

Senate Amendments to House Bill No. 127

TO THE CLERK OF THE HOUSE:

THIS IS TO INFORM YOU THAT THE SENATE HAS ADOPTED THE AMENDMENTS SET OUT BELOW:

AMENDMENT NO. 1

Amend by striking all after the enacting clause and inserting in lieu thereof the following:

16 **SECTION 1.** Section 37-61-33, Mississippi Code of 1972, is
17 amended as follows:

18 37-61-33. (1) There is created within the State Treasury a
19 special fund to be designated the "Education Enhancement Fund"
20 into which shall be deposited all the revenues collected pursuant
21 to Sections 27-65-75(7) and (8) and 27-67-31(a) and (b).

22 (2) Of the amount deposited into the Education Enhancement
23 Fund, Sixteen Million Dollars (\$16,000,000.00) shall be
24 appropriated each fiscal year to the State Department of Education
25 to be distributed to all school districts. Such money shall be
26 distributed to all school districts in the proportion that the
27 average daily attendance of each school district bears to the
28 average daily attendance of all school districts within the state
29 for the following purposes:

30 (a) Purchasing, erecting, repairing, equipping,
31 remodeling and enlarging school buildings and related facilities,
32 including gymnasiums, auditoriums, lunchrooms, vocational training

33 buildings, libraries, teachers' homes, school barns,
34 transportation vehicles (which shall include new and used
35 transportation vehicles) and garages for transportation vehicles,
36 and purchasing land therefor.

37 (b) Establishing and equipping school athletic fields
38 and necessary facilities connected therewith, and purchasing land
39 therefor.

40 (c) Providing necessary water, light, heating,
41 air-conditioning and sewerage facilities for school buildings, and
42 purchasing land therefor.

43 (d) As a pledge to pay all or a portion of the debt
44 service on debt issued by the school district under Sections
45 37-59-1 through 37-59-45, 37-59-101 through 37-59-115, 37-7-351
46 through 37-7-359, 37-41-89 through 37-41-99, 37-7-301, 37-7-302
47 and 37-41-81, or debt issued by boards of supervisors for
48 agricultural high schools pursuant to Section 37-27-65, if such
49 pledge is accomplished pursuant to a written contract or
50 resolution approved and spread upon the minutes of an official
51 meeting of the district's school board or board of supervisors.
52 The annual grant to such district in any subsequent year during
53 the term of the resolution or contract shall not be reduced below
54 an amount equal to the district's grant amount for the year in
55 which the contract or resolution was adopted. The intent of this
56 provision is to allow school districts to irrevocably pledge a
57 certain, constant stream of revenue as security for long-term
58 obligations issued under the code sections enumerated in this

59 paragraph or as otherwise allowed by law. It is the intent of the
60 Legislature that the provisions of this paragraph shall be
61 cumulative and supplemental to any existing funding programs or
62 other authority conferred upon school districts or school boards.
63 Debt of a district secured by a pledge of sales tax revenue
64 pursuant to this paragraph shall not be subject to any debt
65 limitation contained in the foregoing enumerated code sections.

66 (3) The remainder of the money deposited into the Education
67 Enhancement Fund shall be appropriated as follows:

68 (a) To the State Department of Education as follows:

69 (i) Sixteen and sixty-one one-hundredths percent
70 (16.61%) to the cost of the adequate education program determined
71 under Section 37-151-7; of the funds generated by the percentage
72 set forth in this section for the support of the adequate
73 education program, one and one hundred seventy-eight
74 one-thousandths percent (1.178%) of the funds shall be
75 appropriated to be used by the State Department of Education for
76 the purchase of textbooks to be loaned under Sections 37-43-1
77 through 37-43-59 to approved nonpublic schools, as described in
78 Section 37-43-1. The funds to be distributed to each nonpublic
79 school shall be in the proportion that the average daily
80 attendance of each nonpublic school bears to the total average
81 daily attendance of all nonpublic schools;

82 (ii) Seven and ninety-seven one-hundredths percent
83 (7.97%) to assist the funding of transportation operations and
84 maintenance pursuant to Section 37-19-23; and

85 (iii) Nine and sixty-one one-hundredths percent
86 (9.61%) for classroom supplies, instructional materials and
87 equipment, including computers and computer software, to be
88 distributed to all eligible teachers within the state through the
89 use of procurement cards. Classroom supply funds shall not be
90 expended for administrative purposes. On or before September 1 of
91 each year, local school districts shall determine and submit to
92 the State Department of Education the number of teachers eligible
93 to receive an allocation for the current year. For purposes of
94 this subparagraph, "teacher" means any employee of the school
95 board of a school district, or the Mississippi School for the
96 Arts, the Mississippi School for Math and Science, the Mississippi
97 School for the Blind or the Mississippi School for the Deaf, who
98 is required by law to obtain a teacher's license from the State
99 Department of Education and who is assigned to an instructional
100 area of work as defined by the department, but shall not include a
101 federally funded teacher. It is the intent of the Legislature
102 that all classroom teachers shall utilize these funds in a manner
103 that addresses individual classroom needs and supports the overall
104 goals of the school regarding supplies, instructional materials,
105 equipment, computers or computer software under the provisions of
106 this subparagraph, including the type, quantity and quality of
107 such supplies, materials and equipment. Classroom supply funds
108 allocated under this subparagraph shall supplement, not replace,
109 other local and state funds available for the same purposes. The
110 State Board of Education shall develop and promulgate rules and

111 regulations for the administration of this subparagraph consistent
112 with the above criteria, with particular emphasis on allowing the
113 individual teachers to expend funds as they deem appropriate.
114 Effective with the 2013-2014 school year, the local school board
115 shall require each school to issue procurement cards provided by
116 the Department of Finance and Administration under the provisions
117 of Section 31-7-9(1)(c) for the use of teachers and necessary
118 support personnel in making instructional supply fund expenditures
119 under this section, consistent with the regulations of the
120 Mississippi Department of Finance and Administration pursuant to
121 Section 31-7-9. Such procurement cards shall be issued at the
122 beginning of the school year and shall be issued in equal amounts
123 per teacher determined by the total number of qualifying personnel
124 and the current state appropriation for classroom supplies with
125 the Education Enhancement Fund. Such cards will expire on a
126 pre-determined date at the end of each school year. All
127 unexpended amounts will be carried forward, combined with the
128 following year's allocation of Education Enhancement Fund
129 instructional supplies funds and reallocated for the following
130 year;

131 (b) Twenty-two and nine one-hundredths percent (22.09%)
132 to the Board of Trustees of State Institutions of Higher Learning
133 for the purpose of supporting institutions of higher learning; and

134 (c) Fourteen and forty-one one-hundredths percent
135 (14.41%) to the Mississippi Community College Board for the
136 purpose of providing support to community and junior colleges.

137 (4) The amount remaining in the Education Enhancement Fund
138 after funds are distributed as provided in subsections (2) and (3)
139 of this section shall be * * * appropriated for other educational
140 needs.

141 (5) None of the funds appropriated pursuant to subsection
142 (3) (a) of this section shall be used to reduce the state's General
143 Fund appropriation for the categories listed in an amount below
144 the following amounts:

145 (a) For subsection (3) (a) (ii) of this section,
146 Thirty-six Million Seven Hundred Thousand Dollars
147 (\$36,700,000.00);

148 (b) For the aggregate of minimum program allotments in
149 the 1997 fiscal year, formerly provided for in Chapter 19, Title
150 37, Mississippi Code of 1972, as amended, excluding those funds
151 for transportation as provided for in paragraph (a) of this
152 subsection.

153 (6) Any funds appropriated from the Education Enhancement
154 Fund that are unexpended at the end of a fiscal year shall lapse
155 into the Education Enhancement Fund, except as otherwise provided
156 in subsection (3) (a) (iii) of this section.

157 **SECTION 2.** Section 41-113-11, Mississippi Code of 1972, is
158 amended as follows:

159 41-113-11. (1) There is established in the State Treasury a
160 special fund to be known as the Tobacco Control Program Fund,
161 which shall be comprised of the funds specified in subsection (2)

162 of this section and any other funds that are authorized or
163 required to be deposited into the special fund.

164 (2) From the tobacco settlement installment payments that
165 the State of Mississippi receives during each calendar year, the
166 sum of Twenty Million Dollars (\$20,000,000.00) shall be deposited
167 into the special fund.

168 (3) Monies in the fund shall be expended solely for the
169 purposes specified in this chapter. None of the funds in the
170 special fund may be transferred to any other fund or appropriated
171 or expended for any other purpose.

172 (4) All income from the investment of the funds in the
173 Tobacco Control Program Fund shall be credited to the account of
174 the Tobacco Control Program Fund. Any funds in the Tobacco Control
175 Program Fund at the end of a fiscal year shall not lapse into the
176 State General Fund. Any funds appropriated from the Tobacco
177 Control Program Fund that are unexpended at the end of a fiscal
178 year shall lapse into the * * * Health Care Expendable Fund.

179 **SECTION 3.** Section 27-103-125, Mississippi Code of 1972, is
180 brought forward as follows:

181 27-103-125. The proposed budget of each state agency shall
182 show the amounts required for operating expenses separately from
183 the amounts required for permanent improvements. The overall
184 budget shall show, separately by each source, the estimated amount
185 of general fund revenue and of special fund revenues of general
186 fund agencies. The total proposed expenditures in Part 1 of the
187 overall budget shall not exceed the amount of estimated revenues

188 that will be available in the general and special funds for
189 appropriation or use during the succeeding fiscal year, including
190 any balances other than unencumbered balances in general funds
191 that will be on hand in the general and special funds at the close
192 of the then current fiscal year. The total proposed expenditures
193 from the State General Fund in Part 1 of the overall budget shall
194 not exceed ninety-eight percent (98%) of the amount of general
195 fund revenue estimate for the succeeding fiscal year. However,
196 for fiscal years 2010, 2011, 2012, 2016 and 2017 only, the total
197 proposed expenditures from the State General Fund in Part 1 of the
198 overall budget shall not exceed one hundred percent (100%) of the
199 amount of the general fund revenue estimate for the succeeding
200 fiscal year, and for fiscal year 2018, the total proposed
201 expenditures from the State General Fund in Part 1 of the overall
202 budget shall not exceed ninety-nine percent (99%) of the amount of
203 general fund revenue estimate for the succeeding fiscal year. The
204 general fund revenue estimate shall be the estimate jointly
205 adopted by the Governor and the Joint Legislative Budget
206 Committee. The Legislative Budget Office may recommend additional
207 taxes or sources of revenue if in its judgment those additional
208 funds are necessary to adequately support the functions of the
209 state government.

210 **SECTION 4.** Section 27-103-139, Mississippi Code of 1972, is
211 brought forward as follows:

212 27-103-139. On or before November 15 preceding each regular
213 session of the Legislature, except the first regular session of a

214 new term of office, the Governor shall submit to the members of
215 the Legislature, the Legislative Budget Office or the
216 members-elect, as the case may be, and to the executive head of
217 each state agency a balanced budget for the succeeding fiscal
218 year. The budget submitted shall be prepared in a format that
219 will include performance measurement data associated with the
220 various programs operated by each agency. The total proposed
221 expenditures in the balanced budget shall not exceed the amount of
222 estimated revenues that will be available for appropriation or use
223 during the succeeding fiscal year, including any balances other
224 than unencumbered balances in general funds that will be on hand
225 at the close of the then current fiscal year, as determined by the
226 revenue estimate jointly adopted by the Governor and the
227 Legislative Budget Committee. The total proposed expenditures
228 from the State General Fund in the balanced budget shall not
229 exceed ninety-eight percent (98%) of the amount of general fund
230 revenue estimate for the succeeding fiscal year. However, for
231 fiscal years 2010, 2011, 2012, 2016 and 2017 only, the total
232 proposed expenditures from the State General Fund in the balanced
233 budget shall not exceed one hundred percent (100%) of the amount
234 of the general fund revenue estimate for the succeeding fiscal
235 year, and for fiscal year 2018, the total proposed expenditures
236 from the State General Fund in the balanced budget shall not
237 exceed ninety-nine percent (99%) of the amount of general fund
238 revenue estimate for the succeeding fiscal year. The general fund

239 revenue estimate shall be the estimate jointly adopted by the
240 Governor and the Joint Legislative Budget Committee.

241 The revenues used in preparing the balanced budget shall be
242 only those revenues that will be available under the general laws
243 of the state as they exist when the balanced budget is prepared,
244 and shall not include any proposed revenues that would become
245 available only after the enactment of new legislation. If the
246 Governor has any recommendations for additional proposed
247 expenditures or proposed revenues that are not included in his
248 balanced budget, he shall submit those recommendations in a
249 supplement that is separate from his balanced budget, and whenever
250 the Governor recommends any such additional proposed expenditures,
251 he also shall recommend proposed revenues that are sufficient to
252 fund the additional proposed expenditures, providing specific
253 details regarding the sources and the total amount of those
254 proposed revenues.

255 The Governor may employ a budget officer for the purpose of
256 receiving information from the State Fiscal Officer and preparing
257 his recommendations on the budget. If the Governor determines
258 that information received from the State Fiscal Officer is not
259 sufficient to enable him to prepare his budget recommendations, he
260 may request an appropriation from the Legislature to provide
261 additional staff within the Governor's office for that purpose.
262 At the first regular session after his election for Governor, the
263 Governor shall submit any budget recommendations plus the required

264 revenue source recommendations no later than January 31 of that
265 year.

266 **SECTION 5.** Section 27-103-203, Mississippi Code of 1972, is
267 brought forward as follows:

268 27-103-203. (1) There is created in the State Treasury a
269 special fund, separate and apart from any other fund, to be
270 designated the Working Cash-Stabilization Reserve Fund.

271 (2) The Working Cash-Stabilization Reserve Fund shall not be
272 considered as a surplus or available funds when adopting a
273 balanced budget as required by law. The State Treasurer shall
274 invest all sums in the Working Cash-Stabilization Reserve Fund not
275 needed for the purposes provided for in this section in
276 certificates of deposit, repurchase agreements and other
277 securities as authorized in Section 27-105-33(d) or Section
278 7-9-103, as the State Treasurer may determine to yield the highest
279 market rate available. If the Ayers Settlement Fund is created
280 under Section 37-101-27(5), the first Five Million Dollars
281 (\$5,000,000.00) of interest earned on those sums each fiscal year
282 shall be deposited into that fund until a total of Seventy Million
283 Dollars (\$70,000,000.00) has been deposited into the fund. The
284 interest, or the remaining interest if the Ayers Settlement Fund
285 is created, that is earned on those sums shall be deposited in the
286 Working Cash-Stabilization Reserve Fund until the balance of
287 principal and interest in the fund reaches ten percent (10%) of
288 the total General Fund appropriations for the current fiscal year,
289 and all interest earned in excess of amounts necessary to maintain

290 the ten percent (10%) fund balance requirement shall be deposited
291 by the State Treasurer into the State General Fund.

292 (3) The Working Cash-Stabilization Reserve Fund, except for
293 Fifteen Million Dollars (\$15,000,000.00) and the amount of the
294 interest and income earned on the principal of the Ayers Endowment
295 Trust created by Section 37-101-27, shall be used by the State
296 Treasurer for cash flow needs throughout the year when the
297 Executive Director of the Department of Finance and Administration
298 certifies that in his opinion there will be cash flow deficiencies
299 in the State General Fund. No borrowing of monies from other
300 special funds for such purposes as authorized by Section 31-17-101
301 et seq., shall be made as long as an unencumbered balance in
302 excess of Fifteen Million Dollars (\$15,000,000.00) and the
303 interest and income earned on the principal of the Ayers Endowment
304 Trust created by Section 37-101-27 remains in the fund. The State
305 Treasurer shall reimburse the fund for all sums borrowed for those
306 purposes from General Fund revenues collected during the fiscal
307 year in which those funds are used. The State Treasurer shall
308 immediately notify the Legislative Budget Office and the State
309 Department of Finance and Administration of each transfer into and
310 out of the fund. Fifteen Million Dollars (\$15,000,000.00) in the
311 Working Cash-Stabilization Reserve Fund shall remain available for
312 exclusive use of the Ayers Endowment Trust created by Section
313 37-101-27. If the Ayers Settlement Fund is created under Section
314 37-101-27(5), beginning when a total of Fifty-five Million Dollars
315 (\$55,000,000.00) has been deposited into the fund, for each annual

316 deposit of interest to that fund under subsection (2) of this
317 section, the Ayers Endowment Trust created under Section
318 37-101-27(1) shall be reduced by an equal amount annually until
319 the Ayers Endowment Trust reaches Zero Dollars (\$0.00), at which
320 time any requirements concerning the Ayers Endowment Trust in this
321 section shall be null and void.

322 (4) The Working Cash-Stabilization Reserve Fund, except for
323 Forty Million Dollars (\$40,000,000.00), shall also be used for the
324 purpose of covering any projected deficits that may occur in the
325 General Fund at the end of a fiscal year as a result of revenue
326 shortfalls. If the Governor determines that a deficit in revenues
327 from all sources may occur, it shall be the duty of the Executive
328 Director of the Department of Finance and Administration to
329 transfer such funds as necessary to the General Fund to alleviate
330 the deficit in accordance with Sections 27-104-13 and 31-17-123;
331 however, not more than Fifty Million Dollars (\$50,000,000.00) may
332 be transferred from the fund for that purpose in any one (1)
333 fiscal year with the exception of fiscal year 2016. However, for
334 fiscal year 2017, not more than One Hundred Million Dollars
335 (\$100,000,000.00) may be transferred from the fund for that
336 purpose.

337 (5) The Working Cash-Stabilization Reserve Fund also shall
338 be used to provide funds for the Disaster Assistance Trust Fund
339 when those funds are immediately needed to provide for disaster
340 assistance under Sections 33-15-301 through 33-15-317. Any
341 transfer of funds from the Working Cash-Stabilization Reserve Fund

342 to the Disaster Assistance Trust Fund shall be made in accordance
343 with the provisions of subsection (5) of Section 33-15-307.

344 (6) The Department of Finance and Administration shall
345 immediately send notice of any transfers made, or other action
346 taken under authority of this section, to the Legislative Budget
347 Office.

348 (7) Funds deposited in the Working Cash-Stabilization
349 Reserve Fund shall be used only for the purposes specified in this
350 section, and as long as the provisions of this section remain in
351 effect, no other expenditure, appropriation or transfer of funds
352 in the Working Cash-Stabilization Reserve Fund shall be made
353 except by act of the Legislature making specific reference to the
354 Working Cash-Stabilization Reserve Fund as the source of those
355 funds.

356 (8) Any funds appropriated from the Working
357 Cash-Stabilization Reserve Fund that are unexpended at the end of
358 a fiscal year shall lapse into the Working Cash-Stabilization
359 Reserve Fund.

360 **SECTION 6.** Section 27-103-211, Mississippi Code of 1972, is
361 brought forward as follows:

362 27-103-211. The total sum appropriated by the Legislature
363 from the State General Fund for any fiscal year shall not exceed
364 ninety-eight percent (98%) of the general fund revenue estimate
365 for that fiscal year developed by the Department of Revenue and
366 the University Research Center and adopted by the Joint
367 Legislative Budget Committee. The unencumbered balances in

368 general funds that will be available and on hand at the close of
369 the fiscal year shall not include projected amounts required to be
370 deposited into the Working Cash-Stabilization Reserve Fund under
371 Section 27-103-203. However, for fiscal years 2010, 2011, 2012,
372 2015, 2016 and 2017 only, the total sum appropriated by the
373 Legislature from the State General Fund shall not exceed one
374 hundred percent (100%) of the amount of the general fund revenue
375 estimate for that fiscal year, and for fiscal year 2018, the total
376 sum appropriated by the Legislature from the State General Fund
377 shall not exceed ninety-nine percent (99%) of the amount of the
378 general fund revenue estimate adopted by the Joint Legislative
379 Budget Committee for that fiscal year.

380 **SECTION 7.** Section 27-103-213, Mississippi Code of 1972, is
381 brought forward as follows:

382 27-103-213. (1) The unencumbered cash balance in the
383 General Fund in the State Treasury at the close of each fiscal
384 year shall be distributed to the Municipal Revolving Fund, the
385 Working Cash-Stabilization Reserve Fund and the Capital Expense
386 Fund in the manner provided in this section, except for fiscal
387 year 2014 in which the unencumbered cash balance at the close of
388 fiscal year 2014 shall be distributed as provided in subsection
389 (4) of this section, and fiscal year 2016 in which the
390 unencumbered cash balance at the close of fiscal year 2016 shall
391 be distributed as provided in subsection (5) of this section.

392 (2) (a) At the end of each fiscal year, the Executive
393 Director of the Department of Finance and Administration and the

394 State Treasurer shall determine the extent of the unencumbered
395 cash balance existing in the General Fund in the State Treasury.

396 (b) As used in this section, the term "unencumbered cash
397 balance" or "unencumbered General Fund cash balance" means the
398 amount in the State General Fund after deducting all
399 appropriations and other expenditures. However, if the
400 Legislature has authorized additional or deficit appropriations or
401 transfers from the State General Fund for that fiscal year, those
402 amounts shall be subtracted from the unencumbered cash balance in
403 the General Fund before determining the amount available for
404 distribution. The unencumbered General Fund cash balance shall
405 not be determined until after August 31 of each year, and it shall
406 not be made until the State Treasurer has received a certificate
407 in writing from the Executive Director of the Department of
408 Finance and Administration, with notification to the Legislative
409 Budget Office, showing the amount of the unencumbered General Fund
410 cash balance.

411 (3) If any unencumbered General Fund cash balance is
412 available for distribution under this section, the distribution of
413 those funds shall be made by the Executive Director of the
414 Department of Finance and Administration in the following order:

415 (a) To the Municipal Revolving Fund, an amount equal to
416 Seven Hundred Fifty Thousand Dollars (\$750,000.00); however, if
417 the amount of the unencumbered General Fund cash balance is less
418 than Seven Hundred Fifty Thousand Dollars (\$750,000.00), then the

419 total amount of the unencumbered General Fund cash balance shall
420 be distributed to the Municipal Revolving Fund.

421 (b) To the Working Cash-Stabilization Reserve Fund,
422 fifty percent (50%) of the amount of the unencumbered General Fund
423 cash balance after the distributions are made under paragraph (a),
424 not to exceed ten percent (10%) of the General Fund appropriations
425 for the fiscal year that the unencumbered General Fund cash
426 balance represents. For the purposes of this paragraph (b), the
427 appropriations for the fiscal year shall be the total amount
428 contained in the actual appropriation bills passed by the
429 Legislature.

430 (c) To the Capital Expense Fund, any remaining amount
431 of the unencumbered General Fund cash balance after the
432 distributions are made under paragraphs (a) and (b).

433 (4) For fiscal year 2014, if any unencumbered General Fund
434 cash balance is available for distribution under this section at
435 the close of the fiscal year, the distribution of those funds
436 shall be made by the Executive Director of the Department of
437 Finance and Administration in the following order:

438 (a) To the Municipal Revolving Fund, an amount equal to
439 Seven Hundred Fifty Thousand Dollars (\$750,000.00); however, if
440 the amount of the unencumbered General Fund cash balance is less
441 than Seven Hundred Fifty Thousand Dollars (\$750,000.00), then the
442 total amount of the unencumbered General Fund cash balance shall
443 be distributed to the Municipal Revolving Fund.

444 (b) To the Working Cash-Stabilization Reserve Fund, the
445 amount of the unencumbered General Fund cash balance not
446 distributed under paragraph (a) until such time as the balance in
447 the fund reaches Forty Million Dollars (\$40,000,000.00).

448 (c) To the Working Cash-Stabilization Reserve Fund, Two
449 Hundred Eighty-six Million Nine Hundred Fifty-nine Thousand Seven
450 Hundred Ninety-eight Dollars (\$286,959,798.00) of the amount of
451 the unencumbered General Fund cash balance after the distributions
452 are made under paragraphs (a) and (b); however, if the amount of
453 the unencumbered General Fund cash balance is less than Two
454 Hundred Eighty-six Million Nine Hundred Fifty-nine Thousand Seven
455 Hundred Ninety-eight Dollars (\$286,959,798.00), then the total
456 amount of the unencumbered General Fund cash balance after the
457 distributions are made under paragraphs (a) and (b) shall be
458 distributed to the Working Cash-Stabilization Reserve Fund. For
459 the purposes of this paragraph (c), the appropriations for the
460 fiscal year shall be the total amount contained in the actual
461 appropriation bills passed by the Legislature.

462 (d) To the Capital Expense Fund, any remaining amount
463 of the unencumbered General Fund cash balance after the
464 distributions are made under paragraphs (a), (b) and (c).

465 (5) For fiscal year 2016, if any unencumbered General Fund
466 cash balance is available for distribution under this section at
467 the close of the fiscal year, the distribution of those funds
468 shall be made by the Executive Director of the Department of
469 Finance and Administration in the following order:

470 (a) To the Municipal Revolving Fund, an amount equal to
471 Seven Hundred Fifty Thousand Dollars (\$750,000.00); however, if
472 the amount of the unencumbered General Fund cash balance is less
473 than Seven Hundred Fifty Thousand Dollars (\$750,000.00), then the
474 total amount of the unencumbered General Fund cash balance shall
475 be distributed to the Municipal Revolving Fund.

476 (b) To the Capital Expense Fund, any remaining amount
477 of the unencumbered General Fund cash balance after the
478 distributions are made under paragraph (a).

479 **SECTION 8.** Section 27-103-303, Mississippi Code of 1972, is
480 brought forward as follows:

481 27-103-303. (1) There is created in the State Treasury a
482 special fund, separate and apart from any other fund, to be
483 designated the Capital Expense Fund.

484 (2) The Capital Expense Fund shall not be considered as a
485 surplus or available funds when adopting a balanced budget as
486 required by law. The State Treasurer shall invest all sums in the
487 Capital Expense Fund not needed for the purposes provided for in
488 this section in certificates of deposit, repurchase agreements and
489 other securities as authorized in Section 27-105-33(d) or Section
490 7-9-103, as the State Treasurer may determine to yield the highest
491 market rate available. Interest earned on this fund shall be
492 deposited by the State Treasurer into the State General Fund.

493 (3) The Capital Expense Fund shall be used for capital
494 expense needs, repair and renovation of state-owned properties and
495 specific expenditures authorized by the Legislature. The

496 Legislature shall designate those capital expense projects, repair
497 and renovation projects and other authorized projects in an
498 appropriation act passed by the Legislature, which shall direct
499 the Director of the Department of Finance and Administration to
500 administer the projects.

501 (4) In addition to the purposes specified in subsection (3)
502 of this section, the Capital Expense Fund shall be used to provide
503 funds for emergency repairs on state-owned buildings and, until
504 July 1, 2021, for the emergency plugging of orphaned wells
505 identified by the Oil and Gas Board, upon requisition of the
506 Director of the Department of Finance and Administration.

507 Whenever the director determines that funds are immediately needed
508 for emergency repairs on state-owned buildings or the Oil and Gas
509 Board, through the State Oil and Gas Supervisor, has requested
510 funds for the emergency plugging of orphaned wells identified by
511 the board, he shall requisition the funds needed from the Capital
512 Expense Fund, which shall be subject to the limitations set forth
513 in this subsection. At the same time he makes the requisition,
514 the director shall notify the Lieutenant Governor, the Speaker of
515 the House of Representatives, the respective Chairmen of the
516 Senate Appropriations Committee, the Senate Finance Committee, the
517 House Appropriations Committee and the House Ways and Means
518 Committee and the Legislative Budget Office of his determination
519 of the need for the funds, the amount that he has requisitioned
520 and where the funds will be used. If the amount requisitioned is
521 available in the Capital Expense Fund, is not allocated for any

522 specific projects as authorized in subsection (3) of this section
523 and is within the limitations set forth below in this subsection,
524 then the director may escalate the budget of the Bureau of
525 Building, Grounds and Real Property Management or the Oil and Gas
526 Board to use the full amount of the requisitioned funds for the
527 emergency repairs or plugging of orphaned wells, and transfer that
528 amount to the bureau or board for that purpose. If the amount
529 requisitioned is more than the amount available in the Capital
530 Expense Fund or above the limitations set forth below in this
531 subsection, then the director may escalate the budget of the
532 bureau or board to use the amount that is available within the
533 limitations for the emergency repairs or plugging of orphaned
534 wells, and transfer that amount to the bureau or board for that
535 purpose. The maximum amount that may be transferred from the
536 Capital Expense Fund to the bureau or board for any single
537 emergency shall be One Million Dollars (\$1,000,000.00), and the
538 maximum amount that may be transferred to the bureau or board for
539 all emergencies during any fiscal year shall be Five Million
540 Dollars (\$5,000,000.00).

541 (5) Funds deposited in the Capital Expense Fund shall be
542 used only for the purposes specified in this section, and as long
543 as the provisions of this section remain in effect, no other
544 expenditure, appropriation or transfer of funds in the Capital
545 Expense Fund shall be made except by act of the Legislature making
546 specific reference to the Capital Expense Fund as the source of
547 those funds.

548 (6) Unexpended funds in the Capital Expense Fund at the end
549 of a fiscal year shall not lapse into the State General Fund but
550 shall remain in the fund for use under this section. Any funds
551 appropriated from the Capital Expense Fund that are unexpended at
552 the end of a fiscal year shall lapse into the Capital Expense
553 Fund.

554 **SECTION 9.** During fiscal year 2020 and 2021, the State
555 Fiscal Officer shall transfer to the Capital Expense Fund out of
556 the following enumerated funds, the amounts listed below from each
557 fund:

558 FUND	FUND NUMBER	AMOUNT
559 General Fund	2999000000	\$1.00
560 Budget Contingency Fund	6117700000	<u>\$1.00</u>
561 TOTAL		\$2.00

562 **SECTION 10.** This act shall take effect and be in force from
563 and after July 1, 2020, and shall stand repealed from and after
564 June 30, 2020.

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

1 AN ACT RELATING TO THE STATE BUDGET AND TRANSFERS OF FUNDS;
2 TO AMEND SECTION 37-61-33, MISSISSIPPI CODE OF 1972, TO DELETE THE
3 REQUIREMENT TO DEPOSIT INTO THE WORKING CASH-STABILIZATION RESERVE
4 FUND A CERTAIN SUM FROM THE MONEY REMAINING IN THE EDUCATION
5 ENHANCEMENT FUND AFTER FUNDS ARE DISTRIBUTED FOR EDUCATIONAL
6 PURPOSES; TO AMEND SECTION 41-113-11, MISSISSIPPI CODE OF 1972, TO
7 PROVIDE THAT ANY FUNDS APPROPRIATED FROM THE TOBACCO CONTROL
8 PROGRAM FUND THAT ARE UNEXPENDED AT THE END OF THE FISCAL YEAR
9 SHALL LAPSE INTO THE HEALTH CARE EXPENDABLE FUND; TO BRING FORWARD
10 SECTIONS 27-103-125, 27-103-139, 27-103-203, 27-103-211,
11 27-103-213 AND 27-103-303, MISSISSIPPI CODE OF 1972, RELATING TO
12 THE STATE GENERAL FUND AND OTHER FUNDS; TO PROVIDE FOR CERTAIN

13 TRANSFERS IN FISCAL YEAR 2020 AND FISCAL YEAR 2021; AND FOR
14 RELATED PURPOSES.

SS08\HB127A.1J

Eugene S. Clarke
Secretary of the Senate