

By: Representative Fleming

To: Appropriations

HOUSE BILL NO. 3

1 AN ACT TO AMEND SECTIONS 27-103-125, 27-103-139, 27-103-211
2 AND 31-17-123, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT DURING
3 EACH OF THE NEXT TEN FISCAL YEARS, THE GENERAL FUND REVENUE
4 ESTIMATES THAT ARE USED FOR DETERMINING THE PROPOSED STATE BUDGET,
5 LEGISLATIVE APPROPRIATIONS AND STATE AGENCY BUDGET REDUCTIONS
6 SHALL NOT EXCEED THREE PERCENT OF THE AMOUNT OF THE GENERAL FUND
7 REVENUES RECEIVED BY THE STATE FOR THE PRECEDING FISCAL YEAR; AND
8 FOR RELATED PURPOSES.

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

10 **SECTION 1.** Section 27-103-125, Mississippi Code of 1972, is
11 amended as follows:

12 27-103-125. The proposed budget of each state agency shall
13 show the amounts required for operating expenses separately from
14 the amounts required for permanent improvements. The overall
15 budget shall show, separately by each source, the estimated amount
16 of general fund revenue and of special fund revenues of general
17 fund agencies. The total proposed expenditures in Part 1 of the
18 overall budget shall not exceed the amount of estimated revenues
19 that will be available in the general and special funds for
20 appropriation or use during the succeeding fiscal year, including
21 any balances that will be on hand in the general and special funds
22 at the close of the then current fiscal year. * * * The total
23 proposed expenditures from the General Fund in Part 1 of the
24 overall budget shall not exceed ninety-eight percent (98%) of the
25 amount of general fund revenue estimate for the succeeding fiscal
26 year, plus any unencumbered balances in general funds that will be
27 available and on hand at the close of the then current fiscal
28 year. The general fund revenue estimate shall be the estimate
29 jointly adopted by the Governor and the Joint Legislative Budget
30 Committee; however, for the purposes of this section, during the



31 period beginning July 1, 2002, and ending June 30, 2012, the
32 general fund revenue estimate for each succeeding fiscal year
33 shall not exceed three percent (3%) of the amount of the general
34 fund revenues received by the state for the preceding fiscal year.
35 Unencumbered balances in general funds that will be available and
36 on hand at the close of the current fiscal year shall not include
37 projected amounts required to be deposited into the Working
38 Cash-Stabilization Reserve Fund under Section 27-103-203. The
39 Legislative Budget Office may recommend additional taxes or
40 sources of revenue if in its judgment those additional funds are
41 necessary to adequately support the functions of the state
42 government.

43 **SECTION 2.** Section 27-103-139, Mississippi Code of 1972, is
44 amended as follows:

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



64 on hand at the close of the then current fiscal year. The general
65 fund revenue estimate shall be the estimate jointly adopted by the
66 Governor and the Joint Legislative Budget Committee; however, for
67 the purposes of this section, during the period beginning July 1,
68 2002, and ending June 30, 2012, the general fund revenue estimate
69 for each succeeding fiscal year shall not exceed three percent
70 (3%) of the amount of the general fund revenues received by the
71 state for the preceding fiscal year. Unencumbered balances in
72 general funds that will be available and on hand at the close of
73 the fiscal year shall not include projected amounts required to be
74 deposited into the Working Cash-Stabilization Reserve Fund and the
75 Education Enhancement Fund under Section 27-103-203.

76 The revenues used in preparing the balanced budget shall be
77 only those revenues that will be available under the general laws
78 of the state as they exist when the balanced budget is prepared,
79 and shall not include any proposed revenues that would become
80 available only after the enactment of new legislation. If the
81 Governor has any recommendations for additional proposed
82 expenditures or proposed revenues that are not included in his
83 balanced budget, he shall submit those recommendations in a
84 supplement that is separate from his balanced budget, and whenever
85 the Governor recommends any such additional proposed expenditures,
86 he also shall recommend proposed revenues that are sufficient to
87 fund the additional proposed expenditures, providing specific
88 details regarding the sources and the total amount of those
89 proposed revenues.

90 The Governor may employ a budget officer for the purpose of
91 receiving information from the State Fiscal Officer and preparing
92 his recommendations on the budget. If the Governor determines
93 that information received from the State Fiscal Officer is not
94 sufficient to enable him to prepare his budget recommendations, he
95 may request an appropriation from the Legislature to provide
96 additional staff within the Governor's Office for that purpose.



97 At the first regular session after his election for Governor, the
98 Governor shall submit any budget recommendations plus the required
99 revenue source recommendations no later than January 31 of that
100 year.

101 **SECTION 3.** Section 27-103-211, Mississippi Code of 1972, is
102 amended as follows:

103 27-103-211. * * * The total sum appropriated by the
104 Legislature from the State General Fund for any fiscal year shall
105 not exceed ninety-eight percent (98%) of the general fund revenue
106 estimate for that fiscal year developed by the Tax Commission and
107 the University Research Center and adopted by the Joint
108 Legislative Budget Committee, plus any unencumbered balances in
109 general funds that will be available and on hand at the close of
110 the then current fiscal year; however, for the purposes of this
111 section, during the period beginning July 1, 2002, and ending June
112 30, 2012, the general fund revenue estimate for each fiscal year
113 shall not exceed three percent (3%) of the amount of the general
114 fund revenues received by the state for the preceding fiscal year.
115 The unencumbered balances in general funds that will be available
116 and on hand at the close of the fiscal year shall not include
117 projected amounts required to be deposited into the Working
118 Cash-Stabilization Reserve Fund under Section 27-103-203.

119 **SECTION 4.** Section 31-17-123, Mississippi Code of 1972, is
120 amended as follows:

121 31-17-123. The intent of the Legislature is to authorize
122 borrowing funds under the provisions of Sections 31-17-101 through
123 31-17-123 to offset any temporary cash flow deficiencies and
124 should not be construed to authorize the borrowing of any funds in
125 an amount that cannot be repaid during the fiscal year in which
126 the funds are borrowed.

127 The State Tax Commission and University Research Center,
128 utilizing all available revenue forecast data, shall annually
129 develop a general fund revenue estimate to be adopted by the



130 Legislative Budget Office as of the date of sine die adjournment.
131 For the purposes of the following provisions of this section,
132 during the period beginning July 1, 2002, and ending June 30,
133 2012, the general fund revenue estimate for each fiscal year shall
134 not exceed three percent (3%) of the amount of the general fund
135 revenues received by the state for the preceding fiscal year. If,
136 at the end of October, or at the end of any month thereafter of
137 any fiscal year, the revenues received for the fiscal year * * *
138 fall below ninety-eight percent (98%) of the Legislative Budget
139 Office general fund revenue estimate at the date of sine die
140 adjournment, the State Fiscal Officer shall reduce allocations of
141 general funds and state-source special funds to general fund and
142 special fund agencies and to the "administration and other
143 expenses" budget of the State Highway Department in an amount
144 necessary to keep expenditures within the sum of actual general
145 fund receipts including any transfers to the General Fund from the
146 Working Cash-Stabilization Reserve Fund for the fiscal year. The
147 State Fiscal Officer may, upon his determination of need based on
148 the revenue shortfall, transfer funds as provided in Section
149 27-103-203, from the Working Cash-Stabilization Reserve Fund to
150 the General Fund to supplement the general fund revenue.
151 State-source special funds in an amount equal to any reduction
152 made under the provisions of this section shall be transferred to
153 the State General Fund upon requisitions for warrants signed by
154 the respective agency head and that transfer shall be made within
155 a reasonable period to be determined by the State Fiscal Officer.
156 No agency's allocation shall be reduced in an amount to exceed
157 five percent (5%); however, if the allocations of general funds
158 and state-source special funds to all general fund and special
159 fund agencies and to the "administration and other expenses"
160 budget of the State Highway Department have been reduced by five
161 percent (5%), any additional reductions required to be made under
162 this section shall consist of a uniform percentage reduction of



163 general funds and state-source special funds to all general fund
164 and special fund agencies, and to the "administration and other
165 expenses" budget of the State Highway Department. Any receipt
166 from loans authorized by Sections 31-17-101 through 31-17-123
167 shall not be included as revenue receipts. The State Fiscal
168 Officer shall immediately send notice of any action taken under
169 authority of this section to the Legislative Budget Office.

170 For the purpose of this section, "state-source special funds"
171 shall be construed to mean any special funds in any agency derived
172 from any source, but shall not include the following special
173 funds: special funds derived from federal sources, from local or
174 regional political subdivisions, or from donations; special funds
175 held in a fiduciary capacity for the benefit of specific persons
176 or classes of persons; self-generated special funds of the state
177 institutions of higher learning or the state junior colleges;
178 special funds of Mississippi Industries for the Blind, the State
179 Port at Gulfport, Yellow Creek Inland Port, Pat Harrison Waterway
180 District, Pearl River Basin Development District, Pearl River
181 Valley Water Management District, Tombigbee River Valley Water
182 Management District, Yellow Creek Watershed Authority, or Coast
183 Coliseum Commission; special funds of the Department of Wildlife,
184 Fisheries and Parks derived from the issuance of hunting or
185 fishing licenses; and special funds generated by agencies whose
186 primary function includes the establishment of standards and the
187 issuance of licenses for the practice of a profession within the
188 State of Mississippi.

189 **SECTION 5.** This act shall take effect and be in force from
190 and after July 1, 2002.

