By: Senator(s) Hopson, Polk, Blackwell, McLendon, Simmons (13th)

To: Appropriations

# SENATE BILL NO. 2037

AN ACT MAKING AN APPROPRIATION TO DEFRAY THE EXPENSES OF THE OFFICE OF THE SECRETARY OF STATE FOR FISCAL YEAR 2026.

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

**SECTION 1.** The following sum, or so much thereof as may be necessary, is hereby appropriated out of any money in the State General Fund not otherwise appropriated, for the support and maintenance of the Secretary of State for the fiscal year beginning July 1, 2025, and ending June 30, 2026.................................................................$ 15,146,621.00.

**SECTION 2.** The following sum, or so much thereof as may be necessary, is hereby authorized for expenditure out of any special source funds which are collected by or otherwise become available for the purpose of defraying the expenses of the Secretary of State for the fiscal year beginning July 1, 2025, and ending June 30, 2026..................................$ 12,288,745.00.

**SECTION 3.** Of the funds appropriated under the provisions of this act, not more than the following amount of funds, with the exception of the provisions in this section, shall be expended only for “Personal Services,” which includes “Vacancy Funding,” for the following authorized number of employment headcount:

FUNDING:

| | |
|---|---|
| General Funds: | $ 7,842,078.00 |
| Special Funds: | $ 0.00 |
| Total Funds: | $ 7,842,078.00 |

PERSONAL SERVICES:

| | |
|---|---|
| Employee Salaries, Wages, and Fringe Benefits: | $ 7,595,395.00 |
| Progressions: | $ 0.00 |
| Vacancy Funding: | $ 246,683.00 |
| Total Personal Services: | $ 7,842,078.00 |

AUTHORIZED HEADCOUNT:

| | |
|---|---|
| Permanent: | 97 |
| Time-Limited: | 11 |

As used in this section, the term “Personal Services” shall mean funds provided under the major object of expenditure category Personal Services for Salaries, Wages, and Fringe Benefits. Funds in this category shall not be transferred to any other category.

It is the intention of the Legislature to ensure compliance with the Variable Compensation Plan, as outlined in Section 25-9-147, Mississippi Code of 1972. Payment from these funds shall be in accordance with the Variable Compensation Plan promulgated by the Mississippi State Personnel Board. It is the Legislature’s intention that no employee's salary falls below the minimum salary established by the Mississippi State Personnel Board.

The State Personnel Board shall determine and publish the projected annual cost of "Personal Services" based on monthly and year-to-date payroll expenditures in compliance with the provisions of this act.

With the funds herein appropriated, it shall be the agency's responsibility to ensure that no single personnel action or combination of personnel actions, when annualized, exceeds the Fiscal Year 2026 appropriation for "Personal Services" with the exception of escalated funds. Further, it shall be the agency's responsibility to ensure that funds required to be appropriated for "Personal Services" for Fiscal Year 2027 do not exceed Fiscal Year 2026 funds appropriated for that purpose unless programs or positions are added to the agency's Fiscal Year 2026 budget by the Mississippi Legislature.

If, at the time the agency takes any action to change "Personal Services," the State Personnel Board determines that the agency has taken or will take an action that would cause the agency to exceed the funds appropriated in this act when annualized for Fiscal Year 2026 or increase the need for "Personal Services" for Fiscal Year 2027, when annualized, the State Personnel Board shall process no salary actions until such time as the requirements of the provisions of this section are met with the exception of new hires determined to be essential for the agency.

When used in this section, “Vacancy Funding” shall mean funds included in the Total Personal Services amount listed above and designated for approved vacancies in Fiscal Year 2026. These funds are to be utilized to increase the number of filled headcounts that were authorized but unfilled as of the last day of Fiscal Year 2025. If the agency fills additional headcounts after May 1, 2025, until the end of Fiscal Year 2025, the amount of available Vacancy Funding may be proportionally reduced to reflect the updated number of filled headcounts. The agency shall be responsible for ensuring that “Vacancy Funding” is used to increase headcounts and not for promotions, title changes, in-range salary adjustments, or any other mechanism for increasing salaries for current employees.

Any transfers or escalations shall be made in accordance with the terms, conditions, and procedures established by law or allowable under the terms set forth within this act. The State Personnel Board shall not escalate positions without written approval from the Department of Finance and Administration. The Department of Finance and Administration shall not provide written approval to escalate any funds for salaries and/or headcounts without proof of availability of new or additional funds above the appropriated level. Unless specifically noted, all Fiscal Year

2025 escalated headcounts have been accounted for and shall be converted to authorized time-limited headcounts.

No general funds authorized to be expended herein shall be used to replace federal funds and/or other special funds used for salaries authorized under the provisions of this act and which are withdrawn and no longer available.

None of the funds herein appropriated shall be used in violation of the Internal Revenue Service's Publication 15-A relating to the reporting of income paid to contract employees, as interpreted by the Office of the State Auditor.

If the agency's total authorized headcount decreases from Fiscal Year 2025 to Fiscal Year 2026, it will be the agency's discretion as to what headcounts are removed.

**SECTION 4.** It is the intention of the Legislature that the Office of the Secretary of State shall maintain complete accounting and personnel records related to the expenditure of all funds appropriated under this act and that such records shall be in the same format and level of detail as maintained for Fiscal Year 2025. It is further the intention of the Legislature that the agency's budget request for Fiscal Year 2027 shall be submitted to the Joint Legislative Budget Committee in a format and level of detail comparable to the format and level of detail provided during the Fiscal Year 2026 budget request process.

**SECTION 5.** None of the funds appropriated by this act shall be expended for any purpose that is not actually required or necessary for performing any of the powers or duties of the Office of the Secretary of State that are authorized by the Mississippi Constitution of 1890, state or federal law, or rules or regulations that implement state or federal law.

**SECTION 6.** No part of the funds appropriated herein shall be used, either directly or indirectly, for the purpose of paying any clerk, stenographer, assistant, deputy, or other person who may be related by blood or marriage within the third degree, computed by the rules of the civil law, to the official employing or having the right of employment or selection thereof; and in the event of any such payment, then the official or person approving and making or receiving such payment shall be jointly and severally liable to return to the State of Mississippi and to pay into the State Treasury three (3) times any such amount so paid or received, to be recovered at suit of the Attorney General; provided that when the relationship is by affinity and the person through whom the relationship was established is dead, this provision shall not apply.

**SECTION 7.** Of the funds appropriated in Section 1 of this act, the Secretary of State may use funds appropriated for the purposes of defraying litigation expenses associated with the enforcement of the Mississippi Securities Act, the Regulation of Charitable Solicitations Act, and the administration of the Public Trust.

**SECTION 8.** In compliance with the "Mississippi Performance Budget and Strategic Planning Act of 1994," it is the intent of the Legislature that the funds provided herein shall be utilized in the most efficient and effective manner possible to achieve the intended mission of this agency. Based on the funding authorized, this agency shall make every effort to attain the targeted performance measures provided below:

| Performance Measures | FY2026 Target |
|---|---|
| Business Services | |
| Percent of Business Services Customer Phone Calls Answered | 95.00 |
| Elections | |
| Number of Poll Workers to Successfully Complete the Online Training Program | 650 |
| Number of Voter Registrations Updated on Secure Online Website | 6,400 |
| Percent of Poll Workers who Successfully Complete the Online Poll Manager Training on Their First Attempt | 60.00 |
| Publications | |
| Number of Visits to the Secretary of State's Website | 9,000,000 |
| Public Lands | |
| Number of Tax-Forfeited Properties Sold | 1,000 |

Support Services

Support Services as a Percent of Total Agency Expenditures 25.00

A reporting of the degree to which the performance targets set above have been or are being achieved shall be provided in the agency's budget request submitted to the Joint Legislative Budget Committee for Fiscal Year 2027.

**SECTION 9.** Of the funds appropriated in Section 1 of this act, no more than Five Hundred Thousand Dollars ($500,000.00) is provided for paying principal and interest on bond issues for county voting systems.

**SECTION 10.** Of the funds appropriated in Section 2 of this act, One Million Seven Hundred Fifty Thousand Dollars ($1,750,000.00), or so much thereof as may be necessary, is appropriated out of any money in the State Treasury to the credit of the Land Records Maintenance Fund, for the purpose of making distributions to local governments for taxes owed during the fiscal year.

**SECTION 11.** Of the funds appropriated in Section 2 of this act, Four Million Two Hundred Fifteen Thousand Three Hundred Ninety-three Dollars ($4,215,393.00), or so much thereof as may be necessary, is appropriated out of any money in the State Treasury to the credit of the Elections Support Fund, for the purpose of acquiring, upgrading, maintaining, or repairing voting equipment, systems, and supplies, hiring temporary technical support, conducting elections using such voting equipment or systems and training election officials during the fiscal year.

**SECTION 12.** Of the funds appropriated in Section 2 of this act, Six Million Three Hundred Ninety Thousand Four Hundred Forty Dollars ($6,390,440.00), or so much thereof as may be necessary, is appropriated out of any money in the State Treasury to the credit of the Public Trust Tidelands Fund, and is authorized to be transferred by the Secretary of State to the Mississippi Department of Marine Resources.

**SECTION 13.** It is the intention of the Legislature that whenever two (2) or more bids are received by this agency for the purchase of commodities or equipment, and whenever all things stated in such received bids are equal with respect to price, quality and service, the Mississippi Industries for the Blind shall be given preference. A similar preference shall be given to the Mississippi Industries for the Blind whenever purchases are made without competitive bids.

**SECTION 14.** Of the funds appropriated in Section 1 of this act, One Million Dollars ($1,000,000.00) is for the purpose of expenses related to cybersecurity and election integrity.

**SECTION 15.** Of the funds appropriated in Section 2, Six Million Two Hundred Ninety-nine Thousand Seven Hundred Thirty-two Dollars ($6,299,732.00) is provided for defraying expenses related to the Broadwater Marina Restoration Project.

**SECTION 16.** The following sum, or so much thereof as may be necessary, is reappropriated out of any money in the State General Fund not otherwise appropriated for the Secretary of State for the purpose of reauthorizing the expenditure of State General Funds, as authorized in Senate Bill No. 3059, 2024 Regular Session, to provide funds for systems updates and upgrades, for the fiscal year beginning July 1, 2025, and ending June 30, 2026............. ...............................................$ 3,977,000.00.

Notwithstanding the amount reappropriated under the provisions of this section, in no event shall the amount expended exceed the unexpended balance as of June 30, 2025.

**SECTION 17.** Of the funds appropriated in Section 1 of this act, One Million One Hundred and Eight Thousand Dollars ($1,108,000.00) is provided for the purpose of expenses related to the replacement, modification and support of the Statewide Elections Management System (SEMS).

**SECTION 18.** Of the funds appropriated under the provisions of Section 2 of this act, Two Hundred Eight Thousand Dollars ($208,000.00), or so much as may be necessary, shall be derived out of any money in the State Treasury to the credit of the Capital Expense Fund, as created in Section 27-103-303, Mississippi Code of 1972, and allocated in a manner as determined by the State Treasurer. These funds are provided to the Secretary of State for the purpose of office relocation expenses.

**SECTION 19.** The money herein appropriated shall be paid by the State Treasurer out of any money in the State Treasury to the credit of the proper fund or funds as set forth in this act, upon warrants issued by the State Fiscal Officer; and the State Fiscal Officer shall issue his warrants upon requisitions signed by the proper person, officer or officers in the manner provided by law.

**SECTION 20.** This act shall take effect and be in force from and after July 1, 2025.