the issuance of bonds payable from  
1055 gasoline, diesel fuel or kerosene tax revenue, shall, in such  
1056 counties, be considered as being paid "into the State Treasury to



1057 the credit of the State Highway Fund" within the meaning of  
1058 Section 65-33-45 in computing the amount to be paid to such  
1059 counties under the provisions of said section, and this section  
1060 shall be administered in connection with Title 65, Chapter 33,  
1061 Mississippi Code of 1972, and Sections 65-33-45, 65-33-47 and  
1062 65-33-49 dealing with seawalls, as if made a part of this section.

1063 (d) The proceeds of the Five and One-fourth Cents  
1064 (5.25¢) of the tax per gallon on oils used as a propellant for jet  
1065 aircraft engines, and Six and Four-tenths Cents (6.4¢) of the tax  
1066 per gallon on aviation gasoline and the tax of One Cent (1¢) per  
1067 gallon for each gallon of gasoline for which a refund has been  
1068 made pursuant to Section 27-55-23 because such gasoline was used  
1069 for aviation purposes, shall be paid to the State Treasury into a  
1070 special fund to be used exclusively, pursuant to legislative  
1071 appropriation, for the support and development of aeronautics as  
1072 defined in Section 61-1-3.

1073 (e) State highway funds in an amount equal to the  
1074 difference between Forty-two Million Dollars (\$42,000,000.00) and  
1075 the annual debt service payable on the state's highway revenue  
1076 refunding bonds, Series 1985, shall be expended for the  
1077 construction or reconstruction of highways designated under the  
1078 highway program created under Section 65-3-97.

1079 (f) "Gasoline, diesel fuel or kerosene taxes" as used  
1080 in this section shall be deemed to mean and include state  
1081 gasoline, diesel fuel or kerosene taxes levied and imposed on



1082 distributors of gasoline, diesel fuel or kerosene, and all state  
1083 excise taxes derived from any fuel used to propel vehicles upon  
1084 the highways of this state, when levied by any statute.

1085           **SECTION 3.** This act shall take effect and be in force from  
1086 and after July 1, 2022.

