

By: Representative Mayo

To: Appropriations

HOUSE BILL NO. 453

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

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

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

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

23 19-11-7. The board of supervisors of each county of the
24 State of Mississippi shall, at its August meeting of each year,
25 prepare a complete budget of revenues, expenses and a working cash
26 balance estimated for the next fiscal year, which shall be based
27 on the aggregate funds estimated to be available for the ensuing
28 fiscal year for each fund, from which the estimated expenses will
29 be paid, exclusive of school maintenance funds, which shall be
30 shown separately. The amount of revenues that is used to prepare
31 the budget shall be the amount of revenues that the county
32 received during the twelve-month period immediately preceding
33 August 1 of the current fiscal year, plus the amount of any
34 revenues that may be raised by a tax levy increase during the next

35 fiscal year. The statement of revenues in the budget shall show
36 every source of revenue along with the amount derived from each
37 source. The budget containing the statement of revenues and
38 expenses shall be published at least one (1) time during August or
39 September but not later than September 30 of the year in a
40 newspaper published in the county, or if no newspaper is published
41 in the county, then in a newspaper having a general circulation
42 in the county.

43 **[With regard to any county which is required to operate on a**
44 **countywide system of road administration as described in Section**
45 **19-2-3, this section shall read as follows:]**

46 19-11-7. The county administrator of each county of the
47 State of Mississippi shall prepare and submit to the board of
48 supervisors at its August meeting of each year a complete budget
49 of revenues, expenses and a working cash balance estimated for the
50 next fiscal year, which shall be based on the aggregate funds
51 estimated to be available for the ensuing fiscal year for each
52 fund, from which the estimated expenses will be paid, exclusive of
53 school maintenance funds, which shall be shown separately and
54 exclusive of the budget of the sheriff's department which shall be
55 prepared by the sheriff. The amount of revenues that is used to
56 prepare the budget shall be the amount of revenues that the county
57 received during the twelve-month period immediately preceding
58 August 1 of the current fiscal year, plus the amount of any
59 revenues that may be raised by a tax levy increase during the next
60 fiscal year. The statement of revenues in the budget shall show
61 every source of revenue along with the amount derived from each
62 source. The budget, including the sheriff's budget, containing
63 the statement of revenues and expenses shall be published at least
64 one (1) time during August or September but not later than
65 September 30 of the year in a newspaper published in the county,
66 or if no newspaper is published in the county, then in a newspaper
67 having a general circulation in the county.

68 **SECTION 2.** Section 21-35-5, Mississippi Code of 1972, is
69 amended as follows:

70 21-35-5. The governing authorities of each municipality of
71 the State of Mississippi shall, not later than September 15 each
72 year, prepare a complete budget of the municipal revenues,
73 expenses and working cash balances estimated for the next fiscal
74 year. The amount of revenues that is used to prepare the budget
75 shall be the amount of revenues that the municipality received
76 during the twelve-month period immediately preceding September 1
77 of the current fiscal year, plus the amount of any revenues that
78 may be raised by a tax levy increase during the next fiscal year.
79 The statement of revenues in the budget shall show every source of
80 revenue along with the amount derived from each source. The
81 budget of any municipality of one thousand five hundred (1,500)
82 inhabitants or more, according to the last preceding federal
83 census, with the statement of revenue and expenses, shall be
84 published at least one time during September of the year in a
85 newspaper published in the municipality or, if no newspaper is
86 published in the municipality, in any newspaper published in the
87 county in which the municipality is located. In municipalities of
88 fewer than one thousand five hundred (1,500) inhabitants,
89 according to the last preceding federal census, as many as three
90 (3) prepared statements of the budget shall be posted in three (3)
91 public places in the municipalities.

92 Before the adoption of a budget under this section, the
93 governing authority of each municipality shall hold at least one
94 (1) public hearing to provide the general public with an
95 opportunity to comment on the taxing and spending plan
96 incorporated in the proposed budget. The public hearing shall be
97 held at least one (1) week before the adoption of the budget with
98 advance notice and held outside normal working hours. The advance
99 notice shall include an announcement published or posted in the
100 same manner as required for the final adopted budget.

101 **SECTION 3.** Section 27-103-125, Mississippi Code of 1972, is
102 amended as follows:

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

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

132 27-103-139. On or before November 15 preceding each regular
133 session of the Legislature, except the first regular session of a

134 new term of office, the Governor shall submit to the members of
135 the Legislature, the Legislative Budget Office or the
136 members-elect, as the case may be, and to the executive head of
137 each state agency a balanced budget for the succeeding fiscal
138 year. * * * The budget submitted shall be prepared in a format
139 that will include performance measurement data associated with the
140 various programs operated by each agency. The total proposed
141 expenditures in the balanced budget shall not exceed the amount of
142 estimated revenues that will be available for appropriation or use
143 during the succeeding fiscal year, including any balances that
144 will be on hand at the close of the then current fiscal
145 year * * *. * * * The total proposed expenditures from the State
146 General Fund in the balanced budget shall not exceed ninety-eight
147 percent (98%) of the amount of general fund revenues that the
148 state received during the twelve-month period immediately
149 preceding November 1 of the current fiscal year, plus any
150 unencumbered balances in general funds that will be available and
151 on hand at the close of the then current fiscal year and the
152 amount of any general fund revenues that may be raised by a tax
153 increase during the next fiscal year. * * * Unencumbered balances
154 in general funds that will be available and on hand at the close
155 of the fiscal year shall not include projected amounts required to
156 be deposited into the Working Cash-Stabilization Reserve Fund and
157 the Education Enhancement Fund under Section 27-103-203.

158 * * *

159 The Governor may employ a budget officer for the purpose of
160 receiving information from the State Fiscal Officer and preparing
161 his recommendations on the budget. If the Governor determines
162 that information received from the State Fiscal Officer is not
163 sufficient to enable him to prepare his budget recommendations, he
164 may request an appropriation from the Legislature to provide
165 additional staff within the Governor's Office for that purpose.
166 At the first regular session after his election for Governor, the

167 Governor shall submit any budget recommendations plus the required
168 revenue source recommendations no later than January 31 of that
169 year.

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

172 27-103-211. * * * The total sum appropriated by the
173 Legislature from the State General Fund for any fiscal year shall
174 not exceed ninety-eight percent (98%) of the amount of general
175 fund revenues that the state received during the twelve-month
176 period immediately preceding November 1 of the current fiscal
177 year * * *, plus any unencumbered balances in general funds that
178 will be available and on hand at the close of the then current
179 fiscal year and the amount of any general fund revenues that will
180 be raised by a tax increase during the next fiscal year. The
181 unencumbered balances in general funds that will be available and
182 on hand at the close of the fiscal year shall not include
183 projected amounts required to be deposited into the Working
184 Cash-Stabilization Reserve Fund under Section 27-103-203. * * *

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

187 31-17-123. The intent of the Legislature is to authorize
188 borrowing funds under the provisions of Sections 31-17-101 through
189 31-17-123 to offset any temporary cash flow deficiencies and
190 should not be construed to authorize the borrowing of any funds in
191 an amount that cannot be repaid during the fiscal year in which
192 the funds are borrowed. * * * If, at the end of October, or at
193 the end of any month thereafter of any fiscal year, the revenues
194 received for the fiscal year * * * fall below ninety-eight percent
195 (98%) of the amount of general fund revenues that the state
196 received during the twelve-month period immediately preceding
197 November 1 of the preceding fiscal year, plus any unencumbered
198 balances in general funds that were available and on hand at the
199 close of the preceding fiscal year and the amount of any general

200 fund revenues that will be raised by a tax increase during the
201 current fiscal year, the State Fiscal Officer shall reduce
202 allocations of general funds and state-source special funds to
203 general fund and special fund agencies and to the "administration
204 and other expenses" budget of the Mississippi Department of
205 Transportation in an amount necessary to keep expenditures within
206 the sum of actual general fund receipts including any transfers to
207 the General Fund from the Working Cash-Stabilization Reserve Fund
208 for the fiscal year. The State Fiscal Officer may, upon his
209 determination of need based on the revenue shortfall, transfer
210 funds as provided in Section 27-103-203, from the Working
211 Cash-Stabilization Reserve Fund to the General Fund to supplement
212 the general fund revenue. State-source special funds in an amount
213 equal to any reduction made under the provisions of this section
214 shall be transferred to the State General Fund upon requisitions
215 for warrants signed by the respective agency head, and that
216 transfer shall be made within a reasonable period to be determined
217 by the State Fiscal Officer. No agency's allocation shall be
218 reduced in an amount to exceed five percent (5%); however, if the
219 allocations of general funds and state-source special funds to all
220 general fund and special fund agencies and to the "administration
221 and other expenses" budget of the Mississippi Department of
222 Transportation have been reduced by five percent (5%), any
223 additional reductions required to be made under this section shall
224 consist of a uniform percentage reduction of general funds and
225 state-source special funds to all general fund and special fund
226 agencies, and to the "administration and other expenses" budget of
227 the Mississippi Department of Transportation. Any receipt from
228 loans authorized by Sections 31-17-101 through 31-17-123 shall not
229 be included as revenue receipts. The State Fiscal Officer shall
230 immediately send notice of any action taken under authority of
231 this section to the Legislative Budget Office.

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

251 **SECTION 7.** This act shall take effect and be in force from
252 and after July 1, 2004.