

By: Representative Mayo

To: Appropriations

## HOUSE BILL NO. 515

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 27-104-13,  
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. (1) 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 (2) The board of supervisors shall not prepare a budget that  
44 reduces the county budget by more than twenty percent (20%) in the  
45 last year of the members' term of office if a majority of the  
46 members of the board are not reelected.

47 **[With regard to any county which is required to operate on a**  
48 **countywide system of road administration as described in Section**  
49 **19-2-3, this section shall read as follows:]**

50 19-11-7. (1) The county administrator of each county of the  
51 State of Mississippi shall prepare and submit to the board of  
52 supervisors at its August meeting of each year a complete budget  
53 of revenues, expenses and a working cash balance estimated for the  
54 next fiscal year, which shall be based on the aggregate funds  
55 estimated to be available for the ensuing fiscal year for each  
56 fund, from which the estimated expenses will be paid, exclusive of  
57 school maintenance funds, which shall be shown separately and  
58 exclusive of the budget of the sheriff's department which shall be  
59 prepared by the sheriff. The amount of revenues that is used to  
60 prepare the budget shall be the amount of revenues that the county  
61 received during the twelve-month period immediately preceding  
62 August 1 of the current fiscal year, plus the amount of any  
63 revenues that may be raised by a tax levy increase during the next  
64 fiscal year. The statement of revenues in the budget shall show  
65 every source of revenue along with the amount derived from each  
66 source. The budget, including the sheriff's budget, containing  
67 the statement of revenues and expenses shall be published at least

68 one (1) time during August or September but not later than  
69 September 30 of the year in a newspaper published in the county,  
70 or if no newspaper is published in the county, then in a newspaper  
71 having a general circulation in the county.

72 (2) The county administrator shall not prepare a budget that  
73 reduces the county budget by more than twenty percent (20%) in the  
74 last year of the members' term of office if a majority of the  
75 members of the board are not reelected.

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

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

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

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

111        27-103-125. The proposed budget of each state agency shall  
112 show the amounts required for operating expenses separately from  
113 the amounts required for permanent improvements. The overall  
114 budget shall show, separately by each source, the estimated amount  
115 of general fund revenue and of special fund revenues of general  
116 fund agencies. The total proposed expenditures in Part 1 of the  
117 overall budget shall not exceed the amount of estimated revenues  
118 that will be available in the general and special funds for  
119 appropriation or use during the succeeding fiscal year, including  
120 any balances that will be on hand in the general and special funds  
121 at the close of the then current fiscal year. The total proposed  
122 expenditures from the State General Fund in Part 1 of the overall  
123 budget shall not exceed ninety-eight percent (98%) of the amount  
124 of general fund revenues that the state received during the  
125 twelve-month period immediately preceding November 1 of the  
126 current fiscal year, plus any unencumbered balances in general  
127 funds that will be available and on hand at the close of the then  
128 current fiscal year and the amount of any general fund revenues  
129 that may be raised by a tax increase during the next fiscal year.  
130 Unencumbered balances in general funds that will be available and  
131 on hand at the close of the current fiscal year shall not include  
132 projected amounts required to be deposited into the Working

133 Cash-Stabilization Reserve Fund under Section 27-103-203. The  
134 Legislative Budget Office may recommend additional taxes or  
135 sources of revenue if in its judgment those additional funds are  
136 necessary to adequately support the functions of the state  
137 government.

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

140 27-103-139. On or before November 15 preceding each regular  
141 session of the Legislature, except the first regular session of a  
142 new term of office, the Governor shall submit to the members of  
143 the Legislature, the Legislative Budget Office or the  
144 members-elect, as the case may be, and to the executive head of  
145 each state agency a balanced budget for the succeeding fiscal  
146 year. The budget submitted shall be prepared in a format that  
147 will include performance measurement data associated with the  
148 various programs operated by each agency. The total proposed  
149 expenditures in the balanced budget shall not exceed the amount of  
150 estimated revenues that will be available for appropriation or use  
151 during the succeeding fiscal year, including any balances that  
152 will be on hand at the close of the then current fiscal  
153 year \* \* \*. The total proposed expenditures from the State  
154 General Fund in the balanced budget shall not exceed ninety-eight  
155 percent (98%) of the amount of general fund revenues that the  
156 state received during the twelve-month period immediately  
157 preceding November 1 of the current fiscal year, plus any  
158 unencumbered balances in general funds that will be available and  
159 on hand at the close of the then current fiscal year and the  
160 amount of any general fund revenues that may be raised by a tax  
161 increase during the next fiscal year. Unencumbered balances in  
162 general funds that will be available and on hand at the close of  
163 the fiscal year shall not include projected amounts required to be  
164 deposited into the Working Cash-Stabilization Reserve Fund and the  
165 Education Enhancement Fund under Section 27-103-203.

166 \* \* \*

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

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

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

193 **SECTION 6.** Section 27-104-13, Mississippi Code of 1972, is  
194 amended as follows:

195 27-104-13. (1) The State Fiscal Officer may disapprove or  
196 reduce and revise the estimates of general funds and state-source  
197 special funds for any general fund or special fund agency and for  
198 the "administration and other expenses" budget of the Mississippi

199 Department of Transportation, in an amount not to exceed five  
200 percent (5%), if at any time he finds that funds will not be  
201 available within the period for which the budget is drawn, or if  
202 at any time he finds that the requested expenditures, or any part  
203 thereof, are not authorized by law, and that action shall be  
204 reported to the Legislative Budget Office.

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

210 If the estimates of general funds and state-source special  
211 funds of all general fund and special fund agencies and of the  
212 "administration and other expenses" budget of the Mississippi  
213 Department of Transportation have been reduced by five percent  
214 (5%), additional reductions may be made, but shall consist of a  
215 uniform percentage reduction of general funds and state-source  
216 special funds to all general fund and special fund agencies and to  
217 the "administration and other expenses" budget of the Mississippi  
218 Department of Transportation.

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

224 (2) The State Tax Commission and University Research Center,  
225 utilizing all available revenue forecast data, shall annually  
226 develop a general fund revenue estimate to be adopted by the  
227 Legislative Budget Office as of the date of sine die adjournment.

228 If, at the end of October, or at the end of any month  
229 thereafter of any fiscal year, the revenues received for the  
230 fiscal year fall below ninety-eight percent (98%) of the amount of  
231 general fund revenues that the state received during the

232 twelve-month period immediately preceding November 1 of the  
233 preceding fiscal year, plus any unencumbered balances in general  
234 funds that were available and on hand at the close of the  
235 preceding fiscal year and the amount of any general fund revenues  
236 that will be raised by a tax increase during the current fiscal  
237 year, the State Fiscal Officer shall reduce allocations of general  
238 funds and state-source special funds to general fund and special  
239 fund agencies and to the "administration and other expenses"  
240 budget of the Mississippi Department of Transportation, in an  
241 amount necessary to keep expenditures within the sum of actual  
242 general fund receipts, including any transfers to the General Fund  
243 from the Working Cash-Stabilization Reserve Fund for the fiscal  
244 year.

245         The State Fiscal Officer may, upon his determination of need  
246 based on the revenue shortfall, transfer funds as provided in  
247 Section 27-103-203 from the Working Cash-Stabilization Reserve  
248 Fund to the General Fund to supplement the general fund revenue.  
249 State-source special funds in an amount equal to any reduction  
250 made under the provisions of this subsection (2) shall be  
251 transferred to the State General Fund upon requisitions for  
252 warrants signed by the respective agency head, and the transfer  
253 shall be made within a reasonable period to be determined by the  
254 State Fiscal Officer.

255         No agency's allocation shall be reduced in an amount to  
256 exceed five percent (5%); however, if the allocations of general  
257 funds and state-source special funds to all general fund and  
258 special fund agencies and to the "administration and other  
259 expenses" budget of the Mississippi Department of Transportation  
260 have been reduced by five percent (5%), any additional reductions  
261 required to be made under this subsection (2) shall consist of a  
262 uniform percentage reduction of general funds and state-source  
263 special funds to all general fund and special fund agencies and to  
264 the "administration and other expenses" budget of the Mississippi



265 Department of Transportation. Any receipt from loans authorized  
266 by Sections 31-17-101 through 31-17-123 shall not be included as  
267 revenue receipts.

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

271 The provisions of this subsection (2) requiring the State  
272 Fiscal Officer to reduce allocations of general funds and  
273 state-source special funds to general fund and special fund  
274 agencies and to the "administration and other expenses" budget of  
275 the Mississippi Department of Transportation shall be suspended  
276 during the period from the effective date of this act through June  
277 30, 2006.

278 (3) For the purpose of this section, the term "state-source  
279 special funds" means any special funds in any agency derived from  
280 any source, but shall not include the following special funds:  
281 special funds derived from federal sources, from local or regional  
282 political subdivisions, from agricultural commodity assessments,  
283 or from donations; special funds held in a fiduciary capacity for  
284 the benefit of specific persons or classes of persons;  
285 self-generated special funds of the state institutions of higher  
286 learning or the state community or junior colleges; special funds  
287 of Mississippi Industries for the Blind, the State Port at  
288 Gulfport, Yellow Creek Inland Port, Pat Harrison Waterway  
289 District, Pearl River Basin Development District, Pearl River  
290 Valley Water Management District, Tombigbee River Valley Water  
291 Management District, Yellow Creek Watershed Authority, or Coast  
292 Coliseum Commission; special funds of the Department of Wildlife,  
293 Fisheries and Parks derived from the issuance of hunting or  
294 fishing licenses; and special funds generated by agencies whose  
295 primary function includes the establishment of standards and the  
296 issuance of licenses for the practice of a profession within the  
297 State of Mississippi.

298           **SECTION 7.** This act shall take effect and be in force from  
299 and after July 1, 2006.