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Chapter No. 534
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SENATE BILL NO. 2503

Originated in Senate Liz Welch Secretary

SENATE BILL NO. 2503

AN ACT TO AMEND SECTION 25-1-78, MISSISSIPPI CODE OF 1972, TO EXTEND THE MORATORIUM ON THE ACQUISITION OF MOTOR VEHICLES BY STATE AGENCIES; TO ALLOW ANY AGENCY WITH A FLEET OF NOT MORE THAN 50 VEHICLES TO REPLACE CERTAIN VEHICLES AFTER SUBMITTING DOCUMENTATION TO THE BUREAU OF FLEET MANAGEMENT; TO AMEND SECTION 43-13-407, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE TOTAL AMOUNT OF THE TOBACCO SETTLEMENT INSTALLMENT PAYMENT IN CALENDAR YEAR 2014 SHALL BE DEPOSITED INTO THE HEALTH CARE EXPENDABLE FUND; TO PROVIDE THAT A CERTAIN SUM SHALL BE TRANSFERRED FROM THE HEALTH CARE TRUST FUND TO THE HEALTH CARE EXPENDABLE FUND DURING FISCAL YEAR 2014; TO AMEND SECTION 65-37-13, MISSISSIPPI CODE OF 1972, TO DELAY THE REQUIREMENT FOR APPROPRIATIONS TO THE LOCAL SYSTEM BRIDGE REPLACEMENT AND REHABILITATION PROGRAM; TO AMEND SECTION 27-103-213, MISSISSIPPI CODE OF 1972, TO PROVIDE FOR DISTRIBUTIONS INTO THE WORKING CASH-STABILIZATION RESERVE FUND FOR FISCAL YEAR 2014; TO DIRECT THE STATE FISCAL OFFICER TO TRANSFER CERTAIN SUMS TO THE CAPITAL EXPENSE FUND FROM THE WORKING CASH-STABILIZATION RESERVE FUND DURING FISCAL YEAR 2015; TO AMEND HOUSE BILL NO. 901 (2013 REGULAR SESSION) TO DELETE THE REQUIREMENTS THAT CERTAIN FUNDS TRANSFERRED FROM THE CAPITAL EXPENSE FUND SHALL BE REPAYED; TO AMEND SECTION 1, CHAPTER 69, LAWS OF 2013, TO AMEND THE APPROPRIATION AMOUNT TO THE CONTINGENT FUND FOR THE HOUSE OF REPRESENTATIVES; TO DIRECT THE STATE FISCAL OFFICER TO TRANSFER CERTAIN SUMS TO THE CAPITAL EXPENSE FUND FROM THE STATE GENERAL FUND; TO AMEND SECTION 27-103-211, MISSISSIPPI CODE OF 1972, TO REVISE THE PERCENTAGE LIMITATION ON LEGISLATIVE APPROPRIATIONS FROM THE STATE GENERAL FUND FOR FISCAL YEAR 2015; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 25-1-78, Mississippi Code of 1972, is amended as follows:

25-1-78. (1) For purposes of this section, the term "state agency" means any agency that is subject to oversight by the Bureau of Fleet Management of the Department of Finance and Administration under Section 25-1-77.

(2) Except as otherwise provided in this section, beginning on July 1, * * * 2014, through June 30, * * * 2015, the Bureau of Fleet Management, Department of Finance and Administration, shall not approve the purchase, lease or acquisition of any motor vehicle by a state agency, regardless of the source of funds used. However, any agency that has a fleet of not more than fifty (50) vehicles may replace a vehicle that has been wrecked and deemed a total loss or any vehicle whose repair cost exceeds the cash value of the vehicle as determined by the Bureau of Fleet Management. Documentation of such loss or repair costs must be submitted to the Bureau of Fleet Management prior to replacement of the vehicle.

(3) Beginning July 1, 2012, any state agency with a fleet of more than fifty (50) motor vehicles shall reduce the total number of its motor vehicles by two percent (2%) each fiscal year until June 30, 2016. The Bureau of Fleet Management and the State Auditor shall work together to enforce the provisions of this subsection.

(4) The provisions of subsections (2) and (3) of this section, with regard to the purchase, lease or acquisition of vehicles and to the mandatory reduction of the agency's fleet of vehicles, shall not apply to:

(a) A state agency's law enforcement or emergency vehicles, upon demonstrating to the Bureau of Fleet Management a justifiable need to be excluded from the provisions of subsections (2) and (3) of this section.

(b) A state agency's vehicles that are acquired by the use of grant monies that are specified to be used for that purpose.

SECTION 2. 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 years 2012 * * *, 2013 and 2014, the total amount of the installment payment;

(d) In calendar year * * * 2015, and each calendar year thereafter, the total amount of the installment payment * * *.

(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 Expendable Fund, the sum of Fifty-six Million Two Hundred Sixty-three Thousand Four Hundred Thirty-eight Dollars (\$56,263,438.00) shall be transferred from the Health Care Trust Fund to the Health Care Expendable Fund during fiscal year 2012.

(c) 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 Ninety-seven Million Four Hundred Fifty Thousand Three Hundred Thirty-two Dollars (\$97,450,332.00) shall be transferred from the Health Care Trust Fund to the Health Care Expendable Fund during fiscal year 2013.

(d) 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 Twenty-three Million One Hundred Thousand Dollars (\$23,100,000.00) shall be transferred from the Health Care Trust Fund to the Health Care Expendable Fund during fiscal year 2014.

(5) If Medicaid expenditures are projected to exceed the amount of funds appropriated to the Division of Medicaid in any fiscal year in excess of the expenditure reductions to providers, funds shall be transferred by the State Fiscal Officer from the Health Care Trust Fund into the Health Care Expendable Fund and then to the Governor's Office, Division of Medicaid, in the amount and at such time as requested by the Governor to reconcile the deficit.

(6) All income from the investment of the funds in the Health Care Expendable Fund shall be credited to the account of the Health Care Expendable Fund. Any funds in the Health Care Expendable Fund at the end of a fiscal year shall not lapse into the State General Fund.

(7) The funds in the Health Care Expendable Fund shall be available for expenditure under specific appropriation by the Legislature beginning in fiscal year 2000, and shall be expended exclusively for health care purposes.

(8) The provisions of subsection (1) of this section may not be changed in any manner except upon amendment to that subsection

by a bill enacted by the Legislature with a vote of not less than three-fifths (3/5) of the members of each house present and voting.

(9) If the State Treasurer, in consultation with the Executive Director of the Department of Finance and Administration, determines that there is a need to borrow funds to offset any temporary cash-flow deficiencies in the Health Care Expendable Fund created in this section, the Treasurer may borrow those funds 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. The State Treasurer shall immediately notify the Legislative Budget Office and the Department of Finance and Administration of each transfer into and out of the Health Care Expendable Fund.

(10) No later than September 30, 2011, the State Treasurer shall transfer from the Health Care Expendable Fund to the Health Care Trust Fund an amount equivalent to the unencumbered ending cash balance of the Health Care Expendable Fund as of June 30, 2011, less Three Million Eight Hundred Forty Thousand Dollars (\$3,840,000.00).

(11) Subsections (1), (2), (3), (5), (6) and (7) of this section shall stand repealed on July 1, * * * 2019.

SECTION 3. Section 65-37-13, Mississippi Code of 1972, is amended as follows:

65-37-13. (1) There is created in the State Treasury a special fund to be designated as the "Local System Bridge Replacement and Rehabilitation Fund." The fund shall consist of monies that the Legislature appropriates under subsection (2) of this section, the proceeds of bonds issued under Section 10 of Chapter 557, Laws of 2009, and any other monies that the Legislature may designate for deposit into the fund. Monies in the fund may be expended upon legislative appropriation in accordance with the provisions of * * * Sections 65-37-1 through 65-37-15.

(2) (a) During each regular legislative session held in calendar years 1995, 1996, 1997 and 1998, if the official General Fund revenue estimate for the succeeding fiscal year for which appropriations are being made reflects a growth in General Fund revenues of three percent (3%) or more for that succeeding fiscal year, then the Legislature shall appropriate Twenty-five Million Dollars (\$25,000,000.00) from the State General Fund for deposit into the Local System Bridge Replacement and Rehabilitation Fund.

(b) During the regular legislative session held in calendar year 1999, if the official General Fund revenue estimate for the succeeding fiscal year for which appropriations are being made reflects a growth in General Fund revenues of two percent (2%) or more for the succeeding fiscal year, then the Legislature shall appropriate Ten Million Dollars (\$10,000,000.00) from the

State General Fund for deposit into the Local System Bridge Replacement and Rehabilitation Fund.

(c) Except as otherwise provided in this paragraph (c), during each regular legislative session held in calendar years 2001 through 2016, if the official General Fund revenue estimate for the succeeding fiscal year for which appropriations are being made reflects a growth in General Fund revenues of two percent (2%) or more for the succeeding fiscal year, then the Legislature shall appropriate Twenty Million Dollars (\$20,000,000.00) from the State General Fund for deposit into the Local System Bridge Replacement and Rehabilitation Fund. However, during the regular legislative sessions held in calendar years 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010 * * *, 2011 and 2014, the Legislature shall not be required to appropriate funds for deposit into the Local System Bridge Replacement and Rehabilitation Fund.

(3) Monies that are deposited into the fund under the provisions of this section may be expended upon requisition therefor by the State Aid Engineer in accordance with the provisions of Sections 65-37-1 through 65-37-15. The Office of State Aid Road Construction shall be entitled to reimbursement from monies in the fund, upon requisitions therefor by the State Aid Engineer, for the actual expenses incurred by the office in administering the provisions of the Local System Bridge Replacement and Rehabilitation Program. Unexpended amounts remaining in the fund at the end of a fiscal year shall not lapse

into the State General Fund, and any interest earned on amounts in the fund shall be deposited to the credit of the fund.

(4) Monies in the Local System Bridge Replacement and Rehabilitation Fund shall be allocated and become available for distribution to counties in accordance with the formula prescribed in Section 65-37-3 beginning January 1, 1995, on a project-by-project basis. Monies in the Local System Bridge Replacement and Rehabilitation Fund may not be used or expended for any purpose except as authorized under * * * Sections 65-37-1 through 65-37-15.

(5) Monies in the Local System Bridge Replacement and Rehabilitation Fund may be credited to a county in advance of the normal accrual to finance certain projects, subject to the approval of the State Aid Engineer and subject further to the following limitations:

(a) That the maximum amount of such monies that may be advanced to any county shall not exceed ninety percent (90%) of the funds estimated to accrue to such county during the remainder of the term of office of the board of supervisors of such county;

(b) That no advance credit of funds will be made to any county when the unobligated balance in the Local System Bridge Replacement and Rehabilitation Fund is less than One Million Dollars (\$1,000,000.00); and

(c) That such advance crediting of funds be effected by the State Aid Engineer at the time of the approval of the plans and specifications for the proposed projects.

It is the intent of this provision to utilize to the fullest practicable extent the balance of monies in the Local System Bridge Replacement and Rehabilitation Fund on hand at all times.

SECTION 4. Section 27-103-213, Mississippi Code of 1972, is amended as follows:

27-203-213. (1) The unencumbered cash balance in the General Fund in the State Treasury at the close of each fiscal year shall be distributed to the Municipal Revolving Fund, the Working Cash-Stabilization Reserve Fund and the Capital Expense Fund in the manner provided in this section, except for fiscal year 2014 in which the unencumbered cash balance at the close of fiscal year 2014 shall be distributed as provided in subsection (4) of this section.

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

(b) As used in this section, the term "unencumbered cash balance" or "unencumbered General Fund cash balance" means the amount in the State General Fund after deducting all appropriations and other expenditures. However, if the Legislature has authorized additional or deficit appropriations or

transfers from the State General Fund for that fiscal year, those amounts shall be subtracted from the unencumbered cash balance in the General Fund before determining the amount available for distribution. The unencumbered General Fund cash balance shall not be determined until after August 31 of each year, and it shall not be made until the State Treasurer has received a certificate in writing from the Director of the Department of Finance and Administration, with notification to the Legislative Budget Office, showing the amount of the unencumbered General Fund cash balance.

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

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

(b) To the Working Cash-Stabilization Reserve Fund, the amount of the unencumbered General Fund cash balance not distributed under paragraph (a) until such time as the balance in the fund reaches Forty Million Dollars (\$40,000,000.00).

(c) To remain in the State General Fund, an amount equal to one percent (1%) of the General Fund appropriations for the fiscal year that the unencumbered General Fund cash balance represents; however, if the amount of the unencumbered General Fund cash balance after the distributions are made under paragraphs (a) and (b) is less than one percent (1%) of the General Fund appropriations, then the total amount of the unencumbered General Fund cash balance not distributed under paragraphs (a) and (b) shall remain in the State General Fund. For the purposes of this paragraph (c), the appropriations for the fiscal year shall be the total amount contained in the actual appropriation bills passed by the Legislature.

(d) To the Working Cash-Stabilization Reserve Fund, fifty percent (50%) of the amount of the unencumbered General Fund cash balance after the distributions are made under paragraphs (a), (b) and (c), not to exceed seven and one-half percent (7-1/2%) of the General Fund appropriations for the fiscal year that the unencumbered General Fund cash balance represents. For the purposes of this paragraph (d), the appropriations for the fiscal year shall be the total amount contained in the actual appropriation bills passed by the Legislature.

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

(4) For fiscal year 2014, if any unencumbered General Fund cash balance is available for distribution under this section at the close of the fiscal year, the distribution of those funds shall be made by the Director of the Department of Finance and Administration in the following order:

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

(b) To the Working Cash-Stabilization Reserve Fund, the amount of the unencumbered General Fund cash balance not distributed under paragraph (a) until such time as the balance in the fund reaches Forty Million Dollars (\$40,000,000.00).

(c) To the Working Cash-Stabilization Reserve Fund, Two Hundred Eighty-six Million Nine Hundred Fifty-nine Thousand Seven Hundred Ninety-eight Dollars (\$286,959,798.00) of the amount of the unencumbered General Fund cash balance after the distributions are made under paragraphs (a) and (b), not to exceed seven and one-half percent (7-1/2%) of the General Fund appropriations for the fiscal year that the unencumbered General Fund cash balance represents; however, if the amount of the unencumbered General Fund cash balance is less than Two Hundred Eighty-six Million Nine Hundred Fifty-nine Thousand Seven Hundred Ninety-eight Dollars

(\$286,959,798.00), then the total amount of the unencumbered General Fund cash balance after the distributions are made under paragraphs (a) and (b) shall be distributed to the Working Cash-Stabilization Reserve Fund. For the purposes of this paragraph (c), the appropriations for the fiscal year shall be the total amount contained in the actual appropriation bills passed by the Legislature.

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

SECTION 5. During fiscal year 2014, the State Fiscal Officer shall transfer from the State General Fund to the Capital Expense Fund the sum of Eight Hundred Thousand Dollars (\$800,000.00).

SECTION 6. Section 4 of House Bill No. 901 (2013 Regular Session), (Chapter 518, Laws of 2013), is amended as follows:

Section 4. The Executive Director of the Department of Finance and Administration shall have the authority to transfer from the Capital Expense Fund created in Section 27-103-303 such amounts as necessary not exceeding a total of Two Million Dollars (\$2,000,000.00) for the purpose of paying the cost of repairs of damage caused by the hail storm on March 18, 2013. These funds may be transferred in anticipation of insurance settlements from the storm * * *. No funds transferred under this section shall be expended for agency administrative costs, including, but not limited to, agency employee salaries or travel. The Executive

Director of the Department of Finance and Administration may escalate the department's budget and expend the transferred funds in accordance with the rules and regulations of the department in a manner consistent with the escalation of federal funds.

SECTION 7. Section 5 of House Bill No. 901 (2013 Regular Session), (Chapter 518, Laws of 2013), is amended as follows:

Section 5. The Executive Director of the Department of Finance and Administration shall have the authority to transfer from the Capital Expense Fund created in Section 27-103-303 such amounts as necessary not exceeding a total of Fifteen Million Dollars (\$15,000,000.00) for the purpose of providing the funds necessary to continue the operations of the MAGIC project, the state's primary data processing system for tracking, managing, and reporting critical financial information. * * * The Department of Finance and Administration shall notify the State Treasurer, the Lieutenant Governor, the Speaker of the House of Representatives, the respective Chairmen of the Senate Appropriations Committee, the Senate Finance Committee, the House Appropriations Committee, the House Ways and Means Committee and the Legislative Budget Office when funds are transferred under this section. No funds transferred under this section shall be expended for agency administrative costs, including, but not limited to, agency employee salaries or travel. The Executive Director of the Department of Finance and Administration may escalate the department's budget and expend the transferred funds in accordance

with the rules and regulations of the department in a manner consistent with the escalation of federal funds.

SECTION 8. Section 1, Chapter 69, Laws of 2013, is amended as follows:

Section 1. The following sums, or so much thereof as may be necessary, are hereby appropriated out of any money in the State General Fund not otherwise appropriated, for the purpose of paying salaries, mileage, insurance, matching funds and the daily expense allowance of the members of the Legislature for the Regular Session of 2014 and providing contingent funds for the House of Representatives and Senate for the fiscal year beginning July 1, 2013, and ending June 30, 2014, as follows:

For salaries, mileage, insurance,
matching funds and daily
expense allowance of members
of the House of Representatives \$3,787,406.00
For Contingent Fund for the
House of Representatives * * * \$5,068,863.00

Out of the above amount appropriated for the Contingent Fund for the House of Representatives, not more than Fifteen Thousand Dollars (\$15,000.00) shall be expended for defraying the expenses of and for the use of the members of the Mississippi Commission on Interstate Cooperation, as created under Section 5-5-1 et seq., Mississippi Code of 1972.

For salaries, mileage, insurance,

matching funds and daily
 expense allowance of members
 of the Senate \$1,658,170.00
 For Contingent Fund for the Senate \$4,727,636.00
 Out of the above amount appropriated for the Contingent Fund
 for the Senate, not more than Ten Thousand Dollars (\$10,000.00)
 shall be expended for defraying the expenses of and for the use of
 the members of the Mississippi Commission on Interstate
 Cooperation, as created under Section 5-5-1 et seq., Mississippi
 Code of 1972.

For the joint legislative operations of the House of
 Representatives and the Senate \$1,484,608.00
 For the expenses of the Joint Legislative
 Budget Committee \$3,620,519.00
 For the expenses of the Joint Legislative
 Committee on Performance Evaluation
 and Expenditure Review \$2,408,543.00
 For the expenses of the Joint Legislative
 Reapportionment Committee \$ 485,367.00
 For the expenses of the Joint Legislative
 Code Committee \$ 400,000.00

The Joint Legislative Reapportionment Committee shall
 prepare, publish and provide semiannual reports to each member of
 the Legislature and such reports shall provide a line-by-line
 detailed accounting of all receipts and expenditures of any and

all monies appropriated by the Legislature to the Joint Legislative Reapportionment Committee. Any meetings of the Joint Legislative Reapportionment Committee shall be held in state offices or at publicly owned facilities.

SECTION 9. Section 27-103-211, Mississippi Code of 1972, is amended as follows:

27-103-211. The total sum appropriated by the Legislature from the State General Fund for any fiscal year shall not exceed ninety-eight percent (98%) of the general fund revenue estimate for that fiscal year developed by the * * * Department of Revenue and the University Research Center and adopted by the Joint Legislative Budget Committee, plus any unencumbered balances in general funds that will be available and on hand at the close of the then current fiscal year. The unencumbered balances in general funds that will be available and on hand at the close of the fiscal year shall not include projected amounts required to be deposited into the Working Cash-Stabilization Reserve Fund under Section 27-103-203. However, for fiscal years 2010, 2011 * * *, 2012, and 2015 only, the total sum appropriated by the Legislature from the State General Fund shall not exceed one hundred percent (100%) of the amount of the general fund revenue estimate for that fiscal year, plus any unencumbered balances in general funds that will be available and on hand at the close of the then current fiscal year.

SECTION 10. This act shall take effect and be in force from and after July 1, 2014; however, Sections 4 through 8 of this act shall take effect and be in force from and after the passage of this act.

PASSED BY THE SENATE
April 1, 2014



PRESIDENT OF THE SENATE

PASSED BY THE HOUSE OF REPRESENTATIVES
April 1, 2014



SPEAKER OF THE HOUSE OF REPRESENTATIVES

APPROVED BY THE GOVERNOR



GOVERNOR

4/24/14

10:15 am