HOUSE BILL NO. 4

AN ACT TO PROVIDE THAT THE DEBT SERVICE ON STATE GENERAL OBLIGATION BONDS SHALL NOT BE PAID BY ANNUAL APPROPRIATION FROM THE STATE GENERAL FUND, BUT SHALL BE PAID BY THE STATE TREASURER WITH OTHER FUNDS AVAILABLE TO THE TREASURER THAT ARE NOT SPECIFICALLY OBLIGATED FOR OTHER PURPOSES; TO CREATE A SPECIAL FUND IN THE STATE TREASURY TO BE KNOWN AS THE LEGISLATIVE BUDGET DISCRETIONARY APPROPRIATION FUND, THE MONIES IN WHICH MAY BE APPROPRIATED BY THE LEGISLATURE FOR ANY LAWFUL PURPOSE; TO PROVIDE THAT THE STATE FISCAL OFFICER SHALL TRANSFER THE SUM OF $200,000,000.00 FROM THE STATE GENERAL FUND INTO THE SPECIAL FUND DURING EACH FISCAL YEAR; AND FOR RELATED PURPOSES.

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

SECTION 1. (1) It is the intent of this act to allow general funds of the state that otherwise would be spent to pay the debt service on state general obligation bonds each year to be used for other needs of the state.

(2) From and after July 1, 2002:

(a) The Legislature shall not make an annual appropriation from the State General Fund to pay the debt service on state general obligation bonds; and

(b) The State Treasurer shall pay the debt service on state general obligation bonds with other funds available to the Treasurer that are not specifically obligated for other purposes, such as the interest earned on special funds containing bond proceeds, repayments of loans made from bond proceeds, and unexpended amounts of special funds that otherwise would lapse into the State General Fund. The amount of the debt service paid by the Treasurer may be five percent (5%) of the state’s bonded indebtedness or such other amount determined to be necessary by the Treasurer.
(3) (a) There is created in the State Treasury a special fund to be known as the Legislative Budget Discretionary Appropriation Fund. Unexpended amounts remaining in the special fund at the end of a fiscal year shall not lapse into the State General Fund, and any interest earned on amounts in the special fund shall be deposited to the credit of the special fund.

(b) The State Fiscal Officer shall transfer the sum of Two Hundred Million Dollars ($200,000,000.00) from the State General Fund into the special fund during each fiscal year in four (4) installments, with Fifty Million Dollars ($50,000,000.00) being transferred during the first week of July, October, January and April of the fiscal year.

(c) Monies in the special fund may be appropriated by the Legislature for any lawful purpose.

SECTION 2. This act shall take effect and be in force from and after July 1, 2002.