

By: Representative Fleming

To: Appropriations

HOUSE BILL NO. 261

1 AN ACT TO AMEND SECTIONS 27-103-125, 27-103-139, 27-103-211
2 AND 31-17-123, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT DURING
3 EACH OF THE NEXT TEN FISCAL YEARS, THE GENERAL FUND REVENUE
4 ESTIMATES THAT ARE USED FOR DETERMINING THE PROPOSED STATE BUDGET,
5 LEGISLATIVE APPROPRIATIONS AND STATE AGENCY BUDGET REDUCTIONS
6 SHALL NOT EXCEED THREE PERCENT OF THE AMOUNT OF THE GENERAL FUND
7 REVENUES RECEIVED BY THE STATE FOR THE PRECEDING FISCAL YEAR; AND
8 FOR RELATED PURPOSES.

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

10 **SECTION 1.** Section 27-103-125, Mississippi Code of 1972, is
11 amended as follows:

12 27-103-125. The proposed budget of each state agency shall
13 show the amounts required for operating expenses separately from
14 the amounts required for permanent improvements. The overall
15 budget shall show, separately by each source, the estimated amount
16 of general fund revenue and of special fund revenues of general
17 fund agencies. The total proposed expenditures in Part 1 of the
18 overall budget shall not exceed the amount of estimated revenues
19 that will be available in the general and special funds for
20 appropriation or use during the succeeding fiscal year, including
21 any balances that will be on hand in the general and special funds
22 at the close of the then current fiscal year. * * * The total
23 proposed expenditures from the State General Fund in Part 1 of the
24 overall budget shall not exceed ninety-eight percent (98%) of the
25 amount of general fund revenue estimate for the succeeding fiscal
26 year, plus any unencumbered balances in general funds that will be
27 available and on hand at the close of the then current fiscal
28 year. However, for fiscal year 2004 only, the total proposed
29 expenditures from the State General Fund in Part 1 of the overall
30 budget shall not exceed one hundred percent (100%) of the amount

31 of the general fund revenue estimate for the succeeding fiscal
32 year, plus any unencumbered balances in general funds that will be
33 available and on hand at the close of the then current fiscal
34 year. The general fund revenue estimate shall be the estimate
35 jointly adopted by the Governor and the Joint Legislative Budget
36 Committee; however, for the purposes of this section, during the
37 period beginning July 1, 2004, and ending June 30, 2014, the
38 general fund revenue estimate for each succeeding fiscal year
39 shall not exceed three percent (3%) of the amount of the general
40 fund revenues received by the state for the preceding fiscal year.
41 Unencumbered balances in general funds that will be available and
42 on hand at the close of the current fiscal year shall not include
43 projected amounts required to be deposited into the Working
44 Cash-Stabilization Reserve Fund under Section 27-103-203. The
45 Legislative Budget Office may recommend additional taxes or
46 sources of revenue if in its judgment those additional funds are
47 necessary to adequately support the functions of the state
48 government.

49 **SECTION 2.** Section 27-103-139, Mississippi Code of 1972, is
50 amended as follows:

51 27-103-139. On or before November 15 preceding each regular
52 session of the Legislature, except the first regular session of a
53 new term of office, the Governor shall submit to the members of
54 the Legislature, the Legislative Budget Office or the
55 members-elect, as the case may be, and to the executive head of
56 each state agency a balanced budget for the succeeding fiscal
57 year. * * * The budget submitted shall be prepared in a format
58 that will include performance measurement data associated with the
59 various programs operated by each agency. The total proposed
60 expenditures in the balanced budget shall not exceed the amount of
61 estimated revenues that will be available for appropriation or use
62 during the succeeding fiscal year, including any balances that
63 will be on hand at the close of the then current fiscal year, as

64 determined by the revenue estimate jointly adopted by the Governor
65 and the Legislative Budget Committee. * * * The total proposed
66 expenditures from the State General Fund in the balanced budget
67 shall not exceed ninety-eight percent (98%) of the amount of
68 general fund revenue estimate for the succeeding fiscal year, plus
69 any unencumbered balances in general funds that will be available
70 and on hand at the close of the then current fiscal year.
71 However, for fiscal year 2004 only, the total proposed
72 expenditures from the State General Fund in the balanced budget
73 shall not exceed one hundred percent (100%) of the amount of the
74 general fund revenue estimate for the succeeding fiscal year, plus
75 any unencumbered balances in general funds that will be available
76 and on hand at the close of the then current fiscal year. The
77 general fund revenue estimate shall be the estimate jointly
78 adopted by the Governor and the Joint Legislative Budget
79 Committee; however, for the purposes of this section, during the
80 period beginning July 1, 2004, and ending June 30, 2014, the
81 general fund revenue estimate for each succeeding fiscal year
82 shall not exceed three percent (3%) of the amount of the general
83 fund revenues received by the state for the preceding fiscal year.
84 Unencumbered balances in general funds that will be available and
85 on hand at the close of the fiscal year shall not include
86 projected amounts required to be deposited into the Working
87 Cash-Stabilization Reserve Fund and the Education Enhancement Fund
88 under Section 27-103-203.

89 The revenues used in preparing the balanced budget shall be
90 only those revenues that will be available under the general laws
91 of the state as they exist when the balanced budget is prepared,
92 and shall not include any proposed revenues that would become
93 available only after the enactment of new legislation. If the
94 Governor has any recommendations for additional proposed
95 expenditures or proposed revenues that are not included in his
96 balanced budget, he shall submit those recommendations in a

97 supplement that is separate from his balanced budget, and whenever
98 the Governor recommends any such additional proposed expenditures,
99 he also shall recommend proposed revenues that are sufficient to
100 fund the additional proposed expenditures, providing specific
101 details regarding the sources and the total amount of those
102 proposed revenues.

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

114 **SECTION 3.** Section 27-103-211, Mississippi Code of 1972, is
115 amended as follows:

116 27-103-211. * * * The total sum appropriated by the
117 Legislature from the State General Fund for any fiscal year shall
118 not exceed ninety-eight percent (98%) of the general fund revenue
119 estimate for that fiscal year developed by the Tax Commission and
120 the University Research Center and adopted by the Joint
121 Legislative Budget Committee, plus any unencumbered balances in
122 general funds that will be available and on hand at the close of
123 the then current fiscal year; however, for the purposes of this
124 section, during the period beginning July 1, 2004, and ending June
125 30, 2014, the general fund revenue estimate for each fiscal year
126 shall not exceed three percent (3%) of the amount of the general
127 fund revenues received by the state for the preceding fiscal year.
128 The unencumbered balances in general funds that will be available
129 and on hand at the close of the fiscal year shall not include

130 projected amounts required to be deposited into the Working
131 Cash-Stabilization Reserve Fund under Section 27-103-203.
132 However, for fiscal year 2004 only, the total sum appropriated by
133 the Legislature from the State General Fund shall not exceed one
134 hundred percent (100%) of the amount of the general fund revenue
135 estimate for that fiscal year, plus any unencumbered balances in
136 general funds that will be available and on hand at the close of
137 the then current fiscal year.

138 **SECTION 4.** Section 31-17-123, Mississippi Code of 1972, is
139 amended as follows:

140 31-17-123. The intent of the Legislature is to authorize
141 borrowing funds under the provisions of Sections 31-17-101 through
142 31-17-123 to offset any temporary cash flow deficiencies and
143 should not be construed to authorize the borrowing of any funds in
144 an amount that cannot be repaid during the fiscal year in which
145 the funds are borrowed.

146 The State Tax Commission and University Research Center,
147 utilizing all available revenue forecast data, shall annually
148 develop a general fund revenue estimate to be adopted by the
149 Legislative Budget Office as of the date of sine die adjournment.
150 For the purposes of the following provisions of this section,
151 during the period beginning July 1, 2004, and ending June 30,
152 2014, the general fund revenue estimate for each fiscal year shall
153 not exceed three percent (3%) of the amount of the general fund
154 revenues received by the state for the preceding fiscal year. If,
155 at the end of October, or at the end of any month thereafter of
156 any fiscal year, the revenues received for the fiscal year * * *
157 fall below ninety-eight percent (98%) of the Legislative Budget
158 Office general fund revenue estimate at the date of sine die
159 adjournment, the State Fiscal Officer shall reduce allocations of
160 general funds and state-source special funds to general fund and
161 special fund agencies and to the "administration and other
162 expenses" budget of the State Highway Department in an amount

163 necessary to keep expenditures within the sum of actual general
164 fund receipts including any transfers to the General Fund from the
165 Working Cash-Stabilization Reserve Fund for the fiscal year. The
166 State Fiscal Officer may, upon his determination of need based on
167 the revenue shortfall, transfer funds as provided in Section
168 27-103-203, from the Working Cash-Stabilization Reserve Fund to
169 the General Fund to supplement the general fund revenue.
170 State-source special funds in an amount equal to any reduction
171 made under the provisions of this section shall be transferred to
172 the State General Fund upon requisitions for warrants signed by
173 the respective agency head and that transfer shall be made within
174 a reasonable period to be determined by the State Fiscal Officer.
175 No agency's allocation shall be reduced in an amount to exceed
176 five percent (5%); however, if the allocations of general funds
177 and state-source special funds to all general fund and special
178 fund agencies and to the "administration and other expenses"
179 budget of the State Highway Department have been reduced by five
180 percent (5%), any additional reductions required to be made under
181 this section shall consist of a uniform percentage reduction of
182 general funds and state-source special funds to all general fund
183 and special fund agencies, and to the "administration and other
184 expenses" budget of the State Highway Department. Any receipt
185 from loans authorized by Sections 31-17-101 through 31-17-123
186 shall not be included as revenue receipts. The State Fiscal
187 Officer shall immediately send notice of any action taken under
188 authority of this section to the Legislative Budget Office.

189 For the purpose of this section, "state-source special funds"
190 shall be construed to mean any special funds in any agency derived
191 from any source, but shall not include the following special
192 funds: special funds derived from federal sources, from local or
193 regional political subdivisions, or from donations; special funds
194 held in a fiduciary capacity for the benefit of specific persons
195 or classes of persons; self-generated special funds of the state

196 institutions of higher learning or the state junior colleges;
197 special funds of Mississippi Industries for the Blind, the State
198 Port at Gulfport, Yellow Creek Inland Port, Pat Harrison Waterway
199 District, Pearl River Basin Development District, Pearl River
200 Valley Water Management District, Tombigbee River Valley Water
201 Management District, Yellow Creek Watershed Authority, or Coast
202 Coliseum Commission; special funds of the Department of Wildlife,
203 Fisheries and Parks derived from the issuance of hunting or
204 fishing licenses; and special funds generated by agencies whose
205 primary function includes the establishment of standards and the
206 issuance of licenses for the practice of a profession within the
207 State of Mississippi.

208 **SECTION 5.** This act shall take effect and be in force from
209 and after July 1, 2004.