

By: Representative Read

To: Appropriations

HOUSE BILL NO. 980  
(As Sent to Governor)

1 AN ACT TO AMEND SECTION 27-104-25, MISSISSIPPI CODE OF 1972,  
2 TO DELETE THE PROVISION THAT CONTRACTUAL OBLIGATIONS OF STATE  
3 AGENCIES SHALL BE CONSIDERED AS INCURRED WITHIN THE FISCAL PERIOD  
4 IN WHICH THEY ARE TO BE PAID, AND ARE TO BE ENCUMBERED AGAINST  
5 FUNDS TO BE AVAILABLE IN THAT FISCAL PERIOD; TO REQUIRE APPROVAL  
6 BY THE DEPARTMENT OF FINANCE AND ADMINISTRATION BEFORE STATE  
7 AGENCIES MAY PAY CERTAIN CONTRACTUAL OBLIGATIONS FROM A PRIOR  
8 FISCAL YEAR; AND FOR RELATED PURPOSES.

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

10 **SECTION 1.** Section 27-104-25, Mississippi Code of 1972, is  
11 amended as follows:

12 27-104-25. (1) The executive head and business manager of  
13 each state agency shall be responsible for all obligations or  
14 indebtedness incurred in the name of the agency, or by any  
15 employee for them when incurred by such employee acting within the  
16 scope of his employment.

17 (2) No obligations or indebtedness shall be incurred by any  
18 such person during any allotment period in excess of the amount of  
19 the estimate approved by the Department of Finance and  
20 Administration or in the agency appropriation bill.



21           If a claim arising from orders for goods or services from the  
22 prior fiscal year is presented within one (1) year and (a) the  
23 payment of a claim does not cause an agency to exceed the amount  
24 of its prior year budget estimate as approved by the Department of  
25 Finance and Administration or its appropriation bill, and (b)  
26 sufficient funds remain in the current fiscal year's allotment to  
27 pay the claim, the State Treasurer, upon approval of the claim by  
28 the Department of Finance and Administration, shall draw a warrant  
29 in payment of the claim.

30           (3) Contractual obligations, such as salary contracts, \* \* \*  
31 from a prior fiscal year that do not meet the requirements for  
32 payment under subsection (2) of this section may only be paid upon  
33 approval by the Executive Director of the Department of Finance  
34 and Administration.

35           (4) Contractual obligations of agencies shall include  
36 appropriate cancellation clauses in the event the anticipated  
37 revenues from which they are to be paid do not become available.

38           ( \* \* \*5) Agencies having special funds, as defined in  
39 Section 27-103-103, shall not incur obligations or indebtedness  
40 against such special funds in an amount in excess of revenues  
41 actually anticipated and budgeted.

42           ( \* \* \*6) If obligations or indebtedness shall be incurred  
43 contrary to the provisions hereof, then neither the State of  
44 Mississippi nor the agency shall have any liability therefor, and  
45 the person, firm or corporation to whom the obligation or



46 indebtedness is due may recover the amount of the obligation or  
47 indebtedness and twenty-five percent (25%) of the amount as  
48 liquidated damages from the responsible officers, either  
49 personally or upon their official bonds, either severally \* \* \*  
50 or jointly.

51 ( \* \* \*7) Provided, however, that no personal liability of  
52 the responsible officers under this section shall include any  
53 unfunded liability for employee retirement or pension funds.  
54 Nothing in this section shall diminish any responsibility of the  
55 responsible officers to fund any employee retirement or pension  
56 plans, or any liability as a result of any failure to fund such  
57 plans as otherwise required by law.

58 **SECTION 2.** This act shall take effect and be in force from  
59 and after July 1, 2019.

