

By: Representatives Currie, Turner

To: Appropriations

HOUSE BILL NO. 1222
(As Sent to Governor)

1 AN ACT TO AMEND SECTION 27-104-351, MISSISSIPPI CODE OF 1972,
2 TO REVISE THE CONDITIONS BY WHICH A STATE AGENCY MAY PROVIDE A
3 RECIPIENT ENTITY PASS-THROUGH FUNDING UNDER THE LINE-ITEM
4 APPROPRIATION TRANSPARENCY ACT; AND FOR RELATED PURPOSES.

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

6 **SECTION 1.** Section 27-104-351, Mississippi Code of 1972, is
7 amended as follows:

8 27-104-351. (1) This section shall be known and may be
9 cited as the "Line-Item Appropriation Transparency Act."

10 (2) As used in this section, unless the context clearly
11 indicates otherwise:

12 (a) "Local government entity" means any county,
13 municipality, school district, public hospital or other political
14 subdivision of the state.

15 (b) "Pass-through funding" means a line-item
16 appropriation by the Legislature to a state agency that is
17 itemized on a separate line in a * * * state agency's
18 appropriation bill and that is intended to be passed through the
19 state agency to one or more:



- 20 (i) Local government entities;
- 21 (ii) Private organizations, including
- 22 not-for-profit organizations; or
- 23 (iii) Persons in the form of a loan or grant.

24 "Pass-through funding" may be general funds, dedicated credits, or

25 any combination of state funding sources, and may be ongoing or

26 one-time.

27 (c) "Recipient entity" means a local government entity

28 or private entity, including a nonprofit entity, that receives

29 money by way of pass-through funding from a state agency.

30 (d) "State agency" shall have the same meaning as

31 provided in Section 27-103-103, and shall include any other

32 subagency or board under the supervision of that state agency.

33 (e) "State money" means * * * funds in the State

34 General Fund and all state-support special funds which are in the

35 Budget Contingency Fund, Capital Expense Fund, Working-Cash

36 Stabilization Reserve Fund, Education Enhancement Fund, Healthcare

37 Expendable Fund, Tobacco Control Program Fund, BP Settlement Fund,

38 Gulf Coast Restoration Fund and any other special funds that are

39 determined by the Joint Legislative Budget Committee to be a

40 state-support special fund. "State money" does not include

41 contributions or donations received by a state agency.

42 (f) "Department" means the Department of Finance and

43 Administration.



44 (3) A state agency may not provide a recipient entity state
45 money from pass-through funding unless:

46 (a) The state agency enters into a written agreement
47 with the recipient entity, which details the criteria and
48 reporting requirements as provided in this section; and

49 (b) The written agreement described in paragraph (a) of
50 this subsection requires the recipient entity to provide to the
51 state agency the following:

52 (i) * * * A written description and an itemized
53 report detailing the expenditure of state money or the intended
54 expenditure of any state money that has not been spent. Such
55 report shall be submitted at least quarterly on dates determined
56 by the department; and

57 (ii) A final written itemized report when all the
58 state money is spent.

59 Disbursements shall only be made after the written agreement
60 described in paragraph (a) of this subsection has been signed and
61 shall be contingent upon the recipient entity complying with the
62 quarterly reporting requirements required by paragraph (b) of this
63 subsection.

64 (4) * * * On or before June 30 of each year or a date
65 determined by the department, a state agency shall provide to the
66 department a copy of the written agreements, written descriptions,
67 and reports of itemized expenditures required under subsection (3)
68 of this section.



69 (5) * * * The department is responsible for obtaining the
70 written agreements, written descriptions, and itemized reports
71 required by subsection (3) of this section from state agencies.
72 The department is further responsible for consolidating and
73 presenting a report on the previous fiscal year's pass-through
74 expenditures and providing it to the Joint Legislative Budget
75 Committee by October 1 of each year.

76 (6) The department shall create all of the following
77 documents which shall be in such form and contain such information
78 as the department prescribes:

79 (a) Written agreement as described in subsection (3)(a)
80 of this section;

81 (b) Written description and itemized report as
82 described in subsection (3)(b) of this section; and

83 (c) Final itemized report as described in subsection
84 (3)(b) of this section.

85 A state agency shall utilize these documents when complying
86 with the criteria set forth in this act.

87 (* * *7) Notwithstanding subsection (3) of this section, a
88 state agency is not required to comply with this section to the
89 extent that the pass-through funding is issued:

90 (a) Under a competitive award process;

91 (b) In accordance with a formula enacted in statute;



92 (c) In accordance with a state program under parameters
93 in statute or rule that guides the distribution of the
94 pass-through funding;

95 (d) Under the authority of the Mississippi
96 Accountability and Adequate Education Program Act of 1997, Section
97 37-151-1 et seq.; or

98 (e) In accordance with an appropriations act of the
99 Legislature that specifically provides an exemption from the
100 provisions of this section.

101 (* * *8) Unless a recipient entity is required to comply
102 with Section 31-7-1 et seq. because it is an agency or public
103 body, the fact that it is a recipient entity does not create such
104 an obligation.

105 **SECTION 2.** This act shall take effect and be in force from
106 and after its passage.

