

## House Amendments to Senate Bill No. 2725

TO THE SECRETARY OF THE SENATE:

THIS IS TO INFORM YOU THAT THE HOUSE 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:

29           **SECTION 1.** Section 27-103-125, Mississippi Code of 1972, is  
30 amended as follows:  
31           27-103-125. The proposed budget of each state agency shall  
32 show the amounts required for operating expenses separately from  
33 the amounts required for permanent improvements. The overall  
34 budget shall show, separately by each source, the estimated amount  
35 of general fund revenue and of special fund revenues of general  
36 fund agencies. The total proposed expenditures in Part 1 of the  
37 overall budget shall not exceed the amount of estimated revenues  
38 that will be available in the general and special funds for  
39 appropriation or use during the succeeding fiscal year, including  
40 any balances other than unencumbered balances in general funds  
41 that will be on hand in the general and special funds at the close  
42 of the then current fiscal year. The total proposed expenditures  
43 from the State General Fund in Part 1 of the overall budget shall  
44 not exceed ninety-eight percent (98%) of the amount of general  
45 fund revenue estimate for the succeeding fiscal year. \* \* \* The

46 general fund revenue estimate shall be the estimate jointly  
47 adopted by the Governor and the Joint Legislative Budget  
48 Committee. The Legislative Budget Office may recommend additional  
49 taxes or sources of revenue if in its judgment those additional  
50 funds are necessary to adequately support the functions of the  
51 state government.

52 **SECTION 2.** Section 27-103-139, Mississippi Code of 1972, is  
53 amended as follows:

54 27-103-139. On or before November 15 preceding each regular  
55 session of the Legislature, except the first regular session of a  
56 new term of office, the Governor shall submit to the members of  
57 the Legislature, the Legislative Budget Office or the  
58 members-elect, as the case may be, and to the executive head of  
59 each state agency a balanced budget for the succeeding fiscal  
60 year. The budget submitted shall be prepared in a format that  
61 will include performance measurement data associated with the  
62 various programs operated by each agency. The total proposed  
63 expenditures in the balanced budget shall not exceed the amount of  
64 estimated revenues that will be available for appropriation or use  
65 during the succeeding fiscal year, including any balances other  
66 than unencumbered balances in general funds that will be on hand  
67 at the close of the then current fiscal year, as determined by the  
68 revenue estimate jointly adopted by the Governor and the  
69 Legislative Budget Committee. The total proposed expenditures  
70 from the State General Fund in the balanced budget shall not  
71 exceed ninety-eight percent (98%) of the amount of general fund

72 revenue estimate for the succeeding fiscal year. \* \* \* The  
73 general fund revenue estimate shall be the estimate jointly  
74 adopted by the Governor and the Joint Legislative Budget  
75 Committee.

76 The revenues used in preparing the balanced budget shall be  
77 only those revenues that will be available under the general laws  
78 of the state as they exist when the balanced budget is prepared,  
79 and shall not include any proposed revenues that would become  
80 available only after the enactment of new legislation. If the  
81 Governor has any recommendations for additional proposed  
82 expenditures or proposed revenues that are not included in his  
83 balanced budget, he shall submit those recommendations in a  
84 supplement that is separate from his balanced budget, and whenever  
85 the Governor recommends any such additional proposed expenditures,  
86 he also shall recommend proposed revenues that are sufficient to  
87 fund the additional proposed expenditures, providing specific  
88 details regarding the sources and the total amount of those  
89 proposed revenues.

90 The Governor may employ a budget officer for the purpose of  
91 receiving information from the State Fiscal Officer and preparing  
92 his recommendations on the budget. If the Governor determines  
93 that information received from the State Fiscal Officer is not  
94 sufficient to enable him to prepare his budget recommendations, he  
95 may request an appropriation from the Legislature to provide  
96 additional staff within the Governor's office for that purpose.  
97 At the first regular session after his election for Governor, the

98 Governor shall submit any budget recommendations plus the required  
99 revenue source recommendations no later than January 31 of that  
100 year.

101 **SECTION 3.** Section 27-103-203, Mississippi Code of 1972, is  
102 amended as follows:

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

106 (2) The Working Cash-Stabilization Reserve Fund shall not be  
107 considered as a surplus or available funds when adopting a  
108 balanced budget as required by law. The State Treasurer shall  
109 invest all sums in the Working Cash-Stabilization Reserve Fund not  
110 needed for the purposes provided for in this section in  
111 certificates of deposit, repurchase agreements and other  
112 securities as authorized in Section 27-105-33(d) or Section  
113 7-9-103, as the State Treasurer may determine to yield the highest  
114 market rate available. If the Ayers Settlement Fund is created  
115 under Section 37-101-27(5), the first Five Million Dollars  
116 (\$5,000,000.00) of interest earned on those sums each fiscal year  
117 shall be deposited into that fund until a total of Seventy Million  
118 Dollars (\$70,000,000.00) has been deposited into the fund. The  
119 interest, or the remaining interest if the Ayers Settlement Fund  
120 is created, that is earned on those sums shall be deposited in the  
121 Working Cash-Stabilization Reserve Fund until the balance of  
122 principal and interest in the fund reaches ten percent (10%) of  
123 the total General Fund appropriations for the current fiscal year,

124 and all interest earned in excess of amounts necessary to maintain  
125 the ten percent (10%) fund balance requirement shall be deposited  
126 by the State Treasurer into the State General Fund.

127 (3) The Working Cash-Stabilization Reserve Fund, except for  
128 Fifteen Million Dollars (\$15,000,000.00) and the amount of the  
129 interest and income earned on the principal of the Ayers Endowment  
130 Trust created by Section 37-101-27, shall be used by the State  
131 Treasurer for cash flow needs throughout the year when the  
132 Executive Director of the Department of Finance and Administration  
133 certifies that in his opinion there will be cash flow deficiencies  
134 in the State General Fund. No borrowing of monies from other  
135 special funds for such purposes as authorized by Section 31-17-101  
136 et seq., shall be made as long as an unencumbered balance in  
137 excess of Fifteen Million Dollars (\$15,000,000.00) and the  
138 interest and income earned on the principal of the Ayers Endowment  
139 Trust created by Section 37-101-27 remains in the fund. The State  
140 Treasurer shall reimburse the fund for all sums borrowed for those  
141 purposes from General Fund revenues collected during the fiscal  
142 year in which those funds are used. The State Treasurer shall  
143 immediately notify the Legislative Budget Office and the State  
144 Department of Finance and Administration of each transfer into and  
145 out of the fund. Fifteen Million Dollars (\$15,000,000.00) in the  
146 Working Cash-Stabilization Reserve Fund shall remain available for  
147 exclusive use of the Ayers Endowment Trust created by Section  
148 37-101-27. If the Ayers Settlement Fund is created under Section  
149 37-101-27(5), beginning when a total of Fifty-five Million Dollars

150 (\$55,000,000.00) has been deposited into the fund, for each annual  
151 deposit of interest to that fund under subsection (2) of this  
152 section, the Ayers Endowment Trust created under Section  
153 37-101-27(1) shall be reduced by an equal amount annually until  
154 the Ayers Endowment Trust reaches Zero Dollars (\$0.00), at which  
155 time any requirements concerning the Ayers Endowment Trust in this  
156 section shall be null and void.

157 (4) The Working Cash-Stabilization Reserve Fund, except for  
158 Forty Million Dollars (\$40,000,000.00), shall also be used for the  
159 purpose of covering any projected deficits that may occur in the  
160 General Fund at the end of a fiscal year as a result of revenue  
161 shortfalls. If the Governor determines that a deficit in revenues  
162 from all sources may occur, it shall be the duty of the Executive  
163 Director of the Department of Finance and Administration to  
164 transfer such funds as necessary to the General Fund to alleviate  
165 the deficit in accordance with Sections 27-104-13 and 31-17-123;  
166 however, not more than Fifty Million Dollars (\$50,000,000.00) may  
167 be transferred from the fund for that purpose in any one (1)  
168 fiscal year \* \* \*.

169 (5) The Working Cash-Stabilization Reserve Fund also shall  
170 be used to provide funds for the Disaster Assistance Trust Fund  
171 when those funds are immediately needed to provide for disaster  
172 assistance under Sections 33-15-301 through 33-15-317. Any  
173 transfer of funds from the Working Cash-Stabilization Reserve Fund  
174 to the Disaster Assistance Trust Fund shall be made in accordance  
175 with the provisions of subsection (5) of Section 33-15-307.

176 (6) The Department of Finance and Administration shall  
177 immediately send notice of any transfers made, or other action  
178 taken under authority of this section, to the Legislative Budget  
179 Office.

180 (7) Funds deposited in the Working Cash-Stabilization  
181 Reserve Fund shall be used only for the purposes specified in this  
182 section, and as long as the provisions of this section remain in  
183 effect, no other expenditure, appropriation or transfer of funds  
184 in the Working Cash-Stabilization Reserve Fund shall be made  
185 except by act of the Legislature making specific reference to the  
186 Working Cash-Stabilization Reserve Fund as the source of those  
187 funds.

188 (8) Any funds appropriated from the Working  
189 Cash-Stabilization Reserve Fund that are unexpended at the end of  
190 a fiscal year shall lapse into the Working Cash-Stabilization  
191 Reserve Fund.

192 **SECTION 4.** Section 27-103-211, Mississippi Code of 1972, is  
193 amended as follows:

194 27-103-211. The total sum appropriated by the Legislature  
195 from the State General Fund for any fiscal year shall not exceed  
196 ninety-eight percent (98%) of the general fund revenue estimate  
197 for that fiscal year developed by the Department of Revenue and  
198 the University Research Center and adopted by the Joint  
199 Legislative Budget Committee. The unencumbered balances in  
200 general funds that will be available and on hand at the close of  
201 the fiscal year shall not include projected amounts required to be

202 deposited into the Working Cash-Stabilization Reserve Fund under  
203 Section 27-103-203. \* \* \*

204 **SECTION 5.** Section 27-103-213, Mississippi Code of 1972, is  
205 amended as follows:

206 27-103-213. (1) The unencumbered cash balance in the  
207 General Fund in the State Treasury at the close of each fiscal  
208 year shall be distributed to the Municipal Revolving Fund, the  
209 Working Cash-Stabilization Reserve Fund and the Capital Expense  
210 Fund in the manner provided in this section \* \* \*.

211 (2) (a) At the end of each fiscal year, the Executive  
212 Director of the Department of Finance and Administration and the  
213 State Treasurer shall determine the extent of the unencumbered  
214 cash balance existing in the General Fund in the State Treasury.

215 (b) As used in this section, the term "unencumbered  
216 cash balance" or "unencumbered General Fund cash balance" means  
217 the amount in the State General Fund after deducting all  
218 appropriations and other expenditures. However, if the  
219 Legislature has authorized additional or deficit appropriations or  
220 transfers from the State General Fund for that fiscal year, those  
221 amounts shall be subtracted from the unencumbered cash balance in  
222 the General Fund before determining the amount available for  
223 distribution. The unencumbered General Fund cash balance shall  
224 not be determined until after August 31 of each year, and it shall  
225 not be made until the State Treasurer has received a certificate  
226 in writing from the Executive Director of the Department of  
227 Finance and Administration, with notification to the Legislative

228 Budget Office, showing the amount of the unencumbered General Fund  
229 cash balance.

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

234 (a) To the Municipal Revolving Fund, an amount equal to  
235 Seven Hundred Fifty Thousand Dollars (\$750,000.00); however, if  
236 the amount of the unencumbered General Fund cash balance is less  
237 than Seven Hundred Fifty Thousand Dollars (\$750,000.00), then the  
238 total amount of the unencumbered General Fund cash balance shall  
239 be distributed to the Municipal Revolving Fund.

240 (b) To the Working Cash-Stabilization Reserve Fund,  
241 fifty percent (50%) of the amount of the unencumbered General Fund  
242 cash balance after the distributions are made under paragraph (a),  
243 not to exceed ten percent (10%) of the General Fund appropriations  
244 for the fiscal year that the unencumbered General Fund cash  
245 balance represents. For the purposes of this paragraph (b), the  
246 appropriations for the fiscal year shall be the total amount  
247 contained in the actual appropriation bills passed by the  
248 Legislature.

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

252 \* \* \*

253           **SECTION 6.** Section 27-103-303, Mississippi Code of 1972, is  
254 amended as follows:

255           27-103-303. (1) There is created in the State Treasury a  
256 special fund, separate and apart from any other fund, to be  
257 designated the Capital Expense Fund.

258           (2) The Capital Expense Fund shall not be considered as a  
259 surplus or available funds when adopting a balanced budget as  
260 required by law. The State Treasurer shall invest all sums in the  
261 Capital Expense Fund not needed for the purposes provided for in  
262 this section in certificates of deposit, repurchase agreements and  
263 other securities as authorized in Section 27-105-33(d) or Section  
264 7-9-103, as the State Treasurer may determine to yield the highest  
265 market rate available. Interest earned on this fund shall be  
266 deposited by the State Treasurer into the State General Fund.

267           (3) The Capital Expense Fund shall be used for capital  
268 expense needs, repair and renovation of state-owned properties and  
269 specific expenditures authorized by the Legislature. The  
270 Legislature shall designate those capital expense projects, repair  
271 and renovation projects and other authorized projects in an  
272 appropriation act passed by the Legislature, which shall direct  
273 the Director of the Department of Finance and Administration to  
274 administer the projects.

275           (4) In addition to the purposes specified in subsection (3)  
276 of this section, the Capital Expense Fund shall be used to provide  
277 funds for emergency repairs on state-owned buildings \* \* \* upon  
278 requisition of the Executive Director of the Department of Finance

279 and Administration. Whenever the executive director determines  
280 that funds are immediately needed for emergency repairs on  
281 state-owned buildings \* \* \*, he or she shall requisition the funds  
282 needed from the Capital Expense Fund, which shall be subject to  
283 the limitations set forth in this subsection. At the same time he  
284 or she makes the requisition, the executive director shall notify  
285 the Lieutenant Governor, the Speaker of the House of  
286 Representatives, the respective Chairmen of the Senate  
287 Appropriations Committee, the Senate Finance Committee, the House  
288 Appropriations Committee and the House Ways and Means Committee  
289 and the Legislative Budget Office of his or her determination of  
290 the need for the funds, the amount that he or she has  
291 requisitioned and where the funds will be used. If the amount  
292 requisitioned is available in the Capital Expense Fund, is not  
293 allocated for any specific projects as authorized in subsection  
294 (3) of this section and is within the limitations set forth below  
295 in this subsection, then the executive director may escalate the  
296 budget of the Bureau of Building, Grounds and Real Property  
297 Management \* \* \* to use the full amount of the requisitioned funds  
298 for the emergency repairs \* \* \* and transfer that amount to the  
299 bureau \* \* \* for that purpose. If the amount requisitioned is  
300 more than the amount available in the Capital Expense Fund or  
301 above the limitations set forth below in this subsection, then the  
302 executive director may escalate the budget of the bureau \* \* \* to  
303 use the amount that is available within the limitations for the  
304 emergency repairs \* \* \* and transfer that amount to the

305 bureau \* \* \* for that purpose. The maximum amount that may be  
306 transferred from the Capital Expense Fund to the bureau \* \* \* for  
307 any single emergency shall be One Million Dollars (\$1,000,000.00),  
308 and the maximum amount that may be transferred to the bureau \* \* \*  
309 for all emergencies during any fiscal year shall be Five Million  
310 Dollars (\$5,000,000.00).

311 (5) Funds deposited in the Capital Expense Fund shall be  
312 used only for the purposes specified in this section, and as long  
313 as the provisions of this section remain in effect, no other  
314 expenditure, appropriation or transfer of funds in the Capital  
315 Expense Fund shall be made except by act of the Legislature making  
316 specific reference to the Capital Expense Fund as the source of  
317 those funds.

318 (6) Unexpended funds in the Capital Expense Fund at the end  
319 of a fiscal year shall not lapse into the State General Fund but  
320 shall remain in the fund for use under this section. Any funds  
321 appropriated from the Capital Expense Fund that are unexpended at  
322 the end of a fiscal year shall lapse into the Capital Expense  
323 Fund.

324 **SECTION 7.** (1) There is created in the State Treasury a  
325 special fund to be known as the Ross Barnett Reservoir Dredging  
326 Fund. The fund shall consist of the monies deposited into the  
327 fund as provided in subsection (2) of this section and any other  
328 monies appropriated or otherwise made available for the fund by  
329 the Legislature. The fund shall be administered and expended by  
330 the Board of Directors of the Pearl River Valley Water Supply

331 District, upon appropriation by the Legislature, for dredging and  
332 other related activities to remove sediments and debris from the  
333 bottom of the Ross Barnett Reservoir.

334 (2) During fiscal year 2022 and each fiscal year thereafter,  
335 the Board of Directors of the Pearl River Valley Water Supply  
336 District shall deposit Two Hundred Thousand Dollars (\$200,000.00)  
337 of the lease payments, fees and other funds received by the  
338 district during the fiscal year into the Ross Barnett Dredging  
339 Fund.

340 (3) Unexpended amounts remaining in the Ross Barnett  
341 Dredging Fund at the end of a fiscal year shall not lapse into the  
342 State General Fund, and any interest earned or investment earnings  
343 on amounts in the fund shall be deposited to the credit of the  
344 fund.

345 **SECTION 8.** Not later than thirty (30) days after the  
346 effective date of this act, the State Fiscal Officer shall  
347 transfer the full balance in the Mississippi Development Authority  
348 Job Training Grant Fund into the Capital Expense Fund.

349 **SECTION 9.** Section 57-1-451, Mississippi Code of 1972, which  
350 creates the Mississippi Development Authority Job Training Grant  
351 Fund, is repealed thirty (30) days after the effective date of  
352 this act.

353 **SECTION 10.** During fiscal year 2021, the State Fiscal  
354 Officer shall transfer to the Capital Expense Fund out of the  
355 following enumerated funds, the amounts listed below from each  
356 fund:

357 FUND	FUND NUMBER	AMOUNT
358 General Fund	2999000000	\$1.00
359 Treasurer's Office -		
360 Abandoned Property	3317800000	<u>\$1.00</u>
361 TOTAL		\$2.00

362       **SECTION 11.** This act shall take effect and be in force from  
363 and after its passage.

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

1       AN ACT TO AMEND SECTIONS 27-103-125 AND 27-103-139,  
2 MISSISSIPPI CODE OF 1972, TO DELETE SOME TEMPORARY EXCEPTIONS FROM  
3 THE REQUIREMENTS FOR PREPARING THE PROPOSED STATE BUDGET; TO AMEND  
4 SECTION 27-103-203, MISSISSIPPI CODE OF 1972, TO DELETE SOME  
5 TEMPORARY LANGUAGE REGARDING TRANSFERS FROM THE WORKING  
6 CASH-STABILIZATION RESERVE FUND; TO AMEND SECTION 27-103-211,  
7 MISSISSIPPI CODE OF 1972, TO DELETE SOME TEMPORARY EXCEPTIONS TO  
8 THE LIMIT ON GENERAL FUND APPROPRIATIONS FOR THE STATE BUDGET; TO  
9 AMEND SECTION 27-103-213, MISSISSIPPI CODE OF 1972, TO DELETE SOME  
10 TEMPORARY LANGUAGE REGARDING THE DISTRIBUTION OF THE UNENCUMBERED  
11 CASH BALANCE IN THE STATE GENERAL FUND AT THE END OF THE FISCAL  
12 YEAR; TO AMEND SECTION 27-103-303, MISSISSIPPI CODE OF 1972, TO  
13 DELETE SOME TEMPORARY LANGUAGE AUTHORIZING FUNDS IN THE CAPITAL  
14 EXPENSE FUND TO BE USED FOR THE EMERGENCY PLUGGING OF ORPHANED  
15 WELLS IDENTIFIED BY THE OIL AND GAS BOARD; TO CREATE A SPECIAL  
16 FUND IN THE STATE TREASURY TO BE KNOWN AS THE ROSS BARNETT  
17 RESERVOIR DREDGING FUND, WHICH SHALL CONSIST OF MONIES DEPOSITED  
18 INTO FUND BY THE BOARD OF DIRECTORS OF THE PEARL RIVER VALLEY  
19 WATER SUPPLY DISTRICT EACH FISCAL YEAR FROM THE LEASE PAYMENTS,  
20 FEES AND OTHER FUNDS RECEIVED BY THE DISTRICT DURING THE FISCAL  
21 YEAR; TO DIRECT THE STATE FISCAL OFFICER TO TRANSFER THE FULL  
22 BALANCE IN THE MISSISSIPPI DEVELOPMENT AUTHORITY JOB TRAINING  
23 GRANT FUND INTO THE CAPITAL EXPENSE FUND; TO REPEAL SECTION  
24 57-1-451, MISSISSIPPI CODE OF 1972, WHICH CREATES THE MISSISSIPPI  
25 DEVELOPMENT AUTHORITY JOB TRAINING GRANT FUND; TO DIRECT THE STATE  
26 FISCAL OFFICER TO MAKE CERTAIN TRANSFERS TO THE CAPITAL EXPENSE  
27 FUND DURING FISCAL YEAR 2021; AND FOR RELATED PURPOSES.

HR26\SB2725A.J

Andrew Ketchings  
Clerk of the House of Representatives