HOUSE BILL NO. 1353


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

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

27-103-125. The proposed budget of each state agency shall show the amounts required for operating expenses separately from the amounts required for permanent improvements. The overall budget shall show, separately by each source, the estimated amount of general fund revenue and of special fund revenues of general fund agencies. The total proposed expenditures in Part 1 of the overall budget shall not exceed the amount of estimated revenues that will be available in the general and special funds for...
appropriation or use during the succeeding fiscal year, including any balances other than unencumbered balances in general funds that will be on hand in the general and special funds at the close of the then current fiscal year. The total proposed expenditures from the State General Fund in Part 1 of the overall budget shall not exceed ninety-eight percent (98%) of the amount of general fund revenue estimate for the succeeding fiscal year. The general fund revenue estimate shall be the estimate jointly adopted by the Governor and the Joint Legislative Budget Committee. The Legislative Budget Office may recommend additional taxes or sources of revenue if in its judgment those additional funds are necessary to adequately support the functions of the state government.

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

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

The revenues used in preparing the balanced budget shall be only those revenues that will be available under the general laws of the state as they exist when the balanced budget is prepared, and shall not include any proposed revenues that would become available only after the enactment of new legislation. If the Governor has any recommendations for additional proposed expenditures or proposed revenues that are not included in his balanced budget, he shall submit those recommendations in a supplement that is separate from his balanced budget, and whenever the Governor recommends any such additional proposed expenditures, he also shall recommend proposed revenues that are sufficient to fund the additional proposed expenditures, providing specific details regarding the sources and the total amount of those proposed revenues.
The Governor may employ a budget officer for the purpose of receiving information from the State Fiscal Officer and preparing his recommendations on the budget. If the Governor determines that information received from the State Fiscal Officer is not sufficient to enable him to prepare his budget recommendations, he may request an appropriation from the Legislature to provide additional staff within the Governor's office for that purpose. At the first regular session after his election for Governor, the Governor shall submit any budget recommendations plus the required revenue source recommendations no later than January 31 of that year.

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

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

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

(3) The Working Cash-Stabilization Reserve Fund, except for Fifteen Million Dollars ($15,000,000.00) and the amount of the interest and income earned on the principal of the Ayers Endowment Trust created by Section 37-101-27, shall be used by the State Treasurer for cash flow needs throughout the year when the Executive Director of the Department of Finance and Administration certifies that in his opinion there will be cash flow deficiencies in the State General Fund. No borrowing of monies from other special funds for such purposes as authorized by Section 31-17-101 et seq., shall be made as long as an unencumbered balance in excess of Fifteen Million Dollars ($15,000,000.00) and the interest and income earned on the principal of the Ayers Endowment Trust created by Section 37-101-27 remains in the fund. The State
Treasurer shall reimburse the fund for all sums borrowed for those purposes from General Fund revenues collected during the fiscal year in which those funds are used. The State Treasurer shall immediately notify the Legislative Budget Office and the State Department of Finance and Administration of each transfer into and out of the fund. Fifteen Million Dollars ($15,000,000.00) in the Working Cash-Stabilization Reserve Fund shall remain available for exclusive use of the Ayers Endowment Trust created by Section 37-101-27. If the Ayers Settlement Fund is created under Section 37-101-27(5), beginning when a total of Fifty-five Million Dollars ($55,000,000.00) has been deposited into the fund, for each annual deposit of interest to that fund under subsection (2) of this section, the Ayers Endowment Trust created under Section 37-101-27(1) shall be reduced by an equal amount annually until the Ayers Endowment Trust reaches Zero Dollars ($0.00), at which time any requirements concerning the Ayers Endowment Trust in this section shall be null and void.

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

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

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

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

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

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

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

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

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

(2) (a) At the end of each fiscal year, the Executive Director of the Department of Finance and Administration and the State Treasurer shall determine the extent of the unencumbered cash balance existing in the General Fund in the State Treasury.
(b) As used in this section, the term "unencumbered cash balance" or "unencumbered General Fund cash balance" means the amount in the State General Fund after deducting all appropriations and other expenditures. However, if the Legislature has authorized additional or deficit appropriations or transfers from the State General Fund for that fiscal year, those amounts shall be subtracted from the unencumbered cash balance in the General Fund before determining the amount available for distribution. The unencumbered General Fund cash balance shall not be determined until after August 31 of each year, and it shall not be made until the State Treasurer has received a certificate in writing from the Executive Director of the Department of Finance and Administration, with notification to the Legislative Budget Office, showing the amount of the unencumbered General Fund cash balance.

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

(a) To the Municipal Revolving Fund, an amount equal to Seven Hundred Fifty Thousand Dollars ($750,000.00); however, if the amount of the unencumbered General Fund cash balance is less than Seven Hundred Fifty Thousand Dollars ($750,000.00), then the total amount of the unencumbered General Fund cash balance shall be distributed to the Municipal Revolving Fund.
(b) To the Working Cash-Stabilization Reserve Fund, fifty percent (50%) of the amount of the unencumbered General Fund cash balance after the distributions are made under paragraph (a), not to exceed ten percent (10%) of the General Fund appropriations for the fiscal year that the unencumbered General Fund cash balance represents. For the purposes of this paragraph (b), the appropriations for the fiscal year shall be the total amount contained in the actual appropriation bills passed by the Legislature.

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

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

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

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

(3) The Working Cash-Stabilization Reserve Fund, except for Fifteen Million Dollars ($15,000,000.00) and the amount of the interest and income earned on the principal of the Ayers Endowment Trust created by Section 37-101-27, shall be used by the State Treasurer for cash flow needs throughout the year when the Executive Director of the Department of Finance and Administration certifies that in his opinion there will be cash flow deficiencies in the State General Fund. No borrowing of monies from other special funds for such purposes as authorized by Section 31-17-101 et seq., shall be made as long as an unencumbered balance in excess of Fifteen Million Dollars ($15,000,000.00) and the interest and income earned on the principal of the Ayers Endowment...
Trust created by Section 37-101-27 remains in the fund. The State Treasurer shall reimburse the fund for all sums borrowed for those purposes from General Fund revenues collected during the fiscal year in which those funds are used. The State Treasurer shall immediately notify the Legislative Budget Office and the State Department of Finance and Administration of each transfer into and out of the fund. Fifteen Million Dollars ($15,000,000.00) in the Working Cash-Stabilization Reserve Fund shall remain available for exclusive use of the Ayers Endowment Trust created by Section 37-101-27. If the Ayers Settlement Fund is created under Section 37-101-27(5), beginning when a total of Fifty-five Million Dollars ($55,000,000.00) has been deposited into the fund, for each annual deposit of interest to that fund under subsection (2) of this section, the Ayers Endowment Trust created under Section 37-101-27(1) shall be reduced by an equal amount annually until the Ayers Endowment Trust reaches Zero Dollars ($0.00), at which time any requirements concerning the Ayers Endowment Trust in this section shall be null and void.

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

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

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

(7) Funds deposited in the Working Cash-Stabilization
Reserve Fund shall be used only for the purposes specified in this
section, and as long as the provisions of this section remain in
effect, no other expenditure, appropriation or transfer of funds
in the Working Cash-Stabilization Reserve Fund shall be made
except by act of the Legislature making specific reference to the
Working Cash-Stabilization Reserve Fund as the source of those
funds.
Any funds appropriated from the Working Cash-Stabilization Reserve Fund that are unexpended at the end of a fiscal year shall lapse into the Working Cash-Stabilization Reserve Fund.

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

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

(2) There is created in the State Treasury a special fund to be designated as the "Coronavirus State Fiscal Recovery Fund." The special fund shall consist of funds required to be deposited into the special fund by subsection (1) of this section, funds appropriated or otherwise made available by the Legislature in any manner, and funds from any other source designated for deposit into the special fund. Monies in the fund shall only be spent upon appropriation by the Legislature and shall only be used as provided in the Coronavirus State Fiscal Recovery Fund in Section 9901 of the American Rescue Plan Act of 2021 (Public Law No. 117-2) or as authorized by federal rule or regulation or guidelines.
(3) Unexpended amounts remaining in the special fund at the end of a fiscal year shall not lapse into the State General Fund but shall remain in the Coronavirus State Fiscal Recovery Fund. Any investment earnings or interest earned on amounts in the special fund shall be deposited to the credit of the special fund.

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

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

(2) There is created in the State Treasury a special fund to be designated as the "Coronavirus Local Fiscal Recovery Fund" to be administered by the Department of Finance and Administration. The special fund shall consist of funds required to be deposited into the special fund by subsection (1) of this section, funds appropriated or otherwise made available by the Legislature in any manner, and funds from any other source designated for deposit into the special fund. The Department of Finance and Administration shall distribute the funds to the nonentitlement units of local government in accordance with the Coronavirus Local Fiscal Recovery Fund in Section 9901 of the American Rescue Plan Act of 2021 (Public Law No. 117-2) and any applicable federal
guidelines. Such funds shall only be used as provided in the Coronavirus Local Fiscal Recovery Fund in Section 9901 of the American Rescue Plan Act of 2021 (Public Law No. 117-2) or as authorized by federal rule or regulation or guidelines.

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

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

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

All taxes levied under Section 27-71-7(1) and received by the department under this article shall be paid into the General Fund, and the three percent (3%) levied under Section 27-71-7(2) and received by the department under this article shall be paid into the special fund in the State Treasury designated as the "Alcoholism Treatment and Rehabilitation Fund" as required by law.
Any funds derived from the sale of alcoholic beverages in excess of inventory requirements shall be paid not less often than annually into the General Fund, except for fees charged by the department for the defraying of costs associated with shipping alcoholic beverages. The revenue derived from these fees shall be deposited by the department into a special fund, hereby created in the State Treasury, which is designated the "ABC Shipping Fund."

The monies in this special fund shall be earmarked for use by the department for any expenditure made to ship alcoholic beverages. Any net proceeds remaining in the special fund on August 1 of any fiscal year shall lapse into the General Fund. "Net proceeds" in this section means the total of all fees collected by the department to defray the costs of shipping less the actual costs of shipping.

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