

By: Representatives Owen, McCarty

To: Appropriations

HOUSE BILL NO. 1119

1 AN ACT TO CREATE NEW SECTION 27-103-215, MISSISSIPPI CODE OF  
2 1972, TO PROVIDE THAT IN ANY FISCAL YEAR IN WHICH THE AMOUNT OF  
3 ACTUAL GENERAL FUND REVENUE RECEIVED EXCEEDS THE OFFICIAL SINE DIE  
4 GENERAL FUND REVENUE ESTIMATE FOR THAT FISCAL YEAR, THE FIRST  
5 FIFTY MILLION DOLLARS OF THE AMOUNT OF THE SURPLUS GENERAL FUND  
6 REVENUE ABOVE THE REVENUE ESTIMATE, REDUCED BY THE RATE OF  
7 INFLATION FOR THE PREVIOUS CALENDAR YEAR, SHALL BE USED TO REDUCE  
8 THE DEBT OF THE STATE OF MISSISSIPPI; TO CREATE A SPECIAL FUND IN  
9 THE STATE TREASURY TO BE KNOWN AS THE SURPLUS REVENUE DEBT  
10 REDUCTION FUND, WHICH SHALL BE EXPENDED, UPON APPROPRIATION OF THE  
11 LEGISLATURE, ONLY FOR PAYING MATURING BONDS AND INTEREST ON THE  
12 FULL FAITH AND CREDIT BONDS OF THE STATE OF MISSISSIPPI WHEN THEY  
13 ARE DUE, AND FOR PAYING SERVICE CHARGES TO BANKS FOR ACTING AS  
14 AGENTS OF THE STATE IN PAYING MATURING BONDS AND INTEREST ON THE  
15 FULL FAITH AND CREDIT BONDS OF THE STATE; TO PROVIDE THAT UPON THE  
16 PASSAGE OF THIS ACT, THE STATE FISCAL OFFICER SHALL TRANSFER THE  
17 SUM OF ONE HUNDRED MILLION DOLLARS FROM THE CAPITAL EXPENSE FUND  
18 TO THE SURPLUS REVENUE DEBT REDUCTION FUND CREATED IN THIS ACT,  
19 AND THAT SUM SHALL BE APPROPRIATED FROM THE SURPLUS REVENUE DEBT  
20 REDUCTION FUND BY THE LEGISLATURE FOR THE PAYMENT OF DEBT SERVICE  
21 FOR THE 2024 FISCAL YEAR; TO AMEND SECTION 27-103-213, MISSISSIPPI  
22 CODE OF 1972, TO CONFORM TO THE PRECEDING PROVISIONS; AND FOR  
23 RELATED PURPOSES.

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

25 **SECTION 1.** The following shall be codified as Section  
26 27-103-215, Mississippi Code of 1972:

27 27-103-215. (1) Beginning with fiscal year 2023, in any  
28 fiscal year in which the amount of actual general fund revenue



29 received exceeds the official sine die general fund revenue  
30 estimate for that fiscal year, the first Fifty Million Dollars  
31 (\$50,000.000.00) of the amount of the surplus general fund revenue  
32 above the revenue estimate, reduced by the rate of inflation for  
33 the previous calendar year, shall be used to reduce the debt of  
34 the State of Mississippi in the manner provided in this section.

35 (2) There is created in the State Treasury a special fund to  
36 be known as the "Surplus Revenue Debt Reduction Fund." The fund  
37 shall consist of monies transferred into the fund as provided in  
38 subsection (3) of this section and monies from any other source  
39 designated or made available for deposit into the fund. Monies in  
40 the fund shall be expended, upon appropriation of the Legislature,  
41 only for paying maturing bonds and interest on the full faith and  
42 credit bonds of the State of Mississippi when they are due, and  
43 for paying service charges to banks for acting as agents of the  
44 state in paying maturing bonds and interest on the full faith and  
45 credit bonds of the State of Mississippi. Monies remaining in the  
46 fund at the end of a fiscal year shall not lapse into the State  
47 General Fund, and any interest earned from the investment of  
48 monies in the fund shall be deposited to the credit of the fund.

49 (3) At the end of fiscal year 2023 and each fiscal year  
50 thereafter, the Joint Legislative Budget Committee shall certify  
51 to the State Fiscal Officer the amount of the surplus general fund  
52 revenue above the sine die general fund revenue estimate, reduced  
53 by the rate of inflation for the previous calendar year, and the



54 State Fiscal Officer shall transfer the first Fifty Million  
55 Dollars (\$50,000,000.00) of that amount from the State General  
56 Fund to the Surplus Revenue Debt Reduction Fund.

57 **SECTION 2.** Upon the passage of this act, the State Fiscal  
58 Officer shall transfer the sum of One Hundred Million Dollars  
59 (\$100,000,000.00) from the Capital Expense Fund to the Surplus  
60 Revenue Debt Reduction Fund created in Section 1 of this act, and  
61 that sum shall be appropriated from the Surplus Revenue Debt  
62 Reduction Fund by the Legislature for the payment of debt service  
63 for the 2024 fiscal year.

64 **SECTION 3.** Section 27-103-213, Mississippi Code of 1972, is  
65 amended as follows:

66 27-103-213. (1) The unencumbered cash balance in the  
67 General Fund in the State Treasury at the close of each fiscal  
68 year shall be distributed to the Surplus Revenue Debt Reduction  
69 Fund, the Municipal Revolving Fund, the Working Cash-Stabilization  
70 Reserve Fund and the Capital Expense Fund in the manner provided  
71 in this section.

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

76 (b) As used in this section, the term "unencumbered  
77 cash balance" or "unencumbered General Fund cash balance" means  
78 the amount in the State General Fund after deducting all



79 appropriations and other expenditures. However, if the  
80 Legislature has authorized additional or deficit appropriations or  
81 transfers from the State General Fund for that fiscal year, those  
82 amounts shall be subtracted from the unencumbered cash balance in  
83 the General Fund before determining the amount available for  
84 distribution. The unencumbered General Fund cash balance shall  
85 not be determined until after August 31 of each year, and it shall  
86 not be made until the State Treasurer has received a certificate  
87 in writing from the Executive Director of the Department of  
88 Finance and Administration, with notification to the Legislative  
89 Budget Office, showing the amount of the unencumbered General Fund  
90 cash balance.

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

95 (a) To the Surplus Revenue Debt Reduction Fund, an  
96 amount equal to Fifty Million Dollars (\$50,000,000.00) of the  
97 surplus general fund revenue as determined under Section  
98 27-103-215; however, if the amount of the unencumbered General  
99 Fund cash balance is less than Fifty Million Dollars  
100 (\$50,000,000.00), then the total amount of the unencumbered  
101 General Fund cash balance shall be distributed to the Surplus  
102 Revenue Debt Reduction Fund.



103           (b) To the Municipal Revolving Fund, an amount equal to  
104 Seven Hundred Fifty Thousand Dollars (\$750,000.00); however, if  
105 the remaining amount of the unencumbered General Fund cash balance  
106 is less than Seven Hundred Fifty Thousand Dollars (\$750,000.00),  
107 then the total remaining amount of the unencumbered General Fund  
108 cash balance shall be distributed to the Municipal Revolving Fund.

109           ( \* \* \*c) To the Working Cash-Stabilization Reserve  
110 Fund, fifty percent (50%) of the remaining amount of the  
111 unencumbered General Fund cash balance after the distributions are  
112 made under paragraphs (a) and (b), not to exceed ten percent (10%)  
113 of the General Fund appropriations for the fiscal year that the  
114 unencumbered General Fund cash balance represents. For the  
115 purposes of this paragraph ( \* \* \*c), the appropriations for the  
116 fiscal year shall be the total amount contained in the actual  
117 appropriation bills passed by the Legislature.

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

121           **SECTION 4.** This act shall take effect and be in force from  
122 and after its passage.

