

By: Representative Brown

To: Appropriations

HOUSE BILL NO. 1281

1 AN ACT TO AMEND SECTIONS 27-103-125, 27-103-139 AND
 2 27-103-211, MISSISSIPPI CODE OF 1972, TO REVISE THE PERCENTAGE
 3 LIMITATION ON LEGISLATIVE APPROPRIATIONS FROM THE STATE GENERAL
 4 FUND FOR FISCAL YEARS 2006 THROUGH 2008; TO DIRECT THE STATE
 5 FISCAL OFFICER TO TRANSFER CERTAIN SPECIAL FUNDS INTO THE BUDGET
 6 CONTINGENCY FUND DURING FISCAL YEAR 2006; TO AMEND SECTION
 7 43-13-407, MISSISSIPPI CODE OF 1972, TO DELETE THE REQUIREMENT FOR
 8 THE LEGISLATURE TO PAY BACK TO THE HEALTH CARE TRUST FUND A
 9 PERCENTAGE OF THE GROWTH IN GENERAL FUND REVENUES; AND FOR RELATED
 10 PURPOSES.

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

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

14 27-103-125. The proposed budget of each state agency shall
 15 show the amounts required for operating expenses separately from
 16 the amounts required for permanent improvements. The overall
 17 budget shall show, separately by each source, the estimated amount
 18 of general fund revenue and of special fund revenues of general
 19 fund agencies. The total proposed expenditures in Part 1 of the
 20 overall budget shall not exceed the amount of estimated revenues
 21 that will be available in the general and special funds for
 22 appropriation or use during the succeeding fiscal year, including
 23 any balances that will be on hand in the general and special funds
 24 at the close of the then current fiscal year. The total proposed
 25 expenditures from the State General Fund in Part 1 of the overall
 26 budget shall not exceed ninety-eight percent (98%) of the amount
 27 of general fund revenue estimate for the succeeding fiscal year,
 28 plus any unencumbered balances in general funds that will be
 29 available and on hand at the close of the then current fiscal
 30 year. However, for fiscal years 2006, 2007 and 2008 only, the
 31 total proposed expenditures from the State General Fund in Part 1

32 of the overall budget shall not exceed one hundred percent (100%)
33 of the amount of the general fund revenue estimate for the
34 succeeding fiscal year, plus any unencumbered balances in general
35 funds that will be available and on hand at the close of the then
36 current fiscal year. The general fund revenue estimate shall be
37 the estimate jointly adopted by the Governor and the Joint
38 Legislative Budget Committee. Unencumbered balances in general
39 funds that will be available and on hand at the close of the
40 current fiscal year shall not include projected amounts required
41 to be deposited into the Working Cash-Stabilization Reserve Fund
42 under Section 27-103-203. The Legislative Budget Office may
43 recommend additional taxes or sources of revenue if in its
44 judgment those additional funds are necessary to adequately
45 support the functions of the state government.

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

48 27-103-139. On or before November 15 preceding each regular
49 session of the Legislature, except the first regular session of a
50 new term of office, the Governor shall submit to the members of
51 the Legislature, the Legislative Budget Office or the
52 members-elect, as the case may be, and to the executive head of
53 each state agency a balanced budget for the succeeding fiscal
54 year. The budget submitted shall be prepared in a format that
55 will include performance measurement data associated with the
56 various programs operated by each agency. The total proposed
57 expenditures in the balanced budget shall not exceed the amount of
58 estimated revenues that will be available for appropriation or use
59 during the succeeding fiscal year, including any balances that
60 will be on hand at the close of the then current fiscal year, as
61 determined by the revenue estimate jointly adopted by the Governor
62 and the Legislative Budget Committee. The total proposed
63 expenditures from the State General Fund in the balanced budget
64 shall not exceed ninety-eight percent (98%) of the amount of

65 general fund revenue estimate for the succeeding fiscal year, plus
66 any unencumbered balances in general funds that will be available
67 and on hand at the close of the then current fiscal year.
68 However, for fiscal years 2006, 2007 and 2008 only, the total
69 proposed expenditures from the State General Fund in the balanced
70 budget shall not exceed one hundred percent (100%) of the amount
71 of the general fund revenue estimate for the succeeding fiscal
72 year, plus any unencumbered balances in general funds that will be
73 available and on hand at the close of the then current fiscal
74 year. The general fund revenue estimate shall be the estimate
75 jointly adopted by the Governor and the Joint Legislative Budget
76 Committee. Unencumbered balances in general funds that will be
77 available and on hand at the close of the fiscal year shall not
78 include projected amounts required to be deposited into the
79 Working Cash-Stabilization Reserve Fund and the Education
80 Enhancement Fund under Section 27-103-203.

81 The revenues used in preparing the balanced budget shall be
82 only those revenues that will be available under the general laws
83 of the state as they exist when the balanced budget is prepared,
84 and shall not include any proposed revenues that would become
85 available only after the enactment of new legislation. If the
86 Governor has any recommendations for additional proposed
87 expenditures or proposed revenues that are not included in his
88 balanced budget, he shall submit those recommendations in a
89 supplement that is separate from his balanced budget, and whenever
90 the Governor recommends any such additional proposed expenditures,
91 he also shall recommend proposed revenues that are sufficient to
92 fund the additional proposed expenditures, providing specific
93 details regarding the sources and the total amount of those
94 proposed revenues.

95 The Governor may employ a budget officer for the purpose of
96 receiving information from the State Fiscal Officer and preparing
97 his recommendations on the budget. If the Governor determines

98 that information received from the State Fiscal Officer is not
99 sufficient to enable him to prepare his budget recommendations, he
100 may request an appropriation from the Legislature to provide
101 additional staff within the Governor's Office for that purpose.
102 At the first regular session after his election for Governor, the
103 Governor shall submit any budget recommendations plus the required
104 revenue source recommendations no later than January 31 of that
105 year.

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

108 27-103-211. The total sum appropriated by the Legislature
109 from the State General Fund for any fiscal year shall not exceed
110 ninety-eight percent (98%) of the general fund revenue estimate
111 for that fiscal year developed by the Tax Commission and the
112 University Research Center and adopted by the Joint Legislative
113 Budget Committee, plus any unencumbered balances in general funds
114 that will be available and on hand at the close of the then
115 current fiscal year. The unencumbered balances in general funds
116 that will be available and on hand at the close of the fiscal year
117 shall not include projected amounts required to be deposited into
118 the Working Cash-Stabilization Reserve Fund under Section
119 27-103-203. However, for fiscal years 2006, 2007 and 2008 only,
120 the total sum appropriated by the Legislature from the State
121 General Fund shall not exceed one hundred percent (100%) of the
122 amount of the general fund revenue estimate for that fiscal year,
123 plus any unencumbered balances in general funds that will be
124 available and on hand at the close of the then current fiscal
125 year.

126 **SECTION 4.** The State Fiscal Officer shall transfer to the
127 Budget Contingency Fund created in Section 27-103-301, out of the
128 following enumerated special funds, the amount listed below for
129 each fund during the period beginning upon the passage of this act
130 through June 30, 2006:

131	<u>Agency/Fund</u>	<u>Fund No.</u>	<u>Amount</u>
132	Criminal Justice Fund	3086	\$ 250,000.00
133	Treasury - Unclaimed Property		
134	Fund	3178	<u>1,000,000.00</u>
135	TOTAL		\$1,250,000.00

136 **SECTION 5.** Section 43-13-407, Mississippi Code of 1972, is
137 amended as follows:

138 43-13-407. (1) In accordance with the purposes of this
139 article, there is established in the State Treasury the Health
140 Care Expendable Fund, into which shall be transferred from the
141 Health Care Trust Fund the following sums:

142 (a) In fiscal year 2005, Four Hundred Fifty-six Million
143 Dollars (\$456,000,000.00);

144 (b) In fiscal year 2006, One Hundred Eighty-six Million
145 Dollars (\$186,000,000.00);

146 (c) In fiscal year 2007, One Hundred Forty-six Million
147 Dollars (\$146,000,000.00);

148 (d) In fiscal year 2008, One Hundred Six Million
149 Dollars (\$106,000,000.00);

150 (e) In fiscal year 2009, Sixty-six Million Dollars
151 (\$66,000,000.00);

152 (f) In fiscal year 2010 and each fiscal year
153 thereafter, a sum equal to the average annual amount of the
154 dividends, interest and other income, including increases in value
155 of the principal, earned on the funds in the Health Care Trust
156 Fund during the preceding four (4) fiscal years.

157 (2) In any fiscal year in which interest, dividends and
158 other income from the investment of the funds in the Health Care
159 Trust Fund are not sufficient to fund the full amount of the
160 annual transfer into the Health Care Expendable Fund as required
161 in subsection (1)(f) of this section, the State Treasurer shall
162 transfer from tobacco settlement installment payments an amount

163 that is sufficient to fully fund the amount of the annual
164 transfer.

165 (3) * * * On March 6, 2002, the State Treasurer shall
166 transfer the sum of Eighty-seven Million Dollars (\$87,000,000.00)
167 from the Health Care Trust Fund into the Health Care Expendable
168 Fund. In addition, at the time the State of Mississippi receives
169 the tobacco settlement installment payments for each of the
170 calendar years 2002 and 2003, the State Treasurer shall deposit
171 the full amount of each of those installment payments into the
172 Health Care Expendable Fund.

173 * * *

174 (4) The total sum of Two Hundred Forty Million Dollars
175 (\$240,000,000.00) plus interest at the rate of five percent (5%)
176 per annum shall be transferred into the Health Care Trust Fund
177 from the State General Fund during fiscal years 2007 through 2013
178 to repay the trust fund for Two Hundred Forty Million Dollars
179 (\$240,000,000.00) of the total sum that is transferred from the
180 trust fund to the Health Care Expendable Fund during fiscal year
181 2005 under subsection (1)(a) of this section. The repayment shall
182 be made according to the following schedule: During each of
183 fiscal years 2007 through 2012, the State Fiscal Officer shall
184 transfer from the General Fund to the Health Care Trust Fund the
185 sum of Thirty-eight Million Dollars (\$38,000,000.00), and during
186 fiscal year 2013 the State Fiscal Officer shall transfer from the
187 State General Fund to the Health Care Trust Fund a sum in the
188 amount certified by the State Treasurer as necessary to fully
189 repay the balance of the Two Hundred Forty Million Dollars
190 (\$240,000,000.00) plus interest at the rate of five percent (5%)
191 per annum.

192 (5) All income from the investment of the funds in the
193 Health Care Expendable Fund shall be credited to the account of
194 the Health Care Expendable Fund. Any funds in the Health Care

195 Expendable Fund at the end of a fiscal year shall not lapse into
196 the State General Fund.

197 (6) The funds in the Health Care Expendable Fund shall be
198 available for expenditure under specific appropriation by the
199 Legislature beginning in fiscal year 2000, and shall be expended
200 exclusively for health care purposes.

201 (7) The provisions of subsection (1) of this section may not
202 be changed in any manner except upon amendment to that subsection
203 by a bill enacted by the Legislature with a vote of not less than
204 three-fifths (3/5) of the members of each house present and
205 voting.

206 (8) Subsections (1), (2), (5) and (6) of this section shall
207 stand repealed on July 1, 2009.

208 **SECTION 6.** This act shall take effect and be in force from
209 and after July 1, 2006, except for Section 4, which shall take
210 effect and be in force from and after the passage of this act.