

REPORT OF CONFERENCE COMMITTEE

MADAM PRESIDENT AND MR. SPEAKER:

We, the undersigned conferees, have had under consideration the amendments to the following entitled BILL:

S. B. No. 2398: State-owned vehicles; create Bureau of Fleet Management within DFA.

We, therefore, respectfully submit the following report and recommendation:

1. That the House recede from its Amendment No. 1.
2. That the Senate and House adopt the following amendment:

Amend by striking all after the enacting clause and inserting in lieu thereof the following:

28 **SECTION 1.** Section 25-1-77, Mississippi Code of 1972, is
29 amended as follows:

30 25-1-77. (1) There is hereby created the Bureau of Fleet
31 Management within the Office of Purchasing, Travel and Fleet
32 Management, Department of Finance and Administration, for the
33 purposes of coordinating and promoting efficiency and economy in
34 the purchase, lease, rental, acquisition, use, maintenance and
35 disposal of vehicles by state agencies. The Executive Director of
36 the Department of Finance and Administration may employ a Fleet
37 Management Officer to manage the bureau and carry out its
38 purposes. The bureau may employ other suitable and competent
39 personnel as necessary. The bureau shall encourage the use of
40 fuel efficient or hybrid vehicles appropriate for the state
41 agency's intended purpose and, when feasible, the use of
42 alternative fuels, including, but not limited to, ethanol or
43 biodiesel.

44 (2) The Bureau of Fleet Management shall perform the
45 following duties:

46 (a) To hold title in the name of the State of
47 Mississippi to all vehicles currently in possession of state
48 agencies as defined in Section 25-9-107(d) and to assign vehicles

49 to such agencies for use; however, the bureau shall exempt any
50 agency or agency vehicles from the provisions of this paragraph
51 (a) if it determines that state or federal law requires that title
52 be vested only in the agency;

53 (b) To establish rules and regulations for state agency
54 use of vehicles;

55 (c) To gather information and specify proper fleet
56 management practices for state agencies;

57 (d) To acquire fleet management software and require
58 agencies to provide necessary information for the bureau to
59 properly monitor the size, use, maintenance and disposal of the
60 state's fleet of vehicles; the bureau shall communicate regularly
61 with the fleet managers of each state agency to determine
62 strengths and weaknesses of the various fleet operations; the
63 bureau shall disseminate information to the agencies so that each
64 can take advantage of any beneficial practices being incorporated
65 at other entities; the bureau shall promulgate rules and
66 regulations concerning the mileage reimbursement practices of each
67 state agency;

68 (e) To carry out responsibilities relative to budget
69 recommendations as provided in Section 27-103-129;

70 (f) To reassign vehicles in the possession of any state
71 agency if the bureau believes that another state agency can make
72 more efficient use of a vehicle; provided, however, that the state
73 agency receiving the reassigned vehicle shall pay to the previous
74 agency's special fund, or if no special fund exists to the State
75 General Fund, the National Automobile Dealers Association (NADA)
76 wholesale value for the vehicle or the estimated amount for which
77 the vehicle would have sold at auction, as shall be determined by
78 the bureau, whichever is less;

79 (g) To investigate at any time the vehicle usage
80 practices of any state agency; and

81 (h) To require each agency to submit to the bureau a
82 vehicle acquisition/use/disposal plan on an annual basis. From
83 the plans received, the bureau shall evaluate the proposed plans
84 and shall submit a recommendation to the Legislature prior to
85 January 1 of each year.

86 (3) No state department, institution or agency shall
87 purchase, rent, lease or acquire any motor vehicle, regardless of
88 the source of funds from which the motor vehicle is to be
89 purchased, except under authority granted by the Department of
90 Finance and Administration. The Bureau of Fleet Management,
91 Department of Finance and Administration, shall promulgate rules
92 and regulations governing the purchase, rental, lease or
93 acquisition of any motor vehicle by a state department,
94 institution or agency with regard to the appropriateness of the
95 vehicle to its intended use. The Bureau of Fleet Management,
96 Department of Finance and Administration, shall only grant
97 authority to purchase, rent, lease or acquire a motor vehicle
98 which is * * * the lowest cost vehicle to carry out its intended
99 use * * *. Before the disposal or sale of any vehicle, the Bureau
100 of Fleet Management shall make a determination that the lifetime
101 use and mileage of the vehicle has been maximized and that it
102 would not be feasible for another state agency to use the vehicle.

103 (4) * * * The department, institution or agency shall
104 maintain proper documentation * * * which provides the intended
105 use of the vehicle and the basis for choosing the vehicle. Such
106 documentation shall show that the department, institution or
107 agency made diligent efforts to purchase, rent, lease or acquire a
108 vehicle that is the lowest cost vehicle for its intended use.
109 Such documentation shall be updated as needed when the intended
110 use of the vehicle or any other facts concerning the vehicle are
111 changed. All such documentation shall be approved by the State
112 Fleet Officer prior to purchase, rental, lease or acquisition or

change in use of any vehicle and shall be maintained and made available for review by the State Auditor, any other reviewing agency and the Legislature.

(5) The State Auditor shall make on-site visits and conduct audits necessary to ensure compliance with the provisions of this section and all rules and regulations adopted hereunder. On or before September 1 of each year, the State Auditor shall prepare and deliver to the Senate and House Appropriations Committees and the Joint Legislative Budget Committee a report containing any irregularities that he finds concerning purchases of state-owned vehicles.

(6) The Department of Public Safety and the Department of Wildlife, Fisheries and Parks may retain any vehicle seized pursuant to the forfeiture laws of this state, and the total number of vehicles assigned to each such agency shall not be reduced by the number of seized vehicles which the agency retains.

(7) The Bureau of Fleet Management, upon request, shall grant an exemption from the provisions of this section for only any vehicle assigned to a sworn officer of the Department of Public Safety and used in undercover operations when the bureau determines that compliance could jeopardize the life, health or safety of the sworn officer.

(8) The provisions of this section shall not apply to any state institution of higher learning.

SECTION 2. Section 25-1-79, Mississippi Code of 1972, is amended as follows:

25-1-79. It shall be unlawful for any officer, employee or other person whatsoever to use or permit or authorize the use of any automobile or any other motor vehicle owned by the State of Mississippi or any department, agency or institution thereof for any purpose other than upon the official business of the State of Mississippi or any agency, department or institution thereof.

Further, it shall be unlawful for any such officer or employee to be paid or to receive any sums whatsoever for travel expense until the expenses for which payment is made, and each item thereof, have been actually incurred by such officer or employee, and then only upon the presentation of an itemized expense account which shall be approved in writing by the head of the department, agency, or institution on whose behalf such travel is performed. However, it is expressly provided that any such officer or employee traveling * * * on business for and in behalf of the State of Mississippi may, strictly in the discretion of an agency, institution or department head, receive in advance from state funds for the purpose of such travel expense a sum to be specified by such aforementioned superior. Further, strict account of any sum so advanced must be kept in accord with Section 25-1-81.

SECTION 3. Section 27-103-129, Mississippi Code of 1972, as amended by Senate Bill No. 2581, 2006 Regular Session, is amended as follows:

27-103-129. (1) To enable the Legislative Budget Office to prepare such budget, it shall have full and plenary power and authority to require all general-fund and special-fund agencies and the Mississippi Department of Transportation and the Division of State Aid Road Construction of the Mississippi Department of Transportation to file a budget request with such information and in such form and in such detail as it may deem necessary and advisable, and it shall have the further power and authority to reduce or eliminate any item or items of requested appropriation by any state agency in the Legislative Budget Office's recommended budget to the Legislature. However, where any item of requested appropriation shall be so reduced or eliminated, the head of the agency involved shall have the right to appear before the appropriate legislative committee to urge a revision of the budget to restore the item reduced or eliminated. Beginning with the

177 1996 fiscal year, the budget requests shall include a definition
178 of the mission of the agency, a description of the duties and
179 responsibilities of the agency, financial data relative to the
180 various programs operated by the agency and performance measures
181 associated with each program of the agency. The performance
182 measures to be contained within the agency budget request shall be
183 developed by cooperative efforts of the Legislative Budget Office,
184 the Department of Finance and Administration and the agency itself
185 and shall be approved jointly by the Legislative Budget Office and
186 the Department of Finance and Administration prior to inclusion
187 within the agency budget request. Beginning with the 1996 fiscal
188 year, the budget requests shall also include in an addendum format
189 a five-year strategic plan for the agency which shall include, but
190 not be limited to, the following items of information:

- 191 (a) A comprehensive mission statement,
- 192 (b) Performance effectiveness objectives for each
193 program of the agency for each of the five (5) years covered by
194 the plan,
- 195 (c) A description of significant external factors which
196 may affect the projected levels of performance,
- 197 (d) A description of the agency's internal management
198 system utilized to evaluate its performance achievements in
199 relationship to the targeted performance levels,
- 200 (e) An evaluation by the agency of the agency's
201 performance achievements in relationship to the targeted
202 performance levels for the two (2) preceding fiscal years for
203 which accounting records have been finalized.

204 (2) All agencies enumerated in subsection (1) of this
205 section shall include in their budget requests the following
206 information regarding contract workers for the most recently
207 completed fiscal year:

- 208 (a) The name of each worker;

209 (b) The specific type of services provided;
210 (c) Hourly rate of compensation, or the basis for
211 compensation if a rate other than the hourly rate is used;
212 (d) Total gross salary or wages paid; and
213 (e) Whether the worker is a retired member of the
214 Public Employees' Retirement System.

215 (3) (a) In addition to any other information required by
216 law, each state agency, general-fund agency and special-fund
217 agency, as defined in Section 27-103-103, desiring to purchase any
218 vehicle as defined by this section shall submit as part of its
219 budget request to the Legislative Budget Office and the Department
220 of Finance and Administration a detailed justification for the
221 proposed purchase. The Legislative Budget Office and the
222 Department of Finance and Administration shall jointly prescribe
223 the forms and formats to be used by agencies making the requests.
224 Such forms shall require, at minimum, the following information:

225 (i) The kind of vehicle to be purchased;
226 (ii) The person to whom the vehicle will be
227 assigned and the employment responsibilities of that person which
228 necessitate a state-owned vehicle;

229 (iii) Whether the vehicle is a work vehicle or
230 passenger vehicle; and

231 (iv) If the vehicle is assigned to a pool and not
232 an individual, the purposes for which the pool vehicle is assigned
233 and the names of the anticipated users of the pool vehicle.

234 (b) The Legislative Budget Office and the Department of
235 Finance and Administration shall offer a recommendation to the
236 Joint Legislative Budget Committee on all agency requests for
237 vehicles. In making the recommendation, the Legislative Budget
238 Office and the Department of Finance and Administration may
239 consider break-even analyses for the kind of vehicle requested,
240 the travel patterns of the person for whom the vehicle shall be

241 acquired, and shall determine if there exists surplus vehicles in
242 the possession of other agencies that could be used as a
243 substitute for a new vehicle and why such vehicle should not be
244 used. Beginning July 1, 2007, the purchase of vehicles by an
245 agency shall be a specific line item in the agency's appropriation
246 bill.

247 (c) If an agency determines that an urgent need exists
248 for a vehicle when it is not feasible to obtain prior legislative
249 approval, the agency may make an emergency request to the Bureau
250 of Fleet Management. Any emergency determination shall be made
251 only upon the existence of extraordinary circumstances. The
252 Bureau of Fleet Management shall make a recommendation to the
253 Executive Director of the Department of Finance and Administration
254 and shall give notification of such recommendation to the
255 Lieutenant Governor, the Speaker of the House and the Chairmen of
256 the Senate and House of Representatives Appropriations Committees.
257 The Executive Director of the Department of Finance and
258 Administration shall have the final authority to approve or
259 disapprove the emergency request. The executive director must set
260 forth specific versions for approval which shall be a public
261 record. If approved and if adequate funding is available, the
262 agency may purchase a specific vehicle to meet its specific
263 emergency needs. The Bureau of Fleet Management shall report any
264 emergency purchase to the Legislative Budget Office. Any such
265 vehicle shall be subject to the same rules and regulations as
266 provided for nonemergency vehicles.

267 (d) For purposes of subsections (3) and (4) of this
268 section, the term "passenger vehicle" shall mean a vehicle used
269 primarily in transporting agency personnel and the agency's
270 equipment from one location to another. This term shall include
271 only those vehicles for which a license plate or tag is required
272 under Chapter 19, Title 27, Mississippi Code of 1972.

273 (e) For purposes of subsections (3) and (4) of this
274 section, the term "work vehicle" shall mean a vehicle used
275 primarily to perform a work assignment or task while incidentally
276 transporting agency personnel and agency equipment from one
277 location to another. This term shall include only those vehicles
278 for which a license plate or tag is required under Chapter 19,
279 Title 27, Mississippi Code of 1972.

280 (4) All state agencies, special-fund agencies and
281 general-fund agencies making budget requests under the authority
282 of this section shall include with their budget requests a report
283 of all passenger and work vehicles in their possession. Such
284 report shall detail the persons to whom the vehicles are assigned
285 and the purposes for the vehicles.

286 (5) Subsections (3) and (4) of this section shall not apply
287 to any vehicle assigned to a sworn officer of the Department of
288 Public Safety and used in undercover operations.

289 (6) The provisions of subsections (3) and (4) of this
290 section shall not apply to any state institution of higher
291 learning.

292 (7) Beginning July 1, 2007, the purchase of wireless
293 communication devices as defined in Section 9 of Senate Bill No.
294 2398, 2006 Regular Session, by any state agency, special-fund
295 agency or general-fund agency making budget requests under the
296 authority of this section shall be a specific line item in the
297 agency's appropriation bill.

298 **SECTION 4.** Section 25-3-41, Mississippi Code of 1972, as
299 amended by Senate Bill No. 2178, 2006 Regular Session, is amended
300 as follows:

301 25-3-41. (1) When any officer or employee of the State of
302 Mississippi, or any department, agency or institution thereof,
303 after first being duly authorized, is required to travel in the
304 performance of his official duties, the officer or employee shall

305 receive as expenses for each mile actually and necessarily
306 traveled, when the travel is done by a privately owned automobile
307 or other privately owned motor vehicle, the mileage reimbursement
308 rate allowable to federal employees for the use of a privately
309 owned vehicle while on official travel.

310 (2) When any officer or employee of any county or
311 municipality, or of any agency, board or commission thereof, after
312 first being duly authorized, is required to travel in the
313 performance of his official duties, the officer or employee shall
314 receive as expenses Twenty Cents (20¢) for each mile actually and
315 necessarily traveled, when the travel is done by a privately owned
316 motor vehicle; provided, however, that the governing authorities
317 of a county or municipality may, in their discretion, authorize an
318 increase in the mileage reimbursement of officers and employees of
319 the county or municipality, or of any agency, board or commission
320 thereof, in an amount not to exceed the mileage reimbursement rate
321 authorized for officers and employees of the State of Mississippi
322 in subsection (1) of this section.

323 (3) Where two (2) or more officers or employees travel in
324 one (1) privately owned motor vehicle, only one (1) travel expense
325 allowance at the authorized rate per mile shall be allowed for any
326 one (1) trip. When the travel is done by means of a public
327 carrier or other means not involving a privately owned motor
328 vehicle, then the officer or employee shall receive as travel
329 expense the actual fare or other expenses incurred in such travel.

330 (4) In addition to the foregoing, a public officer or
331 employee shall be reimbursed for other actual expenses such as
332 meals, lodging and other necessary expenses incurred in the course
333 of the travel, subject to limitations placed on meals for
334 intrastate and interstate official travel by the Department of
335 Finance and Administration, provided, that the Legislative Budget
336 Office shall place any limitations for expenditures made on

337 matters under the jurisdiction of the Legislature. The Department
338 of Finance and Administration shall set a maximum daily
339 expenditure annually for such meals and shall notify officers and
340 employees of changes to these allowances immediately upon approval
341 of the changes. Travel by airline shall be at the tourist rate
342 unless that space was unavailable. The officer or employee shall
343 certify that tourist accommodations were not available if travel
344 is performed in first class airline accommodations. Itemized
345 expense accounts shall be submitted by those officers or employees
346 in such number as the department, agency or institution may
347 require; but in any case one (1) copy shall be furnished by state
348 departments, agencies or institutions to the Department of Finance
349 and Administration for preaudit or postaudit. The Department of
350 Finance and Administration shall promulgate and adopt reasonable
351 rules and regulations which it deems necessary and requisite to
352 effectuate economies for all expenses authorized and paid pursuant
353 to this section. Requisitions shall be made on the State Fiscal
354 Officer who shall issue his warrant on the State Treasurer.
355 Provided, however, that the provisions of this section shall not
356 include agencies financed entirely by federal funds and audited by
357 federal auditors.

358 (5) Any officer or employee of a county or municipality, or
359 any department, board or commission thereof, who is required to
360 travel in the performance of his official duties, may receive
361 funds before the travel, in the discretion of the administrative
362 head of the county or municipal department, board or commission
363 involved, for the purpose of paying necessary expenses incurred
364 during the travel. Upon return from the travel, the officer or
365 employee shall provide receipts of transportation, lodging, meals,
366 fees and any other expenses incurred during the travel. Any
367 portion of the funds advanced which is not expended during the
368 travel shall be returned by the officer or employee. The

369 Department of Audit shall adopt rules and regulations regarding
370 advance payment of travel expenses and submission of receipts to
371 ensure proper control and strict accountability for those payments
372 and expenses.

373 (6) No state or federal funds received from any source by
374 any arm or agency of the state shall be expended in traveling
375 outside of the continental limits of the United States until the
376 governing body or head of the agency makes a finding and
377 determination that the travel would be extremely beneficial to the
378 state agency and obtains a written concurrence thereof from the
379 Governor, or his designee, and the Department of Finance and
380 Administration. However, employees of state institutions of
381 higher learning may expend funds for travel outside of the
382 continental limits of the United States upon a written finding by
383 the president or head of the institution that the travel would be
384 extremely beneficial to the institution.

385 (7) Where any officer or employee of the State of
386 Mississippi, or any department, agency or institution thereof, or
387 of any county or municipality, or of any agency, board or
388 commission thereof, is authorized to receive travel reimbursement
389 under any other provision of law, the reimbursement may be paid
390 under the provisions of this section or the other section, but not
391 under both.

392 (8) When the Governor, Lieutenant Governor or Speaker of the
393 House of Representatives appoints a person to a board, commission
394 or other position that requires confirmation by the Senate, the
395 person may receive reimbursement for mileage and other actual
396 expenses incurred in the performance of official duties before the
397 appointment is confirmed by the Senate, as reimbursement for those
398 expenses is authorized under this section.

399 (9) (a) The Department of Finance and Administration may
400 contract with one or more commercial travel agencies, after

401 receiving competitive bids or proposals therefor, for that travel
402 agency or agencies to provide necessary travel services for state
403 officers and employees. Municipal and county officers and
404 municipal and county employees may also participate in the state
405 travel agency contract and utilize these travel services for
406 official municipal or county travel. However, the administrative
407 head of each state institution of higher learning may, in his
408 discretion, contract with a commercial travel agency to provide
409 necessary travel services for all academic officials and staff of
410 the university in lieu of participation in the state travel agency
411 contract. Any such decision by a university to contract with a
412 separate travel agency shall be approved by the Board of Trustees
413 of State Institutions of Higher Learning and the Executive
414 Director of the Department of Finance and Administration.

415 (b) Before executing a contract with one or more travel
416 agencies, the Department of Finance and Administration shall
417 advertise for competitive bids or proposals once a week for two
418 (2) consecutive weeks in a regular newspaper having a general
419 circulation throughout the State of Mississippi. If the
420 department determines that it should not contract with any of the
421 bidders initially submitting proposals, the department may reject
422 all those bids, advertise as provided in this paragraph and
423 receive new proposals before executing the contract or contracts.
424 The contract or contracts may be for a period not greater than
425 three (3) years, with an option for the travel agency or agencies
426 to renew the contract or contracts on a one-year basis on the same
427 terms as the original contract or contracts, for a maximum of two
428 (2) renewals. After the travel agency or agencies have renewed
429 the contract twice or have declined to renew the contract for the
430 maximum number of times, the Department of Finance and
431 Administration shall advertise for bids in the manner required by
432 this paragraph and execute a new contract or contracts.

433 (c) Whenever any state officer or employee travels in
434 the performance of his official duties by airline or other public
435 carrier, he may have his travel arrangements handled by that
436 travel agency or agencies. The amount paid for airline
437 transportation for any state officer or employee, whether the
438 travel was arranged by that travel agency or agencies or was
439 arranged otherwise, shall not exceed the amount specified in the
440 state contract established by the Department of Finance and
441 Administration, Office of Purchasing, Travel and Fleet Management,
442 unless prior approval is obtained from the office.

443 **SECTION 5.** Section 25-1-81, Mississippi Code of 1972, is
444 amended as follows:

445 25-1-81. The Department of Finance and Administration shall
446 refuse to issue warrants upon requisitions drawn in violation of
447 the provisions hereof, and where any expense account is allowed
448 and paid in violation of the provisions of Sections 25-1-77
449 through 25-1-93, it shall be the duty of the Department of Finance
450 and Administration to withhold the payment of any further expense
451 accounts for the department, agency or institution involved until
452 the amount of the account or accounts illegally paid shall be
453 refunded and repaid to the State of Mississippi by the person
454 receiving or approving same. It is further provided that the
455 Department of Finance and Administration shall prescribe and
456 deliver to each agency, department or institution a uniform system
457 of expense accounts herein allowed, including a uniform system of
458 depreciation allowance. All expense accounts for lodging shall be
459 supported by receipted bills showing the payment thereof by such
460 officer or employee. It is incumbent upon each agency, department
461 or institution to abide by and utilize the method of uniform
462 system of expense accounts so prescribed and delivered by the
463 Department of Finance and Administration. Each agency, department
464 or institution, in rendering its annual report to the Bureau of

465 Fleet Management and the Legislature, shall show the number of
466 state-owned automobiles purchased and operated during the year,
467 the number purchased and operated out of funds appropriated by the
468 Legislature, the number purchased and operated out of any other
469 public funds, the miles traveled per automobile, the total miles
470 traveled, the average cost per mile, and depreciation estimate on
471 each automobile. The report shall also show the cost per mile and
472 total number of miles traveled in privately-owned automobiles for
473 which reimbursement is made out of state funds and any other
474 information requested by the Bureau of Fleet Management.

475 **SECTION 6.** Section 31-7-5, Mississippi Code of 1972, is
476 amended as follows:

477 31-7-5. The Department of Finance and Administration shall
478 prescribe rules and regulations governing the manner in which the
479 authority and duties granted to it by law may be carried out. It
480 shall employ suitable and competent personnel, necessary to carry
481 out its purposes. The Department of Finance and Administration
482 may establish an Office of Purchasing, Travel and Fleet Management
483 and employ a competent person as Director of the Office of
484 Purchasing, Travel and Fleet Management who shall be a member of
485 the state service in a job classification and salary as determined
486 by the Executive Director of the Department of Finance and
487 Administration with the approval of the State Personnel Board.

488 **SECTION 7.** Section 31-7-9, Mississippi Code of 1972, is
489 amended as follows:

490 31-7-9. (1) (a) The Office of Purchasing, Travel and Fleet
491 Management shall adopt purchasing regulations governing the
492 purchase by any agency of any commodity or commodities and
493 establishing standards and specifications for a commodity or
494 commodities and the maximum fair prices of a commodity or
495 commodities, subject to the approval of the Public Procurement
496 Review Board. It shall have the power to amend, add to or

497 eliminate purchasing regulations. The adoption of, amendment,
498 addition to or elimination of purchasing regulations shall be
499 based upon a determination by the Office of Purchasing, Travel and
500 Fleet Management with the approval of the Public Procurement
501 Review Board, that such action is reasonable and practicable and
502 advantageous to promote efficiency and economy in the purchase of
503 commodities by the agencies of the state. Upon the adoption of
504 any purchasing regulation, or an amendment, addition or
505 elimination therein, copies of same shall be furnished to the
506 State Auditor and to all agencies affected thereby. Thereafter,
507 and except as otherwise may be provided in subsection (2) of this
508 section, no agency of the state shall purchase any commodities
509 covered by existing purchasing regulations unless such commodities
510 be in conformity with the standards and specifications set forth
511 in the purchasing regulations and unless the price thereof does
512 not exceed the maximum fair price established by such purchasing
513 regulations. The said Office of Purchasing, Travel and Fleet
514 Management shall furnish to any county or municipality or other
515 local public agency of the state requesting same, copies of
516 purchasing regulations adopted by the Office of Purchasing, Travel
517 and Fleet Management and any amendments, changes or eliminations
518 of same that may be made from time to time.

519 (b) The Office of Purchasing, Travel and Fleet
520 Management may adopt purchasing regulations governing the use of
521 credit cards, procurement cards and purchasing club membership
522 cards to be used by state agencies, governing authorities of
523 counties and municipalities and the Chickasawhay Natural Gas
524 District. Use of the cards shall be in strict compliance with the
525 regulations promulgated by the office. Any amounts due on the
526 cards shall incur interest charges as set forth in Section
527 31-7-305 and shall not be considered debt.

528 (2) The Office of Purchasing, Travel and Fleet Management
529 shall adopt, subject to the approval of the Public Procurement
530 Review Board, purchasing regulations governing the purchase of
531 unmarked vehicles to be used by the Bureau of Narcotics and
532 Department of Public Safety in official investigations pursuant to
533 Section 25-1-87. Such regulations shall ensure that purchases of
534 such vehicles shall be at a fair price and shall take into
535 consideration the peculiar needs of the Bureau of Narcotics and
536 Department of Public Safety in undercover operations.

537 (3) The Office of Purchasing, Travel and Fleet Management
538 shall adopt, subject to the approval of the Public Procurement
539 Review Board, regulations governing the certification process for
540 certified purchasing offices. Such regulations shall require
541 entities desiring to be classified as certified purchasing offices
542 to submit applications and applicable documents on an annual
543 basis, at which time the Office of Purchasing, Travel and Fleet
544 Management may provide the governing entity with a certification
545 valid for one (1) year from the date of issuance.

546 **SECTION 8.** Section 31-7-10, Mississippi Code of 1972, is
547 amended as follows:

548 31-7-10. (1) For the purposes of this section, the term
549 "equipment" shall mean equipment, furniture, and if applicable,
550 associated software and other applicable direct costs associated
551 with the acquisition. In addition to its other powers and duties,
552 the Department of Finance and Administration shall have the
553 authority to develop a master lease-purchase program and, pursuant
554 to that program, shall have the authority to execute on behalf of
555 the state master lease-purchase agreements for equipment to be
556 used by an agency, as provided in this section. Each agency
557 electing to acquire equipment by a lease-purchase agreement shall
558 participate in the Department of Finance and Administration's
559 master lease-purchase program, unless the Department of Finance

560 and Administration makes a determination that such equipment
561 cannot be obtained under the program or unless the equipment can
562 be obtained elsewhere at an overall cost lower than that for which
563 the equipment can be obtained under the program. Such
564 lease-purchase agreements may include the refinancing or
565 consolidation, or both, of any state agency lease-purchase
566 agreements entered into after June 30, 1990.

567 (2) All funds designated by agencies for procurement of
568 equipment and financing thereof under the master lease-purchase
569 program shall be paid into a special fund created in the State
570 Treasury known as the "Master Lease-Purchase Program Fund," which
571 shall be used by the Department of Finance and Administration for
572 payment to the lessors for equipment acquired under master
573 lease-purchase agreements.

574 (3) Upon final approval of an appropriation bill, each
575 agency shall submit to the Public Procurement Review Board a
576 schedule of proposed equipment acquisitions for the master
577 lease-purchase program. Upon approval of an equipment schedule by
578 the Public Procurement Review Board with the advice of the
579 Department of Information Technology Services, the Office of
580 Purchasing, Travel and Fleet Management, and the Division of
581 Energy and Transportation of the Mississippi Development Authority
582 as it pertains to energy efficient climate control systems, the
583 Public Procurement Review Board shall forward a copy of the
584 equipment schedule to the Department of Finance and
585 Administration.

586 (4) The level of lease-purchase debt recommended by the
587 Department of Finance and Administration shall be subject to
588 approval by the State Bond Commission. After such approval, the
589 Department of Finance and Administration shall be authorized to
590 advertise and solicit written competitive proposals for a lessor,
591 who will purchase the equipment pursuant to bid awards made by the

592 using agency under a given category and then transfer the
593 equipment to the Department of Finance and Administration as
594 lessee, pursuant to a master lease-purchase agreement.

595 The Department of Finance and Administration shall select the
596 successful proposer for the financing of equipment under the
597 master lease-purchase program with the approval of the State Bond
598 Commission.

599 (5) Each master lease-purchase agreement, and any subsequent
600 amendments, shall include such terms and conditions as the State
601 Bond Commission shall determine to be appropriate and in the
602 public interest, and may include any covenants deemed necessary or
603 desirable to protect the interests of the lessor, including, but
604 not limited to, provisions setting forth the interest rate (or
605 method for computing interest rates) for financing pursuant to
606 such agreement, covenants concerning application of payments and
607 funds held in the Master Lease-Purchase Program Fund, covenants to
608 maintain casualty insurance with respect to equipment subject to
609 the master lease-purchase agreement (and all state agencies are
610 specifically authorized to purchase any insurance required by a
611 master lease-purchase agreement) and covenants precluding or
612 limiting the right of the lessee or user to acquire equipment
613 within a specified time (not to exceed five (5) years) after
614 cancellation on the basis of a failure to appropriate funds for
615 payment of amounts due under a lease-purchase agreement covering
616 comparable equipment. The State Bond Commission shall transmit
617 copies of each such master lease-purchase agreement and each such
618 amendment to the Joint Legislative Budget Committee. To the
619 extent provided in any master lease-purchase agreement, title to
620 equipment leased pursuant thereto shall be deemed to be vested in
621 the state or the user of the equipment (as specified in such
622 master lease-purchase agreement), subject to default under or
623 termination of such master lease-purchase agreement.

624 A master lease-purchase agreement may provide for payment by
625 the lessor to the lessee of the purchase price of the equipment to
626 be acquired pursuant thereto prior to the date on which payment is
627 due to the vendor for such equipment and that the lease payments
628 by the lessee shall commence as though the equipment had been
629 provided on the date of payment. If the lessee, or lessee's
630 escrow agent, has sufficient funds for payment of equipment
631 purchases prior to payment due date to vendor of equipment, such
632 funds shall be held or utilized on an as-needed basis for payment
633 of equipment purchases either by the State Treasurer (in which
634 event the master lease-purchase agreement may include provisions
635 concerning the holding of such funds, the creation of a security
636 interest for the benefit of the lessor in such funds until
637 disbursed and other appropriate provisions approved by the Bond
638 Commission) or by a corporate trustee selected by the Department
639 of Finance and Administration (in which event the Department of
640 Finance and Administration shall have the authority to enter into
641 an agreement with such a corporate trustee containing terms and
642 conditions approved by the Bond Commission). Earnings on any
643 amount paid by the lessor prior to the acquisition of the
644 equipment may be used to make lease payments under the master
645 lease-purchase agreement or applied to pay costs and expenses
646 incurred in connection with such lease-purchase agreement. In
647 such event, the equipment use agreements with the user agency may
648 provide for lease payments to commence upon the date of payment by
649 the lessor and may also provide for a credit against such payments
650 to the extent that investment receipts from investment of the
651 purchase price are to be used to make lease-purchase payments.

652 (6) The annual rate of interest paid under any
653 lease-purchase agreement authorized under this section shall not
654 exceed the maximum interest rate to maturity on general obligation
655 indebtedness permitted under Section 75-17-101.

688 Revenue Service pursuant to the United States Internal Revenue
689 Code and Regulations thereunder as in effect on December 31, 1980,
690 or comparable depreciation guidelines with respect to any
691 equipment not covered by ADR guidelines. The Department of
692 Finance and Administration shall be deemed to have met the
693 requirements of this subsection if the term of a master
694 lease-purchase agreement does not exceed the weighted average
695 useful life of all equipment covered by such agreement and the
696 schedules thereto as determined by the Department of Finance and
697 Administration. For purposes of this subsection, the "term of a
698 master lease-purchase agreement" shall be the weighted average
699 maturity of all principal payments to be made under such master
700 lease-purchase agreement and all schedules thereto.

701 (10) Interest paid on any master lease-purchase agreement
702 under this section shall be exempt from State of Mississippi
703 income taxation. All equipment, and the purchase thereof by any
704 lessor, acquired under the master lease-purchase program and all
705 lease-purchase payments with respect thereto shall be exempt from
706 all Mississippi sales, use and ad valorem taxes.

707 (11) The Governor, in his annual executive budget to the
708 Legislature, shall recommend appropriations sufficient to provide
709 funds to pay all amounts due and payable during the applicable
710 fiscal year under master lease-purchase agreements entered into
711 pursuant to this section.

712 (12) Any master lease-purchase agreement reciting in
713 substance that such agreement has been entered into pursuant to
714 this section shall be conclusively deemed to have been entered
715 into in accordance with all of the provisions and conditions set
716 forth in this section. Any defect or irregularity arising with
717 respect to procedures applicable to the acquisition of any
718 equipment shall not invalidate or otherwise limit the obligation
719 of the Department of Finance and Administration, or the state or

720 any agency of the state, under any master lease-purchase agreement
721 or any equipment-use agreement.

722 (13) There shall be maintained by the Department of Finance
723 and Administration, with respect to each master lease-purchase
724 agreement, an itemized statement of the cash price, interest
725 rates, interest costs, commissions, debt service schedules and all
726 other costs and expenses paid by the state incident to the
727 lease-purchase of equipment under such agreement.

728 (14) Lease-purchase agreements entered into by the Board of
729 Trustees of State Institutions of Higher Learning pursuant to the
730 authority of Section 37-101-413 or by any other agency which has
731 specific statutory authority other than pursuant to Section
732 31-7-13(e) to acquire equipment by lease-purchase shall not be
733 made pursuant to the master lease-purchase program under this
734 section, unless the Board of Trustees of State Institutions of
735 Higher Learning or such other agency elects to participate as to
736 part or all of its lease-purchase acquisitions in the master
737 lease-purchase program pursuant to this section.

738 (15) The Department of Finance and Administration may
739 develop a master lease-purchase program for school districts and,
740 pursuant to that program, may execute on behalf of the school
741 districts master lease-purchase agreements for equipment to be
742 used by the school districts. The form and structure of this
743 program shall be substantially the same as set forth in this
744 section for the master lease-purchase program for state agencies.
745 If sums due from a school district under the master lease-purchase
746 program are not paid by the expiration of the defined payment
747 period, the Executive Director of the Department of Finance and
748 Administration may withhold such amount that is due from the
749 school district's minimum education or adequate education program
750 fund allotments.

751 (16) The Department of Finance and Administration may
752 develop a master lease-purchase program for community and junior
753 college districts and, pursuant to that program, may execute on
754 behalf of the community and junior college districts master
755 lease-purchase agreements for equipment to be used by the
756 community and junior college districts. The form and structure of
757 this program must be substantially the same as set forth in this
758 section for the master lease-purchase program for state agencies.
759 If sums due from a community or junior college district under the
760 master lease-purchase program are not paid by the expiration of
761 the defined payment period, the Executive Director of the
762 Department of Finance and Administration may withhold an amount
763 equal to the amount due under the program from any funds allocated
764 for that community or junior college district in the state
765 appropriations for the use and support of the community and junior
766 colleges.

767 **SECTION 9.** (1) For the purposes of this section, the
768 following terms shall have the meanings ascribed to them in this
769 section unless the context otherwise clearly requires:

770 (a) "Department" means the Mississippi Department of
771 Information Technology.

772 (b) "State agency" means any agency, department,
773 commission, board, bureau, institution or other instrumentality of
774 the state.

775 (c) "Wireless communication device" means a cellular
776 telephone, pager or a personal digital assistant device having
777 wireless communication capability.

778 (2) Before a wireless communication device may be assigned,
779 issued or made available to an agency officer or employee, the
780 agency head, or his designee, shall sign a statement certifying
781 the need or reason for issuing the device. No officer or employee
782 of any state agency, except for an officer or employee of the

783 Mississippi Emergency Management Agency, shall be assigned or
784 issued more than one (1) such wireless communication device.
785 No officer or employee of any state agency to whom has been
786 assigned, issued or made available the use of a wireless
787 communication device, the cost of which is paid through the use of
788 public funds, shall use such device for personal use.

789 (3) A state agency shall not reimburse any officer or
790 employee for use of his or her personal wireless communication
791 device.

792 (4) Every state agency that, at the expense of the state
793 agency, assigns, issues or makes available to any of its officers
794 or employees a wireless communication device shall obtain and
795 maintain detailed billing for every wireless communication device
796 account. A list of approved vendors for the procurement of
797 wireless communication devices and the delivery of wireless
798 communication device services shall be developed for all state
799 agencies by the Mississippi Department of Information Technology
800 Services in conjunction with the Wireless Communication Commission
801 created in Section 25-53-171. The department, in conjunction with
802 the Wireless Communication Commission, shall exercise the option
803 of selecting one (1) vendor from which to procure wireless
804 communication devices and to provide wireless communication device
805 services, or if it deems such to be most advantageous to the state
806 agencies, it may select multiple vendors. The department, in
807 conjunction with the Wireless Communication Commission, shall
808 select a vendor or vendors on the basis of lowest and best bid
809 proposals. A state agency may not procure a wireless
810 communication device from any vendor or contract for wireless
811 communication device services with any vendor unless the vendor
812 appears on the list approved by the department, in conjunction
813 with the Wireless Communication Commission. A contract entered
814 into in violation of this section shall be void and unenforceable.

815 (5) The department shall promulgate a model acceptable use
816 policy defining the appropriate use of all wireless communication
817 devices. The acceptable use policy should specify that these
818 resources, including both devices and services, are provided at
819 the state agency's expense as tools for accomplishing the business
820 missions of the state agency; that all those resources are for
821 business use; and that more than incidental personal use of those
822 resources is prohibited. The acceptable use policy should require
823 that each official and employee issued one (1) of the above
824 devices or authorized to access one (1) of the above services sign
825 the policy and that the signed copy be placed in the personnel
826 file of the official or employee. The acceptable use policy
827 should also require that the use of these resources be tracked,
828 verified, and signed by the official or employee and the
829 supervisor of the official or employee at each billing cycle or
830 other appropriate interval. All state agencies shall adopt the
831 model policy or adopt a policy that is, at minimum, as stringent
832 as the model policy and shall provide a copy of the policy to the
833 department.

834 (6) All state agencies shall purchase or acquire only the
835 lowest cost cellular telephone, pager or personal digital
836 assistance device which will carry out its intended use.

837 (7) The State Auditor shall conduct necessary audits to
838 ensure compliance with the provisions of this section.

839 **SECTION 10.** This act shall take effect and be in force from
840 and after July 1, 2006.

**Further, amend by striking the title in its entirety and
inserting in lieu thereof the following:**

1 AN ACT TO AMEND SECTION 25-1-77, MISSISSIPPI CODE OF 1972, TO
2 CREATE A BUREAU OF FLEET MANAGEMENT WITHIN THE DEPARTMENT OF
3 FINANCE AND ADMINISTRATION AND TO PRESCRIBE ITS POWERS AND DUTIES;
4 TO AMEND SECTION 25-1-79, MISSISSIPPI CODE OF 1972, TO AUTHORIZE
5 ADVANCE FUNDS FOR WORK-RELATED TRAVEL EXPENSES INCURRED WITHIN THE
6 STATE OF MISSISSIPPI; TO AMEND SECTION 27-103-129, MISSISSIPPI
7 CODE OF 1972, AS AMENDED BY SENATE BILL NO. 2581, 2006 REGULAR

8 SESSION, TO REQUIRE AGENCIES TO SUBMIT A DETAILED JUSTIFICATION
9 FOR VEHICLE PURCHASES AS PART OF THEIR BUDGET REQUESTS TO THE
10 DEPARTMENT OF FINANCE AND ADMINISTRATION AND THE LEGISLATIVE
11 BUDGET OFFICE; TO AMEND SECTION 25-3-41, MISSISSIPPI CODE OF 1972,
12 AS AMENDED BY SENATE BILL NO. 2178, 2006 REGULAR SESSION, TO
13 CONFORM; TO AMEND SECTIONS 25-1-81, 31-7-5, 31-7-9 AND 31-7-10,
14 MISSISSIPPI CODE OF 1972, TO CONFORM; TO PROHIBIT ANY OFFICER OR
15 EMPLOYEE OF ANY STATE AGENCY, COUNTY, MUNICIPALITY OR ANY OTHER
16 POLITICAL SUBDIVISION OF THE STATE WHO HAS BEEN ASSIGNED OR ISSUED
17 A WIRELESS COMMUNICATION DEVICE PAID FOR BY PUBLIC FUNDS FROM
18 USING SUCH DEVICE FOR PERSONAL PURPOSES; TO PROHIBIT ANY SUCH
19 OFFICER OR EMPLOYEE FROM BEING REIMBURSED FOR USE OF HIS OR HER
20 PERSONAL WIRELESS COMMUNICATION DEVICE; TO REQUIRE STATE AGENCIES
21 TO SELECT WIRELESS COMMUNICATION DEVICE VENDORS FROM A
22 STATE-APPROVED LIST; TO REQUIRE THE MISSISSIPPI DEPARTMENT OF
23 INFORMATION TECHNOLOGY SERVICES TO ESTABLISH A MODEL POLICY
24 REGULATING PERSONAL USE OF WIRELESS COMMUNICATION DEVICES OWNED BY
25 STATE AGENCIES AND TO REQUIRE STATE AGENCIES TO ADOPT THE MODEL
26 POLICY, OR A POLICY EQUALLY STRINGENT; AND FOR RELATED PURPOSES.

CONFEREES FOR THE SENATE

X (SIGNED)
Thames

X (SIGNED)
Gordon

X (SIGNED)
Clarke

CONFEREES FOR THE HOUSE

X (SIGNED)
Stringer

X (SIGNED)
Brown

(NOT SIGNED)
Reeves