MISSISSIPPI LEGISLATURE             REGULAR SESSION 2002
By: Representative Mayo  To: Appropriations

HOUSE BILL NO. 204

AN ACT TO AMEND SECTIONS 19-11-7 AND 21-35-5, MISSISSIPPI
CODE OF 1972, TO REQUIRE COUNTIES AND MUNICIPALITIES, IN PREPARING
THEIR BUDGETS FOR THE NEXT FISCAL YEAR, TO USE THE AMOUNT OF
REVENUES THAT THEY RECEIVED DURING THE TWELVE-MONTH PERIOD
IMMEDIATELY PRECEDING THE MONTH IN WHICH THEY ARE REQUIRED TO
ADOPT AN ANNUAL BUDGET, PLUS THE AMOUNT OF ANY REVENUES THAT MAY
BE RAISED BY A TAX LEVY INCREASE DURING THE NEXT FISCAL YEAR; TO
AMEND SECTIONS 27-103-125, 27-103-139, 27-103-211 AND 31-17-123,
MISSISSIPPI CODE OF 1972, TO REQUIRE THE STATE, IN PREPARING THE
PROPOSED STATE BUDGET, MAKING LEGISLATIVE APPROPRIATIONS AND
MAKING STATE AGENCY BUDGET REDUCTIONS, TO USE 98% OF THE AMOUNT OF
GENERAL FUND REVENUES THAT THE STATE RECEIVED DURING THE
TWELVE-MONTH PERIOD IMMEDIATELY PRECEDING NOVEMBER 1, PLUS ANY
UNENCUMBERED BALANCES IN GENERAL FUNDS THAT WILL BE AVAILABLE AT
THE END OF THE CURRENT FISCAL YEAR AND THE AMOUNT OF ANY GENERAL
FUND REVENUES THAT MAY BE RAISED BY A TAX INCREASE DURING THE NEXT
FISCAL YEAR; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 19-11-7, Mississippi Code of 1972, is
amended as follows:

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

19-11-7. The board of supervisors of each county of the
State of Mississippi shall, at its August meeting of each year,
prepare a complete budget of revenues, expenses and a working cash
balance estimated for the next fiscal year, which shall be based
on the aggregate funds estimated to be available for the ensuing
fiscal year for each fund, from which the estimated expenses will
be paid, exclusive of school maintenance funds, which shall be
shown separately. The amount of revenues that is used to prepare
the budget shall be the amount of revenues that the county
received during the twelve-month period immediately preceding
August 1 of the current fiscal year, plus the amount of any
revenues that may be raised by a tax levy increase during the next
fiscal year. The statement of revenues in the budget shall show every source of revenue along with the amount derived from each source. The budget containing the statement of revenues and expenses shall be published at least one (1) time during August or September but not later than September 30 of the year in a newspaper published in the county, or if no newspaper is published in the county, then in a newspaper having a general circulation in the county.

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

19-11-7. The county administrator of each county of the State of Mississippi shall prepare and submit to the board of supervisors at its August meeting of each year a complete budget of revenues, expenses and a working cash balance estimated for the next fiscal year, which shall be based on the aggregate funds estimated to be available for the ensuing fiscal year for each fund, from which the estimated expenses will be paid, exclusive of school maintenance funds, which shall be shown separately and exclusive of the budget of the sheriff's department which shall be prepared by the sheriff. The amount of revenues that is used to prepare the budget shall be the amount of revenues that the county received during the twelve-month period immediately preceding August 1 of the current fiscal year, plus the amount of any revenues that may be raised by a tax levy increase during the next fiscal year. The statement of revenues in the budget shall show every source of revenue along with the amount derived from each source. The budget, including the sheriff's budget, containing the statement of revenues and expenses shall be published at least one (1) time during August or September but not later than September 30 of the year in a newspaper published in the county, or if no newspaper is published in the county, then in a newspaper having a general circulation in the county.
SECTION 2. Section 21-35-5, Mississippi Code of 1972, is amended as follows:

21-35-5. The governing authorities of each municipality of the State of Mississippi shall, not later than September 15 each year, prepare a complete budget of the municipal revenues, expenses and working cash balances estimated for the next fiscal year. The amount of revenues that is used to prepare the budget shall be the amount of revenues that the municipality received during the twelve-month period immediately preceding September 1 of the current fiscal year, plus the amount of any revenues that may be raised by a tax levy increase during the next fiscal year. The statement of revenues in the budget shall show every source of revenue along with the amount derived from each source. The budget of any municipality of one thousand five hundred (1,500) inhabitants or more, according to the last preceding federal census, with the statement of revenue and expenses, shall be published at least one time during September of the year in a newspaper published in the municipality or, if no newspaper is published in the municipality, in any newspaper published in the county in which the municipality is located. In municipalities of fewer than one thousand five hundred (1,500) inhabitants, according to the last preceding federal census, as many as three (3) prepared statements of the budget shall be posted in three (3) public places in the municipalities. Before the adoption of a budget under this section, the governing authority of each municipality shall hold at least one (1) public hearing to provide the general public with an opportunity to comment on the taxing and spending plan incorporated in the proposed budget. The public hearing shall be held at least one (1) week before the adoption of the budget with advance notice and held outside normal working hours. The advance notice shall include an announcement published or posted in the same manner as required for the final adopted budget.
SECTION 3. Section 27-103-125, Mississippi Code of 1972, is amended as follows:

27-103-125. The proposed budget of each state agency shall show the amounts required for operating expenses separately from the amounts required for permanent improvements. The overall budget shall show, separately by each source, the estimated amount of general fund revenue and of special fund revenues of general fund agencies. The total proposed expenditures in Part 1 of the overall budget shall not exceed the amount of estimated revenues that will be available in the general and special funds for appropriation or use during the succeeding fiscal year, including any balances that will be on hand in the general and special funds at the close of the then current fiscal year. • • • The total proposed expenditures from the General Fund in Part 1 of the overall budget shall not exceed ninety-eight percent (98%) of the amount of general fund revenues that the state received during the twelve-month period immediately preceding November 1 of the current fiscal year, plus any unencumbered balances in general funds that will be available and on hand at the close of the then current fiscal year and the amount of any general fund revenues that may be raised by a tax increase during the next fiscal year. Unencumbered balances in general funds that will be available and on hand at the close of the current fiscal year shall not include projected amounts required to be deposited into the Working Cash-Stabilization Reserve Fund under Section 27-103-203. The Legislative Budget Office may recommend additional taxes or sources of revenue if in its judgment those additional funds are necessary to adequately support the functions of the state government.

SECTION 4. Section 27-103-139, Mississippi Code of 1972, is amended as follows:

27-103-139. On or before November 15 preceding each regular session of the Legislature, except the first regular session of a
new term of office, the Governor shall submit to the members of
the Legislature, the Legislative Budget Office or the
members-elect, as the case may be, and to the executive head of
each state agency a balanced budget for the succeeding fiscal
year. ** The budget submitted shall be prepared in a format
that will include performance measurement data associated with the
various programs operated by each agency. The total proposed
expenditures in the balanced budget shall not exceed the amount of
estimated revenues that will be available for appropriation or use
during the succeeding fiscal year, including any balances that
will be on hand at the close of the then current fiscal
year **. ** The total proposed expenditures from the
General Fund in the balanced budget shall not exceed ninety-eight
percent (98%) of the amount of general fund revenues that the
state received during the twelve-month period immediately
preceding November 1 of the current fiscal year, plus any
unencumbered balances in general funds that will be available and
on hand at the close of the then current fiscal year and the
amount of any general fund revenues that may be raised by a tax
increase during the next fiscal year. Unencumbered balances in
general funds that will be available and on hand at the close of
the fiscal year shall not include projected amounts required to be
deposited into the Working Cash-Stabilization Reserve Fund and the
Education Enhancement Fund under Section 27-103-203.

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The Governor may employ a budget officer for the purpose of
receiving information from the State Fiscal Officer and preparing
his recommendations on the budget. ** If the Governor determines
that information received from the State Fiscal Officer is not
sufficient to enable him to prepare his budget recommendations, he
may request an appropriation from the Legislature to provide
additional staff within the Governor’s Office for that purpose.
At the first regular session after his election for Governor, the
Governor shall submit any budget recommendations plus the required revenue source recommendations no later than January 31 of that year.

SECTION 5. Section 27-103-211, Mississippi Code of 1972, is amended as follows:

27-103-211. The total sum appropriated by the Legislature from the State General Fund for any fiscal year shall not exceed ninety-eight percent (98%) of the amount of general fund revenues that the state received during the twelve-month period immediately preceding November 1 of the current fiscal year, plus any unencumbered balances in general funds that will be available and on hand at the close of the then current fiscal year and the amount of any general fund revenues that will be raised by a tax increase during the next fiscal year. The unencumbered balances in general funds that will be available and on hand at the close of the fiscal year shall not include projected amounts required to be deposited into the Working Cash-Stabilization Reserve Fund under Section 27-103-203.

SECTION 6. Section 31-17-123, Mississippi Code of 1972, is amended as follows:

31-17-123. The intent of the Legislature is to authorize borrowing funds under the provisions of Sections 31-17-101 through 31-17-123 to offset any temporary cash flow deficiencies and should not be construed to authorize the borrowing of any funds in an amount that cannot be repaid during the fiscal year in which the funds are borrowed. * * * If, at the end of October, or at the end of any month thereafter of any fiscal year, the revenues received for the fiscal year * * * fall below ninety-eight percent (98%) of the amount of general fund revenues that the state received during the twelve-month period immediately preceding November 1 of the preceding fiscal year, plus any unencumbered balances in general funds that were available and on hand at the close of the preceding fiscal year and the amount of any general fund revenues that would otherwise be transferred to the Working Cash-Stabilization Reserve Fund under Section 27-103-203.
fund revenues that will be raised by a tax increase during the current fiscal year, the State Fiscal Officer shall reduce allocations of general funds and state-source special funds to general fund and special fund agencies and to the "administration and other expenses" budget of the State Highway Department in an amount necessary to keep expenditures within the sum of actual general fund receipts including any transfers to the General Fund from the Working Cash-Stabilization Reserve Fund for the fiscal year. The State Fiscal Officer may, upon his determination of need based on the revenue shortfall, transfer funds as provided in Section 27-103-203, from the Working Cash-Stabilization Reserve Fund to the General Fund to supplement the general fund revenue.

State-source special funds in an amount equal to any reduction made under the provisions of this section shall be transferred to the State General Fund upon requisitions for warrants signed by the respective agency head, and that transfer shall be made within a reasonable period to be determined by the State Fiscal Officer. No agency's allocation shall be reduced in an amount to exceed five percent (5%); however, if the allocations of general funds and state-source special funds to all general fund and special fund agencies and to the "administration and other expenses" budget of the State Highway Department have been reduced by five percent (5%), any additional reductions required to be made under this section shall consist of a uniform percentage reduction of general funds and state-source special funds to all general fund and special fund agencies, and to the "administration and other expenses" budget of the State Highway Department. Any receipt from loans authorized by Sections 31-17-101 through 31-17-123 shall not be included as revenue receipts. The State Fiscal Officer shall immediately send notice of any action taken under authority of this section to the Legislative Budget Office.

For the purpose of this section, "state-source special funds" shall be construed to mean any special funds in any agency derived
from any source, but shall not include the following special funds: special funds derived from federal sources, from local or regional political subdivisions, or from donations; special funds held in a fiduciary capacity for the benefit of specific persons or classes of persons; self-generated special funds of the state institutions of higher learning or the state junior colleges; special funds of Mississippi Industries for the Blind, the State Port at Gulfport, Yellow Creek Inland Port, Pat Harrison Waterway District, Pearl River Basin Development District, Pearl River Valley Water Management District, Tombigbee River Valley Water Management District, Yellow Creek Watershed Authority, or Coast Coliseum Commission; special funds of the Department of Wildlife, Fisheries and Parks derived from the issuance of hunting or fishing licenses; and special funds generated by agencies whose primary function includes the establishment of standards and the issuance of licenses for the practice of a profession within the State of Mississippi.

SECTION 7. This act shall take effect and be in force from and after July 1, 2002.