

Senate Amendments to House Bill No. 1705

TO THE CLERK OF THE HOUSE:

THIS IS TO INFORM YOU THAT THE SENATE HAS ADOPTED THE AMENDMENTS SET OUT BELOW:

AMENDMENT NO. 1

Amend by striking all after the enacting clause and inserting in lieu thereof the following:

9 **SECTION 1.** Section 27-103-125, Mississippi Code of 1972, is
10 brought forward as follows:
11 27-103-125. The proposed budget of each state agency shall
12 show the amounts required for operating expenses separately from
13 the amounts required for permanent improvements. The overall
14 budget shall show, separately by each source, the estimated amount
15 of general fund revenue and of special fund revenues of general
16 fund agencies. The total proposed expenditures in Part 1 of the
17 overall budget shall not exceed the amount of estimated revenues
18 that will be available in the general and special funds for
19 appropriation or use during the succeeding fiscal year, including
20 any balances other than unencumbered balances in general funds
21 that will be on hand in the general and special funds at the close
22 of the then current fiscal year. The total proposed expenditures
23 from the State General Fund in Part 1 of the overall budget shall
24 not exceed ninety-eight percent (98%) of the amount of general
25 fund revenue estimate for the succeeding fiscal year. The general

26 fund revenue estimate shall be the estimate jointly adopted by the
27 Governor and the Joint Legislative Budget Committee. The
28 Legislative Budget Office may recommend additional taxes or
29 sources of revenue if in its judgment those additional funds are
30 necessary to adequately support the functions of the state
31 government.

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

34 27-103-139. On or before November 15 preceding each regular
35 session of the Legislature, except the first regular session of a
36 new term of office, the Governor shall submit to the members of
37 the Legislature, the Legislative Budget Office or the
38 members-elect, as the case may be, and to the executive head of
39 each state agency a balanced budget for the succeeding fiscal
40 year. The budget submitted shall be prepared in a format that
41 will include performance measurement data associated with the
42 various programs operated by each agency. The total proposed
43 expenditures in the balanced budget shall not exceed the amount of
44 estimated revenues that will be available for appropriation or use
45 during the succeeding fiscal year, including any balances other
46 than unencumbered balances in general funds that will be on hand
47 at the close of the then current fiscal year, as determined by the
48 revenue estimate jointly adopted by the Governor and the
49 Legislative Budget Committee. The total proposed expenditures
50 from the State General Fund in the balanced budget shall not
51 exceed ninety-eight percent (98%) of the amount of general fund

52 revenue estimate for the succeeding fiscal year. The general fund
53 revenue estimate shall be the estimate jointly adopted by the
54 Governor and the Joint Legislative Budget Committee.

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

69 The Governor may employ a budget officer for the purpose of
70 receiving information from the State Fiscal Officer and preparing
71 his recommendations on the budget. If the Governor determines
72 that information received from the State Fiscal Officer is not
73 sufficient to enable him to prepare his budget recommendations, he
74 may request an appropriation from the Legislature to provide
75 additional staff within the Governor's office for that purpose.
76 At the first regular session after his election for Governor, the
77 Governor shall submit any budget recommendations plus the required

78 revenue source recommendations no later than January 31 of that
79 year.

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

82 27-103-203. (1) There is created in the State Treasury a
83 special fund, separate and apart from any other fund, to be
84 designated the Working Cash-Stabilization Reserve Fund.

85 (2) The Working Cash-Stabilization Reserve Fund shall not be
86 considered as a surplus or available funds when adopting a
87 balanced budget as required by law. The State Treasurer shall
88 invest all sums in the Working Cash-Stabilization Reserve Fund not
89 needed for the purposes provided for in this section in
90 certificates of deposit, repurchase agreements and other
91 securities as authorized in Section 27-105-33(d) or Section
92 7-9-103, as the State Treasurer may determine to yield the highest
93 market rate available. If the Ayers Settlement Fund is created
94 under Section 37-101-27(5), the first Five Million Dollars
95 (\$5,000,000.00) of interest earned on those sums each fiscal year
96 shall be deposited into that fund until a total of Seventy Million
97 Dollars (\$70,000,000.00) has been deposited into the fund. The
98 interest, or the remaining interest if the Ayers Settlement Fund
99 is created, that is earned on those sums shall be deposited in the
100 Working Cash-Stabilization Reserve Fund until the balance of
101 principal and interest in the fund reaches ten percent (10%) of
102 the total General Fund appropriations for the current fiscal year,
103 and all interest earned in excess of amounts necessary to maintain

104 the ten percent (10%) fund balance requirement shall be deposited
105 by the State Treasurer into the State General Fund.

106 (3) The Working Cash-Stabilization Reserve Fund, except for
107 Fifteen Million Dollars (\$15,000,000.00) and the amount of the
108 interest and income earned on the principal of the Ayers Endowment
109 Trust created by Section 37-101-27, shall be used by the State
110 Treasurer for cash flow needs throughout the year when the
111 Executive Director of the Department of Finance and Administration
112 certifies that in his opinion there will be cash flow deficiencies
113 in the State General Fund. No borrowing of monies from other
114 special funds for such purposes as authorized by Section 31-17-101
115 et seq., shall be made as long as an unencumbered balance in
116 excess of Fifteen Million Dollars (\$15,000,000.00) and the
117 interest and income earned on the principal of the Ayers Endowment
118 Trust created by Section 37-101-27 remains in the fund. The State
119 Treasurer shall reimburse the fund for all sums borrowed for those
120 purposes from General Fund revenues collected during the fiscal
121 year in which those funds are used. The State Treasurer shall
122 immediately notify the Legislative Budget Office and the State
123 Department of Finance and Administration of each transfer into and
124 out of the fund. Fifteen Million Dollars (\$15,000,000.00) in the
125 Working Cash-Stabilization Reserve Fund shall remain available for
126 exclusive use of the Ayers Endowment Trust created by Section
127 37-101-27. If the Ayers Settlement Fund is created under Section
128 37-101-27(5), beginning when a total of Fifty-five Million Dollars
129 (\$55,000,000.00) has been deposited into the fund, for each annual

130 deposit of interest to that fund under subsection (2) of this
131 section, the Ayers Endowment Trust created under Section
132 37-101-27(1) shall be reduced by an equal amount annually until
133 the Ayers Endowment Trust reaches Zero Dollars (\$0.00), at which
134 time any requirements concerning the Ayers Endowment Trust in this
135 section shall be null and void.

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

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

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

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

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

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

173 27-103-211. The total sum appropriated by the Legislature
174 from the State General Fund for any fiscal year shall not exceed
175 ninety-eight percent (98%) of the general fund revenue estimate
176 for that fiscal year developed by the Department of Revenue and
177 the University Research Center and adopted by the Joint
178 Legislative Budget Committee. The unencumbered balances in
179 general funds that will be available and on hand at the close of
180 the fiscal year shall not include projected amounts required to be

181 deposited into the Working Cash-Stabilization Reserve Fund under
182 Section 27-103-203.

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

185 27-103-213. (1) The unencumbered cash balance in the
186 General Fund in the State Treasury at the close of each fiscal
187 year shall be distributed to the Municipal Revolving Fund, the
188 Working Cash-Stabilization Reserve Fund and the Capital Expense
189 Fund in the manner provided in this section.

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

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

207 Budget Office, showing the amount of the unencumbered General Fund
208 cash balance.

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

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

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

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

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

233 27-103-303. (1) There is created in the State Treasury a
234 special fund, separate and apart from any other fund, to be
235 designated the Capital Expense Fund.

236 (2) The Capital Expense Fund shall not be considered as a
237 surplus or available funds when adopting a balanced budget as
238 required by law. The State Treasurer shall invest all sums in the
239 Capital Expense Fund not needed for the purposes provided for in
240 this section in certificates of deposit, repurchase agreements and
241 other securities as authorized in Section 27-105-33(d) or Section
242 7-9-103, as the State Treasurer may determine to yield the highest
243 market rate available. Interest earned on this fund shall be
244 deposited by the State Treasurer into the State General Fund.

245 (3) The Capital Expense Fund shall be used for capital
246 expense needs, repair and renovation of state-owned properties and
247 specific expenditures authorized by the Legislature. The
248 Legislature shall designate those capital expense projects, repair
249 and renovation projects and other authorized projects in an
250 appropriation act passed by the Legislature, which shall direct
251 the Director of the Department of Finance and Administration to
252 administer the projects.

253 (4) In addition to the purposes specified in subsection (3)
254 of this section, the Capital Expense Fund shall be used to provide
255 funds for emergency repairs on state-owned buildings upon
256 requisition of the Executive Director of the Department of Finance
257 and Administration. Whenever the executive director determines
258 that funds are immediately needed for emergency repairs on

259 state-owned buildings, he or she shall requisition the funds
260 needed from the Capital Expense Fund, which shall be subject to
261 the limitations set forth in this subsection. At the same time he
262 or she makes the requisition, the executive director shall notify
263 the Lieutenant Governor, the Speaker of the House of
264 Representatives, the respective Chairmen of the Senate
265 Appropriations Committee, the Senate Finance Committee, the House
266 Appropriations Committee and the House Ways and Means Committee
267 and the Legislative Budget Office of his or her determination of
268 the need for the funds, the amount that he or she has
269 requisitioned and where the funds will be used. If the amount
270 requisitioned is available in the Capital Expense Fund, is not
271 allocated for any specific projects as authorized in subsection
272 (3) of this section and is within the limitations set forth below
273 in this subsection, then the executive director may escalate the
274 budget of the Bureau of Building, Grounds and Real Property
275 Management to use the full amount of the requisitioned funds for
276 the emergency repairs and transfer that amount to the bureau for
277 that purpose. If the amount requisitioned is more than the amount
278 available in the Capital Expense Fund or above the limitations set
279 forth below in this subsection, then the executive director may
280 escalate the budget of the bureau to use the amount that is
281 available within the limitations for the emergency repairs and
282 transfer that amount to the bureau for that purpose. The maximum
283 amount that may be transferred from the Capital Expense Fund to
284 the bureau for any single emergency shall be One Million Dollars

285 (\$1,000,000.00), and the maximum amount that may be transferred to
286 the bureau for all emergencies during any fiscal year shall be
287 Five Million Dollars (\$5,000,000.00).

288 (5) Funds deposited in the Capital Expense Fund shall be
289 used only for the purposes specified in this section, and as long
290 as the provisions of this section remain in effect, no other
291 expenditure, appropriation or transfer of funds in the Capital
292 Expense Fund shall be made except by act of the Legislature making
293 specific reference to the Capital Expense Fund as the source of
294 those funds.

295 (6) Unexpended funds in the Capital Expense Fund at the end
296 of a fiscal year shall not lapse into the State General Fund but
297 shall remain in the fund for use under this section. Any funds
298 appropriated from the Capital Expense Fund that are unexpended at
299 the end of a fiscal year shall lapse into the Capital Expense
300 Fund.

301 **SECTION 7.** During fiscal year 2025, the State Treasurer, in
302 conjunction with the State Fiscal Officer, shall transfer to the
303 Capital Expense Fund the amounts listed below from each of the
304 following named funds:

305 FUND	FUND NUMBER	AMOUNT
306 General Fund	2999000000	\$1.00
307 Treasurer's Office		
308 <u>Abandoned Property</u>	3317800000	<u>\$1.00</u>
309 TOTAL		\$2.00

310 **SECTION 8.** This act shall take effect and be in force from
311 and after July 1, 2024, and shall stand repealed on June 29, 2024.

**Further, amend by striking the title in its entirety and
inserting in lieu thereof the following:**

1 AN ACT TO BRING FORWARD SECTIONS 27-103-125, 27-103-139,
2 27-103-203, 27-103-211, 27-103-213 AND 27-103-303, MISSISSIPPI
3 CODE OF 1972, WHICH RELATE TO VARIOUS ASPECTS OF THE BUDGET
4 PROCESS, FOR THE PURPOSES OF POSSIBLE AMENDMENT; TO DIRECT THE
5 STATE TREASURER AND THE STATE FISCAL OFFICER TO MAKE CERTAIN
6 TRANSFERS TO THE CAPITAL EXPENSE FUND DURING FISCAL YEAR 2025; AND
7 FOR RELATED PURPOSES.

SS26\HB1705A.1J

Amanda White
Secretary of the Senate