

By: Representative Stringer

To: Appropriations

HOUSE BILL NO. 1468

1 AN ACT TO AMEND SECTION 27-25-506, MISSISSIPPI CODE OF 1972,
 2 TO PROVIDE THAT BEGINNING WITH FISCAL YEAR 2005, ALL AMOUNTS
 3 COLLECTED FROM CERTAIN TAX COLLECTIONS APPORTIONED TO THE STATE
 4 FROM OIL AND GAS SEVERANCE TAXES THAT DO NOT EXCEED TEN MILLION
 5 DOLLARS SHALL BE DEPOSITED INTO THE STATE GENERAL FUND, AND ALL
 6 AMOUNTS COLLECTED THAT EXCEED TEN MILLION DOLLARS SHALL BE
 7 DEPOSITED INTO THE BUDGET CONTINGENCY FUND; TO AMEND SECTION
 8 27-65-75, MISSISSIPPI CODE OF 1972, TO DELAY UNTIL 2006 THE SALES
 9 TAX DIVERSION THAT IS TO BE DEPOSITED INTO THE SPECIAL FUNDS
 10 TRANSFER FUND; TO AMEND SECTION 4, CHAPTER 556, LAWS OF 2003, TO
 11 CONFORM TO THE PRECEDING PROVISION; TO AMEND SECTIONS 27-103-125,
 12 27-103-139 AND 27-103-211, MISSISSIPPI CODE OF 1972, TO REVISE THE
 13 PERCENTAGE LIMITATION ON LEGISLATIVE APPROPRIATIONS FROM THE STATE
 14 GENERAL FUND FOR FISCAL YEARS 2005 AND 2006; TO AMEND SECTION
 15 43-13-407, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT IN FISCAL
 16 YEAR 2005 AND EACH SUBSEQUENT FISCAL YEAR, THE FULL AMOUNT OF THE
 17 EARNINGS ON FUNDS IN THE HEALTH CARE TRUST FUND DURING THE
 18 PRECEDING FISCAL YEAR SHALL BE TRANSFERRED TO THE HEALTH CARE
 19 EXPENDABLE FUND; TO PROVIDE THAT THE FULL AMOUNT OF THE CALENDAR
 20 YEAR 2004 AND 2005 TOBACCO SETTLEMENT INSTALLMENT PAYMENTS
 21 RECEIVED BY THE STATE SHALL BE DEPOSITED INTO THE HEALTH CARE
 22 EXPENDABLE FUND; TO EXTEND THE REPEALER ON CERTAIN PROVISIONS OF
 23 THAT SECTION; AND FOR RELATED PURPOSES.

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

25 **SECTION 1.** Section 27-25-506, Mississippi Code of 1972, is
 26 amended as follows:

27 27-25-506. (1) There is * * * created a special fund in the
 28 State Treasury into which the state's share of proceeds collected
 29 under Sections 27-25-505 and 27-25-705 shall be deposited.

30 The state's share of all oil and gas severance taxes derived
 31 from oil and gas resources under state-owned lands or from severed
 32 state-owned minerals shall be deposited into the State Treasury to
 33 the credit of the trust fund created in Section 206A, Mississippi
 34 Constitution of 1890. The following amounts of the remainder of
 35 tax collections apportioned to the state shall be deposited to the
 36 credit of the trust fund created in Section 206A, Mississippi
 37 Constitution of 1890:

38 (a) For fiscal year 1994, all amounts collected in
39 excess of Thirty-five Million Dollars (\$35,000,000.00);

40 (b) For fiscal year 1995, all amounts collected in
41 excess of Thirty-two Million Five Hundred Thousand Dollars
42 (\$32,500,000.00);

43 (c) For fiscal year 1996, all amounts collected in
44 excess of Thirty Million Dollars (\$30,000,000.00);

45 (d) For fiscal year 1997, all amounts collected in
46 excess of Twenty-seven Million Five Hundred Thousand Dollars
47 (\$27,500,000.00);

48 (e) For fiscal year 1998, all amounts collected in
49 excess of Twenty-five Million Dollars (\$25,000,000.00);

50 (f) For fiscal year 1999, all amounts collected in
51 excess of Twenty Million Dollars (\$20,000,000.00);

52 (g) For fiscal year 2000, all amounts collected in
53 excess of Fifteen Million Dollars (\$15,000,000.00); and

54 (h) For fiscal year 2001 through December 31, 2000, all
55 amounts collected and transferred in excess of Ten Million Dollars
56 (\$10,000,000.00).

57 * * *

58 (2) The monies collected under paragraphs (a) through (h) of
59 subsection (1) of this section that are not deposited into the
60 trust fund shall be deposited into the State General Fund.

61 The remainder of the tax collections apportioned to the state
62 under subsection (1) of this section for the period beginning
63 after December 31, 2000, through the end of fiscal year 2004 shall
64 be deposited into the Budget Contingency Fund created in Section
65 27-103-301. All monies deposited into the Budget Contingency Fund
66 under this subsection shall be appropriated by the Legislature for
67 the support of the Minimum Education Program or to the Mississippi
68 Adequate Education Program as successor to the Minimum Education
69 Program.

70 (3) For fiscal year 2005 and each fiscal year thereafter,
71 all amounts collected from the remainder of tax collections
72 apportioned to the state that do not exceed Ten Million Dollars
73 (\$10,000,000.00) shall be deposited into the State General Fund,
74 and all amounts collected from the remainder of tax collections
75 apportioned to the state that exceed Ten Million Dollars
76 (\$10,000,000.00) shall be deposited into the Budget Contingency
77 Fund created in Section 27-103-301.

78 **SECTION 2.** Section 27-65-75, Mississippi Code of 1972, is
79 amended as follows:

80 27-65-75. On or before the fifteenth day of each month, the
81 revenue collected under the provisions of this chapter during the
82 preceding month shall be paid and distributed as follows:

83 (1) On or before August 15, 1992, and each succeeding month
84 thereafter through July 15, 1993, eighteen percent (18%) of the
85 total sales tax revenue collected during the preceding month under
86 the provisions of this chapter, except that collected under the
87 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
88 business activities within a municipal corporation, shall be
89 allocated for distribution to the municipality and paid to the
90 municipal corporation. On or before August 15, 1993, and each
91 succeeding month thereafter, eighteen and one-half percent
92 (18-1/2%) of the total sales tax revenue collected during the
93 preceding month under the provisions of this chapter, except that
94 collected under the provisions of Sections 27-65-15, 27-65-19(3)
95 and 27-65-21, on business activities within a municipal
96 corporation, shall be allocated for distribution to the
97 municipality and paid to the municipal corporation.

98 A municipal corporation, for the purpose of distributing the
99 tax under this subsection, shall mean and include all incorporated
100 cities, towns and villages.

101 Monies allocated for distribution and credited to a municipal
102 corporation under this subsection may be pledged as security for

103 any loan received by the municipal corporation for the purpose of
104 capital improvements as authorized under Section 57-1-303, or
105 loans as authorized under Section 57-44-7, or water systems
106 improvements as authorized under Section 41-3-16.

107 In any county having a county seat that is not an
108 incorporated municipality, the distribution provided under this
109 subsection shall be made as though the county seat was an
110 incorporated municipality; however, the distribution to the
111 municipality shall be paid to the county treasury in which the
112 municipality is located, and those funds shall be used for road,
113 bridge and street construction or maintenance in the county.

114 (2) On or before September 15, 1987, and each succeeding
115 month thereafter, from the revenue collected under this chapter
116 during the preceding month One Million One Hundred Twenty-five
117 Thousand Dollars (\$1,125,000.00) shall be allocated for
118 distribution to municipal corporations as defined under subsection
119 (1) of this section in the proportion that the number of gallons
120 of gasoline and diesel fuel sold by distributors to consumers and
121 retailers in each such municipality during the preceding fiscal
122 year bears to the total gallons of gasoline and diesel fuel sold
123 by distributors to consumers and retailers in municipalities
124 statewide during the preceding fiscal year. The State Tax
125 Commission shall require all distributors of gasoline and diesel
126 fuel to report to the commission monthly the total number of
127 gallons of gasoline and diesel fuel sold by them to consumers and
128 retailers in each municipality during the preceding month. The
129 State Tax Commission shall have the authority to promulgate such
130 rules and regulations as is necessary to determine the number of
131 gallons of gasoline and diesel fuel sold by distributors to
132 consumers and retailers in each municipality. In determining the
133 percentage allocation of funds under this subsection for the
134 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
135 State Tax Commission may consider gallons of gasoline and diesel

136 fuel sold for a period of less than one (1) fiscal year. For the
137 purposes of this subsection, the term "fiscal year" means the
138 fiscal year beginning July 1 of a year.

139 (3) On or before September 15, 1987, and on or before the
140 fifteenth day of each succeeding month, until the date specified
141 in Section 65-39-35, the proceeds derived from contractors' taxes
142 levied under Section 27-65-21 on contracts for the construction or
143 reconstruction of highways designated under the highway program
144 created under Section 65-3-97 shall, except as otherwise provided
145 in Section 31-17-127, be deposited into the State Treasury to the
146 credit of the State Highway Fund to be used to fund that highway
147 program. The Mississippi Department of Transportation shall
148 provide to the State Tax Commission such information as is
149 necessary to determine the amount of proceeds to be distributed
150 under this subsection.

151 (4) On or before August 15, 1994, and on or before the
152 fifteenth day of each succeeding month through July 15, 1999, from
153 the proceeds of gasoline, diesel fuel or kerosene taxes as
154 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
155 (\$4,000,000.00) shall be deposited in the State Treasury to the
156 credit of a special fund designated as the "State Aid Road Fund,"
157 created by Section 65-9-17. On or before August 15, 1999, and on
158 or before the fifteenth day of each succeeding month, from the
159 total amount of the proceeds of gasoline, diesel fuel or kerosene
160 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
161 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
162 one-fourth percent (23.25%) of those funds, whichever is the
163 greater amount, shall be deposited in the State Treasury to the
164 credit of the "State Aid Road Fund," created by Section 65-9-17.
165 Those funds shall be pledged to pay the principal of and interest
166 on state aid road bonds heretofore issued under Sections 19-9-51
167 through 19-9-77, in lieu of and in substitution for the funds
168 previously allocated to counties under this section. Those funds

169 may not be pledged for the payment of any state aid road bonds
170 issued after April 1, 1981; however, this prohibition against the
171 pledging of any such funds for the payment of bonds shall not
172 apply to any bonds for which intent to issue those bonds has been
173 published, for the first time, as provided by law before March 29,
174 1981. From the amount of taxes paid into the special fund under
175 this subsection and subsection (9) of this section, there shall be
176 first deducted and paid the amount necessary to pay the expenses
177 of the Office of State Aid Road Construction, as authorized by the
178 Legislature for all other general and special fund agencies. The
179 remainder of the fund shall be allocated monthly to the several
180 counties in accordance with the following formula:

181 (a) One-third (1/3) shall be allocated to all counties
182 in equal shares;

183 (b) One-third (1/3) shall be allocated to counties
184 based on the proportion that the total number of rural road miles
185 in a county bears to the total number of rural road miles in all
186 counties of the state; and

187 (c) One-third (1/3) shall be allocated to counties
188 based on the proportion that the rural population of the county
189 bears to the total rural population in all counties of the state,
190 according to the latest federal decennial census.

191 For the purposes of this subsection, the term "gasoline,
192 diesel fuel or kerosene taxes" means such taxes as defined in
193 paragraph (f) of Section 27-5-101.

194 The amount of funds allocated to any county under this
195 subsection for any fiscal year after fiscal year 1994 shall not be
196 less than the amount allocated to the county for fiscal year 1994.
197 Monies allocated to a county from the State Aid Road Fund for
198 fiscal year 1995 or any fiscal year thereafter that exceed the
199 amount of funds allocated to that county from the State Aid Road
200 Fund for fiscal year 1994, first must be expended by the county
201 for replacement or rehabilitation of bridges on the state aid road

202 system that have a sufficiency rating of less than twenty-five
203 (25), according to National Bridge Inspection standards before
204 the monies may be approved for expenditure by the State Aid Road
205 Engineer on other projects that qualify for the use of state aid
206 road funds.

207 Any reference in the general laws of this state or the
208 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
209 construed to refer and apply to subsection (4) of Section
210 27-65-75.

211 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
212 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
213 the special fund known as the "State Public School Building Fund"
214 created and existing under the provisions of Sections 37-47-1
215 through 37-47-67. Those payments into that fund are to be made on
216 the last day of each succeeding month hereafter.

217 (6) An amount each month beginning August 15, 1983, through
218 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
219 of 1983, shall be paid into the special fund known as the
220 Correctional Facilities Construction Fund created in Section 6 of
221 Chapter 542, Laws of 1983.

222 (7) On or before August 15, 1992, and each succeeding month
223 thereafter through July 15, 2000, two and two hundred sixty-six
224 one-thousandths percent (2.266%) of the total sales tax revenue
225 collected during the preceding month under the provisions of this
226 chapter, except that collected under the provisions of Section
227 27-65-17(2), shall be deposited by the commission into the School
228 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
229 or before August 15, 2000, and each succeeding month thereafter,
230 two and two hundred sixty-six one-thousandths percent (2.266%) of
231 the total sales tax revenue collected during the preceding month
232 under the provisions of this chapter, except that collected under
233 the provisions of Section 27-65-17(2), shall be deposited into the
234 School Ad Valorem Tax Reduction Fund created under Section

235 37-61-35 until such time that the total amount deposited into the
236 fund during a fiscal year equals Forty-two Million Dollars
237 (\$42,000,000.00). Thereafter, the amounts diverted under this
238 subsection (7) during the fiscal year in excess of Forty-two
239 Million Dollars (\$42,000,000.00) shall be deposited into the
240 Education Enhancement Fund created under Section 37-61-33 for
241 appropriation by the Legislature as other education needs and
242 shall not be subject to the percentage appropriation requirements
243 set forth in Section 37-61-33.

244 (8) On or before August 15, 1992, and each succeeding month
245 thereafter, nine and seventy-three one-thousandths percent
246 (9.073%) of the total sales tax revenue collected during the
247 preceding month under the provisions of this chapter, except that
248 collected under the provisions of Section 27-65-17(2), shall be
249 deposited into the Education Enhancement Fund created under
250 Section 37-61-33.

251 (9) On or before August 15, 1994, and each succeeding month
252 thereafter, from the revenue collected under this chapter during
253 the preceding month, Two Hundred Fifty Thousand Dollars
254 (\$250,000.00) shall be paid into the State Aid Road Fund.

255 (10) On or before August 15, 1994, and each succeeding month
256 thereafter through August 15, 1995, from the revenue collected
257 under this chapter during the preceding month, Two Million Dollars
258 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
259 Valorem Tax Reduction Fund established in Section 27-51-105.

260 (11) Notwithstanding any other provision of this section to
261 the contrary, on or before February 15, 1995, and each succeeding
262 month thereafter, the sales tax revenue collected during the
263 preceding month under the provisions of Section 27-65-17(2) and
264 the corresponding levy in Section 27-65-23 on the rental or lease
265 of private carriers of passengers and light carriers of property
266 as defined in Section 27-51-101 shall be deposited, without

267 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
268 established in Section 27-51-105.

269 (12) Notwithstanding any other provision of this section to
270 the contrary, on or before August 15, 1995, and each succeeding
271 month thereafter, the sales tax revenue collected during the
272 preceding month under the provisions of Section 27-65-17(1) on
273 retail sales of private carriers of passengers and light carriers
274 of property, as defined in Section 27-51-101 and the corresponding
275 levy in Section 27-65-23 on the rental or lease of these vehicles,
276 shall be deposited, after diversion, into the Motor Vehicle Ad
277 Valorem Tax Reduction Fund established in Section 27-51-105.

278 (13) On or before July 15, 1994, and on or before the
279 fifteenth day of each succeeding month thereafter, that portion of
280 the avails of the tax imposed in Section 27-65-22 that is derived
281 from activities held on the Mississippi state fairgrounds complex
282 shall be paid into a special fund that is created in the State
283 Treasury and shall be expended upon legislative appropriation
284 solely to defray the costs of repairs and renovation at the Trade
285 Mart and Coliseum.

286 (14) On or before August 15, 1998, and each succeeding month
287 thereafter through July 15, 2005, that portion of the avails of
288 the tax imposed in Section 27-65-23 that is derived from sales by
289 cotton compresses or cotton warehouses and that would otherwise be
290 paid into the General Fund, shall be deposited in an amount not to
291 exceed Two Million Dollars (\$2,000,000.00) into the special fund
292 created under Section 69-37-39.

293 (15) Notwithstanding any other provision of this section to
294 the contrary, on or before September 15, 2000, and each succeeding
295 month thereafter, the sales tax revenue collected during the
296 preceding month under the provisions of Section 27-65-19(1)(f) and
297 (g)(i)2 shall be deposited, without diversion, into the
298 Telecommunications Ad Valorem Tax Reduction Fund established in
299 Section 27-38-7.

300 (16) On or before August 15, 2000, and each succeeding month
301 thereafter, the sales tax revenue collected during the preceding
302 month under the provisions of this chapter on the gross proceeds
303 of sales of a project as defined in Section 57-30-1 shall be
304 deposited, after all diversions except the diversion provided for
305 in subsection (1) of this section, into the Sales Tax Incentive
306 Fund created in Section 57-30-3.

307 (17) Notwithstanding any other provision of this section to
308 the contrary, on or before April 15, 2002, and each succeeding
309 month thereafter, the sales tax revenue collected during the
310 preceding month under Section 27-65-23 on sales of parking
311 services of parking garages and lots at airports shall be
312 deposited, without diversion, into the special fund created under
313 Section 27-5-101(d).

314 (18) On or before August 15, 2006, and each succeeding month
315 thereafter through July 15, 2007, from the sales tax revenue
316 collected during the preceding month under the provisions of this
317 chapter, Two Million Five Hundred Thousand Dollars (\$2,500,000.00)
318 shall be deposited into the Special Funds Transfer Fund created in
319 Section 4 of Chapter 556, Laws of 2003.

320 (19) The remainder of the amounts collected under the
321 provisions of this chapter shall be paid into the State Treasury
322 to the credit of the General Fund.

323 (20) It shall be the duty of the municipal officials of any
324 municipality that expands its limits, or of any community that
325 incorporates as a municipality, to notify the commissioner of
326 that action thirty (30) days before the effective date. Failure
327 to so notify the commissioner shall cause the municipality to
328 forfeit the revenue that it would have been entitled to receive
329 during this period of time when the commissioner had no knowledge
330 of the action. If any funds have been erroneously disbursed to
331 any municipality or any overpayment of tax is recovered by the
332 taxpayer, the commissioner may make correction and adjust the

333 error or overpayment with the municipality by withholding the
334 necessary funds from any later payment to be made to the
335 municipality.

336 **SECTION 3.** Section 4, Chapter 556, Laws of 2003, is amended
337 as follows:

338 Section 4. (1) There is created in the State Treasury a
339 special fund to be known as the Special Funds Transfer Fund, which
340 shall be comprised of the monies required to be deposited into the
341 fund under Section 27-65-75(18) for the repayment of certain funds
342 transferred to the Budget Contingency Fund. Upon receipt of
343 monies deposited into the fund under Section 27-65-75(18), the
344 State Treasurer shall transfer those monies to the special funds
345 from which transfers were made under Sections 2 and 3 of Chapter
346 556, Laws of 2003.

347 (2) Unexpended amounts remaining in the fund on September
348 30, 2007, shall lapse into the State General Fund, and any
349 interest earned or investment earnings on amounts in the fund
350 shall be deposited to the credit of the fund.

351 **SECTION 4.** Section 27-103-125, Mississippi Code of 1972, is
352 amended as follows:

353 27-103-125. The proposed budget of each state agency shall
354 show the amounts required for operating expenses separately from
355 the amounts required for permanent improvements. The overall
356 budget shall show, separately by each source, the estimated amount
357 of general fund revenue and of special fund revenues of general
358 fund agencies. The total proposed expenditures in Part 1 of the
359 overall budget shall not exceed the amount of estimated revenues
360 that will be available in the general and special funds for
361 appropriation or use during the succeeding fiscal year, including
362 any balances that will be on hand in the general and special funds
363 at the close of the then current fiscal year. * * * The total
364 proposed expenditures from the State General Fund in Part 1 of the
365 overall budget shall not exceed ninety-eight percent (98%) of the

366 amount of general fund revenue estimate for the succeeding fiscal
367 year, plus any unencumbered balances in general funds that will be
368 available and on hand at the close of the then current fiscal
369 year. However, for fiscal years 2004, 2005 and 2006 only, the
370 total proposed expenditures from the State General Fund in Part 1
371 of the overall budget shall not exceed one hundred percent (100%)
372 of the amount of the general fund revenue estimate for the
373 succeeding fiscal year, plus any unencumbered balances in general
374 funds that will be available and on hand at the close of the then
375 current fiscal year. The general fund revenue estimate shall be
376 the estimate jointly adopted by the Governor and the Joint
377 Legislative Budget Committee. Unencumbered balances in general
378 funds that will be available and on hand at the close of the
379 current fiscal year shall not include projected amounts required
380 to be deposited into the Working Cash-Stabilization Reserve Fund
381 under Section 27-103-203. The Legislative Budget Office may
382 recommend additional taxes or sources of revenue if in its
383 judgment those additional funds are necessary to adequately
384 support the functions of the state government.

385 **SECTION 5.** Section 27-103-139, Mississippi Code of 1972, is
386 amended as follows:

387 27-103-139. On or before November 15 preceding each regular
388 session of the Legislature, except the first regular session of a
389 new term of office, the Governor shall submit to the members of
390 the Legislature, the Legislative Budget Office or the
391 members-elect, as the case may be, and to the executive head of
392 each state agency a balanced budget for the succeeding fiscal
393 year. * * * The budget submitted shall be prepared in a format
394 that will include performance measurement data associated with the
395 various programs operated by each agency. The total proposed
396 expenditures in the balanced budget shall not exceed the amount of
397 estimated revenues that will be available for appropriation or use
398 during the succeeding fiscal year, including any balances that

399 will be on hand at the close of the then current fiscal year, as
400 determined by the revenue estimate jointly adopted by the Governor
401 and the Legislative Budget Committee. * * * The total proposed
402 expenditures from the State General Fund in the balanced budget
403 shall not exceed ninety-eight percent (98%) of the amount of
404 general fund revenue estimate for the succeeding fiscal year, plus
405 any unencumbered balances in general funds that will be available
406 and on hand at the close of the then current fiscal year.
407 However, for fiscal years 2004, 2005 and 2006 only, the total
408 proposed expenditures from the State General Fund in the balanced
409 budget shall not exceed one hundred percent (100%) of the amount
410 of the general fund revenue estimate for the succeeding fiscal
411 year, plus any unencumbered balances in general funds that will be
412 available and on hand at the close of the then current fiscal
413 year. The general fund revenue estimate shall be the estimate
414 jointly adopted by the Governor and the Joint Legislative Budget
415 Committee. Unencumbered balances in general funds that will be
416 available and on hand at the close of the fiscal year shall not
417 include projected amounts required to be deposited into the
418 Working Cash-Stabilization Reserve Fund and the Education
419 Enhancement Fund under Section 27-103-203.

420 The revenues used in preparing the balanced budget shall be
421 only those revenues that will be available under the general laws
422 of the state as they exist when the balanced budget is prepared,
423 and shall not include any proposed revenues that would become
424 available only after the enactment of new legislation. If the
425 Governor has any recommendations for additional proposed
426 expenditures or proposed revenues that are not included in his
427 balanced budget, he shall submit those recommendations in a
428 supplement that is separate from his balanced budget, and whenever
429 the Governor recommends any such additional proposed expenditures,
430 he also shall recommend proposed revenues that are sufficient to
431 fund the additional proposed expenditures, providing specific

432 details regarding the sources and the total amount of those
433 proposed revenues.

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

445 **SECTION 6.** Section 27-103-211, Mississippi Code of 1972, is
446 amended as follows:

447 27-103-211. * * * The total sum appropriated by the
448 Legislature from the State General Fund for any fiscal year shall
449 not exceed ninety-eight percent (98%) of the general fund revenue
450 estimate for that fiscal year developed by the Tax Commission and
451 the University Research Center and adopted by the Joint
452 Legislative Budget Committee, plus any unencumbered balances in
453 general funds that will be available and on hand at the close of
454 the then current fiscal year. The unencumbered balances in
455 general funds that will be available and on hand at the close of
456 the fiscal year shall not include projected amounts required to be
457 deposited into the Working Cash-Stabilization Reserve Fund under
458 Section 27-103-203. However, for fiscal years 2004, 2005 and 2006
459 only, the total sum appropriated by the Legislature from the State
460 General Fund shall not exceed one hundred percent (100%) of the
461 amount of the general fund revenue estimate for that fiscal year,
462 plus any unencumbered balances in general funds that will be
463 available and on hand at the close of the then current fiscal
464 year.

465 **SECTION 7.** Section 43-13-407, Mississippi Code of 1972, is
466 amended as follows:

467 43-13-407. (1) In accordance with the purposes of this
468 article, there is established in the State Treasury the Health
469 Care Expendable Fund, into which shall be transferred from the
470 Health Care Trust Fund the following sums:

471 (a) In fiscal year 2000, Fifty Million Dollars
472 (\$50,000,000.00);

473 (b) In fiscal year 2001, Fifty-five Million Dollars
474 (\$55,000,000.00);

475 (c) In fiscal year 2002, Sixty Million Five Hundred
476 Thousand Dollars (\$60,500,000.00);

477 (d) In fiscal year 2003, Sixty-six Million Five Hundred
478 Fifty Thousand Dollars (\$66,550,000.00);

479 (e) In fiscal year 2004 * * *, a sum equal to the
480 average annual amount of the income from the investment of the
481 funds in the Health Care Trust Fund since July 1, 1999;

482 (f) In fiscal year 2005 and each subsequent fiscal
483 year, a sum equal to the full amount of the earnings on the funds
484 in the Health Care Trust Fund during the preceding fiscal year.

485 (2) In any fiscal year in which interest and dividends from
486 the investment of the funds in the Health Care Trust Fund are not
487 sufficient to fund the full amount of the annual transfer into the
488 Health Care Expendable Fund as required in subsection (1) of this
489 section, the State Treasurer shall transfer from tobacco
490 settlement installment payments an amount that is sufficient to
491 fully fund the amount of the annual transfer.

492 (3) (a) On March 6, 2002, the State Treasurer shall
493 transfer the sum of Eighty-seven Million Dollars (\$87,000,000.00)
494 from the Health Care Trust Fund into the Health Care Expendable
495 Fund. In addition, at the time the State of Mississippi receives
496 the * * * tobacco settlement installment payments for each of the
497 calendar years 2002, 2003, 2004 and 2005, the State Treasurer

498 shall deposit the full amount of each of those installment
499 payments into the Health Care Expendable Fund * * *.

500 (b) If during any fiscal year after March 6, 2002, the
501 general fund revenues received by the state exceed the general
502 fund revenues received during the previous fiscal year by more
503 than five percent (5%), the Legislature shall repay to the Health
504 Care Trust Fund one-third (1/3) of the amount of the general fund
505 revenues that exceed the five percent (5%) growth in general fund
506 revenues. The repayment required by this paragraph shall continue
507 in each fiscal year in which there is more than five percent (5%)
508 growth in general fund revenues, until the full amount of the
509 funds that were transferred and deposited into the Health Care
510 Expendable Fund under the provisions of paragraph (a) of this
511 subsection have been repaid to the Health Care Trust Fund.

512 (4) All income from the investment of the funds in the
513 Health Care Expendable Fund shall be credited to the account of
514 the Health Care Expendable Fund. Any funds in the Health Care
515 Expendable Fund at the end of a fiscal year shall not lapse into
516 the State General Fund.

517 (5) The funds in the Health Care Expendable Fund shall be
518 available for expenditure under specific appropriation by the
519 Legislature beginning in fiscal year 2000, and shall be expended
520 exclusively for health care purposes.

521 (6) Subsections (1), (2), (4) and (5) of this section shall
522 stand repealed on July 1, 2005.

523 **SECTION 8.** This act shall take effect and be in force from
524 and after July 1, 2004.