



Mississippi House of Representatives Weekly Summary

Week of March 19, 2012

This week, members of the House turned their focus toward the Appropriations process, which is crucial in designing the FY 2013 State Budget, which begins July 1. Early projections suggest the budget for FY2013 will be close to \$5.6 billion, which is approximately \$47 million more than for FY2012.

The Joint Legislative Budget Committee (JLBC) revised the General Fund Revenue estimate by \$99.9 million. This caused projected available revenue for fiscal year 2013 to increase by \$126 million. Normally, the revenue estimate is revisited during the last two weeks of the session. But with doing it earlier than normal, committee members dove in to allocate the increase. Of the \$126 million, \$94 million will go toward Critical Needs not addressed in the original JLBC Legislative Budget Recommendation (LBR). About 60 percent of the \$94 million will go toward Medicaid, with the remaining 40 percent going toward other needs like Wildlife, Fisheries and Parks; State Health Department; and Department of Human Services.

In addition to the newly-available \$126 million, an additional \$16 million from the Educational Enhancement Fund (EEF) will be used to cover educational needs in K12 through Institutions of Higher Learning (IHL). The EEF was established in 1992 when the state legislature voted on a sales tax increase of one percent. The legislation earmarks that the one percent (of the seven percent Mississippi State Sales Tax) goes to fund the EEF.

On the House floor Wednesday, House members first addressed Special Funds Appropriations bills and then moved to tackle General Funds Appropriations bills. The amounts appropriated to each agency were determined based on agency needs, not what the agency already had in its coffers. Members approved 53 of the bills brought forward by the Appropriations Committee. By the end of the week, House members cleared their calendar.

In Wednesday's Ways and Means committee meeting, the accounting firm Ernst and Young delivered a presentation explaining the pros and cons of pending Inventory Tax Reduction Legislation. Enactment of the measure would create 3,000 new jobs and increase personal income of Mississippians by about \$248 million. A conservative estimate suggests that \$10.8



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million of that would flow back into the General Fund. When fully implemented, the Inventory Tax Reduction Legislation would require a \$119 million commitment from the General Fund.

On the floor, members passed House Bill 582 (HB582), reported out of Ways and Means, which exempts churches from paying sales tax on utilities. This will cost the General Fund approximately \$1 million. There are 5,000 registered churches in Mississippi. To qualify for this exemption, a “church” must be a registered 501c3 organization with the Internal Revenue Service.

Visitors to the Capitol this week included the 2011 ATT State Games of Mississippi Female (Kristi Voss) and Male (Easton Curry) Athletes of the Year; Carrie Jones, recognized for her successful golfing accomplishments; T. Boone Pickens, who spoke with the Speaker, the Speaker Pro Tempore and Energy Chairwoman Angela Cockerham about opportunities in the energy and natural gas fields; Chief Phyllis Anderson, who was commended on being the first female Tribal Chief of the Mississippi Band of Choctaw Indians; and the Long Beach High School Concert Choir, led by Joel Dunlap. The group closed the week on the floor with a moving rendition of “Ava Maria” and “The Star Spangled Banner.”