

By: Representative Read

To: Appropriations

HOUSE BILL NO. 1353

1 AN ACT TO BRING FORWARD SECTIONS 27-103-125, 27-103-139,
 2 27-103-203, 27-103-211, 27-103-213 AND 27-103-203, MISSISSIPPI
 3 CODE OF 1972, WHICH RELATE TO VARIOUS ASPECTS OF THE BUDGET
 4 PROCESS, FOR THE PURPOSES OF POSSIBLE AMENDMENT; TO BRING FORWARD
 5 SECTIONS 27-104-321 AND 27-104-323, MISSISSIPPI CODE OF 1972,
 6 WHICH CREATE THE CORONAVIRUS STATE FISCAL RECOVERY FUND AND THE
 7 CORONAVIRUS LOCAL FISCAL RECOVERY FUND, FOR THE PURPOSE OF
 8 POSSIBLE AMENDMENT; TO BRING FORWARD SECTION 27-71-29, MISSISSIPPI
 9 CODE OF 1972, WHICH PROVIDES FOR THE PAYMENT OF ALCOHOLIC BEVERAGE
 10 TAXES INTO THE STATE TREASURY, FOR THE PURPOSES OF POSSIBLE
 11 AMENDMENT; AND FOR RELATED PURPOSES.

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

13 **SECTION 1.** Section 27-103-125, Mississippi Code of 1972, is
 14 brought forward as follows:

15 27-103-125. The proposed budget of each state agency shall
 16 show the amounts required for operating expenses separately from
 17 the amounts required for permanent improvements. The overall
 18 budget shall show, separately by each source, the estimated amount
 19 of general fund revenue and of special fund revenues of general
 20 fund agencies. The total proposed expenditures in Part 1 of the
 21 overall budget shall not exceed the amount of estimated revenues
 22 that will be available in the general and special funds for



23 appropriation or use during the succeeding fiscal year, including
24 any balances other than unencumbered balances in general funds
25 that will be on hand in the general and special funds at the close
26 of the then current fiscal year. The total proposed expenditures
27 from the State General Fund in Part 1 of the overall budget shall
28 not exceed ninety-eight percent (98%) of the amount of general
29 fund revenue estimate for the succeeding fiscal year. The general
30 fund revenue estimate shall be the estimate jointly adopted by the
31 Governor and the Joint Legislative Budget Committee. The
32 Legislative Budget Office may recommend additional taxes or
33 sources of revenue if in its judgment those additional funds are
34 necessary to adequately support the functions of the state
35 government.

36 **SECTION 2.** Section 27-103-139, Mississippi Code of 1972, is
37 brought forward as follows:

38 27-103-139. On or before November 15 preceding each regular
39 session of the Legislature, except the first regular session of a
40 new term of office, the Governor shall submit to the members of
41 the Legislature, the Legislative Budget Office or the
42 members-elect, as the case may be, and to the executive head of
43 each state agency a balanced budget for the succeeding fiscal
44 year. The budget submitted shall be prepared in a format that
45 will include performance measurement data associated with the
46 various programs operated by each agency. The total proposed
47 expenditures in the balanced budget shall not exceed the amount of



48 estimated revenues that will be available for appropriation or use
49 during the succeeding fiscal year, including any balances other
50 than unencumbered balances in general funds that will be on hand
51 at the close of the then current fiscal year, as determined by the
52 revenue estimate jointly adopted by the Governor and the
53 Legislative Budget Committee. The total proposed expenditures
54 from the State General Fund in the balanced budget shall not
55 exceed ninety-eight percent (98%) of the amount of general fund
56 revenue estimate for the succeeding fiscal year. The general fund
57 revenue estimate shall be the estimate jointly adopted by the
58 Governor and the Joint Legislative Budget Committee.

59 The revenues used in preparing the balanced budget shall be
60 only those revenues that will be available under the general laws
61 of the state as they exist when the balanced budget is prepared,
62 and shall not include any proposed revenues that would become
63 available only after the enactment of new legislation. If the
64 Governor has any recommendations for additional proposed
65 expenditures or proposed revenues that are not included in his
66 balanced budget, he shall submit those recommendations in a
67 supplement that is separate from his balanced budget, and whenever
68 the Governor recommends any such additional proposed expenditures,
69 he also shall recommend proposed revenues that are sufficient to
70 fund the additional proposed expenditures, providing specific
71 details regarding the sources and the total amount of those
72 proposed revenues.



73 The Governor may employ a budget officer for the purpose of
74 receiving information from the State Fiscal Officer and preparing
75 his recommendations on the budget. If the Governor determines
76 that information received from the State Fiscal Officer is not
77 sufficient to enable him to prepare his budget recommendations, he
78 may request an appropriation from the Legislature to provide
79 additional staff within the Governor's office for that purpose.
80 At the first regular session after his election for Governor, the
81 Governor shall submit any budget recommendations plus the required
82 revenue source recommendations no later than January 31 of that
83 year.

84 **SECTION 3.** Section 27-103-203, Mississippi Code of 1972, is
85 brought forward as follows:

86 27-103-203. (1) There is created in the State Treasury a
87 special fund, separate and apart from any other fund, to be
88 designated the Working Cash-Stabilization Reserve Fund.

89 (2) The Working Cash-Stabilization Reserve Fund shall not be
90 considered as a surplus or available funds when adopting a
91 balanced budget as required by law. The State Treasurer shall
92 invest all sums in the Working Cash-Stabilization Reserve Fund not
93 needed for the purposes provided for in this section in
94 certificates of deposit, repurchase agreements and other
95 securities as authorized in Section 27-105-33(d) or Section
96 7-9-103, as the State Treasurer may determine to yield the highest
97 market rate available. If the Ayers Settlement Fund is created



98 under Section 37-101-27(5), the first Five Million Dollars
99 (\$5,000,000.00) of interest earned on those sums each fiscal year
100 shall be deposited into that fund until a total of Seventy Million
101 Dollars (\$70,000,000.00) has been deposited into the fund. The
102 interest, or the remaining interest if the Ayers Settlement Fund
103 is created, that is earned on those sums shall be deposited in the
104 Working Cash-Stabilization Reserve Fund until the balance of
105 principal and interest in the fund reaches ten percent (10%) of
106 the total General Fund appropriations for the current fiscal year,
107 and all interest earned in excess of amounts necessary to maintain
108 the ten percent (10%) fund balance requirement shall be deposited
109 by the State Treasurer into the State General Fund.

110 (3) The Working Cash-Stabilization Reserve Fund, except for
111 Fifteen Million Dollars (\$15,000,000.00) and the amount of the
112 interest and income earned on the principal of the Ayers Endowment
113 Trust created by Section 37-101-27, shall be used by the State
114 Treasurer for cash flow needs throughout the year when the
115 Executive Director of the Department of Finance and Administration
116 certifies that in his opinion there will be cash flow deficiencies
117 in the State General Fund. No borrowing of monies from other
118 special funds for such purposes as authorized by Section 31-17-101
119 et seq., shall be made as long as an unencumbered balance in
120 excess of Fifteen Million Dollars (\$15,000,000.00) and the
121 interest and income earned on the principal of the Ayers Endowment
122 Trust created by Section 37-101-27 remains in the fund. The State



123 Treasurer shall reimburse the fund for all sums borrowed for those
124 purposes from General Fund revenues collected during the fiscal
125 year in which those funds are used. The State Treasurer shall
126 immediately notify the Legislative Budget Office and the State
127 Department of Finance and Administration of each transfer into and
128 out of the fund. Fifteen Million Dollars (\$15,000,000.00) in the
129 Working Cash-Stabilization Reserve Fund shall remain available for
130 exclusive use of the Ayers Endowment Trust created by Section
131 37-101-27. If the Ayers Settlement Fund is created under Section
132 37-101-27(5), beginning when a total of Fifty-five Million Dollars
133 (\$55,000,000.00) has been deposited into the fund, for each annual
134 deposit of interest to that fund under subsection (2) of this
135 section, the Ayers Endowment Trust created under Section
136 37-101-27(1) shall be reduced by an equal amount annually until
137 the Ayers Endowment Trust reaches Zero Dollars (\$0.00), at which
138 time any requirements concerning the Ayers Endowment Trust in this
139 section shall be null and void.

140 (4) The Working Cash-Stabilization Reserve Fund, except for
141 Forty Million Dollars (\$40,000,000.00), shall also be used for the
142 purpose of covering any projected deficits that may occur in the
143 General Fund at the end of a fiscal year as a result of revenue
144 shortfalls. If the Governor determines that a deficit in revenues
145 from all sources may occur, it shall be the duty of the Executive
146 Director of the Department of Finance and Administration to
147 transfer such funds as necessary to the General Fund to alleviate



148 the deficit in accordance with Sections 27-104-13 and 31-17-123;
149 however, not more than Fifty Million Dollars (\$50,000,000.00) may
150 be transferred from the fund for that purpose in any one (1)
151 fiscal year.

152 (5) The Working Cash-Stabilization Reserve Fund also shall
153 be used to provide funds for the Disaster Assistance Trust Fund
154 when those funds are immediately needed to provide for disaster
155 assistance under Sections 33-15-301 through 33-15-317. Any
156 transfer of funds from the Working Cash-Stabilization Reserve Fund
157 to the Disaster Assistance Trust Fund shall be made in accordance
158 with the provisions of subsection (5) of Section 33-15-307.

159 (6) The Department of Finance and Administration shall
160 immediately send notice of any transfers made, or other action
161 taken under authority of this section, to the Legislative Budget
162 Office.

163 (7) Funds deposited in the Working Cash-Stabilization
164 Reserve Fund shall be used only for the purposes specified in this
165 section, and as long as the provisions of this section remain in
166 effect, no other expenditure, appropriation or transfer of funds
167 in the Working Cash-Stabilization Reserve Fund shall be made
168 except by act of the Legislature making specific reference to the
169 Working Cash-Stabilization Reserve Fund as the source of those
170 funds.

171 (8) Any funds appropriated from the Working
172 Cash-Stabilization Reserve Fund that are unexpended at the end of



173 a fiscal year shall lapse into the Working Cash-Stabilization
174 Reserve Fund.

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

177 27-103-211. The total sum appropriated by the Legislature
178 from the State General Fund for any fiscal year shall not exceed
179 ninety-eight percent (98%) of the general fund revenue estimate
180 for that fiscal year developed by the Department of Revenue and
181 the University Research Center and adopted by the Joint
182 Legislative Budget Committee. The unencumbered balances in
183 general funds that will be available and on hand at the close of
184 the fiscal year shall not include projected amounts required to be
185 deposited into the Working Cash-Stabilization Reserve Fund under
186 Section 27-103-203.

187 **SECTION 5.** Section 27-103-213, Mississippi Code of 1972, is
188 brought forward as follows:

189 27-103-213. (1) The unencumbered cash balance in the
190 General Fund in the State Treasury at the close of each fiscal
191 year shall be distributed to the Municipal Revolving Fund, the
192 Working Cash-Stabilization Reserve Fund and the Capital Expense
193 Fund in the manner provided in this section.

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



198 (b) As used in this section, the term "unencumbered
199 cash balance" or "unencumbered General Fund cash balance" means
200 the amount in the State General Fund after deducting all
201 appropriations and other expenditures. However, if the
202 Legislature has authorized additional or deficit appropriations or
203 transfers from the State General Fund for that fiscal year, those
204 amounts shall be subtracted from the unencumbered cash balance in
205 the General Fund before determining the amount available for
206 distribution. The unencumbered General Fund cash balance shall
207 not be determined until after August 31 of each year, and it shall
208 not be made until the State Treasurer has received a certificate
209 in writing from the Executive Director of the Department of
210 Finance and Administration, with notification to the Legislative
211 Budget Office, showing the amount of the unencumbered General Fund
212 cash balance.

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

217 (a) To the Municipal Revolving Fund, an amount equal to
218 Seven Hundred Fifty Thousand Dollars (\$750,000.00); however, if
219 the amount of the unencumbered General Fund cash balance is less
220 than Seven Hundred Fifty Thousand Dollars (\$750,000.00), then the
221 total amount of the unencumbered General Fund cash balance shall
222 be distributed to the Municipal Revolving Fund.



223 (b) To the Working Cash-Stabilization Reserve Fund,
224 fifty percent (50%) of the amount of the unencumbered General Fund
225 cash balance after the distributions are made under paragraph (a),
226 not to exceed ten percent (10%) of the General Fund appropriations
227 for the fiscal year that the unencumbered General Fund cash
228 balance represents. For the purposes of this paragraph (b), the
229 appropriations for the fiscal year shall be the total amount
230 contained in the actual appropriation bills passed by the
231 Legislature.

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

235 **SECTION 6.** Section 27-103-203, Mississippi Code of 1972, is
236 brought forward as follows:

237 27-103-203. (1) There is created in the State Treasury a
238 special fund, separate and apart from any other fund, to be
239 designated the Working Cash-Stabilization Reserve Fund.

240 (2) The Working Cash-Stabilization Reserve Fund shall not be
241 considered as a surplus or available funds when adopting a
242 balanced budget as required by law. The State Treasurer shall
243 invest all sums in the Working Cash-Stabilization Reserve Fund not
244 needed for the purposes provided for in this section in
245 certificates of deposit, repurchase agreements and other
246 securities as authorized in Section 27-105-33(d) or Section
247 7-9-103, as the State Treasurer may determine to yield the highest



248 market rate available. If the Ayers Settlement Fund is created
249 under Section 37-101-27(5), the first Five Million Dollars
250 (\$5,000,000.00) of interest earned on those sums each fiscal year
251 shall be deposited into that fund until a total of Seventy Million
252 Dollars (\$70,000,000.00) has been deposited into the fund. The
253 interest, or the remaining interest if the Ayers Settlement Fund
254 is created, that is earned on those sums shall be deposited in the
255 Working Cash-Stabilization Reserve Fund until the balance of
256 principal and interest in the fund reaches ten percent (10%) of
257 the total General Fund appropriations for the current fiscal year,
258 and all interest earned in excess of amounts necessary to maintain
259 the ten percent (10%) fund balance requirement shall be deposited
260 by the State Treasurer into the State General Fund.

261 (3) The Working Cash-Stabilization Reserve Fund, except for
262 Fifteen Million Dollars (\$15,000,000.00) and the amount of the
263 interest and income earned on the principal of the Ayers Endowment
264 Trust created by Section 37-101-27, shall be used by the State
265 Treasurer for cash flow needs throughout the year when the
266 Executive Director of the Department of Finance and Administration
267 certifies that in his opinion there will be cash flow deficiencies
268 in the State General Fund. No borrowing of monies from other
269 special funds for such purposes as authorized by Section 31-17-101
270 et seq., shall be made as long as an unencumbered balance in
271 excess of Fifteen Million Dollars (\$15,000,000.00) and the
272 interest and income earned on the principal of the Ayers Endowment



273 Trust created by Section 37-101-27 remains in the fund. The State
274 Treasurer shall reimburse the fund for all sums borrowed for those
275 purposes from General Fund revenues collected during the fiscal
276 year in which those funds are used. The State Treasurer shall
277 immediately notify the Legislative Budget Office and the State
278 Department of Finance and Administration of each transfer into and
279 out of the fund. Fifteen Million Dollars (\$15,000,000.00) in the
280 Working Cash-Stabilization Reserve Fund shall remain available for
281 exclusive use of the Ayers Endowment Trust created by Section
282 37-101-27. If the Ayers Settlement Fund is created under Section
283 37-101-27(5), beginning when a total of Fifty-five Million Dollars
284 (\$55,000,000.00) has been deposited into the fund, for each annual
285 deposit of interest to that fund under subsection (2) of this
286 section, the Ayers Endowment Trust created under Section
287 37-101-27(1) shall be reduced by an equal amount annually until
288 the Ayers Endowment Trust reaches Zero Dollars (\$0.00), at which
289 time any requirements concerning the Ayers Endowment Trust in this
290 section shall be null and void.

291 (4) The Working Cash-Stabilization Reserve Fund, except for
292 Forty Million Dollars (\$40,000,000.00), shall also be used for the
293 purpose of covering any projected deficits that may occur in the
294 General Fund at the end of a fiscal year as a result of revenue
295 shortfalls. If the Governor determines that a deficit in revenues
296 from all sources may occur, it shall be the duty of the Executive
297 Director of the Department of Finance and Administration to



298 transfer such funds as necessary to the General Fund to alleviate
299 the deficit in accordance with Sections 27-104-13 and 31-17-123;
300 however, not more than Fifty Million Dollars (\$50,000,000.00) may
301 be transferred from the fund for that purpose in any one (1)
302 fiscal year.

303 (5) The Working Cash-Stabilization Reserve Fund also shall
304 be used to provide funds for the Disaster Assistance Trust Fund
305 when those funds are immediately needed to provide for disaster
306 assistance under Sections 33-15-301 through 33-15-317. Any
307 transfer of funds from the Working Cash-Stabilization Reserve Fund
308 to the Disaster Assistance Trust Fund shall be made in accordance
309 with the provisions of subsection (5) of Section 33-15-307.

310 (6) The Department of Finance and Administration shall
311 immediately send notice of any transfers made, or other action
312 taken under authority of this section, to the Legislative Budget
313 Office.

314 (7) Funds deposited in the Working Cash-Stabilization
315 Reserve Fund shall be used only for the purposes specified in this
316 section, and as long as the provisions of this section remain in
317 effect, no other expenditure, appropriation or transfer of funds
318 in the Working Cash-Stabilization Reserve Fund shall be made
319 except by act of the Legislature making specific reference to the
320 Working Cash-Stabilization Reserve Fund as the source of those
321 funds.



322 (8) Any funds appropriated from the Working
323 Cash-Stabilization Reserve Fund that are unexpended at the end of
324 a fiscal year shall lapse into the Working Cash-Stabilization
325 Reserve Fund.

326 **SECTION 7.** Section 27-104-321, Mississippi Code of 1972, is
327 brought forward as follows:

328 27-104-321. (1) All funds received by or on behalf of the
329 State of Mississippi through the Coronavirus State Fiscal Recovery
330 Fund in Section 9901 of the American Rescue Plan Act of 2021
331 (Public Law No. 117-2) shall be deposited into the Coronavirus
332 State Fiscal Recovery Fund created in subsection (2) of this
333 section.

334 (2) There is created in the State Treasury a special fund to
335 be designated as the "Coronavirus State Fiscal Recovery Fund."
336 The special fund shall consist of funds required to be deposited
337 into the special fund by subsection (1) of this section, funds
338 appropriated or otherwise made available by the Legislature in any
339 manner, and funds from any other source designated for deposit
340 into the special fund. Monies in the fund shall only be spent
341 upon appropriation by the Legislature and shall only be used as
342 provided in the Coronavirus State Fiscal Recovery Fund in Section
343 9901 of the American Rescue Plan Act of 2021 (Public Law No.
344 117-2) or as authorized by federal rule or regulation or
345 guidelines.



346 (3) Unexpended amounts remaining in the special fund at the
347 end of a fiscal year shall not lapse into the State General Fund
348 but shall remain in the Coronavirus State Fiscal Recovery Fund.
349 Any investment earnings or interest earned on amounts in the
350 special fund shall be deposited to the credit of the special fund.

351 **SECTION 8.** Section 27-104-323, Mississippi Code of 1972, is
352 brought forward as follows:

353 27-104-323. (1) All funds received by or on behalf of the
354 State of Mississippi through the Coronavirus Local Fiscal Recovery
355 Fund in Section 9901 of the American Rescue Plan Act of 2021
356 (Public Law No. 117-2) for distribution to nonentitlement units of
357 local government shall be deposited into the Coronavirus Local
358 Fiscal Recovery Fund created in subsection (2) of this section.

359 (2) There is created in the State Treasury a special fund to
360 be designated as the "Coronavirus Local Fiscal Recovery Fund" to
361 be administered by the Department of Finance and Administration.
362 The special fund shall consist of funds required to be deposited
363 into the special fund by subsection (1) of this section, funds
364 appropriated or otherwise made available by the Legislature in any
365 manner, and funds from any other source designated for deposit
366 into the special fund. The Department of Finance and
367 Administration shall distribute the funds to the nonentitlement
368 units of local government in accordance with the Coronavirus Local
369 Fiscal Recovery Fund in Section 9901 of the American Rescue Plan
370 Act of 2021 (Public Law No. 117-2) and any applicable federal



371 guidelines. Such funds shall only be used as provided in the
372 Coronavirus Local Fiscal Recovery Fund in Section 9901 of the
373 American Rescue Plan Act of 2021 (Public Law No. 117-2) or as
374 authorized by federal rule or regulation or guidelines.

375 (3) Unexpended amounts remaining in the special fund at the
376 end of a fiscal year shall not lapse into the State General Fund
377 but shall remain in the Coronavirus Local Fiscal Recovery Fund.
378 Any investment earnings or interest earned on amounts in the
379 special fund shall be deposited to the credit of the special fund.

380 **SECTION 9.** Section 27-71-29, Mississippi Code of 1972, is
381 brought forward as follows:

382 27-71-29. All taxes levied by this article shall be paid to
383 the Department of Revenue in cash or by personal check, cashier's
384 check, bank exchange, post office money order or express money
385 order and shall be deposited by the department in the State
386 Treasury on the same day collected, but no remittances other than
387 cash shall be a final discharge of liability for the tax herein
388 imposed and levied unless and until it has been paid in cash to
389 the department.

390 All taxes levied under Section 27-71-7(1) and received by the
391 department under this article shall be paid into the General Fund,
392 and the three percent (3%) levied under Section 27-71-7(2) and
393 received by the department under this article shall be paid into
394 the special fund in the State Treasury designated as the
395 "Alcoholism Treatment and Rehabilitation Fund" as required by law.



396 Any funds derived from the sale of alcoholic beverages in excess
397 of inventory requirements shall be paid not less often than
398 annually into the General Fund, except for fees charged by the
399 department for the defraying of costs associated with shipping
400 alcoholic beverages. The revenue derived from these fees shall be
401 deposited by the department into a special fund, hereby created in
402 the State Treasury, which is designated the "ABC Shipping Fund."
403 The monies in this special fund shall be earmarked for use by the
404 department for any expenditure made to ship alcoholic beverages.
405 Any net proceeds remaining in the special fund on August 1 of any
406 fiscal year shall lapse into the General Fund. "Net proceeds" in
407 this section means the total of all fees collected by the
408 department to defray the costs of shipping less the actual costs
409 of shipping.

410 **SECTION 10.** This act shall take effect and be in force from
411 and after July 1, 2022.

