

By: Senator(s) Hopson

To: Appropriations

SENATE BILL NO. 2001

1 AN ACT TO AMEND SECTION 27-103-203, MISSISSIPPI CODE OF 1972,
2 TO AUTHORIZE THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF FINANCE
3 AND ADMINISTRATION TO TRANSFER WORKING CASH-STABILIZATION RESERVE
4 FUNDS TO THE GENERAL FUND IN AN AMOUNT DETERMINED BY THE GOVERNOR
5 TO ALLEVIATE THE DEFICIT FOR FISCAL YEAR 2016.

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

7 **SECTION 1.** Section 27-103-203, Mississippi Code of 1972, is
8 amended as follows:

9 27-103-203. (1) There is created in the State Treasury a
10 special fund, separate and apart from any other fund, to be
11 designated the Working Cash-Stabilization Reserve Fund.

12 (2) The Working Cash-Stabilization Reserve Fund shall not be
13 considered as a surplus or available funds when adopting a
14 balanced budget as required by law. The State Treasurer shall
15 invest all sums in the Working Cash-Stabilization Reserve Fund not
16 needed for the purposes provided for in this section in
17 certificates of deposit, repurchase agreements and other
18 securities as authorized in Section 27-105-33(d) or Section
19 7-9-103, as the State Treasurer may determine to yield the highest



20 market rate available. If the Ayers Settlement Fund is created
21 under Section 37-101-27(5), the first Five Million Dollars
22 (\$5,000,000.00) of interest earned on those sums each fiscal year
23 shall be deposited into that fund until a total of Seventy Million
24 Dollars (\$70,000,000.00) has been deposited into the fund. The
25 interest, or the remaining interest if the Ayers Settlement Fund
26 is created, that is earned on those sums shall be deposited in the
27 Working Cash-Stabilization Reserve Fund until the balance of
28 principal and interest in the fund reaches seven and one-half
29 percent (7-1/2%) of the total General Fund appropriations for the
30 current fiscal year, and all interest earned in excess of amounts
31 necessary to maintain the seven and one-half percent (7-1/2%) fund
32 balance requirement shall be deposited by the State Treasurer into
33 the State General Fund.

34 (3) The Working Cash-Stabilization Reserve Fund, except for
35 Fifteen Million Dollars (\$15,000,000.00) and the amount of the
36 interest and income earned on the principal of the Ayers Endowment
37 Trust created by Section 37-101-27, shall be used by the State
38 Treasurer for cash flow needs throughout the year when the
39 Executive Director of the Department of Finance and Administration
40 certifies that in his opinion there will be cash flow deficiencies
41 in the State General Fund. No borrowing of monies from other
42 special funds for such purposes as authorized by Section 31-17-101
43 et seq., shall be made as long as an unencumbered balance in
44 excess of Fifteen Million Dollars (\$15,000,000.00) and the



45 interest and income earned on the principal of the Ayers Endowment
46 Trust created by Section 37-101-27 remains in the fund. The State
47 Treasurer shall reimburse the fund for all sums borrowed for those
48 purposes from General Fund revenues collected during the fiscal
49 year in which those funds are used. The State Treasurer shall
50 immediately notify the Legislative Budget Office and the State
51 Department of Finance and Administration of each transfer into and
52 out of the fund. Fifteen Million Dollars (\$15,000,000.00) in the
53 Working Cash-Stabilization Reserve Fund shall remain available for
54 exclusive use of the Ayers Endowment Trust created by Section
55 37-101-27. If the Ayers Settlement Fund is created under Section
56 37-101-27(5), beginning when a total of Fifty-five Million Dollars
57 (\$55,000,000.00) has been deposited into the fund, for each annual
58 deposit of interest to that fund under subsection (2) of this
59 section, the Ayers Endowment Trust created under Section
60 37-101-27(1) shall be reduced by an equal amount annually until
61 the Ayers Endowment Trust reaches Zero Dollars (\$0.00), at which
62 time any requirements concerning the Ayers Endowment Trust in this
63 section shall be null and void.

64 (4) The Working Cash-Stabilization Reserve Fund, except for
65 Forty Million Dollars (\$40,000,000.00), shall also be used for the
66 purpose of covering any projected deficits that may occur in the
67 General Fund at the end of a fiscal year as a result of revenue
68 shortfalls. If the Governor determines that a deficit in revenues
69 from all sources may occur, it shall be the duty of the Executive



70 Director of the Department of Finance and Administration to
71 transfer such funds as necessary to the General Fund to alleviate
72 the deficit in accordance with Sections 27-104-13 and 31-17-123;
73 however, not more than Fifty Million Dollars (\$50,000,000.00) may
74 be transferred from the fund for that purpose in any one (1)
75 fiscal year with the exception of fiscal year 2016.

76 (5) The Working Cash-Stabilization Reserve Fund also shall
77 be used to provide funds for the Disaster Assistance Trust Fund
78 when those funds are immediately needed to provide for disaster
79 assistance under Sections 33-15-301 through 33-15-317. Any
80 transfer of funds from the Working Cash-Stabilization Reserve Fund
81 to the Disaster Assistance Trust Fund shall be made in accordance
82 with the provisions of subsection (5) of Section 33-15-307.

83 (6) The Department of Finance and Administration shall
84 immediately send notice of any transfers made, or other action
85 taken under authority of this section, to the Legislative Budget
86 Office.

87 (7) Funds deposited in the Working Cash-Stabilization
88 Reserve Fund shall be used only for the purposes specified in this
89 section, and as long as the provisions of this section remain in
90 effect, no other expenditure, appropriation or transfer of funds
91 in the Working Cash-Stabilization Reserve Fund shall be made
92 except by act of the Legislature making specific reference to the
93 Working Cash-Stabilization Reserve Fund as the source of those
94 funds.



95 (8) Any funds appropriated from the Working
96 Cash-Stabilization Reserve Fund that are unexpended at the end of
97 a fiscal year shall lapse into the Working Cash-Stabilization
98 Reserve Fund.

99 **SECTION 2.** This act shall take effect and be in force from
100 and after its passage.

