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Chapter No. 518
13/HR40/R1843SG
CST Dept

HOUSE BILL NO. 901

Originated in House _____  _____ Clerk

HOUSE BILL NO. 901

AN ACT TO DIRECT THE STATE FISCAL OFFICER TO TRANSFER CERTAIN AMOUNTS TO THE BUDGET CONTINGENCY FUND FROM CERTAIN SPECIAL FUNDS DURING FISCAL YEAR 2014; TO AMEND SECTION 43-13-405, MISSISSIPPI CODE OF 1972, TO EXTEND THE DATE OF THE REPEALER ON THE STATUTE THAT ESTABLISHES THE HEALTH CARE TRUST FUND; TO AMEND SECTION 43-13-407, MISSISSIPPI CODE OF 1972, TO EXTEND THE DATE OF THE REPEALER ON THE STATUTE THAT ESTABLISHES THE HEALTH CARE EXPENDABLE FUND; TO PROVIDE THAT THE TOTAL AMOUNT OF THE TOBACCO SETTLEMENT INSTALLMENT PAYMENT IN CALENDAR YEAR 2013 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 AUTHORIZE THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF FINANCE AND ADMINISTRATION TO TRANSFER NOT MORE THAN CERTAIN AMOUNTS FROM THE CAPITAL EXPENSE FUND FOR THE PURPOSE OF PAYING THE COST OF REPAIRS OF DAMAGE CAUSED BY THE HAIL STORM ON MARCH 18, 2013, AND FOR THE PURPOSE OF PROVIDING THE FUNDS NECESSARY TO CONTINUE THE OPERATIONS OF THE MAGIC PROJECT; TO REQUIRE THAT ANY FUNDS TRANSFERRED FOR THOSE PURPOSES SHALL BE TRANSFERRED BACK TO THE CAPITAL EXPENSE FUND NOT LATER THAN JUNE 30, 2014; AND FOR RELATED PURPOSES.

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

SECTION 1. During fiscal year 2014, the State Fiscal Officer shall transfer to the Budget Contingency Fund created in Section 27-103-301, out of the following enumerated funds, the amounts listed below from each fund:

AGENCY/FUND	FUND NO.	AMOUNT
General Fund	2999	\$ 17,588,141.00
Working Cash-Stabilization		
Reserve Fund	3992	109,812,343.00
Secretary of State	3111	226,000.00
Insurance Department	3501	6,000,000.00
Treasurer's Office-Unclaimed Prop.	3178	3,950,000.00
Law Enforcement Officers and		
Fire Fighters Disability		
Benefits Trust Fund	3079	<u>1,620,045.00</u>
TOTAL		\$139,196,529.00

SECTION 2. Section 43-13-405, Mississippi Code of 1972, 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, * * * 2016.

SECTION 3. 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 years 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 and 2013, the total amount of the installment payment;

(d) In calendar year * * * 2014, 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 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), (5), (6) and (7) of this section shall stand repealed on July 1, * * * 2016.

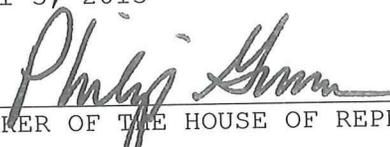
SECTION 4. The Executive Director of the Department of Finance and Administration shall have the authority to transfer from the Capital Expense Fund created in Section 27-103-303 such amounts as necessary not exceeding a total of Two Million Dollars (\$2,000,000.00) for the purpose of paying the cost 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, and the amount of any funds transferred under this section shall be transferred back to the Capital Expense Fund not later than June 30, 2014. 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 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 amount of any funds transferred under this section shall be transferred back to the Capital Expense Fund not later than June 30, 2014, from any funds made available to the Department of Finance and Administration. 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.

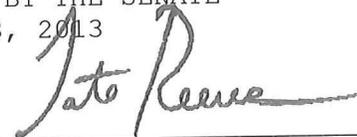
SECTION 6. This act shall take effect and be in force from and after July 1, 2013.

PASSED BY THE HOUSE OF REPRESENTATIVES
April 3, 2013



SPEAKER OF THE HOUSE OF REPRESENTATIVES

PASSED BY THE SENATE
April 3, 2013



PRESIDENT OF THE SENATE

APPROVED BY THE GOVERNOR



GOVERNOR

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