

By: Representative Baker (74th)

To: Appropriations

## HOUSE BILL NO. 44

1 AN ACT TO BE KNOWN AS THE BUDGET REFORM ACT OF 2007; TO  
2 CREATE NEW SECTION 27-103-221, MISSISSIPPI CODE OF 1972, TO  
3 SPECIFY THE SHORT TITLE OF THE ACT; TO CREATE NEW SECTION  
4 27-103-223, MISSISSIPPI CODE OF 1972, TO CREATE THE STATE REVENUE  
5 ESTIMATING COMMITTEE AND PROVIDE FOR ITS MEMBERSHIP; TO PROVIDE  
6 THAT THE COMMITTEE SHALL DEVELOP AND ADOPT TWO GENERAL FUND  
7 REVENUE ESTIMATES ANNUALLY THAT SHALL BE USED BY THE JOINT  
8 LEGISLATIVE BUDGET COMMITTEE AND THE GOVERNOR IN PREPARING THEIR  
9 PROPOSED STATE BUDGETS FOR THE NEXT FISCAL YEAR AND USED BY THE  
10 LEGISLATURE IN MAKING APPROPRIATIONS FROM THE STATE GENERAL FUND  
11 FOR THE NEXT FISCAL YEAR; TO AMEND SECTIONS 27-103-125,  
12 27-103-139, 27-103-211 AND 27-104-13, MISSISSIPPI CODE OF 1972, TO  
13 CONFORM TO THE PRECEDING SECTION; TO CREATE NEW SECTION  
14 27-103-225, MISSISSIPPI CODE OF 1972, TO REQUIRE THE LEGISLATURE,  
15 IN MAKING APPROPRIATIONS TO DEFRAY THE ORDINARY EXPENSES OF THE  
16 GOVERNMENT FOR EACH FISCAL YEAR, TO USE A TOTAL OF TEN  
17 APPROPRIATION BILLS; TO CREATE NEW SECTION 27-103-227, MISSISSIPPI  
18 CODE OF 1972, TO PROVIDE THAT WHEN A MEMBER OF THE HOUSE OR SENATE  
19 INTRODUCES A BILL OR OFFERS AN AMENDMENT TO A BILL THAT WOULD  
20 EXPEND OR CAUSE THE EXPENDITURE OF STATE FUNDS, THE BILL OR  
21 AMENDMENT SHALL INCLUDE A PROVISION THAT WILL PROVIDE SUFFICIENT  
22 FUNDING FOR THE ANTICIPATED CHANGE IN STATE EXPENDITURES AS A  
23 RESULT OF THE BILL OR AMENDMENT; AND FOR RELATED PURPOSES.

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

25 **SECTION 1.** The following shall be codified as Section  
26 27-103-221, Mississippi Code of 1972:

27 27-103-221. This act shall be known and may be cited as the  
28 "Budget Reform Act of 2007."

29 **SECTION 2.** The following shall be codified as Section  
30 27-103-223, Mississippi Code of 1972:

31 27-103-223. (1) There is created the State Revenue  
32 Estimating Committee, which shall be composed of nine (9) members  
33 as follows:

- 34 (a) The State Treasurer;
- 35 (b) The State Economist;
- 36 (c) The State Fiscal Officer;
- 37 (d) The Director of the Legislative Budget Office;



38 (e) Two (2) members appointed by the Governor;  
39 (f) One (1) member appointed by the Lieutenant  
40 Governor;  
41 (g) One (1) member appointed by the Speaker of the  
42 House of Representatives; and  
43 (h) One (1) member appointed by the State Treasurer.

44 (2) The State Treasurer shall serve as chairman of the  
45 committee. Each appointed member of the committee shall serve for  
46 the term of office of the appointing officer. Any vacancies on  
47 the committee during a term shall be filled by the original  
48 appointing officer.

49 (3) The committee shall develop and adopt annually during  
50 each fiscal year, using all available revenue forecast data  
51 available at the time, the following revenue estimates:

52 (a) During the month of October, not later than October  
53 15, the committee shall adopt an estimate of the amount of general  
54 fund revenues that will be available for appropriation or use  
55 during the next fiscal year, which shall be used by the Joint  
56 Legislative Budget Committee and the Governor in preparing their  
57 proposed state budgets for the next fiscal year; and

58 (b) Ten (10) days before the scheduled date of sine die  
59 adjournment of the Legislature, the committee shall adopt an  
60 estimate of the amount of general fund revenues that will be  
61 available for appropriation or use during the next fiscal year,  
62 which shall be used by the Legislature in making appropriations  
63 from the State General Fund for the next fiscal year. This  
64 estimate shall be known as the "sine die general fund revenue  
65 estimate."

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

68 27-103-125. The proposed budget of each state agency shall  
69 show the amounts required for operating expenses separately from  
70 the amounts required for permanent improvements. The overall



71 budget shall show, separately by each source, the estimated amount  
72 of general fund revenue and of special fund revenues of general  
73 fund agencies. The total proposed expenditures in Part 1 of the  
74 overall budget shall not exceed the amount of estimated revenues  
75 that will be available in the general and special funds for  
76 appropriation or use during the next fiscal year, including any  
77 balances that will be on hand in the general and special funds at  
78 the close of the then current fiscal year. The total proposed  
79 expenditures from the State General Fund in Part 1 of the overall  
80 budget shall not exceed ninety-eight percent (98%) of the amount  
81 of the general fund revenue estimate for the next fiscal year,  
82 plus any unencumbered balances in general funds that will be  
83 available and on hand at the close of the then current fiscal  
84 year. \* \* \* The general fund revenue estimate shall be the  
85 estimate \* \* \* adopted by the State Revenue Estimating Committee  
86 under Section 27-103-223(3)(a). Unencumbered balances in general  
87 funds that will be available and on hand at the close of the  
88 current fiscal year shall not include projected amounts required  
89 to be deposited into the Working Cash-Stabilization Reserve Fund  
90 under Section 27-103-203. The Legislative Budget Office may  
91 recommend additional taxes or sources of revenue if in its  
92 judgment those additional funds are necessary to adequately  
93 support the functions of the state government.

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

96 27-103-139. On or before November 15 preceding each regular  
97 session of the Legislature, except the first regular session of a  
98 new term of office, the Governor shall submit to the members of  
99 the Legislature, the Legislative Budget Office or the  
100 members-elect, as the case may be, and to the executive head of  
101 each state agency a balanced budget for the next fiscal year. The  
102 budget submitted shall be prepared in a format that will include  
103 performance measurement data associated with the various programs



104 operated by each agency. The total proposed expenditures in the  
105 balanced budget shall not exceed the amount of estimated revenues  
106 that will be available for appropriation or use during the next  
107 fiscal year, including any balances that will be on hand at the  
108 close of the then current fiscal year \* \* \*. The total proposed  
109 expenditures from the State General Fund in the balanced budget  
110 shall not exceed ninety-eight percent (98%) of the amount of the  
111 general fund revenue estimate for the next fiscal year, plus any  
112 unencumbered balances in general funds that will be available and  
113 on hand at the close of the then current fiscal year. \* \* \* The  
114 general fund revenue estimate shall be the estimate \* \* \* adopted  
115 by the State Revenue Estimating Committee under Section  
116 27-103-223(3)(a). Unencumbered balances in general funds that  
117 will be available and on hand at the close of the fiscal year  
118 shall not include projected amounts required to be deposited into  
119 the Working Cash-Stabilization Reserve Fund \* \* \* under Section  
120 27-103-203.

121 The revenues used in preparing the balanced budget shall be  
122 only those revenues that will be available under the general laws  
123 of the state as they exist when the balanced budget is prepared,  
124 and shall not include any proposed revenues that would become  
125 available only after the enactment of new legislation. If the  
126 Governor has any recommendations for additional proposed  
127 expenditures or proposed revenues that are not included in his  
128 balanced budget, he shall submit those recommendations in a  
129 supplement that is separate from his balanced budget, and whenever  
130 the Governor recommends any such additional proposed expenditures,  
131 he also shall recommend proposed revenues that are sufficient to  
132 fund the additional proposed expenditures, providing specific  
133 details regarding the sources and the total amount of those  
134 proposed revenues.

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



137 his recommendations on the budget. If the Governor determines  
138 that information received from the State Fiscal Officer is not  
139 sufficient to enable him to prepare his budget recommendations, he  
140 may request an appropriation from the Legislature to provide  
141 additional staff within the Governor's Office for that purpose.  
142 At the first regular session after his election for Governor, the  
143 Governor shall submit any budget recommendations plus the required  
144 revenue source recommendations no later than January 31 of that  
145 year.

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

148 27-103-211. The total sum appropriated by the Legislature  
149 from the State General Fund for any fiscal year shall not exceed  
150 ninety-eight percent (98%) of the sine die general fund revenue  
151 estimate for that fiscal year adopted by the State Revenue  
152 Estimating Committee under Section 27-103-223(3)(b), plus any  
153 unencumbered balances in general funds that will be available and  
154 on hand at the close of the then current fiscal year. The  
155 unencumbered balances in general funds that will be available and  
156 on hand at the close of the fiscal year shall not include  
157 projected amounts required to be deposited into the Working  
158 Cash-Stabilization Reserve Fund under Section 27-103-203. \* \* \*

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

161 27-104-13. (1) The State Fiscal Officer may disapprove or  
162 reduce and revise the estimates of general funds and state-source  
163 special funds for any general fund or special fund agency and for  
164 the "administration and other expenses" budget of the Mississippi  
165 Department of Transportation, in an amount not to exceed five  
166 percent (5%), if at any time he finds that funds will not be  
167 available within the period for which the budget is drawn, or if  
168 at any time he finds that the requested expenditures, or any part



169 thereof, are not authorized by law, and that action shall be  
170 reported to the Legislative Budget Office.

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

176 If the estimates of general funds and state-source special  
177 funds of all general fund and special fund agencies and of the  
178 "administration and other expenses" budget of the Mississippi  
179 Department of Transportation have been reduced by five percent  
180 (5%), additional reductions may be made, but shall consist of a  
181 uniform percentage reduction of general funds and state-source  
182 special funds to all general fund and special fund agencies and to  
183 the "administration and other expenses" budget of the Mississippi  
184 Department of Transportation.

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

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

194 If, at the end of October, or at the end of any month  
195 thereafter of any fiscal year, the revenues received for the  
196 fiscal year fall below ninety-eight percent (98%) of the sine die  
197 general fund revenue estimate adopted by the State Revenue  
198 Estimating Committee under Section 27-103-223(3)(b), the State  
199 Fiscal Officer shall reduce allocations of general funds and  
200 state-source special funds to general fund and special fund  
201 agencies and to the "administration and other expenses" budget of



202 the Mississippi Department of Transportation, in an amount  
203 necessary to keep expenditures within the sum of actual general  
204 fund receipts, including any transfers to the General Fund from  
205 the Working Cash-Stabilization Reserve Fund for the fiscal year.

206 The State Fiscal Officer may, upon his determination of need  
207 based on the revenue shortfall, transfer funds as provided in  
208 Section 27-103-203 from the Working Cash-Stabilization Reserve  
209 Fund to the General Fund to supplement the general fund revenue.  
210 State-source special funds in an amount equal to any reduction  
211 made under the provisions of this subsection (2) shall be  
212 transferred to the State General Fund upon requisitions for  
213 warrants signed by the respective agency head, and the transfer  
214 shall be made within a reasonable period to be determined by the  
215 State Fiscal Officer.

216 No agency's allocation shall be reduced in an amount to  
217 exceed five percent (5%); however, if the allocations of general  
218 funds and state-source special funds to all general fund and  
219 special fund agencies and to the "administration and other  
220 expenses" budget of the Mississippi Department of Transportation  
221 have been reduced by five percent (5%), any additional reductions  
222 required to be made under this subsection (2) shall consist of a  
223 uniform percentage reduction of general funds and state-source  
224 special funds to all general fund and special fund agencies and to  
225 the "administration and other expenses" budget of the Mississippi  
226 Department of Transportation. Any receipt from loans authorized  
227 by Sections 31-17-101 through 31-17-123 shall not be included as  
228 revenue receipts.

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

232 \* \* \*

233 (3) For the purpose of this section, the term "state-source  
234 special funds" means any special funds in any agency derived from



235 any source, but shall not include the following special funds:  
236 special funds derived from federal sources, from local or regional  
237 political subdivisions, from agricultural commodity assessments,  
238 or from donations; special funds held in a fiduciary capacity for  
239 the benefit of specific persons or classes of persons;  
240 self-generated special funds of the state institutions of higher  
241 learning or the state community or junior colleges; special funds  
242 of Mississippi Industries for the Blind, the State Port at  
243 Gulfport, Yellow Creek Inland Port, Pat Harrison Waterway  
244 District, Pearl River Basin Development District, Pearl River  
245 Valley Water Management District, Tombigbee River Valley Water  
246 Management District, Yellow Creek Watershed Authority, or Coast  
247 Coliseum Commission; special funds of the Department of Wildlife,  
248 Fisheries and Parks derived from the issuance of hunting or  
249 fishing licenses; and special funds generated by agencies whose  
250 primary function includes the establishment of standards and the  
251 issuance of licenses for the practice of a profession within the  
252 State of Mississippi.

253         **SECTION 7.** The following shall be codified as Section  
254 27-103-225, Mississippi Code of 1972:

255         27-103-225. In making appropriations to defray the ordinary  
256 expenses of the executive, legislative and judicial departments of  
257 the government for each fiscal year, the Legislature shall use a  
258 total of ten (10) appropriation bills that incorporate the  
259 following subjects:

260                 (a) Public safety, which shall include law enforcement,  
261 military, corrections and veterans affairs;

262                 (b) Education, which shall include grades K-12, state  
263 institutions of higher learning and junior and community colleges;

264                 (c) Economic development;

265                 (d) Health and human services, which shall include the  
266 Department of Health, the Department of Mental Health, the





267 Department of Rehabilitation Services and the Department of Human  
268 Services;

269 (e) Social welfare, which shall include Medicaid;

270 (f) Transportation;

271 (g) Government operations, which shall include  
272 executive, administrative and fiscal affairs, including debt  
273 service;

274 (h) Judiciary;

275 (i) Agriculture and natural resources; and

276 (j) Business and commerce.

277 **SECTION 8.** The following shall be codified as Section  
278 27-103-227, Mississippi Code of 1972:

279 27-103-227. (1) Whenever a member of the House of  
280 Representatives or the Senate introduces a bill, the purpose or  
281 effect of which would be to expend or to authorize or cause the  
282 expenditure of any state funds or otherwise decrease the revenue  
283 of the state, either directly or indirectly, the bill shall  
284 include a provision or provisions that will provide sufficient  
285 funding for the anticipated change in state expenditures or  
286 revenue as a result of the bill, either through the imposition or  
287 increase of a tax or taxes or a fee or fees, or any combination of  
288 taxes and fees, or by some other method that designates the  
289 specific source or sources of the funding and specifically  
290 provides that funding.

291 (2) Whenever a member of the House of Representatives or the  
292 Senate offers an amendment to a general bill in committee or on  
293 the floor of the House or Senate, the purpose or effect of which  
294 would be to expend or to authorize or cause the expenditure of any  
295 state funds or otherwise decrease the revenue of the state, either  
296 directly or indirectly, the amendment shall include a provision or  
297 provisions that will provide sufficient funding for the  
298 anticipated change in state expenditures or revenue as a result of  
299 the amendment, either through the imposition or increase of a tax



300 or taxes or a fee or fees, or any combination of taxes and fees,  
301 or by some other method that designates the specific source or  
302 sources of the funding and specifically provides that funding.  
303 For the purpose of this subsection, code sections or chapter law  
304 sections that were not in the bill as introduced may be included  
305 in any such amendment and amended for the purpose of providing  
306 sufficient funding for the anticipated change in state  
307 expenditures or revenue as a result of the amendment, and the  
308 amendment shall not be subject to a point of order for the reason  
309 that it includes those sections providing that funding. When a  
310 code section or chapter law section is included in an amendment  
311 for this purpose, the only provisions of that section that may be  
312 amended are those that are necessary to be changed to provide  
313 funding for the amendment. As used in this subsection, the term  
314 "general bill" means any bill except an appropriation bill or a  
315 local and private bill.

316 (3) Whenever a member of the House of Representatives or the  
317 Senate offers an amendment to an appropriation bill in committee  
318 or on the floor of the House or Senate that would increase any sum  
319 appropriated or authorized to be expended by the bill, increase  
320 any sum designated for a particular object or purpose of  
321 expenditure in the bill, appropriate or authorize the expenditure  
322 of a new sum or sums for any purpose, or otherwise increase the  
323 total sum appropriated or authorized to be expended by the bill,  
324 the amendment shall include a provision or provisions that will  
325 reduce a sum or sums appropriated or authorized to be expended,  
326 reduce a sum or sums designated for any particular object or  
327 purpose of expenditure, delete a sum or sums appropriated or  
328 authorized to be expended for any purpose, or otherwise reduce the  
329 total sum appropriated or authorized to be expended, in the same  
330 bill or in any other appropriation bill or bills that still are  
331 under consideration or in both the same bill and another bill or  
332 bills, by amounts so that the amendment will provide a total



333 reduction in sums that is not less than the total increase in sums  
334 provided in the amendment. The other appropriation bill or bills  
335 from which reductions are to be made under the amendment need not  
336 be designated by bill number in the amendment if they are  
337 described sufficiently enough to be identified. If such an  
338 amendment is adopted to an appropriation bill and the amendment  
339 provides that any part of the reduction is to be made from a bill  
340 or bills other than the one to which the amendment was adopted,  
341 then when the House or Senate considers that other bill or bills,  
342 it shall vote to reduce the total sum appropriated by that bill or  
343 bills by the total sum required to be reduced by the amendment in  
344 the manner directed by the amendment.

345       **SECTION 9.** This act shall take effect and be in force from  
346 and after July 1, 2007.

