

By: Representatives Moore, Wells-Smith

To: Appropriations

HOUSE BILL NO. 421

1 AN ACT TO AMEND SECTIONS 27-103-125, 27-103-127, 27-103-139,
2 27-103-211 AND 27-104-13, MISSISSIPPI CODE OF 1972, TO REQUIRE THE
3 STATE, IN PREPARING THE PROPOSED STATE BUDGET, MAKING LEGISLATIVE
4 APPROPRIATIONS TO STATE AGENCIES AND MAKING STATE AGENCY BUDGET
5 REDUCTIONS, TO USE 98% OF THE AMOUNT OF GENERAL FUND REVENUES THAT
6 THE STATE RECEIVED DURING THE PRECEDING FISCAL YEAR, PLUS ANY
7 UNENCUMBERED BALANCES IN GENERAL FUNDS THAT WILL BE AVAILABLE AT
8 THE END OF THE CURRENT FISCAL YEAR AND THE AMOUNT OF ANY GENERAL
9 FUND REVENUES THAT MAY BE RAISED BY INCREASES IN TAXES OR FEES
10 DURING THE NEXT FISCAL YEAR; TO REQUIRE THE STATE, IN PREPARING
11 THE PROPOSED STATE BUDGET AND MAKING LEGISLATIVE APPROPRIATIONS TO
12 STATE AGENCIES, TO USE THE AMOUNT OF SPECIAL FUND REVENUES THAT
13 EACH AGENCY RECEIVED DURING THE PRECEDING FISCAL YEAR, PLUS ANY
14 UNENCUMBERED BALANCES IN SPECIAL FUNDS THAT WILL BE AVAILABLE FOR
15 THE AGENCY AT THE END OF THE CURRENT FISCAL YEAR AND THE AMOUNT OF
16 ANY SPECIAL FUND REVENUES THAT MAY BE RAISED FOR THE AGENCY BY
17 INCREASES IN TAXES OR FEES DURING THE NEXT FISCAL YEAR; TO CREATE
18 A SPECIAL FUND IN THE STATE TREASURY TO BE KNOWN AS THE TAXPAYER
19 REBATE FUND, WHICH SHALL BE USED TO REFUND SURPLUS STATE REVENUES
20 TO THE TAXPAYERS OF THE STATE IN THE FORM OF REBATE PAYMENTS; TO
21 AMEND SECTION 27-103-203, MISSISSIPPI CODE OF 1972, TO PROVIDE
22 THAT FIFTY PERCENT OF THE UNENCUMBERED GENERAL FUND CASH BALANCE
23 AT THE CLOSE OF EACH FISCAL YEAR AFTER THE WORKING
24 CASH-STABILIZATION RESERVE FUND REACHES A CERTAIN BALANCE SHALL BE
25 TRANSFERRED INTO THE TAXPAYER REBATE FUND; AND FOR RELATED
26 PURPOSES.

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

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

30 27-103-125. The proposed budget of each state agency shall
31 show the amounts required for operating expenses separately from
32 the amounts required for permanent improvements. The overall
33 budget shall show, separately by each source, the estimated amount
34 of general fund revenue and of special fund revenues of general
35 fund agencies. The total proposed expenditures in Part 1 of the
36 overall budget shall not exceed the amount of estimated revenues
37 that will be available in the general and special funds for
38 appropriation or use during the succeeding fiscal year, including

39 any balances that will be on hand in the general and special funds
40 at the close of the then current fiscal year.

41 The total proposed expenditures from the State General Fund
42 in Part 1 of the overall budget shall not exceed ninety-eight
43 percent (98%) of the amount of general fund revenues that the
44 state actually received during the previous fiscal year, plus any
45 unencumbered balances in general funds that will be available and
46 on hand at the close of the then current fiscal year and the
47 amount of any general fund revenues that may be raised by
48 increases in taxes or fees during the next fiscal year.

49 Unencumbered balances in general funds that will be available and
50 on hand at the close of the current fiscal year shall not include
51 projected amounts required to be deposited into the Working
52 Cash-Stabilization Reserve Fund under Section 27-103-203.

53 The total proposed expenditures from special funds for any
54 agency in Part 1 of the overall budget shall not exceed the amount
55 of special fund revenues that the agency actually received during
56 the previous fiscal year, plus any unencumbered balances in
57 special funds that will be available and on hand for the agency at
58 the close of the then current fiscal year and the amount of any
59 special fund revenues that may be raised for the agency by
60 increases in fees during the next fiscal year.

61 The Legislative Budget Office may recommend additional taxes
62 or sources of revenue if in its judgment those additional funds
63 are necessary to adequately support the functions of the state
64 government.

65 **SECTION 2.** Section 27-103-127, Mississippi Code of 1972, is
66 amended as follows:

67 27-103-127. To the end that the overall budget will present
68 in comparable terms a complete summary of all financial operations
69 of all state agencies, Part 2 of the overall budget shall
70 include * * * the requested budget and the recommended budget for
71 each special fund agency. The overall budget shall show for each

72 special fund agency, in addition to such other information as may
73 be prescribed by the Legislative Budget Office, the following:

74 (a) The amount by source of all special fund receipts
75 collected or otherwise available in the current fiscal year, and
76 an estimate by source of all special funds that will be collected
77 or become available by the end of the then current fiscal year;

78 (b) The estimated amount of all expenditures to be made
79 or obligations to be incurred payable from those special funds
80 during the then current fiscal year;

81 (c) The estimated aggregate amount of special funds
82 that will be needed by the agency for the succeeding fiscal year;
83 if any services proposed to be provided by the agency in the
84 succeeding fiscal year are Medicaid reimbursable, any state
85 general matching funds necessary for that reimbursement shall be
86 included in the agency's proposed budget * * *;

87 (d) The estimated amount by source of special funds
88 that will be available under existing laws during the succeeding
89 fiscal year, including any balances that will be on hand at the
90 close of the then current fiscal year;

91 (e) The estimated amount that will be needed and that
92 will require change in existing law or laws;

93 (f) If any new item of expense is included in the
94 proposed budget of any special fund agency, the reason therefor
95 shall be given; and in any case where the Legislative Budget
96 Office * * * eliminates or reduces any item or items in the
97 proposed budget of any special fund agency, it shall note briefly
98 the reasons therefor, together with the reasons advanced by the
99 agency in support of the item or items eliminated or reduced;

100 (g) The proposed budget of each special fund agency
101 shall show the amounts required for operating expenses separately
102 from the amounts required for permanent improvements.

103 The total proposed expenditures for any agency in Part 2 of
104 the overall budget shall not exceed the amount of special fund

105 revenues that the agency received during the previous fiscal year,
106 plus any unencumbered balances in special funds that will be
107 available and on hand for the agency at the close of the then
108 current fiscal year and the amount of any special fund revenues
109 that may be raised for the agency by increases in fees during the
110 next fiscal year. However, the Legislative Budget Office may
111 recommend changes in existing law in order to decrease or increase
112 the revenues available to any agency if in its judgment those
113 changes are necessary or desirable.

114 * * * Expenditures approved or authorized by the Legislature
115 for any special fund agency or special funds approved for general
116 fund agency shall constitute a maximum to be expended or
117 encumbered by the agency, and shall not constitute authority to
118 expend or encumber more than the amount of revenue actually
119 collected or otherwise received.

120 No special fund agency or general fund agency shall make
121 expenditures from special funds available to the agency unless
122 those expenditures are set forth in a budget approved by the
123 Legislature. That legislative approval shall be set forth in an
124 appropriation act. * * * However, * * * special funds derived
125 from the collection of taxes for any political subdivision of the
126 state shall be excepted from the foregoing provisions. The
127 executive head of the state agency shall be liable on his official
128 bond for expenditures or encumbrances that exceed the total amount
129 of the budget or the amount received if receipts are less than the
130 approved budget.

131 * * * Each university and college shall submit through the
132 Board of Trustees of State Institutions of Higher Learning an
133 annual budget to the Legislative Budget Office before the
134 beginning of each fiscal year with such information and in such
135 form, and in such detail, as may be required by the Legislative
136 Budget Office. If the Legislative Budget Office determines that
137 sufficient funds will be available during the fiscal year to fund

138 the proposed budget as submitted, then * * * the proposed budget
139 shall be approved. However, if the Legislative Budget Office
140 determines that, in its judgment, sufficient funds will not be
141 available to fund the proposed budget, the affected institution or
142 institutions and the Board of Trustees of State Institutions of
143 Higher Learning shall be promptly notified and given an
144 opportunity to either justify the proposed budget or proposed
145 amendments that can be mutually agreed upon. The Legislative
146 Budget Office shall then approve the proposed budget or budgets of
147 the several universities and colleges. The total amount approved
148 for each institution shall constitute the maximum funds that may
149 be expended during the fiscal year.

150 The municipal, county or combined municipal and county port
151 and harbor commissions, authorities or other port or harbor
152 agencies not owned or operated by the state, shall submit annual
153 or amended budgets of their estimated receipts and expenditures to
154 the governing bodies of the municipality, county or municipality
155 and county, for their approval, and a copy of the budget as
156 approved by the governing body or bodies shall be filed with the
157 Legislative Budget Office. That budget shall itemize all
158 estimated receipts and expenditures, and the Legislative Budget
159 Office may require particularization, explanation or audit
160 thereof, and shall report that information to the Legislature.

161 To the end that the overall budget shall present in
162 comparable terms a complete summary of all financial operations of
163 all state agencies, Part 3 of the overall budget shall consist of
164 an estimated preliminary annual budget of the Department of
165 Transportation and the Office of State Aid Road Construction of
166 the Department of Transportation and such information for the
167 current fiscal year as is necessary to make presentation
168 comparable to that specified for Part 2 special fund agencies.

169 The annual budget request of the Department of Transportation

170 shall be divided into the following program budgets: (a)
171 administration and other expenses, (b) construction, (c)
172 maintenance, and (d) debt service. In making its annual
173 appropriation to the Department of Transportation from the State
174 Highway Fund, the Legislature shall separate the appropriation
175 bill into the four (4) program budget areas * * * specified in
176 this section. For the purposes of this paragraph, "administration
177 and other expenses" shall be construed to mean those expenses
178 incurred due to departmental support activities that cannot be
179 assigned to a specific construction or maintenance project, and
180 shall be construed to include expenses incurred for office
181 machines, furniture, fixtures, automobiles, station wagons, truck
182 and other vehicles, road machinery, farm equipment and other
183 working equipment, data processing and computer equipment, all
184 other equipment, and replacements for equipment. "Construction"
185 shall be construed to mean those expenses associated with the
186 creation and development of the state highway system and its
187 related facilities; "maintenance" shall be construed to mean those
188 expenses incurred due to activities associated with preservation
189 of safe and aesthetically acceptable highways in an attempt to
190 maintain them in as close to the original condition as possible;
191 and "debt service" shall be construed to mean amounts needed to
192 pay bonds and interest coming due, bank service charges, and bond
193 debt service.

194 **SECTION 3.** Section 27-103-139, Mississippi Code of 1972, is
195 amended as follows:

196 27-103-139. On or before November 15 preceding each regular
197 session of the Legislature, except the first regular session of a
198 new term of office, the Governor shall submit to the members of
199 the Legislature, the Legislative Budget Office or the
200 members-elect, as the case may be, and to the executive head of
201 each state agency a balanced budget for the succeeding fiscal
202 year. The budget submitted shall be prepared in a format that

203 will include performance measurement data associated with the
204 various programs operated by each agency. The total proposed
205 expenditures in the balanced budget shall not exceed the amount of
206 estimated revenues that will be available for appropriation or use
207 during the succeeding fiscal year, including any balances that
208 will be on hand at the close of the then current fiscal
209 year * * *.

210 The total proposed expenditures from the State General Fund
211 in the balanced budget shall not exceed ninety-eight percent (98%)
212 of the amount of general fund revenues that the state actually
213 received during the previous fiscal year, plus any unencumbered
214 balances in general funds that will be available and on hand at
215 the close of the then current fiscal year and the amount of any
216 general fund revenues that may be raised by increases in taxes or
217 fees during the next fiscal year. Unencumbered balances in
218 general funds that will be available and on hand at the close of
219 the fiscal year shall not include projected amounts required to be
220 deposited into the Working Cash-Stabilization Reserve Fund and the
221 Education Enhancement Fund under Section 27-103-203.

222 * * *

223 The total proposed expenditures from special funds for any
224 agency in the balanced budget shall not exceed the amount of
225 special fund revenues that the agency actually received during the
226 previous fiscal year, plus any unencumbered balances in special
227 funds that will be available and on hand for the agency at the
228 close of the then current fiscal year and the amount of any
229 special fund revenues that may be raised for the agency by
230 increases in fees during the next fiscal year.

231 The Governor may recommend additional taxes or sources of
232 revenue if in his judgment those additional funds are necessary to
233 adequately support the functions of the state government.

234 The Governor may employ a budget officer for the purpose of
235 receiving information from the State Fiscal Officer and preparing

236 his recommendations on the budget. If the Governor determines
237 that information received from the State Fiscal Officer is not
238 sufficient to enable him to prepare his budget recommendations, he
239 may request an appropriation from the Legislature to provide
240 additional staff within the Governor's Office for that purpose.
241 At the first regular session after his election for Governor, the
242 Governor shall submit any budget recommendations plus the required
243 revenue source recommendations no later than January 31 of that
244 year.

245 **SECTION 4.** Section 27-103-211, Mississippi Code of 1972, is
246 amended as follows:

247 27-103-211. The total sum appropriated by the Legislature
248 from the State General Fund for any fiscal year shall not exceed
249 ninety-eight percent (98%) of the amount of general fund revenues
250 that the state actually received during the previous fiscal
251 year * * *, plus any unencumbered balances in general funds that
252 will be available and on hand at the close of the then current
253 fiscal year and the amount of any general fund revenues that will
254 be raised by increases in taxes or fees during the next fiscal
255 year. The unencumbered balances in general funds that will be
256 available and on hand at the close of the fiscal year shall not
257 include projected amounts required to be deposited into the
258 Working Cash-Stabilization Reserve Fund under Section
259 27-103-203. * * *

260 The total sum appropriated by the Legislature from special
261 funds for any agency for any fiscal year shall not exceed the
262 amount of special fund revenues that the agency actually received
263 during the previous fiscal year, plus any unencumbered balances in
264 general funds that will be available and on hand for the agency at
265 the close of the then current fiscal year and the amount of any
266 special fund revenues that will be raised for the agency by
267 increases in fees during the next fiscal year.

268 **SECTION 5.** Section 27-104-13, Mississippi Code of 1972, is
269 amended as follows:

270 27-104-13. (1) The State Fiscal Officer may disapprove or
271 reduce and revise the estimates of general funds and state-source
272 special funds for any general fund or special fund agency and for
273 the "administration and other expenses" budget of the Mississippi
274 Department of Transportation, in an amount not to exceed five
275 percent (5%), if at any time he finds that funds will not be
276 available within the period for which the budget is drawn, or if
277 at any time he finds that the requested expenditures, or any part
278 thereof, are not authorized by law, and that action shall be
279 reported to the Legislative Budget Office.

280 The State Fiscal Officer may, upon his determination of need
281 based upon a finding that funds will not be available within the
282 period for which the budget is drawn, transfer funds as provided
283 in Section 27-103-203, from the Working Cash-Stabilization Reserve
284 Fund to the General Fund to supplement the general fund revenue.

285 If the estimates of general funds and state-source special
286 funds of all general fund and special fund agencies and of the
287 "administration and other expenses" budget of the Mississippi
288 Department of Transportation have been reduced by five percent
289 (5%), additional reductions may be made, but shall consist of a
290 uniform percentage reduction of general funds and state-source
291 special funds to all general fund and special fund agencies and to
292 the "administration and other expenses" budget of the Mississippi
293 Department of Transportation.

294 Any state-source special funds reduced under the provisions
295 of this subsection (1) shall be transferred to the State General
296 Fund upon requisitions for warrants signed by the respective
297 agency head, and the transfer shall be made within a reasonable
298 period to be determined by the State Fiscal Officer.

299 (2) * * * If, at the end of October, or at the end of any
300 month thereafter of any fiscal year, the revenues received for the

301 fiscal year fall below ninety-eight percent (98%) of the amount of
302 general fund revenues that the state actually received during the
303 fiscal year immediately before the preceding fiscal year, plus any
304 unencumbered balances in general funds that were available and on
305 hand at the close of the preceding fiscal year and the amount of
306 any general fund revenues that will be raised by increases in
307 taxes or fees during the current fiscal year, the State Fiscal
308 Officer shall reduce allocations of general funds and state-source
309 special funds to general fund and special fund agencies and to the
310 "administration and other expenses" budget of the Mississippi
311 Department of Transportation, in an amount necessary to keep
312 expenditures within the sum of actual general fund receipts,
313 including any transfers to the General Fund from the Working
314 Cash-Stabilization Reserve Fund for the fiscal year.

315 The State Fiscal Officer may, upon his determination of need
316 based on the revenue shortfall, transfer funds as provided in
317 Section 27-103-203 from the Working Cash-Stabilization Reserve
318 Fund to the General Fund to supplement the general fund revenue.
319 State-source special funds in an amount equal to any reduction
320 made under the provisions of this subsection (2) shall be
321 transferred to the State General Fund upon requisitions for
322 warrants signed by the respective agency head, and the transfer
323 shall be made within a reasonable period to be determined by the
324 State Fiscal Officer.

325 No agency's allocation shall be reduced in an amount to
326 exceed five percent (5%); however, if the allocations of general
327 funds and state-source special funds to all general fund and
328 special fund agencies and to the "administration and other
329 expenses" budget of the Mississippi Department of Transportation
330 have been reduced by five percent (5%), any additional reductions
331 required to be made under this subsection (2) shall consist of a
332 uniform percentage reduction of general funds and state-source
333 special funds to all general fund and special fund agencies and to

334 the "administration and other expenses" budget of the Mississippi
335 Department of Transportation. Any receipt from loans authorized
336 by Sections 31-17-101 through 31-17-123 shall not be included as
337 revenue receipts.

338 The State Fiscal Officer shall immediately send notice of any
339 action taken under authority of this subsection (2) to the
340 Legislative Budget Office.

341 The provisions of this subsection (2) requiring the State
342 Fiscal Officer to reduce allocations of general funds and
343 state-source special funds to general fund and special fund
344 agencies and to the "administration and other expenses" budget of
345 the Mississippi Department of Transportation shall be suspended
346 during the period from the effective date of this act through June
347 30, 2006.

348 (3) For the purpose of this section, the term "state-source
349 special funds" means any special funds in any agency derived from
350 any source, but shall not include the following special funds:
351 special funds derived from federal sources, from local or regional
352 political subdivisions, from agricultural commodity assessments,
353 or from donations; special funds held in a fiduciary capacity for
354 the benefit of specific persons or classes of persons;
355 self-generated special funds of the state institutions of higher
356 learning or the state community or junior colleges; special funds
357 of Mississippi Industries for the Blind, the State Port at
358 Gulfport, Yellow Creek Inland Port, Pat Harrison Waterway
359 District, Pearl River Basin Development District, Pearl River
360 Valley Water Management District, Tombigbee River Valley Water
361 Management District, Yellow Creek Watershed Authority, or Coast
362 Coliseum Commission; special funds of the Department of Wildlife,
363 Fisheries and Parks derived from the issuance of hunting or
364 fishing licenses; and special funds generated by agencies whose
365 primary function includes the establishment of standards and the

366 issuance of licenses for the practice of a profession within the
367 State of Mississippi.

368 **SECTION 6.** There is created a special fund in the State
369 Treasury to be known as the Taxpayer Rebate Fund, which shall be
370 comprised of funds transferred from the year-end unencumbered
371 General Fund cash balance under Section 27-103-203(1) and such
372 other funds that are required by law to be deposited into the
373 special fund. Monies in the fund shall be used, upon
374 appropriation by the Legislature, to refund surplus state revenues
375 to the taxpayers of the state in the form of rebate payments.
376 Unexpended amounts remaining in the fund at the end of a fiscal
377 year shall not lapse into the State General Fund, and any interest
378 earned on amounts in the fund shall be deposited to the credit of
379 the fund.

380 **SECTION 7.** Section 27-103-203, Mississippi Code of 1972, is
381 amended as follows:

382 27-103-203. (1) There is created in the State Treasury a
383 special fund, separate and apart from any other fund, to be
384 designated the Working Cash-Stabilization Reserve Fund, into which
385 shall be deposited one hundred percent (100%) of the unencumbered
386 General Fund cash balance at the close of each fiscal year until
387 such time as the balance in the fund reaches Forty Million Dollars
388 (\$40,000,000.00). After the balance in the fund reaches Forty
389 Million Dollars (\$40,000,000.00), fifty percent (50%) of the
390 unencumbered General Fund cash balance at the close of each fiscal
391 year, not to exceed seven and one-half percent (7-1/2%) of the
392 General Fund appropriations for the fiscal year, shall be
393 deposited into the fund. The remainder of the year-end
394 unencumbered General Fund cash balance after transfer to the
395 Working Cash-Stabilization Reserve Fund shall remain in the
396 General Fund; however, if the balance of the Working
397 Cash-Stabilization Reserve Fund reaches seven and one-half percent
398 (7-1/2%) of the General Fund appropriations for the fiscal year,

399 fifty percent (50%) of the unencumbered General Fund cash balance
400 shall be transferred into the Taxpayer Rebate Fund created in
401 Section 6 of this act. Unencumbered cash in the General Fund may
402 be used for new year cash flow needs and may also be used for
403 deficit appropriations or regular appropriations.

404 (2) The Working Cash-Stabilization Reserve Fund shall not be
405 considered as a surplus or available funds when adopting a
406 balanced budget as required by law. The State Treasurer shall
407 invest all sums in the Working Cash-Stabilization Reserve Fund not
408 needed for the purposes provided for in this section in
409 certificates of deposit, repurchase agreements and other
410 securities as authorized in Sections 27-105-33(d) or 7-9-103, as
411 the State Treasurer may determine to yield the highest market rate
412 available. If the Ayers Settlement Fund is created under Section
413 37-101-27(5), the first Five Million Dollars (\$5,000,000.00) of
414 interest earned on those sums each fiscal year shall be deposited
415 into that fund until a total of Seventy Million Dollars
416 (\$70,000,000.00) has been deposited into the fund. The interest,
417 or the remaining interest if the Ayers Settlement Fund is created,
418 that is earned on those sums shall be deposited in the Working
419 Cash-Stabilization Reserve Fund until the balance of principal and
420 interest in the reserve fund reaches seven and one-half percent
421 (7-1/2%) of the total General Fund appropriations for the current
422 fiscal year, and all interest earned in excess of amounts
423 necessary to maintain the seven and one-half percent (7-1/2%) fund
424 balance requirement shall be deposited by the State Treasurer into
425 the State General Fund.

426 (3) The Working Cash-Stabilization Reserve Fund, except for
427 Fifteen Million Dollars (\$15,000,000.00) and the amount of the
428 interest and income earned on the principal of the Ayers Endowment
429 Trust created by Section 37-101-27, shall be used by the State
430 Treasurer for cash flow needs throughout the year when the
431 Executive Director of the Department of Finance and Administration

432 certifies that in his opinion there will be cash flow deficiencies
433 in the State General Fund. No borrowing of monies from other
434 special funds for those purposes as authorized by Section
435 31-17-101 et seq. shall be made as long as an unencumbered balance
436 in excess of Fifteen Million Dollars (\$15,000,000.00) and the
437 interest and income earned on the principal of the Ayers Endowment
438 Trust created by Section 37-101-27 remains in the fund. The State
439 Treasurer shall reimburse the fund for all sums borrowed for those
440 purposes from General Fund revenues collected during the fiscal
441 year in which those funds are used. The State Treasurer shall
442 immediately notify the Legislative Budget Office and the State
443 Department of Finance and Administration of each transfer into and
444 out of the fund. Fifteen Million Dollars (\$15,000,000.00) in the
445 Working Cash-Stabilization Reserve Fund shall remain available for
446 exclusive use of the Ayers Endowment Trust created by Section
447 37-101-27. If the Ayers Settlement Fund is created under Section
448 37-101-27(5), beginning when a total of Fifty-five Million Dollars
449 (\$55,000,000.00) has been deposited into the fund, for each annual
450 deposit of interest to that fund under subsection (2) of this
451 section, the Ayers Endowment Trust created under Section
452 37-101-27(1) shall be reduced by an equal amount annually until
453 the Ayers Endowment Trust reaches Zero Dollars (\$0.00), at which
454 time any requirements concerning the Ayers Endowment Trust in this
455 section shall be null and void.

456 (4) The Working Cash-Stabilization Reserve Fund, except for
457 Forty Million Dollars (\$40,000,000.00), shall also be used for the
458 purpose of covering any projected deficits that may occur in the
459 General Fund at the end of a fiscal year as a result of revenue
460 shortfalls. If the Governor determines that a deficit in revenues
461 from all sources may occur, it shall be the duty of the Executive
462 Director of the Department of Finance and Administration to
463 transfer such funds as necessary to the General Fund to alleviate
464 the deficit in accordance with Sections 27-104-13 and 31-17-123;

465 however, not more than Fifty Million Dollars (\$50,000,000.00) may
466 be transferred from the fund for that purpose in any one (1)
467 fiscal year. If it becomes necessary to apply a part of the fund
468 to this purpose, the amount so applied shall be restored to the
469 Working Cash-Stabilization Reserve Fund out of future annual
470 surpluses, as provided in subsection (1) of this section, until
471 the seven and one-half percent (7-1/2%) maximum is again attained.

472 (5) The Working Cash-Stabilization Reserve Fund also shall
473 be used to provide funds for the Disaster Assistance Trust Fund
474 when those funds are immediately needed to provide for disaster
475 assistance under Sections 33-15-301 through 33-15-317. Any
476 transfer of funds from the Working Cash-Stabilization Reserve Fund
477 to the Disaster Assistance Trust Fund shall be made in accordance
478 with the provisions of subsection (5) of Section 33-15-307.

479 (6) The Department of Finance and Administration shall
480 immediately send notice of any transfers made, or other action
481 taken under authority of this section, to the Legislative Budget
482 Office.

483 (7) Funds deposited in the Working Cash-Stabilization
484 Reserve Fund shall be used only for the purposes specified in this
485 section, and as long as the provisions of this section remain in
486 effect, no other expenditure, appropriation or transfer of funds
487 in the Working Cash-Stabilization Reserve Fund shall be made
488 except by act of the Legislature making specific reference to the
489 Working Cash-Stabilization Reserve Fund as the source of those
490 funds.

491 **SECTION 8.** This act shall take effect and be in force from
492 and after July 1, 2006.