

By: Representative Mayo

To: Appropriations

HOUSE BILL NO. 313

1 AN ACT TO AMEND SECTIONS 19-11-7 AND 21-35-5, MISSISSIPPI
2 CODE OF 1972, TO REQUIRE COUNTIES AND MUNICIPALITIES, IN PREPARING
3 THEIR BUDGETS FOR THE NEXT FISCAL YEAR, TO USE THE AMOUNT OF
4 REVENUES THAT THEY RECEIVED DURING THE TWELVE-MONTH PERIOD
5 IMMEDIATELY PRECEDING THE MONTH IN WHICH THEY ARE REQUIRED TO
6 ADOPT AN ANNUAL BUDGET, PLUS THE AMOUNT OF ANY REVENUES THAT MAY
7 BE RAISED BY A TAX LEVY INCREASE DURING THE NEXT FISCAL YEAR; TO
8 AMEND SECTIONS 27-103-125, 27-103-139, 27-103-211 AND 27-104-13,
9 MISSISSIPPI CODE OF 1972, TO REQUIRE THE STATE, IN PREPARING THE
10 PROPOSED STATE BUDGET, MAKING LEGISLATIVE APPROPRIATIONS AND
11 MAKING STATE AGENCY BUDGET REDUCTIONS, TO USE 98% OF THE AMOUNT OF
12 GENERAL FUND REVENUES THAT THE STATE RECEIVED DURING THE
13 TWELVE-MONTH PERIOD IMMEDIATELY PRECEDING NOVEMBER 1, PLUS ANY
14 UNENCUMBERED BALANCES IN GENERAL FUNDS THAT WILL BE AVAILABLE AT
15 THE END OF THE CURRENT FISCAL YEAR AND THE AMOUNT OF ANY GENERAL
16 FUND REVENUES THAT MAY BE RAISED BY A TAX INCREASE DURING THE NEXT
17 FISCAL YEAR; AND FOR RELATED PURPOSES.

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

19 **SECTION 1.** Section 19-11-7, Mississippi Code of 1972, is
20 amended as follows:

21 **[With regard to any county which is exempt from the**
22 **provisions of Section 19-2-3, this section shall read as follows:]**

23 19-11-7. (1) The board of supervisors of each county of the
24 State of Mississippi shall, at its August meeting of each year,
25 prepare a complete budget of revenues, expenses and a working cash
26 balance estimated for the next fiscal year, which shall be based
27 on the aggregate funds estimated to be available for the ensuing
28 fiscal year for each fund, from which the estimated expenses will
29 be paid, exclusive of school maintenance funds, which shall be
30 shown separately. The amount of revenues that is used to prepare
31 the budget shall be the amount of revenues that the county
32 received during the twelve-month period immediately preceding
33 August 1 of the current fiscal year, plus the amount of any
34 revenues that may be raised by a tax levy increase during the next

35 fiscal year. The statement of revenues in the budget shall show
36 every source of revenue along with the amount derived from each
37 source. The budget containing the statement of revenues and
38 expenses shall be published at least one (1) time during August or
39 September but not later than September 30 of the year in a
40 newspaper published in the county, or if no newspaper is published
41 in the county, then in a newspaper having a general circulation
42 in the county.

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

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

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

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

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

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

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

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

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

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

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

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

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

166 * * *

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

298 **SECTION 7.** This act shall take effect and be in force from
299 and after July 1, 2007.