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Chapter No. 506

11/HR40/R1473SG

EW / JP

HOUSE BILL NO. 1054

Originated in House Don Richardson Clerk

HOUSE BILL NO. 1054

AN ACT TO DIRECT THE STATE FISCAL OFFICER TO TRANSFER CERTAIN AMOUNTS TO THE BUDGET CONTINGENCY FUND FROM THE STATE GENERAL FUND AND CERTAIN SPECIAL FUNDS DURING FISCAL YEARS 2011 AND 2012; TO DIRECT THE STATE FISCAL OFFICER TO TRANSFER CERTAIN AMOUNTS TO THE STATE TREASURER FROM CERTAIN LOAN PROGRAM FUNDS DURING FISCAL YEAR 2011; TO PROVIDE THAT THE STATE TREASURER SHALL USE THOSE FUNDS TO PAY DEBT SERVICE ON STATE GENERAL OBLIGATION BONDS FALLING DUE DURING FISCAL YEAR 2011; TO AUTHORIZE THE CLERK OF THE HOUSE OF REPRESENTATIVES OR THE SECRETARY OF THE SENATE TO SUBMIT ANNUAL REQUESTS TO THE STATE FISCAL OFFICER FOR THE FUNDS NECESSARY TO PAY CERTAIN LEGISLATIVE-RELATED EXPENSES; TO PROVIDE THAT THE STATE FISCAL OFFICER SHALL TRANSFER TO THE LEGISLATURE THE AMOUNT OR AMOUNTS AS REQUESTED FROM A SPECIAL FUND OF THE SECRETARY OF STATE'S OFFICE; TO AMEND SECTION 5 OF CHAPTER 562, 2010 REGULAR SESSION, TO REVISE THE AMOUNTS THAT THE STATE FISCAL OFFICER IS REQUIRED TO TRANSFER TO THE GOVERNOR'S OFFICE-DIVISION OF MEDICAID SPECIAL FUND DURING FISCAL YEAR 2011 FROM FUNDS TO THE CREDIT OF CERTAIN AGENCIES, WHICH WAS CONTINGENT UPON THE FEDERAL GOVERNMENT EXTENDING THE INCREASED FEDERAL MEDICAL ASSISTANCE PERCENTAGE (FMAP) PROVIDED FOR IN THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009; TO DELETE THE PROVISION FOR THE STATE FISCAL OFFICER TO TRANSFER SPECIFIED SUMS TO CERTAIN AGENCIES AND FUNDS FROM THE AMOUNT THAT WAS TRANSFERRED TO THE BUDGET CONTINGENCY FUND; TO AMEND SECTION 43-13-405, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE STATE TREASURER MAY NOT TRANSFER OWNERSHIP OF THE ASSETS IN THE RMK SELECT TIMBERLAND 1 PORTFOLIO OF THE HEALTH CARE TRUST FUND TO THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM UNTIL A TRANSFER EQUAL TO THE MONETARY VALUE OF THE ASSETS IN THE PORTFOLIO IS MADE BY THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM INTO THE HEALTH CARE TRUST FUND; TO EXTEND THE DATE OF THE REPEALER ON THE HEALTH CARE TRUST FUND; TO AMEND SECTION 43-13-407, MISSISSIPPI CODE OF 1972, TO TRANSFER A CERTAIN SUM FROM THE HEALTH CARE TRUST FUND TO THE HEALTH CARE EXPENDABLE FUND DURING FISCAL YEAR 2012; TO AUTHORIZE THE STATE TREASURER TO BORROW FUNDS TO OFFSET ANY TEMPORARY CASH FLOW DEFICIENCIES IN THE HEALTH CARE EXPENDABLE FUND FROM ANY STATE-SOURCE SPECIAL FUNDS IN THE STATE TREASURY IN AMOUNTS THAT CAN BE REPAID FROM THE HEALTH CARE EXPENDABLE FUND DURING THE FISCAL YEAR IN WHICH THE FUNDS ARE BORROWED; TO DIRECT THE STATE TREASURER TO TRANSFER A CERTAIN SUM FROM THE HEALTH CARE EXPENDABLE FUND TO THE HEALTH CARE TRUST FUND DURING FISCAL YEAR 2012; TO EXTEND THE DATE OF THE REPEALER ON THAT SECTION; TO AMEND SECTION 27-103-213, MISSISSIPPI CODE OF 1972, TO CLARIFY THE DISTRIBUTION OF THE UNENCUMBERED CASH BALANCE IN THE STATE GENERAL FUND AT THE END OF EACH FISCAL YEAR; TO AMEND SECTION 35-1-27, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE FUNDS PAID TO THE STATE BOARD OF VETERANS AFFAIRS BY THE VETERAN RESIDENTS OF STATE

VETERANS HOMES TO FUND THEIR MONTHLY EXPENSES AT THE STATE VETERANS HOMES SHALL BE CONSIDERED TO BE SPECIAL FUNDS HELD IN A FIDUCIARY CAPACITY FOR THE BENEFIT OF THE RESIDENTS OF THE STATE VETERANS HOMES; TO REVISE THE TIME BY WHICH A PERSON WHO OWNS A RESIDENTIAL STRUCTURE IN HANCOCK, HARRISON OR JACKSON COUNTY THAT WAS DESTROYED BY HURRICANE KATRINA AND WAS LOCATED ON PROPERTY THAT DOES NOT MEET THE CURRENT LOCAL REQUIREMENTS FOR THE MINIMUM SIZE OF A LOT FOR A RESIDENTIAL STRUCTURE, MUST HAVE BEGUN CONSTRUCTION ON A NEW RESIDENTIAL STRUCTURE ON THE PROPERTY IN ORDER NOT TO HAVE TO MEET THE CURRENT LOCAL REQUIREMENTS FOR THE MINIMUM SIZE OF A LOT; AND FOR RELATED PURPOSES.

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

SECTION 1. (1) (a) During fiscal year 2011, the State Fiscal Officer shall transfer to the Budget Contingency Fund the amounts listed below from the following funds:

AGENCY/FUND	FUND NO.	AMOUNT
State General Fund	2999	\$52,734,878.00
Veterinary Diagnostic		
Laboratory Board	3427	4,416.18
Agriculture Aviation	3825	8,944.30
Boswell Regional Center-		
Water System Renovations	3931	54,111.31
TOTAL		\$52,802,349.79

(b) During fiscal year 2011, the State Fiscal Officer shall transfer to the State Treasurer the amounts listed below from the following funds:

AGENCY/FUND	FUND NO.	AMOUNT
Research and Development/ Business Incubator		
Revolving Loan Programs	341N, 34MC, 34MN, 34MP	\$5,405,057.00
Airport/Port Revitalization		
Revolving Loan Program	34AV, 34MP	4,812,684.00
Milk Producers Transportation		
Cost Assistance Loan Program	34AB	1,435,522.00
Moon Lake State Park 2003	346F	2,901,095.00
TOTAL		\$14,554,358.00

The State Treasurer shall use the funds transferred to him for the purpose of paying maturing bonds and interest on the full faith and credit bonds of the State of Mississippi falling due during fiscal year 2012.

(2) During fiscal year 2012, the State Fiscal Officer shall transfer to the Budget Contingency Fund the amounts listed below from the following funds:

AGENCY/FUND	FUND NO.	AMOUNT
State General Fund	2999	\$126,873,000.00
Capital Expense Funds	399C	26,500,000.00
Hurricane Disaster Reserve Fund	3755	27,861,195.00
Working Cash-Stabilization Reserve Fund	3992	87,987,385.00
Department of Insurance	3501	10,000,000.00
DFA - Support	3147	269,185.00
Unclaimed Property Fund	3178	5,500,000.00
Public Service Commission	3811	4,004,222.00
PSC - No Call Telephone Solicitation	3813	90,247.00
PSC - Public Utilities Staff	3812	1,961,276.00
TOTAL		\$291,046,510.00

~~**SECTION 2.** On or before July 1 of each fiscal year, or at such other times as necessary, the Clerk of the House of Representatives or the Secretary of the Senate ("the Legislature") shall submit a request to the State Fiscal Officer for the funds necessary to pay (a) the expenses of the Joint Legislative Committee on Compilation, Revision and Publication of Legislation, (b) the state's share of various assessments from legislative-related organizations, and (c) any other legislative-related expenses. The State Fiscal Officer shall transfer to the Legislature the amount or amounts as requested by the Legislature from the Secretary of State's Fund No. 3111. The State Fiscal Officer shall transfer such obligated funds in a~~

~~timely manner as determined by the Legislature. The Legislature is authorized to escalate the appropriate budgets during the fiscal year by the respective amounts transferred and to expend those sums for the purposes authorized by law.~~

SECTION 3. Section 5 of Chapter 562, 2010 Regular Session, is amended as follows:

Section 5. * * * Because the federal government has extended the increased Federal Medical Assistance Percentage (FMAP) provided for in the American Recovery and Reinvestment Act of 2009 * * *, the State Fiscal Officer shall transfer to the Governor's Office-Division of Medicaid special fund, Fund No. 3328, during fiscal year 2011, from any funds to the credit of the following agencies, the amounts * * * set forth below * * *:

AGENCY	AMOUNT
* * *	
Department of Mental Health	<u>\$8,028,557.00</u>
Department of Rehabilitation Services	<u>1,707,660.00</u>
State Department of Health	<u>959,891.00</u>
University of Mississippi Medical Center	<u>5,349,446.00</u>
Total	<u>\$16,045,554.00</u>

* * *

The Governor's Office-Division of Medicaid is authorized to escalate its budget and expend funds during fiscal year 2011 by the amount transferred in this section.

SECTION 4. Section 43-13-405, Mississippi Code of 1972, as amended by Senate Bill No. 2439, 2011 Regular Session, is amended as follows:

43-13-405. (1) In accordance with the purposes of this article, there is established in the State Treasury the Health Care Trust Fund, into which shall be deposited Two Hundred Eighty Million Dollars (\$280,000,000.00) of the funds received by the State of Mississippi as a result of the tobacco settlement as of the end of fiscal year 1999, and all tobacco settlement

installment payments made in subsequent years for which the use or purpose for expenditure is not restricted by the terms of the settlement, except as otherwise provided in Section 43-13-407(2) and (3) and Section 41-113-11. All income from the investment of the funds in the Health Care Trust Fund shall be credited to the account of the Health Care Trust Fund. The funds in the Health Care Trust Fund at the end of a fiscal year shall not lapse into the State General Fund.

(2) The Health Care Trust Fund shall remain inviolate and shall never be expended, except as provided in this article. The Legislature shall appropriate from the Health Care Trust Fund such sums as are necessary to recoup any funds lost as a result of any of the following actions:

(a) The federal Centers for Medicare and Medicaid Services, or other agency of the federal government, is successful in recouping tobacco settlement funds from the State of Mississippi;

(b) The federal share of funds for the support of the Mississippi Medicaid Program is reduced directly or indirectly as a result of the tobacco settlement;

(c) Federal funding for any other program is reduced as a result of the tobacco settlement; or

(d) Tobacco cessation programs are mandated by the federal government or court order.

(3) The State Treasurer may transfer ownership of all assets in the RMK Select Timberland 1 Portfolio of the Health Care Trust Fund to the Public Employees' Retirement System to be credited to the Public Employees' Retirement System employer's accumulation account. However, in no instance shall the State Treasurer make this transfer until a transfer equal to the monetary value of the assets in the RMK Select Timberland 1 Portfolio of the Health Care Trust Fund is made by the Public Employees' Retirement System into the Health Care Trust Fund.

(4) This section shall stand repealed on July 1, 2013.

SECTION 5. Section 43-13-407, Mississippi Code of 1972, is amended as follows:

43-13-407. (1) In accordance with the purposes of this article, there is established in the State Treasury the Health Care Expendable Fund, into which shall be transferred from the Health Care Trust Fund the following sums:

(a) In fiscal year 2005, Four Hundred Fifty-six Million Dollars (\$456,000,000.00);

(b) In fiscal year 2006, One Hundred Eighty-six Million Dollars (\$186,000,000.00);

(c) In fiscal year 2007, One Hundred Eighty-six Million Dollars (\$186,000,000.00);

(d) In fiscal year 2008, One Hundred Six Million Dollars (\$106,000,000.00);

(e) In fiscal year 2009, Ninety-two Million Two Hundred Fifty Thousand Dollars (\$92,250,000.00);

(f) In the fiscal year beginning after the calendar year in which none of the amount of the annual tobacco settlement installment payment will be deposited into the Health Care Expendable Fund as provided in subsection (3)(d) of this section, and in each fiscal year thereafter, a sum equal to the average annual amount of the dividends, interest and other income, including increases in value of the principal, earned on the funds in the Health Care Trust Fund during the preceding four (4) fiscal years.

(2) In any fiscal year in which interest, dividends and other income from the investment of the funds in the Health Care Trust Fund are not sufficient to fund the full amount of the annual transfer into the Health Care Expendable Fund as required in subsection (1)(f) of this section, the State Treasurer shall transfer from tobacco settlement installment payments an amount

that is sufficient to fully fund the amount of the annual transfer.

(3) Beginning with calendar year 2009, at the time that the State of Mississippi receives the tobacco settlement installment payment for each calendar year, the State Treasurer shall deposit the following amounts of each of those installment payments into the Health Care Expendable Fund:

(a) In calendar years 2009 and 2010, the total amount of the installment payment;

(b) In calendar year 2011, the amount of the installment payment less Ten Million Dollars (\$10,000,000.00);

(c) In calendar year 2012, the total amount of the installment payment;

(d) In calendar year 2013, and each calendar year thereafter, the amount of the installment payment to be deposited into the Health Care Expendable Fund shall be reduced by an additional Ten Million Dollars (\$10,000,000.00) each calendar year until the calendar year that the amount of the installment payment that otherwise would be deposited into the Health Care Expendable Fund is less than the average annual amount of the dividends, interest and other income, including increases in value of the principal, earned on the funds in the Health Care Trust Fund during the preceding four (4) fiscal years. Beginning with that calendar year and each calendar year thereafter, none of the amount of the installment payment shall be deposited into the Health Care Expendable Fund.

(4) (a) In addition to any other sums required to be transferred from the Health Care Trust Fund to the Health Care Expendable Fund, the sum of One Hundred Twelve Million Dollars (\$112,000,000.00) shall be transferred from the Health Care Trust Fund to the Health Care Expendable Fund in fiscal year 2011.

(b) In addition to any other sums required to be transferred from the Health Care Trust Fund to the Health Care