

By: Howell, Bowles, Coleman (65th), Creel,  
Davis, Ellington, Fillingane, Formby, Guice,  
Hudson, Jennings, Ketchings, Malone, Maples,  
Martinson, Montgomery (74th), Moore (60th),  
Robertson, Simpson, Smith (35th), Smith  
(59th)

To: Appropriations

HOUSE BILL NO. 663

1 AN ACT TO CREATE A SPECIAL FUND IN THE STATE TREASURY TO BE  
2 KNOWN AS THE STATE AGENCIES CAPITAL IMPROVEMENTS/REPAIR AND  
3 RENOVATION FUND; TO PROVIDE THAT MONIES IN THE FUND SHALL BE  
4 EXPENDED ONLY FOR CAPITAL IMPROVEMENTS FOR STATE AGENCIES AND FOR  
5 REPAIR AND RENOVATION OF STATE FACILITIES; TO DIRECT THE OFFICE OF  
6 BUILDING, GROUNDS AND REAL PROPERTY MANAGEMENT TO SUBMIT REPORTS  
7 ANNUALLY TO THE LEGISLATIVE BUDGET OFFICE LISTING THE REPAIR AND  
8 RENOVATION AND CAPITAL IMPROVEMENT NEEDS FOR THE NEXT FISCAL YEAR  
9 AND RANKING THEM BY NUMBER IN THE ORDER OF PRIORITY OF NEED; TO  
10 REQUIRE THE LEGISLATIVE BUDGET COMMITTEE AND THE LEGISLATURE TO  
11 CONSIDER THOSE REPORTS IN PREPARING THE PROPOSED BUDGET AND  
12 ENACTING APPROPRIATION BILLS FOR THE NEXT FISCAL YEAR; TO CREATE A  
13 SPECIAL FUND IN THE STATE TREASURY TO BE KNOWN AS THE  
14 MUNICIPALITIES CAPITAL IMPROVEMENTS/REPAIR AND RENOVATION FUND; TO  
15 ESTABLISH THE MUNICIPALITIES CAPITAL IMPROVEMENTS/REPAIR AND  
16 RENOVATION GRANT PROGRAM TO BE ADMINISTERED BY THE DEPARTMENT OF  
17 ECONOMIC AND COMMUNITY DEVELOPMENT; TO PROVIDE THAT THE DEPARTMENT  
18 SHALL MAKE GRANTS FROM THE FUND UNDER THE PROGRAM, TO BE USED FOR  
19 CAPITAL IMPROVEMENTS AND FOR THE REPAIR AND RENOVATION OF  
20 BUILDINGS AND OTHER FACILITIES OF MUNICIPALITIES; TO PRESCRIBE THE  
21 CRITERIA FOR ELIGIBILITY TO RECEIVE GRANTS UNDER THE PROGRAM; TO  
22 REQUIRE MUNICIPALITIES TO PROVIDE MATCHING FUNDS IN ORDER TO BE  
23 ELIGIBLE FOR GRANTS UNDER THE PROGRAM; TO PRESCRIBE THE POWERS AND  
24 DUTIES OF THE DEPARTMENT IN IMPLEMENTING THE PROGRAM; TO AMEND  
25 SECTION 27-103-203, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT  
26 MONIES IN THE STATE AGENCIES CAPITAL IMPROVEMENTS/REPAIR AND  
27 RENOVATION FUND AND THE MUNICIPALITIES CAPITAL IMPROVEMENTS/REPAIR  
28 AND RENOVATION FUND SHALL BE PROVIDED FROM TRANSFERS OF A PORTION  
29 OF THE UNENCUMBERED GENERAL FUND CASH BALANCE AT THE END OF EACH  
30 FISCAL YEAR; AND FOR RELATED PURPOSES.

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

32 SECTION 1. (1) There is created in the State Treasury a  
33 special fund to be known as the "State Agencies Capital  
34 Improvements/Repair and Renovation Fund," which shall be used only  
35 for the purposes and in the manner prescribed in this section.

36 Monies in the fund shall be provided from transfers of a portion  
37 of the unencumbered General Fund cash balance at the end of each  
38 fiscal year in accordance with Section 27-103-203 and from any  
39 other funds authorized by law to be transferred into or deposited  
40 in the fund. Unexpended amounts remaining in the fund at the end  
41 of a fiscal year shall not lapse into the State General Fund, and  
42 any interest earned on amounts in the fund shall be deposited to  
43 the credit of the fund.

44 (2) Monies in the fund shall be expended only upon  
45 appropriation by the Legislature, and shall be expended only for:

46 (a) Capital improvements for state agencies and state  
47 institutions of higher learning; and

48 (b) Repair and renovation of buildings and other  
49 facilities of state agencies and state institutions of higher  
50 learning.

51 (3) (a) Before September 1 of each year the Office of  
52 Building, Grounds and Real Property Management of the Department  
53 of Finance and Administration shall submit a written report to the  
54 Legislative Budget Office with a list of the repair and renovation  
55 and capital improvement needs of all state agencies and state  
56 institutions of higher learning for the next fiscal year, ranked  
57 by number in the order of priority of need as determined by the  
58 Office of Building, Grounds and Real Property Management. This  
59 report shall be submitted as part of the Repair and Renovating,  
60 Preplanning and Capital Improvement Report that is prepared by the  
61 office and submitted to the Legislative Budget Office under  
62 Section 31-11-27.

63 (b) The report submitted under paragraph (a) of this  
64 subsection shall be considered by the Legislative Budget Committee  
65 in preparing its proposed budget for the next fiscal year, and  
66 shall be considered by the Appropriations Committees of the House

67 of Representatives and the Senate and by the Legislature in  
68 enacting appropriation bills for the next fiscal year.

69 SECTION 2. (1) (a) There is created in the State Treasury  
70 a special fund to be known as the "Municipalities Capital  
71 Improvements/Repair and Renovation Fund," which shall be used only  
72 for the purposes and in the manner prescribed in this section.  
73 Monies in the fund shall be provided from transfers of a portion  
74 of the unencumbered General Fund cash balance at the end of each  
75 fiscal year in accordance with Section 27-103-203 and from any  
76 other funds authorized by law to be transferred into or deposited  
77 in the fund. Unexpended amounts remaining in the fund at the end  
78 of a fiscal year shall not lapse into the State General Fund, and  
79 any interest earned on amounts in the fund shall be deposited to  
80 the credit of the fund.

81 (b) Monies in the fund shall be expended only upon  
82 appropriation by the Legislature, and shall be expended only for  
83 the Municipalities Capital Improvements/Repair and Renovation  
84 Grant Program established under subsection (2) of this section.

85 (2) (a) There is established the Municipalities Capital  
86 Improvements/Repair and Renovation Grant Program, which shall be  
87 administered by the Department of Economic and Community  
88 Development. Under the program, the department shall make grants  
89 to municipalities from the Municipalities Capital  
90 Improvements/Repair and Renovation Fund at the beginning of each  
91 fiscal year, to be used for capital improvements and for the  
92 repair and renovation of buildings and other facilities of the  
93 municipalities. The first grants from the fund shall be made in  
94 the fiscal year beginning July 1, 2001. The department shall not

95 make grants from the fund in any fiscal year in which the balance  
96 of the fund is less than Two Million Dollars (\$2,000,000.00).

97 (b) Monies in the fund shall be available for grants to  
98 municipalities based on the populations of the municipalities,  
99 according to the most recent federal decennial census, as follows:

100	<b>Population of Municipality</b>	<b>Percentage of Fund Available</b>
101	1-1,000	29%
102	1,001-4,000	24%
103	4,001-8,000	11%
104	8,001-20,000	17%
105	20,001-50,000	12%
106	50,001 or more	7%

107 (c) To be eligible to receive a grant under the  
108 program, a municipality must provide matching funds in an amount  
109 equal to twenty-five percent (25%) of the amount of the grant.  
110 The matching funds may be paid from any funds available to the  
111 municipality other than state funds received by the municipality.

112 (d) The department shall set a deadline date for  
113 applications for grants that will be made from the fund during  
114 each fiscal year. In order to receive a grant under the program,  
115 the governing authorities of a municipality must submit an  
116 application to the department before the deadline date set by the  
117 department, requesting a specific amount of money and describing  
118 the project or projects for which the grant monies would be used.  
119 The department shall review each application, and if the  
120 provisions of this section have been met, the department shall  
121 make a grant to the municipality in such amount as determined by  
122 the department.

123           (e) Grants received by a municipality under the program  
124 and the required matching funds shall be expended only for capital  
125 improvements for the municipality or for the repair and renovation  
126 of buildings and other facilities of the municipality.

127           (f) The department shall:

128                 (i) Notify all municipalities in the state about  
129 the grant program and the criteria that they must meet to be  
130 eligible to receive grants under the program;

131                 (ii) Adopt and promulgate such rules and  
132 regulations as may be necessary or desirable to implement the  
133 grant program;

134                 (iii) Determine the amounts of the grants that  
135 will be made to those municipalities applying for grants, which  
136 shall be based on the amount requested by the municipality, the  
137 amount of money in the fund that is available for municipalities  
138 in the same population category, and the relative need for the  
139 grant for projects in the municipality;

140                 (iv) Notify municipalities that have applied for  
141 grants if there is more money available in the fund than the total  
142 amount requested in all grant applications, and allow those  
143 municipalities to amend their applications to increase the amount  
144 of money requested if they are willing to increase the amount of  
145 matching funds that would be required to receive the increased  
146 grant amount;

147                 (v) Maintain an accurate record of all grants made  
148 to municipalities under the grant program, which records shall be  
149 kept separate from other records of the department; and

150                 (vi) File with the Legislature, on or before

151 January 1 of each year, a report detailing the grants made under  
152 the program during the preceding fiscal year and how the grants  
153 were spent by each municipality that received grants under the  
154 program.

155 SECTION 3. Section 27-103-203, Mississippi Code of 1972, is  
156 amended as follows:[%CN%1]

157 27-103-203. (1) There is created in the State Treasury a  
158 special fund, separate and apart from any other fund, to be  
159 designated the Working Cash-Stabilization Reserve Fund, into which  
160 shall be deposited one hundred percent (100%) of the unencumbered  
161 General Fund cash balance at the close of each fiscal year until  
162 such time as the balance in the fund reaches Forty Million Dollars  
163 (\$40,000,000.00). After the balance in the fund reaches Forty  
164 Million Dollars (\$40,000,000.00), twelve and one-half percent  
165 (12-1/2%) of the unencumbered cash balance at the close of each  
166 fiscal year shall be transferred into the State Agencies Capital  
167 Improvements/Repair and Renovation Fund, and twelve and one-half  
168 percent (12-1/2%) of the unencumbered cash balance at the close of  
169 each fiscal year shall be transferred into the Municipalities  
170 Capital Improvements/Repair and Renovation Fund. After the  
171 transfers have been made into those funds, fifty percent (50%) of  
172 the remaining unencumbered General Fund cash balance at the close  
173 of each fiscal year shall remain in the General Fund. Of the  
174 other fifty percent (50%) of the remaining unencumbered General  
175 Fund cash balance at the close of each fiscal year, an amount  
176 necessary to increase the balance of the Working  
177 Cash-Stabilization Reserve Fund to seven and one-half percent  
178 (7-1/2%) of the General Fund appropriations for such fiscal year

179 shall be transferred into the Working Cash-Stabilization Reserve  
180 Fund. The remainder, if any, of the year-end unencumbered cash  
181 after transfer to the Working Cash-Stabilization Reserve Fund  
182 shall \* \* \* be transferred into the Education Enhancement  
183 Fund \* \* \*. Unencumbered cash in the General Fund may be used for  
184 new year cash flow needs and may also be used for deficit  
185 appropriations or regular appropriations.

186 (2) The Working Cash-Stabilization Reserve Fund shall not be  
187 considered as a surplus or available funds when adopting a  
188 balanced budget as required by law. The State Treasurer shall  
189 invest all sums in the Working Cash-Stabilization Reserve Fund not  
190 needed for the purposes provided for in this section in  
191 certificates of deposit, repurchase agreements and other  
192 securities as authorized in Sections 27-105-33(d) or 7-9-103, as  
193 the State Treasurer may determine to yield the highest market rate  
194 available. The interest earned on such sums shall be deposited in  
195 the fund until the balance of principal and interest therein  
196 reaches seven and one-half percent (7-1/2%) of the total General  
197 Fund appropriations for the current fiscal year, and all interest  
198 earned in excess of amounts necessary to maintain the seven and  
199 one-half percent (7-1/2%) fund balance requirement shall be  
200 deposited by the State Treasurer into the State General Fund.

201 (3) The Working Cash-Stabilization Reserve Fund, except for  
202 Nineteen Million Dollars (\$19,000,000.00) and the amount of the  
203 interest and income earned on the principal of the Ayers Endowment  
204 Trust created by Section 37-101-27, shall be used by the State  
205 Treasurer for cash flow needs throughout the year when the  
206 Executive Director of the Department of Finance and Administration

207 certifies that in his opinion there will be cash flow deficiencies  
208 in the State General Fund. No borrowing of monies from other  
209 special funds for such purposes as authorized by Section 31-17-101  
210 et seq. shall be made as long as an unencumbered balance in excess  
211 of Nineteen Million Dollars (\$19,000,000.00) and the interest and  
212 income earned on the principal of the Ayers Endowment Trust  
213 created by Section 37-101-27 remains in the fund. The State  
214 Treasurer shall reimburse the fund for all sums borrowed for such  
215 purposes from General Fund revenues collected during the fiscal  
216 year in which such funds are used. The State Treasurer shall  
217 immediately notify the Legislative Budget Office and the State  
218 Department of Finance and Administration of each transfer into and  
219 out of such fund. Four Million Dollars (\$4,000,000.00) in the  
220 Working Cash-Stabilization Reserve Fund shall remain available for  
221 use pursuant to Section 27-103-81. Fifteen Million Dollars  
222 (\$15,000,000.00) in the Working Cash-Stabilization Reserve Fund  
223 shall remain available for exclusive use of the Ayers Endowment  
224 Trust created by Section 37-101-27.

225 (4) The Working Cash-Stabilization Reserve Fund, except for  
226 Forty Million Dollars (\$40,000,000.00), shall also be used for the  
227 purpose of covering any projected deficits that may occur in the  
228 General Fund at the end of a fiscal year as a result of revenue  
229 shortfalls. In the event the Governor determines that a deficit  
230 in revenues from all sources may occur, it shall be the duty of  
231 the Executive Director of the Department of Finance and  
232 Administration to transfer such funds as necessary to the General  
233 Fund to alleviate the deficit in accordance with Sections  
234 27-104-13 and 31-17-123; however, not more than Fifty Million



235 Dollars (\$50,000,000.00) may be transferred from the fund for such  
236 purpose in any one (1) fiscal year. In the event it becomes  
237 necessary to apply a part of the fund to this purpose, the amount  
238 so applied shall be restored to the Working Cash-Stabilization  
239 Reserve Fund out of future annual surpluses, as provided in  
240 subsection (1) of this section, until the seven and one-half  
241 percent (7-1/2%) maximum is again attained.

242 (5) The Working Cash-Stabilization Reserve Fund also shall  
243 be used to provide funds for the Disaster Assistance Trust Fund  
244 when such funds are immediately needed to provide for disaster  
245 assistance under Sections 33-15-103 through 33-15-317. Any  
246 transfer of funds from the Working Cash-Stabilization Reserve Fund  
247 to the Disaster Assistance Trust Fund shall be made in accordance  
248 with the provisions of subsection (5) of Section 33-15-307.

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

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

261 SECTION 4. This act shall take effect and be in force from  
262 and after July 1, 2000.