MISSISSIPPI LEGISLATURE REGULAR SESSION 2021

By: Senator(s) Simmons (12th)

To: County Affairs; Municipalities

SENATE BILL NO. 2183

AN ACT TO AMEND SECTIONS 19-11-7, 19-11-19, 21-35-5, 21-35-25, 37-61-9 AND 37-61-21, MISSISSIPPI CODE OF 1972, TO REQUIRE EACH COUNTY, MUNICIPALITY AND SCHOOL DISTRICT TO POST ITS ANNUAL BUDGET, AND ANY REVISION OR AMENDMENT THERETO, ON ITS OFFICIAL WEBSITE; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 19-11-7, Mississippi Code of 1972, is amended as follows:

[With regard to any county which is exempt from the provisions of Section 19-2-3, this section shall read as follows:]

19-11-7. (1) The board of supervisors of each county of the State of Mississippi shall, at its August meeting of each year, prepare a complete budget of revenues, expenses and a working cash balance estimated for the next fiscal year, which shall be based on the aggregate funds estimated to be available for the ensuing fiscal year for each fund, from which such estimated expenses will be paid, exclusive of school maintenance funds, which shall be shown separately. Such statement of revenues shall show every source of revenue along with the amount derived from each source.

The budget containing such statement of revenues and expenses shall be published at least one *** * *** time during August or September, but not later than September 30 of the year, on the county's official website and in a newspaper published in the county, or if no newspaper is published therein, then in a newspaper having a general circulation therein.

(2) The board of supervisors shall not prepare a budget that reduces the county budget by more than twenty percent (20%) in the last year of the members' term of office if a majority of the members of the board are not reelected.

[With regard to any county which is required to operate on a countywide system of road administration as described in Section 19-2-3, this section shall read as follows:]

19-11-7. (1) The county administrator of each county of the State of Mississippi shall prepare and submit to the board of supervisors at its August meeting of each year a complete budget of revenues, expenses and a working cash balance estimated for the next fiscal year, which shall be based on the aggregate funds estimated to be available for the ensuing fiscal year for each fund, from which such estimated expenses will be paid, exclusive of school maintenance funds, which shall be shown separately and exclusive of the budget of the sheriff's department which shall be prepared by the sheriff. Such statement of revenues shall show every source of revenue along with the amount derived from each source. The budget, including the sheriff's budget, containing

such statement of revenues and expenses shall be published at least one * * * time during August or September, but not later than September 30 of the year, on the county's official website and in a newspaper published in the county, or if no newspaper is published therein, then in a newspaper having a general circulation therein.

(2) The county administrator shall not prepare a budget that reduces the county budget by more than twenty percent (20%) in the last year of the members' term of office if a majority of the members of the board are not reelected.

SECTION 2. Section 19-11-19, Mississippi Code of 1972, is amended as follows:

19-11-19. (1) When it shall appear to the board of supervisors that collection of anticipated revenues from taxation and/or other sources for any fund or funds of any county will be more than the amounts estimated, or when it appears that such revenues will be less than estimated, the board of supervisors may revise the budget of expenses at any regular meeting during the fiscal year by increasing or decreasing the items of said budget in proportion to the increase or decrease in the anticipated revenue collections and/or other sources of funds. When it shall appear to the board of supervisors that some item of the budget is in excess of the requirements of said item, and that the amount budgeted to such item will not be needed during the fiscal year, the board may, at any regular meeting, transfer funds to and from

items within the budget when and where needed, but no such transfer shall be made from fund to fund, or from item to item, which will result in the expenditure of any money for a purpose different from that for which the tax was levied. However, revisions as herein authorized shall not be deemed to permit any expenditures in excess of the various items of the budget as then approved, and any expenditures made in excess of the budget as then approved shall be invalid, and subsequent revision shall not validate such expenditures. The revisions made in the budget, from time to time, shall be spread upon the official minutes of the board at the meeting at which any such revision is made, and shall be published on the county's official website within fourteen (14) days of such meeting.

(2) The reductions authorized under this section shall not exceed the reduction restrictions under Section 19-11-11.

SECTION 3. Section 21-35-5, Mississippi Code of 1972, is amended as follows:

21-35-5. The governing authorities of each municipality of the State of Mississippi shall, not later than September 15 each year, prepare a complete budget of the municipal revenues, expenses and working cash balances estimated for the next fiscal year, and shall prepare a statement showing the aggregate revenues collected during the current year in said municipality for municipal purposes. Such statement shall show every source of revenue along with the amount derived from each source. *** * *** The

budget of any municipality of one thousand five hundred (1,500) inhabitants or more, according to the last preceding federal census, with said statement of revenue and expenses, shall be published at least one * * * time during September of said year on the municipality's official website and in a newspaper published in such municipality or, if no newspaper * * * is published in such municipality, in any newspaper published in the county wherein the municipality is located. If such municipality does not operate an official website, the municipality shall, within a reasonable period of time as established by the county in which the municipality is located, transmit the budget to the administrator of such county who shall post the budget on the county's website. In municipalities of less than one thousand five hundred (1,500) inhabitants, according to the last preceding federal census, as many as three (3) prepared statements of * * * the budget shall be posted in three (3) public places in said municipalities.

Prior to the adoption of a budget pursuant to this section, the governing authority of each municipality shall hold at least one (1) public hearing to provide the general public with an opportunity to comment on the taxing and spending plan incorporated in the proposed budget. The public hearing shall be held at least one (1) week prior to the adoption of the budget with advance notice and held outside normal working hours. The

advance notice shall include an announcement published or posted in the same manner as required for the final adopted budget.

SECTION 4. Section 21-35-25, Mississippi Code of 1972, is amended as follows:

21-35-25. Notwithstanding any provision in this chapter to the contrary, the budget of any municipality may be revised as provided in this section and under the conditions herein stated, and when a deficit is indicated the budget shall be revised.

The governing authorities of any municipality are authorized to revise the budget for expenses of such municipality at any one (1) regular meeting of said governing authorities held not later than August of the first year in which such governing authorities enter upon the discharge of their duties, provided there be funds in the treasury of the municipality, or coming into the treasury during the fiscal year, not appropriated by the budget of the outgoing board of governing authorities, and there is a deficit in any one or more items provided for in the budget of the preceding board. This section shall not, however, validate or invalidate any contracts made, executed or entered into by the governing authorities of the preceding term.

If it appears at any time during the current fiscal year, but not later than the regular July meeting of the board of governing authorities, that collections of anticipated revenues from taxes or other sources will be less than the amount estimated, and a deficit is thereby indicated for any fund, or funds, the governing

authorities shall, at a regular meeting, revise and reduce the budget appropriations for such funds as is anticipated will have a deficit, so as to conform to the lowered indicated revenue, including revenue from taxes and all other sources.

If it affirmatively appears at any time during the current fiscal year that actual collections and anticipated revenues from taxes or other sources, including grants or donations, will exceed the estimates, then the governing authorities may revise and increase the budget appropriation of such fund, or funds, affected by such increase in revenue, but no such transfer shall be made from fund to fund, or from item to item, which will result in the expenditure of any money for a purpose different from that for which the tax was levied. The budget, as so revised, shall be spread in detail upon the minutes of said board of governing authorities. However, no such increase shall in any event be construed to authorize expenditures or to incur obligations which will result in a deficit in any fund, or funds.

If the increase in revenue over the estimates is from other than regular sources, including grants and donations, such excess over the estimate may be expended for improvements and new construction, including buildings, additions to buildings, streets, and street improvements.

If it affirmatively appears at any time during the current fiscal year that there is in any fund or account any sum remaining unexpended and not needed or expected to be needed for the purpose

or purposes for which appropriated in said budget, then the governing authorities may, in their discretion, transfer such sum or any part thereof to any other fund or funds or account or accounts where needed, by order to such effect entered upon their minutes. This shall not, however, authorize the expenditure of any funds for any purpose other than that for which the levy producing such funds was made.

Any amendments made pursuant to this section to an originally adopted budget which exceed ten percent (10%) of the total amount appropriated or authorized to be expended in a particular department fund shall be published or posted within two (2) weeks of the action on the municipality's official website and in a newspaper in the same manner as the final adopted budget. If the municipality does not operate an official website, the municipality shall, within a reasonable period of time as established by the county in which the municipality is located, transmit the amendment to the administrator of such county who shall post the amendment on the county's website. Separate amendments to an originally adopted budget during one fiscal year which affect a particular department fund shall be considered as one (1) amendment in determining whether the ten percent (10%) threshold requiring publication or posting has been reached. This publication or posted notice shall contain a description of the amendment, the amount of money and funds affected, and a detailed statement explaining the need and purpose of the amendment. The

vote of each member of the municipality's governing authority on each amendment shall be included in the publication or posted notice.

SECTION 5. Section 37-61-9, Mississippi Code of 1972, is amended as follows:

37-61-9. (1) On or before the fifteenth day of August of each year, the local school board of each school district, with the assistance of the superintendent of schools, shall prepare and file with the levying authority for the school district, as defined in Section 37-57-1, at least two (2) copies of a budget of estimated expenditures for the support, maintenance and operation of the public schools of the school district for the fiscal year commencing on July 1 of such year. Such budget shall be prepared on forms prescribed and provided by the State Auditor and shall contain such information as the State Auditor may require.

(2) In addition, on or before the fifteenth day of August of each year, the local school board of each school district, with the assistance of the superintendent of schools, shall prepare and file with the State Department of Education such budgetary information as the State Board of Education may require. The State Board of Education shall prescribe and provide forms to each school district for this purpose.

(3) Prior to the adoption of a budget pursuant to this section, the school board of each school district shall hold at least one (1) public hearing to provide the general public with an

opportunity to comment on the taxing and spending plan incorporated in the proposed budget. The public hearing shall be held at least one (1) week prior to the adoption of the budget with advance notice. After final adoption of the budget, a synopsis of such budget in a form prescribed by the State Department of Audit shall be published on the school district's official website and in a newspaper having general circulation in the school district on a date different from the date on which the county or any municipality therein may publish its budget. If the school district does not operate an official website, the school district shall, within a reasonable period of time as established by the county in which the school district is located, transmit the budget to the administrator of such county who shall post the budget on the county's website.

(4) There shall be imposed limitations on budgeted expenditures for certain administration costs, as defined hereinafter, in an amount not greater than One Hundred Fifty Thousand Dollars ($150,000.00) plus four percent (4%) of the expenditures of all school districts each year. For purposes of this subsection, "administration costs" shall be defined as expenditures for salaries and fringe benefits paid for central administration costs from all sources of revenue in the following expenditure functions as defined in the MISSISSIPPI PUBLIC SCHOOL DISTRICT FINANCIAL ACCOUNTING MANUAL:

2300 = Support Services - General Administration

2310 = Board of Education Services

2320 = Executive Administration Services

2330 = Special Area Administration Services

2500 = Business Services

2510 = Fiscal Services

2520 = Purchasing Services

2530 = Warehousing and Distributing Services

2540 = Printing, Publishing and Duplicating Services

2590 = Other Support Services - Business

Any costs classified as "administration costs" for purposes of this subsection which can be demonstrated by the local school district to be an expenditure that results in a net cost savings to the district that may otherwise require budget expenditures for functions not covered under the definition of administration costs herein may be excluded from the limitations imposed herein. The local school board shall make a specific finding of such costs and spread such finding upon its minutes, which shall be subject to the approval of the Office of Educational Accountability of the State Department of Education. Any school district required to make expenditure cuts, as a result of application of this subsection, shall not be required to reduce such expenditures more than twenty-five percent (25%) in any year in order to comply with this mandate.

The State Auditor shall ensure that functions in all expenditure categories to which this administrative limitation applies shall be properly classified.

This section shall not apply to central administration with five (5) or less full-time employees, or to those school districts which can substantiate that comparable reductions have occurred in administrative costs for the five-year period immediately prior to school year 1993-1994. In the event the application of this section may jeopardize the fiscal integrity or operations of the school district, have an adverse impact on the ability of the district to deliver educational services, or otherwise restrict the district from achieving or maintaining a quality education program, the State Board of Education shall be authorized to exempt the application of this section to such school district pursuant to rules and regulations of the State Board of Education consistent with the intent of this section.

SECTION 6. Section 37-61-21, Mississippi Code of 1972, is amended as follows:

37-61-21. (1) If it should appear to the superintendent of schools or the school board of any school district that the amounts to be received from state appropriations, taxation or any other source will be more than the amount estimated in the budget filed and approved, or if it should appear that such amounts shall be less than the amount estimated, the school board of the school district, with assistance from the superintendent, may revise the

budget at any time during the fiscal year by increasing or decreasing the fund budget, in proportion to the increase or decrease in the estimated amounts. If it should appear to the superintendent of schools or the school board of a school district that some function of the budget as filed is in excess of the requirement of that function and that the entire amount budgeted for such function will not be needed for expenditures therefor during the fiscal year, the school board of the school district, with assistance from the superintendent, may transfer resources to and from functions and funds within the budget when and where needed; however, no such transfer shall be made from fund to fund or from function to function which will result in the expenditure of any money for any purpose different from that for which the money was appropriated, allotted, collected or otherwise made available or for a purpose which is not authorized by law. No revision of any budget under the provisions hereof shall be made which will permit a fund expenditure in excess of the resources available for such purpose. The revised portions of the budgets shall be incorporated in the minutes of the school board by spreading them on the minutes or by attaching them as an addendum, and shall be posted on the school district's official website within fourteen (14) days after adoption. If the school district does not operate an official website, the school district shall, within a reasonable period of time as established by the county in which the school district is located, transmit the revisions to

the administrator of such county who shall post the revisions on the county's website. Final budget revisions, pertinent to a fiscal year, shall be approved on or before the date set by the State Board of Education for the school district to submit its financial information for that fiscal year.

(2) On or before the fifteenth day of October of each year, the local school board of each school district, with the assistance of the school district superintendent, shall prepare and file with the State Department of Education year-end financial statements and any other budgetary information that the State Board of Education may require. The State Board of Education shall prescribe and provide forms to each school district for this purpose. No additional changes may be made to the financial statements after October 15 of each year.

SECTION 7. This act shall take effect and be in force from and after July 1, 2021.