

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.