

REPORT OF CONFERENCE COMMITTEE

2

MR. PRESIDENT AND MR. SPEAKER:

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

S. B. No. 2973: Appropriation; Revenue, Department of.

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:

11 **SECTION 1.** The following sum, or so much thereof as may be
 12 necessary, is hereby appropriated out of any money in the State
 13 General Fund not otherwise appropriated, for the purpose of
 14 defraying the expenses of the Mississippi Department of Revenue,
 15 including the Homestead Exemption Division, the Motor Vehicle
 16 Comptroller functions, the Alcoholic Beverage Control Division and
 17 the Bureau of Telecommunications, for the fiscal year beginning
 18 July 1, 2017, and ending June 30, 2018.....\$ 38,118,874.00.

19 **SECTION 2.** The following sum, or so much thereof as may be
 20 necessary, is hereby appropriated out of any money in the special
 21 fund in the State Treasury to the credit of the Mississippi
 22 Department of Revenue which are collected by or otherwise become
 23 available for the purpose of defraying the expenses of the

24 department for the fiscal year beginning July 1, 2017, and ending
25 June 30, 2018.....\$ 32,469,083.00.

26 **SECTION 3.** Of the funds appropriated under the provisions of
27 Section 1 and 2, not more than the following amounts set forth
28 below shall be expended:

29 **GENERAL ADMINISTRATION**

30 FUNDING:

31 General Funds.....\$ 7,833,058.00
32 Special Funds..... 24,614,306.00
33 Total.....\$ 32,447,364.00

34 With the funds appropriated for this budget, it is the
35 intention of the Legislature that it shall be the agency's
36 responsibility to make certain that funds required to be
37 appropriated for "Personal Services" do not exceed the following
38 amount:.....\$ 11,038,817.00

39 AUTHORIZED POSITIONS:

40 Permanent: Full Time..... 197
41 Part Time..... 1
42 Time-Limited: Full Time..... 0
43 Part Time..... 0

44 **TAX ADMINISTRATION**

45 FUNDING:

46 General Funds.....\$ 6,833,944.00
47 Special Funds..... 1,017,165.00
48 Total.....\$ 7,851,109.00

49 With the funds appropriated for this budget, it is the
 50 intention of the Legislature that it shall be the agency's
 51 responsibility to make certain that funds required to be
 52 appropriated for "Personal Services" do not exceed the following
 53 amount:.....\$ 7,544,839.00

54 AUTHORIZED POSITIONS:

55	Permanent:	Full Time.....	140
56		Part Time.....	0
57	Time-Limited:	Full Time.....	0
58		Part Time.....	0

59 **AUDIT**

60 FUNDING:

61	General Funds.....	\$ 8,713,062.00
62	Special Funds.....	<u>1,780,502.00</u>
63	Total.....	\$ 10,493,564.00

64 With the funds appropriated for this budget, it is the
 65 intention of the Legislature that it shall be the agency's
 66 responsibility to make certain that funds required to be
 67 appropriated for "Personal Services" do not exceed the following
 68 amount:.....\$ 9,603,213.00

69 AUTHORIZED POSITIONS:

70	Permanent:	Full Time.....	166
71		Part Time.....	0
72	Time-Limited:	Full Time.....	0
73		Part Time.....	0

74

TAX ENFORCEMENT

75 FUNDING:

76	General Funds.....	\$	6,049,433.00
77	Special Funds.....		<u>1,798,846.00</u>
78	Total.....	\$	7,848,279.00

79 With the funds appropriated for this budget, it is the
80 intention of the Legislature that it shall be the agency's
81 responsibility to make certain that funds required to be
82 appropriated for "Personal Services" do not exceed the following
83 amount:.....\$ 6,665,832.00

84 AUTHORIZED POSITIONS:

85	Permanent:	Full Time.....	124
86		Part Time.....	0
87	Time-Limited:	Full Time.....	0
88		Part Time.....	0

89 **PROPERTY & MOTOR VEHICLE SERVICES**

90 FUNDING:

91	General Funds.....	\$	3,560,885.00
92	Special Funds.....		<u>1,181,380.00</u>
93	Total.....	\$	4,742,265.00

94 With the funds appropriated for this budget, it is the
95 intention of the Legislature that it shall be the agency's
96 responsibility to make certain that funds required to be
97 appropriated for "Personal Services" do not exceed the following
98 amount:.....\$ 3,891,666.00

99 AUTHORIZED POSITIONS:

100	Permanent:	Full Time.....	86
101		Part Time.....	0
102	Time-Limited:	Full Time.....	0
103		Part Time.....	0

104 **ALCOHOL BEVERAGE CONTROL**

105 FUNDING:

106	General Funds.....	\$	5,128,492.00
107	Special Funds.....		<u>2,076,884.00</u>
108	Total.....	\$	7,205,376.00

109 With the funds appropriated for this budget, it is the
110 intention of the Legislature that it shall be the agency's
111 responsibility to make certain that funds required to be
112 appropriated for "Personal Services" do not exceed the following
113 amount:.....\$ 5,597,605.00

114 AUTHORIZED POSITIONS:

115	Permanent:	Full Time.....	120
116		Part Time.....	0
117	Time-Limited:	Full Time.....	0
118		Part Time.....	0

119 With the funds herein appropriated, it shall be the agency's
120 responsibility to make certain that funds required to be
121 appropriated for "Personal Services" for Fiscal Year 2019 do not
122 exceed Fiscal Year 2018 funds appropriated for that purpose,
123 unless programs or positions are added to the agency's Fiscal Year

124 2018 budget by the Mississippi Legislature. Based on data
125 provided by the Legislative Budget Office, the State Personnel
126 Board shall determine and publish the projected annual cost to
127 fully fund all appropriated positions in compliance with the
128 provisions of this act. It shall be the responsibility of the
129 agency head to ensure that no single personnel action increases
130 this projected annual cost and/or the Fiscal Year 2018
131 appropriations for "Personal Services" when annualized, with the
132 exception of escalated funds and the award of benchmarks. If, at
133 the time the agency takes any action to change "Personal
134 Services," the State Personnel Board determines that the agency
135 has taken an action which would cause the agency to exceed this
136 projected annual cost or the Fiscal Year 2018 "Personal Services"
137 appropriated level, when annualized, then only those actions which
138 reduce the projected annual cost and/or the appropriation
139 requirement will be processed by the State Personnel Board until
140 such time as the requirements of this provision are met.

141 Any transfers or escalations shall be made in accordance with
142 the terms, conditions and procedures established by law or
143 allowable under the terms set forth within this act. The State
144 Personnel Board shall not escalate positions without written
145 approval from the Department of Finance and Administration. The
146 Department of Finance and Administration shall not provide written
147 approval to escalate any funds for salaries and/or positions

148 without proof of availability of new or additional funds above the
149 appropriated level.

150 No general funds authorized to be expended herein shall be
151 used to replace federal funds and/or other special funds which are
152 being used for salaries authorized under the provisions of this
153 act and which are withdrawn and no longer available.

154 None of the funds herein appropriated shall be used in
155 violation of Internal Revenue Service's Publication 15-A relating
156 to the reporting of income paid to contract employees, as
157 interpreted by the Office of the State Auditor.

158 **SECTION 4.** The Commissioner of the Department of Revenue
159 shall have the authority to transfer from any funds appropriated
160 herein from any program and salaries category within the
161 Department of Revenue to any other program, excluding the salaries
162 category, of the Department of Revenue in an amount not to exceed
163 Twenty Percent (20%) of the total amount of funds appropriated
164 during Fiscal Year 2018.

165 **SECTION 5.** It shall be the duty of the Chairman of the
166 Mississippi Department of Revenue, and he is hereby empowered to
167 select in the manner provided by Section 27-3-13, Mississippi Code
168 of 1972, such employees as may be necessary to the administration
169 of all acts relating to the exemption of homesteads and the
170 reimbursement of tax losses to the several taxing units of the
171 state, and to assign them to the use of the Mississippi Department
172 of Revenue.

173 **SECTION 6.** The money herein appropriated may be used for any
174 expenses which the commission may legally incur. Provided,
175 however, that no part of the money herein appropriated shall be
176 used for the payment of attorney's fees, except upon
177 recommendation of the Governor with the approval of the Attorney
178 General, nor shall any of said funds be used either directly or
179 indirectly for the purpose of paying any clerk, stenographer,
180 assistant, deputy or other employee who may be related by blood or
181 marriage within the third degree, computed by the rule of civil
182 law, to the official employing or having the right of employment
183 or selection thereof, except that when the relationship is by
184 affinity and the person is dead through whom the relationship was
185 established, this rule shall not apply. In the event of any such
186 payment, then the official or person approving and making such
187 payment shall be liable to return to the State of Mississippi and
188 to pay into the State Treasury to the credit of the General Fund
189 three (3) times any such amount so paid to be recovered at suit by
190 the Attorney General.

191 **SECTION 7.** In compliance with the "Mississippi Performance
192 Budget and Strategic Planning Act of 1994," it is the intent of
193 the Legislature that the funds provided herein shall be utilized
194 in the most efficient and effective manner possible to achieve the
195 intended mission of this agency. Based on the funding authorized,
196 this agency shall make every effort to attain the targeted
197 performance measures provided below:

198		FY2018
199	<u>Performance Measures</u>	<u>Target</u>
200	General Administration	
201	Average Cost per Return Processed (\$)	5.00
202	ROI - Revenue Collected per Dollar of Expense	100.69
203	Tax Administration	
204	Cost per Unit of Work (Item/Case/Call) (\$)	13.10
205	Cost per Call Center Call Answered (\$)	3.07
206	Audit	
207	Cost per Audit (\$)	708.00
208	Tax Enforcement	
209	Cost per Dollar Collected in Recovery Actions	0.05
210	Property & Motor Vehicle Svcs	
211	Cost per Homestead Exemption Application (\$)	3.24
212	Cost per Title Issued (\$)	2.82
213	Alcohol Beverage Control	
214	Cost per Case Shipped (\$)	1.56
215	ROI - GF Dollars Returned per Dollar of Cost	13.76
216	A reporting of the degree to which the performance targets	
217	set above have been or are being achieved shall be provided in the	
218	agency's budget request submitted to the Joint Legislative Budget	
219	Committee for Fiscal Year 2019.	
220	SECTION 8. The following sum, or so much thereof as may be	
221	necessary, is hereby appropriated out of any money in the State	
222	General Fund not otherwise appropriated, to the Mississippi	

223 Department of Revenue for the purpose of reimbursing the counties
224 of the state, the road districts and school districts therein and
225 the municipal separate school districts, for tax losses incurred
226 by reason of the exemption of homes from certain ad valorem taxes
227 under the provisions of Section 27-33-1 et seq., Mississippi Code
228 of 1972, for the fiscal year beginning July 1, 2017, and ending
229 June 30, 2018.....\$ 80,625,992.00.

230 **SECTION 9.** Each county, road district, school district and
231 municipal separate school district which has incurred a tax loss
232 that is reimbursable under Section 8 shall be reimbursed a sum
233 which is equivalent to the amount of tax loss produced by the
234 application of tax rates annually fixed for maintenance and
235 current expenses to the assessed value of homes, or so much
236 thereof as has been lawfully authorized under the provisions of
237 Section 27-33-1 et seq., Mississippi Code of 1972.

238 The disbursements from the funds appropriated under the
239 provisions of Section 8 shall be based upon the certificates
240 required of the clerks of the county boards of supervisors and of
241 the clerks of the municipalities, which certificates shall conform
242 strictly in every respect to the requirements of the provisions of
243 Section 27-33-1 et seq., Mississippi Code of 1972.

244 All disbursements from the funds appropriated under the
245 provisions of Section 8 shall be made strictly in accordance with
246 the provisions of Section 27-33-1 et seq., Mississippi Code of
247 1972, and no disbursements other than those clearly authorized by

248 those sections shall be made, the provisions of any other law to
249 the contrary notwithstanding.

250 **SECTION 10.** None of the funds appropriated under the
251 provisions of Section 8 of this act may be distributed to any
252 county, municipality, school district or other taxing district in
253 which the assessed valuation of the taxing district has increased
254 as a result of reappraisal of the property of the taxing district
255 unless the governing board of the taxing district has published a
256 notice in a newspaper having a general circulation in the taxing
257 district, stating the lower millage rate that would produce the
258 same amount of revenue from ad valorem taxation on property of the
259 taxing district that was produced in the fiscal year before the
260 property of the taxing district was reappraised.

261 **SECTION 11.** The following sum, or so much thereof as may be
262 necessary, is hereby appropriated out of any money in the State
263 General Fund not otherwise appropriated, for the purchase and
264 delivery of motor vehicle license tags for the fiscal year
265 beginning July 1, 2017, and ending June 30, 2018.....
266\$ 3,247,190.00.

267 **SECTION 12.** It is the intention of the Legislature that
268 whenever two (2) or more bids are received by this agency for the
269 purchase of commodities or equipment, and whenever all things
270 stated in such received bids are equal with respect to price,
271 quality and service, the Mississippi Industries for the Blind
272 shall be given preference. A similar preference shall be given to

273 the Mississippi Industries for the Blind whenever purchases are
274 made without competitive bids.

275 **SECTION 13.** None of the funds appropriated under the
276 provisions of Sections 1 and 2 of this act shall be expended
277 unless an advisory committee continues to coordinate, in an
278 advisory capacity only, with the Department of Revenue in the
279 determination of the collection of statistical data and
280 information related to economic and tax policy. This advisory
281 committee shall consist of the following members or their
282 designees: the Director of the Legislative Budget Office, the
283 Director of the Joint Legislative PEER Committee, the State
284 Economist, the President of the Mississippi Economic Council and
285 the Director of the Mississippi Economic Policy Center.

286 **SECTION 14.** It is the intention of the Legislature that the
287 Mississippi Department of Revenue shall maintain complete
288 accounting and personnel records related to the expenditure of all
289 funds appropriated under this act and that such records shall be
290 in the same format and level of detail as maintained for Fiscal
291 Year 2017. It is further the intention of the Legislature that
292 the agency's budget request for Fiscal Year 2019 shall be
293 submitted to the Joint Legislative Budget Committee in a format
294 and level of detail comparable to the format and level of detail
295 provided during the Fiscal Year 2018 budget request process.

296 **SECTION 15.** None of the funds appropriated in Section 11
297 shall be expended to purchase motor vehicle license tags made or

298 manufactured by any department, agency or instrumentality of a
299 state other than the State of Mississippi. None of the funds
300 appropriated in this section shall be used for the purchase of
301 bolts, nuts or other fastening devices for attaching said motor
302 vehicle license tags. Provided further, that all motor vehicles
303 belonging to any state department, agency, commission, institution
304 or any other division of state government shall have license tags
305 which shall bear the words "State Property" at the bottom of such
306 license tags.

307 **SECTION 16.** The following sum, or so much thereof as may be
308 necessary, is appropriated out of any money in the special fund in
309 the State Treasury to the credit of the Mississippi Department of
310 Revenue which is collected by or otherwise becomes available for
311 the purpose of defraying the expenses of the department's
312 contingent fee contracts, for the fiscal year beginning July 1,
313 2017, and ending June 30, 2018.....\$ 1,000,000.00.

314 **SECTION 17.** The funds appropriated in Section 16 shall be
315 derived from contracts entered into by the Department of Revenue
316 that will be paid on a contingent fee basis, for services rendered
317 to the Department of Revenue where the contracts are for the
318 analysis of taxes, interest, or penalty or the reduction of
319 refunds claimed, under which contracts the contingent fee shall be
320 based on the actual amount of taxes, interest and/or penalties
321 collected and/or the amount by which the claimed refund is

322 reduced. In order to receive the funds appropriated in Section
323 16, the Department of Revenue shall do the following:

324 (a) On or before July 15, 2017, and each succeeding month
325 thereafter through July 15, 2018, deposit in the special fund in
326 the State Treasury to the credit of the Mississippi Department of
327 Revenue ten percent (10%) of any funds derived from work under a
328 such contingent fee contract that would otherwise be paid into the
329 General Fund, in an amount not to exceed One Million Dollars
330 (\$1,000,000.00); and

331 (b) Publish an annual report setting forth the number of
332 contracts entered into under this section, the total amount
333 collected using the contingent fee contract, and the percentage of
334 the contingency fee arrangement of each contract.

335 **SECTION 18.** Of the funds appropriated in Section 1, it is
336 the intention of the Legislature that up to Eight Hundred Eleven
337 Thousand Seven Hundred Forty Dollars (\$811,740.00) shall be
338 allocated as follows: to the Municipal Court Collections Program
339 Four Hundred Five Thousand Eight Hundred Seventy Dollars
340 (\$405,870.00) and to the Justice Court Collections Program Four
341 Hundred Five Thousand Eight Hundred Seventy Dollars (\$405,870.00)
342 to be supported from General Fund court assessments.

343 **SECTION 19.** It is the intention of the Legislature that the
344 funds herein appropriated shall be expended in compliance with
345 Section 27-104-25, Mississippi Code of 1972, that no state agency
346 shall incur obligations or indebtedness in excess of their

347 appropriation and that the responsible officers, either personally
348 or upon their official bonds, shall be held responsible for
349 actions contrary to this provision.

350 **SECTION 20.** The money herein appropriated shall be paid by
351 the State Treasurer out of any money in the State Treasury to the
352 credit of the proper fund or funds as set forth in this act, upon
353 warrants issued by the State Fiscal Officer; and the Fiscal
354 Officer shall issue his warrants upon requisitions signed by the
355 proper person, officer or officers, in the manner provided by law.

356 **SECTION 21.** This act shall take effect and be in force from
357 and after July 1, 2017.

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

1 AN ACT MAKING AN APPROPRIATION FOR THE PURPOSE OF DEFRAYING
2 THE EXPENSES OF THE MISSISSIPPI DEPARTMENT OF REVENUE, INCLUDING
3 THE HOMESTEAD EXEMPTION DIVISION, THE MOTOR VEHICLE COMPTROLLER
4 FUNCTIONS, THE ALCOHOLIC BEVERAGE CONTROL DIVISION, AND THE BUREAU
5 OF TELECOMMUNICATIONS, FOR THE PURPOSE OF REIMBURSING THE
6 COUNTIES, COUNTY DISTRICTS AND MUNICIPAL SEPARATE SCHOOL DISTRICTS
7 FOR TAX LOSSES INCURRED BY REASON OF THE EXEMPTION OF HOMES FROM
8 CERTAIN AD VALOREM TAXES, AND FOR THE PURPOSE OF PURCHASING MOTOR
9 VEHICLE LICENSE TAGS, FOR FISCAL YEAR 2018.

CONFEREES FOR THE SENATE

CONFEREES FOR THE HOUSE

X (SIGNED)
Clarke

X (SIGNED)
Read

X (SIGNED)
Horhn

X (SIGNED)
Snowden

X (SIGNED)
Tindell

X (SIGNED)
Barker