

**Adopted
COMMITTEE AMENDMENT NO 1 PROPOSED TO**

Senate Bill No. 2725

BY: Committee

**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.

