

By: Senator(s) Hopson

To: Appropriations

SENATE BILL NO. 2468

1 AN ACT TO BRING FORWARD SECTION 27-103-125, MISSISSIPPI CODE  
2 OF 1972, WHICH RELATES TO THE BUDGET PROCESS, FOR PURPOSES OF  
3 POSSIBLE AMENDMENT; TO BRING FORWARD SECTION 27-103-139,  
4 MISSISSIPPI CODE OF 1972, WHICH RELATES TO THE BUDGET PROCESS, FOR  
5 PURPOSES OF POSSIBLE AMENDMENT; TO BRING FORWARD SECTION  
6 27-103-203, MISSISSIPPI CODE OF 1972, WHICH RELATES TO THE BUDGET  
7 PROCESS, FOR PURPOSES OF POSSIBLE AMENDMENT; TO BRING FORWARD  
8 SECTION 27-103-211, MISSISSIPPI CODE OF 1972, WHICH RELATES TO THE  
9 BUDGET PROCESS, FOR PURPOSES OF POSSIBLE AMENDMENT; TO BRING  
10 FORWARD SECTION 27-103-213, MISSISSIPPI CODE OF 1972, WHICH  
11 RELATES TO THE BUDGET PROCESS, FOR PURPOSES OF POSSIBLE AMENDMENT;  
12 TO BRING FORWARD SECTION 27-103-303, MISSISSIPPI CODE OF 1972,  
13 WHICH RELATES TO THE BUDGET PROCESS, FOR PURPOSES OF POSSIBLE  
14 AMENDMENT; TO DIRECT THE STATE TREASURER, IN CONJUNCTION WITH THE  
15 STATE FISCAL OFFICER, TO TRANSFER CERTAIN FUNDS DURING FISCAL YEAR  
16 2024 FROM THE CAPITAL EXPENSE FUND; AND FOR RELATED PURPOSES.

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

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

20 27-103-125. The proposed budget of each state agency shall  
21 show the amounts required for operating expenses separately from  
22 the amounts required for permanent improvements. The overall  
23 budget shall show, separately by each source, the estimated amount  
24 of general fund revenue and of special fund revenues of general  
25 fund agencies. The total proposed expenditures in Part 1 of the



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

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

43 27-103-139. On or before November 15 preceding each regular  
44 session of the Legislature, except the first regular session of a  
45 new term of office, the Governor shall submit to the members of  
46 the Legislature, the Legislative Budget Office or the  
47 members-elect, as the case may be, and to the executive head of  
48 each state agency a balanced budget for the succeeding fiscal  
49 year. The budget submitted shall be prepared in a format that  
50 will include performance measurement data associated with the



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

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



76 details regarding the sources and the total amount of those  
77 proposed revenues.

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

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

91 27-103-203. (1) There is created in the State Treasury a  
92 special fund, separate and apart from any other fund, to be  
93 designated the Working Cash-Stabilization Reserve Fund.

94 (2) The Working Cash-Stabilization Reserve Fund shall not be  
95 considered as a surplus or available funds when adopting a  
96 balanced budget as required by law. The State Treasurer shall  
97 invest all sums in the Working Cash-Stabilization Reserve Fund not  
98 needed for the purposes provided for in this section in  
99 certificates of deposit, repurchase agreements and other  
100 securities as authorized in Section 27-105-33(d) or Section



101 7-9-103, as the State Treasurer may determine to yield the highest  
102 market rate available. If the Ayers Settlement Fund is created  
103 under Section 37-101-27(5), the first Five Million Dollars  
104 (\$5,000,000.00) of interest earned on those sums each fiscal year  
105 shall be deposited into that fund until a total of Seventy Million  
106 Dollars (\$70,000,000.00) has been deposited into the fund. The  
107 interest, or the remaining interest if the Ayers Settlement Fund  
108 is created, that is earned on those sums shall be deposited in the  
109 Working Cash-Stabilization Reserve Fund until the balance of  
110 principal and interest in the fund reaches ten percent (10%) of  
111 the total General Fund appropriations for the current fiscal year,  
112 and all interest earned in excess of amounts necessary to maintain  
113 the ten percent (10%) fund balance requirement shall be deposited  
114 by the State Treasurer into the State General Fund.

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



126 interest and income earned on the principal of the Ayers Endowment  
127 Trust created by Section 37-101-27 remains in the fund. The State  
128 Treasurer shall reimburse the fund for all sums borrowed for those  
129 purposes from General Fund revenues collected during the fiscal  
130 year in which those funds are used. The State Treasurer shall  
131 immediately notify the Legislative Budget Office and the State  
132 Department of Finance and Administration of each transfer into and  
133 out of the fund. Fifteen Million Dollars (\$15,000,000.00) in the  
134 Working Cash-Stabilization Reserve Fund shall remain available for  
135 exclusive use of the Ayers Endowment Trust created by Section  
136 37-101-27. If the Ayers Settlement Fund is created under Section  
137 37-101-27(5), beginning when a total of Fifty-five Million Dollars  
138 (\$55,000,000.00) has been deposited into the fund, for each annual  
139 deposit of interest to that fund under subsection (2) of this  
140 section, the Ayers Endowment Trust created under Section  
141 37-101-27(1) shall be reduced by an equal amount annually until  
142 the Ayers Endowment Trust reaches Zero Dollars (\$0.00), at which  
143 time any requirements concerning the Ayers Endowment Trust in this  
144 section shall be null and void.

145 (4) The Working Cash-Stabilization Reserve Fund, except for  
146 Forty Million Dollars (\$40,000,000.00), shall also be used for the  
147 purpose of covering any projected deficits that may occur in the  
148 General Fund at the end of a fiscal year as a result of revenue  
149 shortfalls. If the Governor determines that a deficit in revenues  
150 from all sources may occur, it shall be the duty of the Executive



151 Director of the Department of Finance and Administration to  
152 transfer such funds as necessary to the General Fund to alleviate  
153 the deficit in accordance with Sections 27-104-13 and 31-17-123;  
154 however, not more than Fifty Million Dollars (\$50,000,000.00) may  
155 be transferred from the fund for that purpose in any one (1)  
156 fiscal year.

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

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

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



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

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

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

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

194 27-103-213. (1) The unencumbered cash balance in the  
195 General Fund in the State Treasury at the close of each fiscal  
196 year shall be distributed to the Municipal Revolving Fund, the  
197 Working Cash-Stabilization Reserve Fund and the Capital Expense  
198 Fund in the manner provided in this section.

199 (2) (a) At the end of each fiscal year, the Executive  
200 Director of the Department of Finance and Administration and the





201 State Treasurer shall determine the extent of the unencumbered  
202 cash balance existing in the General Fund in the State Treasury.

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

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

222 (a) To the Municipal Revolving Fund, an amount equal to  
223 Seven Hundred Fifty Thousand Dollars (\$750,000.00); however, if  
224 the amount of the unencumbered General Fund cash balance is less  
225 than Seven Hundred Fifty Thousand Dollars (\$750,000.00), then the



226 total amount of the unencumbered General Fund cash balance shall  
227 be distributed to the Municipal Revolving Fund.

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

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

240 **SECTION 6.** Section 27-103-303, Mississippi Code of 1972, is  
241 brought forward as follows:

242 27-103-303. (1) There is created in the State Treasury a  
243 special fund, separate and apart from any other fund, to be  
244 designated the Capital Expense Fund.

245 (2) The Capital Expense Fund shall not be considered as a  
246 surplus or available funds when adopting a balanced budget as  
247 required by law. The State Treasurer shall invest all sums in the  
248 Capital Expense Fund not needed for the purposes provided for in  
249 this section in certificates of deposit, repurchase agreements and  
250 other securities as authorized in Section 27-105-33(d) or Section



251 7-9-103, as the State Treasurer may determine to yield the highest  
252 market rate available. Interest earned on this fund shall be  
253 deposited by the State Treasurer into the State General Fund.

254 (3) The Capital Expense Fund shall be used for capital  
255 expense needs, repair and renovation of state-owned properties and  
256 specific expenditures authorized by the Legislature. The  
257 Legislature shall designate those capital expense projects, repair  
258 and renovation projects and other authorized projects in an  
259 appropriation act passed by the Legislature, which shall direct  
260 the Director of the Department of Finance and Administration to  
261 administer the projects.

262 (4) In addition to the purposes specified in subsection (3)  
263 of this section, the Capital Expense Fund shall be used to provide  
264 funds for emergency repairs on state-owned buildings upon  
265 requisition of the Executive Director of the Department of Finance  
266 and Administration. Whenever the executive director determines  
267 that funds are immediately needed for emergency repairs on  
268 state-owned buildings, he or she shall requisition the funds  
269 needed from the Capital Expense Fund, which shall be subject to  
270 the limitations set forth in this subsection. At the same time he  
271 or she makes the requisition, the executive director shall notify  
272 the Lieutenant Governor, the Speaker of the House of  
273 Representatives, the respective Chairmen of the Senate  
274 Appropriations Committee, the Senate Finance Committee, the House  
275 Appropriations Committee and the House Ways and Means Committee



276 and the Legislative Budget Office of his or her determination of  
277 the need for the funds, the amount that he or she has  
278 requisitioned and where the funds will be used. If the amount  
279 requisitioned is available in the Capital Expense Fund, is not  
280 allocated for any specific projects as authorized in subsection  
281 (3) of this section and is within the limitations set forth below  
282 in this subsection, then the executive director may escalate the  
283 budget of the Bureau of Building, Grounds and Real Property  
284 Management to use the full amount of the requisitioned funds for  
285 the emergency repairs and transfer that amount to the bureau for  
286 that purpose. If the amount requisitioned is more than the amount  
287 available in the Capital Expense Fund or above the limitations set  
288 forth below in this subsection, then the executive director may  
289 escalate the budget of the bureau to use the amount that is  
290 available within the limitations for the emergency repairs and  
291 transfer that amount to the bureau for that purpose. The maximum  
292 amount that may be transferred from the Capital Expense Fund to  
293 the bureau for any single emergency shall be One Million Dollars  
294 (\$1,000,000.00), and the maximum amount that may be transferred to  
295 the bureau for all emergencies during any fiscal year shall be  
296 Five Million Dollars (\$5,000,000.00).

297 (5) Funds deposited in the Capital Expense Fund shall be  
298 used only for the purposes specified in this section, and as long  
299 as the provisions of this section remain in effect, no other  
300 expenditure, appropriation or transfer of funds in the Capital



301 Expense Fund shall be made except by act of the Legislature making  
302 specific reference to the Capital Expense Fund as the source of  
303 those funds.

304 (6) Unexpended funds in the Capital Expense Fund at the end  
305 of a fiscal year shall not lapse into the State General Fund but  
306 shall remain in the fund for use under this section. Any funds  
307 appropriated from the Capital Expense Fund that are unexpended at  
308 the end of a fiscal year shall lapse into the Capital Expense  
309 Fund.

310 **SECTION 7.** During fiscal year 2024, the State Treasurer, in  
311 conjunction with the State Fiscal Officer, shall transfer to the  
312 General Fund out of the following enumerated funds, the amounts  
313 listed below from each fund:

314 FUND	FUND NUMBER	AMOUNT
315 Capital Expense Fund	6499C00000	\$1.00
316 Budget Contingency Fund	6117700000	<u>\$1.00</u>
317 TOTAL.....		\$2.00

318 **SECTION 8.** This act shall take effect and be in force from  
319 and after its passage.

