

By: Representative Compretta

To: Transportation; Ways  
and Means

## HOUSE BILL NO. 1507

1 AN ACT TO AMEND SECTION 31-17-127, MISSISSIPPI CODE OF 1972,  
2 TO AUTHORIZE THE STATE BOND COMMISSION TO ISSUE REFUNDING NOTES OR  
3 BONDS THAT MATURE NOT MORE THAN TEN YEARS FROM THE DATE OF  
4 ISSUANCE TO REFUND TEMPORARY BORROWINGS MADE TO FUND CONSTRUCTION  
5 PRIORITIES OF THE FOUR-LANE HIGHWAY PROGRAM; TO PROVIDE THAT SUCH  
6 REFUNDING BONDS OR NOTES SHALL BE FUNDED AND RETIRED BY PLEDGES OF  
7 CERTAIN FEDERAL AID GRANT REIMBURSEMENTS AND STATE TAX REVENUE  
8 DESIGNATED TO FUND THE FOUR-LANE HIGHWAY PROGRAM; TO CREATE THE  
9 FOUR-LANE HIGHWAY TRUST FUND AND TO REQUIRE THE PLEDGED FUNDS TO  
10 BE DEPOSITED INTO SUCH FUND UNTIL THERE IS AN AMOUNT EQUAL TO THE  
11 NEXT TWO DEBT SERVICE REQUIREMENTS OF THE REFUNDING NOTES OR  
12 BONDS; TO REQUIRE THAT AMOUNTS IN THE FOUR-LANE HIGHWAY TRUST FUND  
13 IN EXCESS OF THE REQUIRED BALANCE SHALL BE TRANSFERRED BY THE  
14 STATE TREASURER TO THE STATE HIGHWAY FUND; TO AMEND SECTION  
15 27-104-27, MISSISSIPPI CODE OF 1972, TO EXEMPT THE FOUR-LANE  
16 HIGHWAY TRUST FUND FROM THE REQUIREMENT OF AN APPROPRIATION; TO  
17 AMEND SECTIONS 27-5-101, 27-19-99, 27-19-325, 27-57-37, 27-65-75  
18 AND 65-39-35, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND  
19 FOR RELATED PURPOSES.

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

21 SECTION 1. Section 31-17-127, Mississippi Code of 1972, is  
22 amended as follows:

23 31-17-127. (1) (a) At any time when the revenue designated  
24 under Sections 27-5-101, 27-19-99, 27-19-325, 27-57-37 and  
25 27-65-75 to defray the cost of constructing or reconstructing  
26 highways under the Four-Lane Highway Program created under Section  
27 65-3-97 is insufficient to fund the construction priorities as  
28 they are scheduled in subsection (3) of Section 65-3-97, the State  
29 Bond Commission, upon receipt of a resolution from the Mississippi  
30 Transportation Commission requesting the same, is hereby  
31 authorized, on the credit of the state, to make temporary  
32 borrowings in the aggregate principal amount not to exceed Two  
33 Hundred Million Dollars (\$200,000,000.00) in order to provide  
34 funds in such amounts as may, from time to time, be deemed

35 necessary. In order to provide for, and in connection with such  
36 temporary borrowings, the State Bond Commission is hereby  
37 authorized in the name and on behalf of the state to enter into  
38 any purchase, loan or credit agreement, or agreements, or other  
39 agreement or agreements with any banks or trust companies or other  
40 lending institutions, investment banking firms or persons in the  
41 United States having power to enter into the same, which  
42 agreements may contain such provisions not inconsistent with the  
43 provisions of Sections 27-5-101, 27-19-99, 27-19-325, 27-57-37,  
44 27-65-75 and 65-3-97 as may be authorized by the State Bond  
45 Commission.

46 (b) As an alternative to the issuance of bonds under  
47 the provisions of Sections 65-39-5 through 65-39-33, for the  
48 purpose of providing funds for infrastructure projects under  
49 Section 65-39-1, the State Bond Commission, upon receipt of a  
50 resolution from the Mississippi Transportation Commission  
51 requesting the same, is hereby authorized, on the credit of the  
52 state, to make temporary borrowings in the aggregate principal  
53 amount not to exceed Three Hundred Million Dollars  
54 (\$300,000,000.00) in order to provide funds in such amounts as  
55 may, from time to time, be deemed necessary. In order to provide  
56 for, and in connection with such temporary borrowings, the State  
57 Bond Commission is hereby authorized in the name and on behalf of  
58 the state to enter into any purchase, loan or credit agreement, or  
59 agreements, or other agreement or agreements with any banks or  
60 trust companies or other lending institutions, investment banking  
61 firms or persons in the United States having power to enter into  
62 the same, which agreements may contain such provisions not  
63 inconsistent with the provisions of Section 65-39-1 as may be  
64 authorized by the State Bond Commission.

65 (2) All temporary borrowings made under this section shall  
66 be evidenced by notes of the state which shall be issued, from  
67 time to time, for such amounts not exceeding in the aggregate the  
68 applicable statutory and constitutional debt limitation, in such  
69 form and in such denominations and subject to terms and conditions  
70 of sale and issue, prepayment or redemption and maturity, rate or  
71 rates of interest and time of payment of interest as the State

Bond Commission shall authorize and direct and in accordance with Sections 27-5-101, 27-19-99, 27-19-325, 27-57-37, 27-65-75, 65-3-97 and 65-39-1; however, such notes shall mature not more than ten (10) years from the date of issuance. The State Bond Commission may provide for the subsequent issuance of refunding notes or bonds to refund, upon issuance thereof, such notes, and may specify such other terms and conditions with respect to such refunding notes or bonds thereby authorized for issuance as the seller may determine and direct, however such refunding notes or bonds shall mature not more than ten (10) years from date of issuance.

(3) In connection with the issuance of such refunding notes or bonds, the State Bond Commission is hereby authorized in the name and on behalf of the state to enter into agreements with any banks, trust companies, investment banking firms or other institutions or persons in the United States having the power to enter the same:

(a) To purchase or underwrite an issue or series of issues of refunding notes, or bonds.

(b) To enter into any purchase, loan or credit agreements, and to draw monies pursuant to any such agreements on the terms and conditions set forth therein and to issue notes as evidence of borrowings made under any such agreements.

(c) To appoint or act as issuing and paying agent or agents with respect to such refunding notes or bonds.

(d) To do such other acts as may be necessary or appropriate to provide for the payment, when due, of the principal of and interest on such refunding notes or bonds.

Such agreements may provide for the compensation of any purchasers or underwriters of such refunding notes or bonds by payment of a fixed fee or commission at the time of issuance thereof, and for all other costs and expenses, including fees for agreements related to such refunding notes or bonds and paying

agent costs. Costs and expenses of issuance may be paid from the proceeds of the refunding notes or bonds.

(4) \* \* \* At or prior to the time of delivery of these refunding notes or bonds, the State Bond Commission shall determine the principal amounts, dates of issue, interest rate or rates, rates of discount, denominations and all other terms and conditions relating to the issuance. The State Treasurer shall perform all acts and things necessary to pay or cause to be paid, when due, all principal of and interest on the notes being refunded by such refunding notes or bonds and to assure that the same may draw upon any monies available for that purpose pursuant to any purchase loan or credit agreements established with respect thereto, all subject to the authorization and direction of the seller.

(5) (a) (i) Such outstanding refunding notes or bonds evidencing such borrowings to defray the cost of constructing or reconstructing highways under the Four-Lane Highway Program established in Section 65-3-97 shall be funded and retired by the revenue designated under Sections 27-5-101, 27-19-99, 27-19-325, 27-57-37 and 27-65-75 and from any and all legally available federal aid grant reimbursements which are hereby pledged for this purpose, which is intended to be a priority use for such pledged funds for so long as any notes, refunding notes or bonds are outstanding. Such revenues shall be deposited into the Four-Lane Highway Trust Fund for the repayment of the debt service of the refunding notes or bonds in accordance with paragraph (b) of this subsection (5). Such refunding notes or bonds issued pursuant to the provisions of this section shall be secured by a first and priority lien on the revenues pledged therefor.

(ii) Outstanding notes evidencing such borrowings to defray the cost of infrastructure projects under Section 65-39-1 may be funded and retired from monies in the Gaming Counties Bond Sinking Fund created under Section 65-39-3. The

138 refunding notes or bonds must be issued and sold not later than a  
139 date two (2) years after the date of issuance of the first notes  
140 evidencing such borrowings to the extent that payment of such  
141 notes has not otherwise been made or provided for by sources other  
142 than proceeds of refunding notes or bonds.

143       (b) There is created in the State Treasury a special  
144 fund designated as the "Four-Lane Highway Trust Fund" into which  
145 shall be deposited the funds designated in this paragraph until  
146 the balance in the fund is equal to the next two (2) debt service  
147 requirements of the refunding notes or bonds issued to defray the  
148 cost of the Four-Lane Highway Program established in Section  
149 65-3-97. Once the required balance in the fund is reached,  
150 deposits shall cease until the amount in the fund falls below the  
151 amount equal to the next two (2) debt service requirements of the  
152 refunding bonds or notes. Unexpended amounts in the fund at the  
153 end of a fiscal year shall not lapse into the State General Fund,  
154 and any interest earned on amounts in the fund shall be deposited  
155 to the credit of the fund. Money in the fund may not be used or  
156 expended for any purpose except as authorized under this  
157 subsection. The State Treasurer shall disburse money from the  
158 fund for the purposes authorized under this subsection. Deposits  
159 into the fund shall be made as follows:

160               (i) Federal aid grant reimbursements designated  
161 for the Four-Lane Highway Program established in Section 65-3-97  
162 shall be deposited into the Four-Lane Highway Trust Fund until  
163 such time as the balance requirements of this section are met.

164               (ii) If the federal aid grant reimbursements  
165 designated for the Four-Lane Highway Program are projected by the  
166 State Treasurer to be insufficient to meet the balance  
167 requirements of this paragraph, then the revenue designated under  
168 Sections 27-5-101, 27-19-99, 27-19-325, 27-57-37 and 27-65-75 to  
169 defray the cost of the Four-Lane Highway Program shall be  
170 deposited into the Four-Lane Highway Trust Fund.

171           (iii) If the amounts required to be deposited by  
172 items (i) and (ii) of this paragraph (b) are projected by the  
173 State Treasurer to be insufficient to meet the balance  
174 requirements of this paragraph, then any other legally available  
175 federal aid grant reimbursements shall be deposited into the  
176 Four-Lane Highway Trust Fund.

177           At such times as the balance requirements of this paragraph  
178 are met, the State Treasurer shall transfer all excess amounts to  
179 the State Highway Fund.

180           (c) Any state laws authorizing the imposition or  
181 distribution of taxes, fees or federal reimbursements designated  
182 for the Four-Lane Highway Program created under Section 65-3-97,  
183 or that affect those taxes, fees and federal reimbursements  
184 pledged for the payment of refunding notes or bonds issued under  
185 this section, shall not be amended or repealed or otherwise  
186 directly or indirectly modified so as to impair such outstanding  
187 refunding notes or bonds unless such refunding notes or bonds have  
188 been discharged in full or provisions have been made for a full  
189 discharge or defeasance.

190           (6) The proceeds of all such temporary borrowing shall be  
191 paid to the Mississippi Transportation Commission to be held and  
192 disposed of in accordance with the provisions of Sections  
193 27-5-101, 27-19-99, 27-19-325, 27-57-37, 27-65-75, 65-3-97 and  
194 65-39-1.

195           SECTION 2. Section 27-104-27, Mississippi Code of 1972, is  
196 amended as follows:

197           27-104-27. Notwithstanding anything in Sections 27-103-101  
198 through 27-103-139 and 27-104-1 through 27-104-29 contained, the  
199 same shall not be construed to apply to any agency supported  
200 wholly by funds granted or allotted under any act of Congress.  
201 The State Auditor of Public Accounts and after July 1, 1986, the  
202 State Fiscal Officer shall determine which special fund accounts  
203 in the State Treasury require an appropriation act and request an

204 appropriation for such special fund accounts. For all other  
205 special fund accounts, the State Auditor of Public Accounts, or  
206 the State Fiscal Officer after July 1, 1986, shall certify that  
207 such accounts do not require an appropriation. The Legislative  
208 Budget Office shall recommend an appropriation for each special  
209 fund account existing in the State Treasury so certified as  
210 requiring an appropriation, unless exempted as hereinafter  
211 provided. In the event the Legislative Budget Committee and the  
212 State Fiscal Officer find that any state agency should not be  
213 included under the provisions of Sections 27-103-101 through  
214 27-103-139 and 27-104-1 through 27-104-29, then the said committee  
215 and officer may, in their discretion, exempt said state agency  
216 from the provisions thereof. Sections 27-103-101 through  
217 27-103-139 and 27-104-1 through 27-104-29 shall not apply to funds  
218 collected and disbursed by a state agency created and existing  
219 under the provisions of Sections 73-3-101 through 73-3-169.  
220 Sections 27-103-101 through 27-103-139 and 27-104-1 through  
221 27-104-29 shall not apply to funds deposited into the special fund  
222 created pursuant to Section 45-9-101, the special fund created  
223 pursuant to Section 69-37-39 or the special fund created pursuant  
224 to Section 1 of House Bill No. \_\_\_\_\_, 1999 Regular Session.

225       The State Fiscal Officer shall not promulgate or attempt to  
226 enforce any rule, order or regulation which is not in accordance  
227 with the provisions of a legally executed trust indenture  
228 agreement, nor shall Sections 27-103-101 through 27-103-139 and  
229 27-104-1 through 27-104-29 be construed to apply to funds  
230 collected and disbursed by a state agency under Sections 65-33-45  
231 and 65-33-47.

232       SECTION 3. Section 27-5-101, Mississippi Code of 1972, is  
233 amended as follows:

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

236       27-5-101. Unless otherwise provided in this section, on or

before the fifteenth day of each month, all gasoline, diesel fuel or kerosene taxes which are levied under the laws of this state and collected during the previous month shall be paid and apportioned by the State Tax Commission as follows:

(a) (i) From the gross amount of gasoline, diesel fuel or kerosene taxes produced by the state, there shall be deducted an amount equal to one-sixth (1/6) of principal and interest certified by the State Treasurer to the State Tax Commission to be due on the next semiannual bond and interest payment date, as required under the provisions of Chapter 130, Laws of 1938, and subsequent acts authorizing the issuance of bonds payable from gasoline, diesel fuel or kerosene tax revenue on a parity with the bonds issued under authority of said Chapter 130. The State Treasurer shall certify to the State Tax Commission on or before the fifteenth day of each month the amount to be paid to the "Highway Bonds Sinking Fund" as provided by said Chapter 130, Laws of 1938, and subsequent acts authorizing the issuance of bonds payable from gasoline, diesel fuel or kerosene tax revenue, on a parity with the bonds issued under authority of said Chapter 130; and the State Tax Commission shall, on or before the twenty-fifth day of each month, pay into the State Treasury for credit to the "Highway Bonds Sinking Fund" the amount so certified to him by the State Treasurer due to be paid into such fund each month. The payments to the "Highway Bonds Sinking Fund" shall be made out of gross gasoline, diesel fuel or kerosene tax collections before deductions of any nature are considered; however, such payments shall be deducted from the allocation to the Mississippi Department of Transportation under paragraph (c) of this section.

(ii) From collections derived from the portion of the gasoline excise tax that exceeds Seven Cents (7¢) per gallon, from the portion of the tax on aviation gas under Section 27-55-11 that exceeds Six and Four-tenths Cents (6.4¢) per gallon, from the portion of the diesel fuel tax levied under Section 27-55-313 that



270 exceeds Ten Cents (10¢) per gallon, from the portion of the taxes  
271 levied under Section 27-57-315 that exceeds One Cent (1¢) per  
272 gallon on oil and Five and One-fourth Cents (5.25¢) per gallon on  
273 oil used as aircraft fuel, from the portion of the excise tax on  
274 compressed gas used as a motor fuel that exceeds the rate of tax  
275 in effect on June 30, 1987, and from the portion of the gasoline  
276 excise tax in excess of Seven Cents (7¢) per gallon and the diesel  
277 excise tax in excess of Ten Cents (10¢) per gallon under Section  
278 27-61-5 there shall be deducted:

279                   1. An amount as provided in Section  
280 27-65-75(4) to the credit of a special fund designated as the  
281 "Office of State Aid Road Construction."

282                   2. An amount equal to the tax collections  
283 derived from Two Cents (2¢) per gallon of the gasoline excise tax  
284 for distribution to the State Highway Fund to be used exclusively  
285 for the construction, reconstruction and maintenance of highways  
286 of the State of Mississippi or the payment of interest and  
287 principal on bonds when specifically authorized by the Legislature  
288 for that purpose.

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

291                   (b) Subject to the provisions that said basis of  
292 distribution shall in nowise affect adversely the amount  
293 specifically pledged in paragraph (a) of this section to be paid  
294 into the "Highway Bonds Sinking Fund," the following shall be  
295 deducted from the amount produced by the state tax on gasoline,  
296 diesel fuel or kerosene tax collections, excluding collections  
297 derived from the portion of the gasoline excise tax that exceeds  
298 Seven Cents (7¢) per gallon, from the portion of the tax on  
299 aviation gas under Section 27-55-11 that exceeds Six and  
300 Four-tenths Cents (6.4¢) per gallon, from the portion of the  
301 diesel fuel tax levied under Section 27-55-313 that exceeds Ten  
302 Cents (10¢) per gallon, from the portion of the taxes levied under

Section 27-57-315 that exceeds One Cent (1¢) per gallon on oil and Five and One-fourth Cents (5.25¢) per gallon on oil used as aircraft fuel, from the portion of the excise tax on compressed gas used as a motor fuel that exceeds the rate of tax in effect on June 30, 1987, and from the portion of the gasoline excise tax in excess of Seven Cents (7¢) per gallon and the diesel excise tax in excess of Ten Cents (10¢) per gallon under Section 27-61-5:

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

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

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

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

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

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

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

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

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

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

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

One-third (1/3) of such excess to be divided equally among

369 the counties;

370       One-third (1/3) of such excess to be paid to the counties in  
371 the proportion which the population of each county bears to the  
372 total population of the state according to the last federal  
373 census;

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

377               5. It is the declared purpose and intent of  
378 the Legislature that no county shall be paid less than was paid  
379 during the year ended April 9, 1960, unless the amount to be  
380 distributed to all counties in any year is less than the amount  
381 distributed to all counties during the year ended April 9, 1960.

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

386       In any county having countywide road or bridge bonds, or  
387 supervisors district or district road or bridge bonds outstanding,  
388 which exceed, in the aggregate, twelve percent (12%) of the  
389 assessed valuation of the taxable property of the county or  
390 district, it shall be the duty of the board of supervisors to set  
391 aside not less than sixty percent (60%) of such county's share or  
392 district's share of the gasoline, diesel fuel or kerosene taxes to  
393 be used in paying the principal and interest on such road or  
394 bridge bonds as they mature.

395       In any county having such countywide road or bridge bonds or  
396 district road or bridge bonds outstanding which exceed, in the  
397 aggregate, eight percent (8%) of the assessed valuation of the  
398 taxable property of the county, but which do not exceed, in the  
399 aggregate, twelve percent (12%) of the assessed valuation of the  
400 taxable property of the county, it shall be the duty of the board  
401 of supervisors to set aside not less than thirty-five percent

(35%) of such county's share of the gasoline, diesel fuel or kerosene taxes to be used in paying the principal and interest of such road or bridge bonds as they mature.

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

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

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

435       The remaining portion of such county's share of the gasoline,  
436 diesel fuel or kerosene taxes, after setting aside the portion  
437 above provided for the payment of the principal and interest of  
438 bonds, shall be used in the construction and maintenance of any  
439 public highways, bridges, or culverts of the county, including the  
440 roads in special or separate road districts, in the discretion of  
441 the board of supervisors, or in paying the interest and principal  
442 of county road and bridge bonds or district road and bridge bonds,  
443 in the discretion of the board of supervisors.

444       In any county having no countywide road or bridge bonds or  
445 district road or bridge bonds outstanding, all such county's share  
446 of the gasoline, diesel fuel or kerosene taxes shall be used in  
447 the construction, reconstruction, and maintenance of the public  
448 highways, bridges, or culverts of the county as the board of  
449 supervisors may determine.

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

454               (c) From the amount produced by the nine-fourteenths  
455 (9/14) division allocated to the Transportation Department, there  
456 shall be deducted:

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

459                       (ii) Any amounts due counties in accordance with  
460 Section 65-33-45 which have outstanding bonds issued for seawall  
461 or road protection purposes, issued under provisions of Chapter  
462 319, Laws of 1924, and amendments thereto;

463                       (iii) Beginning August 15, 2002, and on or before  
464 the fifteenth day of each month thereafter, an amount equal to  
465 one-sixth (1/6) of the principal and interest certified by the  
466 State Treasurer to the State Tax Commission to be due on the next  
467 semiannual bond and interest payment date for the bonds issued

under Sections 65-39-5 through 65-39-33. On or before the twenty-fifth day of each month the State Tax Commission shall pay into the State Treasury for credit to the Gaming Counties Bond Sinking Fund created in Section 65-39-3, the amount so certified by the State Treasurer.

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

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

Nothing contained in this section shall be construed to reduce the amount of such gasoline, diesel fuel or kerosene excise taxes levied by the state, allotted under the provisions of Title 65, Chapter 33, Mississippi Code of 1972, to counties in which there are outstanding bonds issued for seawall or road protection purposes issued under the provisions of Chapter 319, Laws of 1924, and amendments thereto; the amount of said gasoline, diesel fuel or kerosene excise taxes designated in this section for the payment of bonds and interest authorized and issued or to be issued under the provisions of Chapter 130, Laws of 1938, and

subsequent acts authorizing the issuance of bonds payable from gasoline, diesel fuel or kerosene tax revenue, shall, in such counties, be considered as being paid "into the State Treasury to the credit of the State Highway Fund" within the meaning of Section 65-33-45 in computing the amount to be paid to such counties under the provisions of said section, and this section shall be administered in connection with Title 65, Chapter 33, Mississippi Code of 1972, and Sections 65-33-45, 65-33-47 and 65-33-49 dealing with seawalls, as if made a part of this section.

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

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

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

**[With regard to any county which is required to operate on a countywide system of road administration as described in Section**



534 **19-2-3, this section shall read as follows:]**

535       27-5-101. Unless otherwise provided in this section, on or  
536 before the fifteenth day of each month, all gasoline, diesel fuel  
537 or kerosene taxes which are levied under the laws of this state  
538 and collected during the previous month shall be paid and  
539 apportioned by the State Tax Commission as follows:

540           (a) (i) From the gross amount of gasoline, diesel fuel  
541 or kerosene taxes produced by the state, there shall be deducted  
542 an amount equal to one-sixth (1/6) of principal and interest  
543 certified by the State Treasurer to the State Tax Commission to be  
544 due on the next semiannual bond and interest payment date, as  
545 required under the provisions of Chapter 130, Laws of 1938, and  
546 subsequent acts authorizing the issuance of bonds payable from  
547 gasoline, diesel fuel or kerosene tax revenue on a parity with the  
548 bonds issued under authority of said Chapter 130. The State  
549 Treasurer shall certify to the State Tax Commission on or before  
550 the fifteenth day of each month the amount to be paid to the  
551 "Highway Bonds Sinking Fund" as provided by said Chapter 130, Laws  
552 of 1938, and subsequent acts authorizing the issuance of bonds  
553 payable from gasoline, diesel fuel or kerosene tax revenue, on a  
554 parity with the bonds issued under authority of said Chapter 130;  
555 and the State Tax Commission shall, on or before the twenty-fifth  
556 day of each month, pay into the State Treasury for credit to the  
557 "Highway Bonds Sinking Fund" the amount so certified to him by the  
558 State Treasurer due to be paid into such fund each month. The  
559 payments to the "Highway Bonds Sinking Fund" shall be made out of  
560 gross gasoline, diesel fuel or kerosene tax collections before  
561 deductions of any nature are considered; however, such payments  
562 shall be deducted from the allocation to the Transportation  
563 Department under paragraph (c) of this section.

564           (ii) From collections derived from the portion of  
565 the gasoline excise tax that exceeds Seven Cents (7¢) per gallon,  
566 from the portion of the tax on aviation gas under Section 27-55-11

that exceeds Six and Four-tenths Cents (6.4¢) per gallon, from the portion of the diesel fuel tax levied under Section 27-55-313 that exceeds Ten Cents (10¢) per gallon, from the portion of the taxes levied under Section 27-57-315 that exceeds One Cent (1¢) per gallon on oil and Five and One-fourth Cents (5.25¢) per gallon on oil used as aircraft fuel, from the portion of the excise tax on compressed gas used as a motor fuel that exceeds the rate of tax in effect on June 30, 1987, and from the portion of the gasoline excise tax in excess of Seven Cents (7¢) per gallon and the diesel excise tax in excess of Ten Cents (10¢) per gallon under Section 27-61-5 there shall be deducted:

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

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

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

(b) Subject to the provisions that said basis of distribution shall in nowise affect adversely the amount specifically pledged in paragraph (a) of this section to be paid into the "Highway Bonds Sinking Fund," the following shall be deducted from the amount produced by the state tax on gasoline, diesel fuel or kerosene tax collections, excluding collections derived from the portion of the gasoline excise tax that exceeds Seven Cents (7¢) per gallon, from the portion of the tax on aviation gas under Section 27-55-11 that exceeds Six and Four-tenths Cents (6.4¢) per gallon, from the portion of the

diesel fuel tax levied under Section 27-55-313, that exceeds Ten Cents (10¢) per gallon, from the portion of the taxes levied under Section 27-57-315, that exceeds One Cent (1¢) per gallon on oil and Five and One-fourth Cents (5.25¢) per gallon on oil used as aircraft fuel, from the portion of the excise tax on compressed gas used as a motor fuel that exceeds the rate of tax in effect on June 30, 1987, and from the portion of the gasoline excise tax in excess of Seven Cents (7¢) per gallon and the diesel excise tax in excess of Ten Cents (10¢) per gallon under Section 27-61-5:

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

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

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

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

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

(vi) The remainder shall be divided on a basis of nine-fourteenths (9/14) and five-fourteenths (5/14) (being the same basis as Four and One-half Cents (4-1/2¢) and Two and One-half Cents (2-1/2¢) is to Seven Cents (7¢) on gasoline, and six and forty-three one-hundredths (6.43) and three and fifty-seven one-hundredths (3.57) is to Ten Cents (10¢) on diesel

fuel or kerosene). The amount produced by the nine-fourteenths (9/14) division shall be allocated to the Transportation Department and paid into the State Treasury as provided in this section and in Section 27-5-103 and the five-fourteenths (5/14) division shall be returned to the counties of the state on the following basis:

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

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

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

4. During the last month of the current fiscal year, should it be determined that there are funds available in excess of the amount distributed for the year under 1 and 2 above, then such excess funds shall be distributed among the

666 various counties as follows:

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

669       One-third (1/3) of such excess to be paid to the counties in  
670 the proportion which the population of each county bears to the  
671 total population of the state according to the last federal  
672 census;

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

676                     5. It is the declared purpose and intent of  
677 the Legislature that no county shall be paid less than was paid  
678 during the year ended April 9, 1960, unless the amount to be  
679 distributed to all counties in any year is less than the amount  
680 distributed to all counties during the year ended April 9, 1960.

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

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

692       In any county having such road or bridge bonds outstanding  
693 which exceed, in the aggregate, eight percent (8%) of the assessed  
694 valuation of the taxable property of the county, but which do not  
695 exceed, in the aggregate, twelve percent (12%) of the assessed  
696 valuation of the taxable property of the county, it shall be the  
697 duty of the board of supervisors to set aside not less than  
698 thirty-five percent (35%) of such county's share of the gasoline,

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

701         In any county having such road or bridge bonds outstanding  
702 which exceed, in the aggregate, five percent (5%) of the assessed  
703 valuation of the taxable property of the county, but which do not  
704 exceed, in the aggregate, eight percent (8%) of the assessed  
705 valuation of the taxable property of the county, it shall be the  
706 duty of the board of supervisors to set aside not less than twenty  
707 percent (20%) of such county's share of the gasoline, diesel fuel  
708 or kerosene taxes to be used in paying the principal and interest  
709 of such road and bridge bonds as they mature.

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

717         The portion of any such county's share of the gasoline,  
718 diesel fuel or kerosene taxes thus set aside for the payment of  
719 the principal and interest of road or bridge bonds, as provided  
720 for in this section, shall be used in paying the currently  
721 maturing installments of the principal and interest of such road  
722 or bridge bonds, if there be any such road or bridge bonds  
723 outstanding.

724         The remaining portion of such county's share of the gasoline,  
725 diesel fuel or kerosene taxes, after setting aside the portion  
726 above provided for the payment of the principal and interest of  
727 bonds, shall be used in the construction and maintenance of any  
728 public highways, bridges or culverts of the county, in the  
729 discretion of the board of supervisors.

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

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

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

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

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

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

(iii) Beginning August 15, 2002, and on or before the fifteenth day of each month thereafter, an amount equal to one-sixth (1/6) of the principal and interest certified by the State Treasurer to the State Tax Commission to be due on the next semiannual bond and interest payment date for the bonds issued under Sections 65-39-5 through 65-39-33. On or before the twenty-fifth day of each month the State Tax Commission shall pay into the State Treasury for credit to the Gaming Counties Bond Sinking Fund created in Section 65-39-3, the amount certified by the State Treasurer.

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

The funds allocated for the construction, reconstruction and

765 improvement of state highways, bridges and culverts, or so much  
766 thereof as may be necessary, shall first be used in conjunction  
767 with funds supplied by the federal government for such purposes  
768 and allocated to the Transportation Department to be expended on  
769 the state highway system. It is specifically provided hereby that  
770 the necessary portion of such funds hereinabove allocated to the  
771 Transportation Department may be used for the prompt payment of  
772 principal and interest on highway bonds heretofore issued,  
773 including such bonds issued or to be issued under the provisions  
774 of Chapter 312, Laws of 1956, and amendments thereto.

775       Nothing contained in this section shall be construed to  
776 reduce the amount of such gasoline, diesel fuel or kerosene excise  
777 taxes levied by the state, allotted under the provisions of Title  
778 65, Chapter 33, Mississippi Code of 1972, to counties in which  
779 there are outstanding bonds issued for seawall or road protection  
780 purposes issued under the provisions of Chapter 319, Laws of 1924,  
781 and amendments thereto; the amount of said gasoline, diesel fuel  
782 or kerosene excise taxes designated in this section for the  
783 payment of bonds and interest authorized and issued or to be  
784 issued under the provisions of Chapter 130, Laws of 1938, and  
785 subsequent acts authorizing the issuance of bonds payable from  
786 gasoline, diesel fuel or kerosene tax revenue, shall, in such  
787 counties, be considered as being paid "into the State Treasury to  
788 the credit of the State Highway Fund" within the meaning of  
789 Section 65-33-45 in computing the amount to be paid to such  
790 counties under the provisions of said section, and this section  
791 shall be administered in connection with Title 65, Chapter 33,  
792 Mississippi Code of 1972, and Sections 65-33-45, 65-33-47 and  
793 65-33-49 dealing with seawalls, as if made a part of this section.

794       (d) The proceeds of the Five and One-fourth Cents  
795 (5.25¢) of the tax per gallon on oils used as a propellant for jet  
796 aircraft engines, and Six and Four-tenths Cents (6.4¢) of the tax  
797 per gallon on aviation gasoline and the tax of One Cent (1¢) per



gallon for each gallon of gasoline for which a refund has been made pursuant to Section 27-55-23 because such gasoline was used for aviation purposes, shall be paid to the State Treasury into a special fund to be used exclusively, pursuant to legislative appropriation, for the support and development of aeronautics as defined in Section 61-1-3.

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

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

SECTION 4. Section 27-19-99, Mississippi Code of 1972, is amended as follows:

27-19-99. The State Tax Commission shall furnish the tax collector of each county a sufficient supply of license tags or plates and a sufficient supply of license receipts with which to make the collection of the taxes imposed by the provisions of this article, which such tax collectors are required to collect. The license tag receipts shall be on forms prescribed by the commission. Upon the payment of the taxes and fees required by this article, the tax collector shall issue the license receipt in the form prescribed by the commission. The commission shall keep account against the tax collector for the license taxes and fees collected. The tax collector shall keep a similar account.

The tax collector shall, at the end of each month or within twenty (20) days thereafter, pay into the county road fund all

831 privilege taxes collected by him during the preceding month upon  
832 motor vehicle privilege licenses which he is entitled to issue,  
833 less the county's commission.

834       The tax collector shall keep a record of the information  
835 furnished by the owners of each motor vehicle registered. The  
836 record shall be made in numerical order by tag number or decal  
837 number, whichever is appropriate. At the end of each month, or  
838 within twenty (20) days thereafter, the tax collector shall submit  
839 to the commission a copy of such record, together with the copy of  
840 each registration receipt, and shall, at the same time, remit to  
841 the commission the registration fee for each license tag or decal  
842 sold by him during the preceding month. When the tax collector  
843 shall have complied with the provisions of this section and shall  
844 have forwarded to the commission, within the time specified, all  
845 reports required of him hereunder, he shall then be entitled to  
846 retain five percent (5%) of the registration fees imposed in  
847 paragraphs (a) and (b) of Section 27-19-43, Mississippi Code of  
848 1972, to be paid into the county general fund; otherwise the  
849 county's commission shall be forfeited. The five percent (5%)  
850 shall not apply to any additional registration fee imposed above  
851 the amounts imposed in paragraphs (a) and (b) of Section 27-19-43.

852       The commission shall keep a record from the duplicates filed by  
853 the tax collectors of all registered vehicles.

854       Counties that use their existing computer system to  
855 communicate all data regarding vehicle title and registration  
856 transactions to the state's central computer system shall be  
857 allotted Fifty Cents (50¢) for each registration fee collected by  
858 the county and remitted to the State Tax Commission. Such  
859 communication must successfully pass any edit features and  
860 successfully create or update title/registration records on the  
861 network system. This amount paid to the county shall be deposited  
862 into the county general fund to be expended only for costs  
863 incurred for the purchase of equipment, software, maintenance or

864 other costs directly related to the title/registration network  
865 system.

866 All monies remitted to the commission by tax collectors as  
867 registration or tag fees from the portion of the rate imposed in  
868 paragraphs (a) and (b) of Section 27-19-43, and all monies  
869 received by the commission directly as registration or tag fees  
870 from the portion of the rate imposed in paragraphs (a) and (b) of  
871 Section 27-19-43, shall be paid by the commission into the General  
872 Fund of the State Treasury on the first day of the month  
873 succeeding the month in which such fees are received by the  
874 commission. Except as otherwise provided in Section 31-17-127,  
875 all monies remitted to the commission by tax collectors as  
876 registration or tag fees from the additional rate of Five Dollars  
877 (\$5.00) and all monies received by the commission directly as  
878 registration or tag fees from the additional rate of Five Dollars  
879 (\$5.00) shall be paid into the State Treasury to the credit of the  
880 State Highway Fund for the construction or reconstruction of  
881 highways designated under the Four-Lane Highway Program created  
882 under Section 65-3-97.

883 SECTION 5. Section 27-19-325, Mississippi Code of 1972, is  
884 amended as follows:

885 27-19-325. All monies collected by the State Tax Commission  
886 as proceeds from the tax imposed by this article shall be  
887 distributed to the various counties of the state according to the  
888 provisions of Section 27-19-159, Mississippi Code of 1972;  
889 however, except as otherwise provided in Section 31-17-127, the  
890 additional tag fee of Five Dollars (\$5.00) levied under subsection  
891 (6) of Section 27-19-309 shall be paid into the State Treasury to  
892 the credit of the State Highway Fund for the construction or  
893 reconstruction of highways designated under the Four-Lane Highway  
894 Program created in Section 65-3-97.

895 SECTION 6. Section 27-57-37, Mississippi Code of 1972, is  
896 amended as follows:

27-57-37. Except as otherwise provided in Section 31-17-127,  
the amount received from lubricating oil excise tax, as defined in  
this article, shall be deposited by the commission, in the State  
Treasury to the credit of the State Highway Fund, and until the  
date specified in Section 65-39-35, such amount shall be used for  
the construction or reconstruction of highways designated under  
the Four-Lane Highway Program created under Section 65-3-97.

SECTION 7. Section 27-65-75, Mississippi Code of 1972, is  
amended as follows:

**[Until July 1, 2002, this section reads as follows:]**

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

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

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

Monies allocated for distribution and credited to a municipal  
corporation under this subsection may be pledged as security for

930 any loan received by the municipal corporation for the purpose of  
931 capital improvements as authorized under Section 57-1-303, or  
932 loans as authorized under Section 57-44-7, or water systems  
933 improvements as authorized under Section 41-3-16.

934 In any county having a county seat which is not an  
935 incorporated municipality, the distribution provided hereunder  
936 shall be made as though the county seat was an incorporated  
937 municipality; however, the distribution to such municipality shall  
938 be paid to the county treasury wherein the municipality is located  
939 and such funds shall be used for road, bridge and street  
940 construction or maintenance therein.

941 (2) On or before September 15, 1987, and each succeeding  
942 month thereafter, from the revenue collected under this chapter  
943 during the preceding month One Million One Hundred Twenty-five  
944 Thousand Dollars (\$1,125,000.00) shall be allocated for  
945 distribution to municipal corporations as defined under subsection  
946 (1) of this section in the proportion that the number of gallons  
947 of gasoline and diesel fuel sold by distributors to consumers and  
948 retailers in each such municipality during the preceding fiscal  
949 year bears to the total gallons of gasoline and diesel fuel sold  
950 by distributors to consumers and retailers in municipalities  
951 statewide during the preceding fiscal year. The State Tax  
952 Commission shall require all distributors of gasoline and diesel  
953 fuel to report to the commission monthly the total number of  
954 gallons of gasoline and diesel fuel sold by them to consumers and  
955 retailers in each municipality during the preceding month. The  
956 State Tax Commission shall have the authority to promulgate such  
957 rules and regulations as is necessary to determine the number of  
958 gallons of gasoline and diesel fuel sold by distributors to  
959 consumers and retailers in each municipality. In determining the  
960 percentage allocation of funds under this subsection for the  
961 fiscal year beginning July 1, 1987, and ending June 30, 1988, the  
962 State Tax Commission may consider gallons of gasoline and diesel

fuel sold for a period of less than one (1) fiscal year. For the purposes of this subsection, the term "fiscal year" means the fiscal year beginning July 1 of a year.

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

(4) On or before August 15, 1994, and on or before the fifteenth day of each succeeding month, from the proceeds of gasoline, diesel fuel or kerosene taxes as provided in Section 27-5-101(a)(ii)1, Four Million Dollars (\$4,000,000.00) shall be deposited in the State Treasury to the credit of a special fund designated as the "State Aid Road Fund," created by Section 65-9-17. Such funds shall be pledged to pay the principal of and interest on state aid road bonds heretofore issued under Sections 19-9-51 through 19-9-77, in lieu of and in substitution for the funds heretofore allocated to counties under this section. Such funds may not be pledged for the payment of any state aid road bonds issued after April 1, 1981; however, this prohibition against the pledging of any such funds for the payment of bonds shall not apply to any bonds for which intent to issue such bonds has been published, for the first time, as provided by law prior to March 29, 1981. From the amount of taxes paid into the special fund pursuant to this subsection and subsection (9) of this section, there shall be first deducted and paid the amount

necessary to pay the expenses of the Office of State Aid Road Construction, as authorized by the Legislature for all other general and special fund agencies. The remainder of the fund shall be allocated monthly to the several counties in accordance with the following formula:

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

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

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

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

The amount of funds allocated to any county under this subsection for any fiscal year after fiscal year 1994 shall not be less than the amount allocated to such county for fiscal year 1994. Monies allocated to a county from the State Aid Road Fund for fiscal year 1995 or any fiscal year thereafter that exceed the amount of funds allocated to that county from the State Aid Road Fund for fiscal year 1994, first must be expended by the county for replacement or rehabilitation of bridges on the state aid road system that have a sufficiency rating of less than twenty-five (25), according to National Bridge Inspection standards before such monies may be approved for expenditure by the State Aid Road Engineer on other projects that qualify for the use of state aid road funds.

Any reference in the general laws of this state or the Mississippi Code of 1972 to Section 27-5-105 shall mean and be

1029 construed to refer and apply to subsection (4) of Section  
1030 27-65-75.

1031 (5) One Million Six Hundred Sixty-six Thousand Six Hundred  
1032 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into  
1033 the special fund known as the "State Public School Building Fund"  
1034 created and existing under the provisions of Sections 37-47-1  
1035 through 37-47-67. Such payments into said fund are to be made on  
1036 the last day of each succeeding month hereafter.

1037 (6) An amount each month beginning August 15, 1983, through  
1038 November 15, 1986, as specified in Section 6 of Chapter 542, Laws  
1039 of 1983, shall be paid into the special fund known as the  
1040 Correctional Facilities Construction Fund created in Section 6 of  
1041 Chapter 542, Laws of 1983.

1042 (7) On or before August 15, 1992, and each succeeding month  
1043 thereafter, two and two hundred sixty-six one-thousandths percent  
1044 (2.266%) of the total sales tax revenue collected during the  
1045 preceding month under the provisions of this chapter, except that  
1046 collected under the provisions of Section 27-65-17(2) shall be  
1047 deposited by the commission into the School Ad Valorem Tax  
1048 Reduction Fund created pursuant to Section 37-61-35.

1049 (8) On or before August 15, 1992, and each succeeding month  
1050 thereafter, nine and seventy-three one-thousandths percent  
1051 (9.073%) of the total sales tax revenue collected during the  
1052 preceding month under the provisions of this chapter, except that  
1053 collected under the provisions of Section 27-65-17(2) shall be  
1054 deposited into the Education Enhancement Fund created pursuant to  
1055 Section 37-61-33.

1056 (9) On or before August 15, 1994, and each succeeding month  
1057 thereafter, from the revenue collected under this chapter during  
1058 the preceding month, Two Hundred Fifty Thousand Dollars  
1059 (\$250,000.00) shall be paid into the State Aid Road Fund.

1060 (10) On or before August 15, 1994, and each succeeding month  
1061 thereafter through August 15, 1995, from the revenue collected



under this chapter during the preceding month, Two Million Dollars (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad Valorem Tax Reduction Fund established in Section 27-51-105.

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

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

(13) On or before July 15, 1994, and on or before the fifteenth day of each succeeding month thereafter, that portion of the avails of the tax imposed in Section 27-65-22, which is derived from activities held on the Mississippi state fairgrounds complex, shall be paid into a special fund hereby created in the State Treasury and shall be expended pursuant to legislative appropriations solely to defray the costs of repairs and renovation at such Trade Mart and Coliseum.

(14) On or before August 15, 1998, and each succeeding month thereafter through July 15, 2005, that portion of the avails of the tax imposed in Section 27-65-23 which is derived from sales by cotton compresses or cotton warehouses and which would otherwise

1095 be paid into the General Fund, shall be deposited in an amount not  
1096 to exceed Two Million Dollars (\$2,000,000.00) into the special  
1097 fund created pursuant to Section 69-37-39.

1098 (15) The remainder of the amounts collected under the  
1099 provisions of this chapter shall be paid into the State Treasury  
1100 to the credit of the General Fund.

1101 (16) It shall be the duty of the municipal officials of any  
1102 municipality which expands its limits, or of any community which  
1103 incorporates as a municipality, to notify the commissioner of such  
1104 action thirty (30) days before the effective date. Failure to so  
1105 notify the commissioner shall cause such municipality to forfeit  
1106 the revenue which it would have been entitled to receive during  
1107 this period of time when the commissioner had no knowledge of the  
1108 action. If any funds have been erroneously disbursed to any  
1109 municipality or any overpayment of tax is recovered by the  
1110 taxpayer, the commissioner may make correction and adjust the  
1111 error or overpayment with such municipality by withholding the  
1112 necessary funds from any subsequent payment to be made to the  
1113 municipality.

1114 **[From and after July 1, 2002, this section reads as follows:]**

1115 27-65-75. On or before the fifteenth day of each month, the  
1116 revenue collected under the provisions of this chapter during the  
1117 preceding month shall be paid and distributed as follows:

1118 (1) On or before August 15, 1992, and each succeeding month  
1119 thereafter through July 15, 1993, eighteen percent (18%) of the  
1120 total sales tax revenue collected during the preceding month under  
1121 the provisions of this chapter, except that collected under the  
1122 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
1123 business activities within a municipal corporation shall be  
1124 allocated for distribution to such municipality and paid to such  
1125 municipal corporation. On or before August 15, 1993, and each  
1126 succeeding month thereafter, eighteen and one-half percent  
1127 (18-1/2%) of the total sales tax revenue collected during the

preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on business activities within a municipal corporation shall be allocated for distribution to such municipality and paid to such municipal corporation.

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

Monies allocated for distribution and credited to a municipal corporation under this subsection may be pledged as security for any loan received by the municipal corporation for the purpose of capital improvements as authorized under Section 57-1-303, or loans as authorized under Section 57-44-7, or water systems improvements as authorized under Section 41-3-16.

In any county having a county seat which is not an incorporated municipality, the distribution provided hereunder shall be made as though the county seat was an incorporated municipality; however, the distribution to such municipality shall be paid to the county treasury wherein the municipality is located and such funds shall be used for road, bridge and street construction or maintenance therein.

(2) On or before September 15, 1987, and each succeeding month thereafter, from the revenue collected under this chapter during the preceding month One Million One Hundred Twenty-five Thousand Dollars (\$1,125,000.00) shall be allocated for distribution to municipal corporations as defined under subsection (1) of this section in the proportion that the number of gallons of gasoline and diesel fuel sold by distributors to consumers and retailers in each such municipality during the preceding fiscal year bears to the total gallons of gasoline and diesel fuel sold by distributors to consumers and retailers in municipalities statewide during the preceding fiscal year. The State Tax Commission shall require all distributors of gasoline and diesel

1161 fuel to report to the commission monthly the total number of  
1162 gallons of gasoline and diesel fuel sold by them to consumers and  
1163 retailers in each municipality during the preceding month. The  
1164 State Tax Commission shall have the authority to promulgate such  
1165 rules and regulations as is necessary to determine the number of  
1166 gallons of gasoline and diesel fuel sold by distributors to  
1167 consumers and retailers in each municipality. In determining the  
1168 percentage allocation of funds under this subsection for the  
1169 fiscal year beginning July 1, 1987, and ending June 30, 1988, the  
1170 State Tax Commission may consider gallons of gasoline and diesel  
1171 fuel sold for a period of less than one (1) fiscal year. For the  
1172 purposes of this subsection, the term "fiscal year" means the  
1173 fiscal year beginning July 1 of a year.

1174 (3) On or before September 15, 1987, and on or before the  
1175 fifteenth day of each succeeding month, until the date specified  
1176 in Section 65-39-35, the proceeds derived from contractors' taxes  
1177 levied under Section 27-65-21 on contracts for the construction or  
1178 reconstruction of highways designated under the Four-Lane Highway  
1179 Program created under Section 65-3-97 shall, except as otherwise  
1180 provided in Section 31-17-127, be deposited into the State  
1181 Treasury to the credit of the State Highway Fund to be used to  
1182 fund such Four-Lane Highway Program. The Mississippi Department  
1183 of Transportation shall provide to the State Tax Commission such  
1184 information as is necessary to determine the amount of proceeds to  
1185 be distributed under this subsection.

1186 (4) On or before August 15, 1994, and on or before the  
1187 fifteenth day of each succeeding month, from the proceeds of  
1188 gasoline, diesel fuel or kerosene taxes as provided in Section  
1189 27-5-101(a)(ii)1, Four Million Dollars (\$4,000,000.00) shall be  
1190 deposited in the State Treasury to the credit of a special fund  
1191 designated as the "State Aid Road Fund," created by Section  
1192 65-9-17. Such funds shall be pledged to pay the principal of and  
1193 interest on state aid road bonds heretofore issued under Sections

1194 19-9-51 through 19-9-77, in lieu of and in substitution for the  
1195 funds heretofore allocated to counties under this section. Such  
1196 funds may not be pledged for the payment of any state aid road  
1197 bonds issued after April 1, 1981; however, this prohibition  
1198 against the pledging of any such funds for the payment of bonds  
1199 shall not apply to any bonds for which intent to issue such bonds  
1200 has been published, for the first time, as provided by law prior  
1201 to March 29, 1981. From the amount of taxes paid into the special  
1202 fund pursuant to this subsection and subsection (9) of this  
1203 section, there shall be first deducted and paid the amount  
1204 necessary to pay the expenses of the Office of State Aid Road  
1205 Construction, as authorized by the Legislature for all other  
1206 general and special fund agencies. The remainder of the fund  
1207 shall be allocated monthly to the several counties in accordance  
1208 with the following formula:

1209 (a) One-third (1/3) shall be allocated to all counties  
1210 in equal shares;

1211 (b) One-third (1/3) shall be allocated to counties  
1212 based on the proportion that the total number of rural road miles  
1213 in a county bears to the total number of rural road miles in all  
1214 counties of the state; and

1215 (c) One-third (1/3) shall be allocated to counties  
1216 based on the proportion that the rural population of the county  
1217 bears to the total rural population in all counties of the state,  
1218 according to the latest federal decennial census.

1219 For the purposes of this subsection, the term "gasoline,  
1220 diesel fuel or kerosene taxes" means such taxes as defined in  
1221 paragraph (f) of Section 27-5-101.

1222 The amount of funds allocated to any county under this  
1223 subsection for any fiscal year after fiscal year 1994 shall not be  
1224 less than the amount allocated to such county for fiscal year  
1225 1994. Monies allocated to a county from the State Aid Road Fund  
1226 for fiscal year 1995 or any fiscal year thereafter that exceed the

amount of funds allocated to that county from the State Aid Road Fund for fiscal year 1994, first must be expended by the county for replacement or rehabilitation of bridges on the state aid road system that have a sufficiency rating of less than twenty-five (25), according to National Bridge Inspection standards before such monies may be approved for expenditure by the State Aid Road Engineer on other projects that qualify for the use of state aid road funds.

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

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

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

(7) On or before August 15, 1992, and each succeeding month thereafter, two and two hundred sixty-six one-thousandths percent (2.266%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Section 27-65-17(2), not to exceed the fiscal year 1997 appropriated level shall be deposited by the commission into the School Ad Valorem Tax Reduction Fund created pursuant to Section 37-61-35, with the balance to be transferred to the Education Enhancement Fund created under Section 37-61-33 for appropriation by the Legislature as other

1260 education needs and not subject to the percentage set asides set  
1261 forth in Section 37-61-33.

1262 (8) On or before August 15, 1992, and each succeeding month  
1263 thereafter, nine and seventy-three one-thousandths percent  
1264 (9.073%) of the total sales tax revenue collected during the  
1265 preceding month under the provisions of this chapter, except that  
1266 collected under the provisions of Section 27-65-17(2) shall be  
1267 deposited into the Education Enhancement Fund created pursuant to  
1268 Section 37-61-33.

1269 (9) On or before August 15, 1994, and each succeeding month  
1270 thereafter, from the revenue collected under this chapter during  
1271 the preceding month, Two Hundred Fifty Thousand Dollars  
1272 (\$250,000.00) shall be paid into the State Aid Road Fund.

1273 (10) On or before August 15, 1994, and each succeeding month  
1274 thereafter through August 15, 1995, from the revenue collected  
1275 under this chapter during the preceding month, Two Million Dollars  
1276 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad  
1277 Valorem Tax Reduction Fund established in Section 27-51-105.

1278 (11) Notwithstanding any other provision of this section to  
1279 the contrary, on or before February 15, 1995, and each succeeding  
1280 month thereafter, the sales tax revenue collected during the  
1281 preceding month under the provisions of Section 27-65-17(2) shall  
1282 be deposited, without diversion, into the Motor Vehicle Ad Valorem  
1283 Tax Reduction Fund established in Section 27-51-105.

1284 (12) Notwithstanding any other provision of this section to  
1285 the contrary, on or before August 15, 1995, and each succeeding  
1286 month thereafter, the sales tax revenue collected during the  
1287 preceding month under the provisions of Section 27-65-17(1) on  
1288 retail sales of private carriers of passengers and light carriers  
1289 of property, as defined in Section 27-51-101, shall be deposited,  
1290 after diversion, into the Motor Vehicle Ad Valorem Tax Reduction  
1291 Fund established in Section 27-51-105.

1292 (13) On or before July 15, 1994, and on or before the

1293     fifteenth day of each succeeding month thereafter, that portion of  
1294     the avails of the tax imposed in Section 27-65-22, which is  
1295     derived from activities held on the Mississippi state fairgrounds  
1296     complex, shall be paid into a special fund hereby created in the  
1297     State Treasury and shall be expended pursuant to legislative  
1298     appropriations solely to defray the costs of repairs and  
1299     renovation at such Trade Mart and Coliseum.

1300           (14) On or before August 15, 1998, and each succeeding month  
1301     thereafter through July 15, 2005, that portion of the avails of  
1302     the tax imposed in Section 27-65-23 which is derived from sales by  
1303     cotton compresses or cotton warehouses and which would otherwise  
1304     be paid into the General Fund, shall be deposited in an amount not  
1305     to exceed Two Million Dollars (\$2,000,000.00) into the special  
1306     fund created pursuant to Section 69-37-39.

1307           (15) The remainder of the amounts collected under the  
1308     provisions of this chapter shall be paid into the State Treasury  
1309     to the credit of the General Fund.

1310           (16) It shall be the duty of the municipal officials of any  
1311     municipality which expands its limits, or of any community which  
1312     incorporates as a municipality, to notify the commissioner of such  
1313     action thirty (30) days before the effective date. Failure to so  
1314     notify the commissioner shall cause such municipality to forfeit  
1315     the revenue which it would have been entitled to receive during  
1316     this period of time when the commissioner had no knowledge of the  
1317     action. If any funds have been erroneously disbursed to any  
1318     municipality or any overpayment of tax is recovered by the  
1319     taxpayer, the commissioner may make correction and adjust the  
1320     error or overpayment with such municipality by withholding the  
1321     necessary funds from any subsequent payment to be made to the  
1322     municipality.

1323           SECTION 8. Section 65-39-35, Mississippi Code of 1972, is  
1324     amended as follows:

1325           65-39-35. The date upon which the taxes and fees levied and



1326 charged under the provisions of Sections 27-55-11, 27-55-313,  
1327 27-57-37, 27-59-11, 27-19-43, 27-19-309 and 27-65-75 are reduced  
1328 under such sections shall be the first day of the month  
1329 immediately following the date upon which:

1330           (a) The Mississippi Transportation Commission certifies  
1331 to the State Tax Commission that:

1332           (i) The Four-Lane Highway Program created under  
1333 Section 65-3-97 and the Gaming Counties Infrastructure Program  
1334 created under Section 65-39-3, are completed and no funds are any  
1335 longer necessary to pay the costs of such programs; and

1336           (ii) The Mississippi Transportation Commission  
1337 will not declare the necessity for additional borrowings under  
1338 Section 65-9-27, or for additional bonds under Sections 65-39-5  
1339 through 65-39-33; and

1340           (b) The State Treasurer certifies:

1341           (i) That the amount on deposit in the Gaming  
1342 Counties Bond Sinking Fund, together with earnings on investments  
1343 to accrue to such fund, is equal to or greater than the aggregate  
1344 of the entire principal, redemption premium (if any), and interest  
1345 due and to become due (until the final maturity date or earlier  
1346 scheduled redemption date) on all general obligation bonds issued  
1347 under Sections 65-39-5 through 65-39-33; and

1348           (ii) That all principal, interest, cost and other  
1349 expenses for all bonds, notes or other borrowings under Section  
1350 65-9-27 and Section 31-17-127 (including redemption notes, if any)  
1351 have been paid and are completely satisfied.

1352           SECTION 9. This act shall take effect and be in force from  
1353 and after its passage.