

By: Senator(s) Kirby, Thames

To: Finance

SENATE BILL NO. 2212

1 AN ACT TO CREATE A NEW CODE SECTION TO BE CODIFIED AS SECTION
2 31-17-5, MISSISSIPPI CODE OF 1972, TO PROHIBIT THE STATE FROM
3 INCURRING GENERAL OBLIGATION BONDED INDEBTEDNESS IN EXCESS OF 60%
4 OF THE TAX REVENUE COLLECTED BY THE STATE TAX COMMISSION AND
5 DEPOSITED IN THE GENERAL FUND IN ANY ONE OF THE FOUR PRECEDING
6 FISCAL YEARS, WHICHEVER YEAR MIGHT BE HIGHER; TO REQUIRE ALL
7 GENERAL OBLIGATION BONDS TO BE ISSUED AND SOLD BY THE STATE BOND
8 COMMISSION; TO PROHIBIT THE STATE BOND COMMISSION FROM SELLING ANY
9 BONDS WHICH, IF ISSUED OR SOLD, WILL CAUSE THE STATE TO INCUR
10 BONDED INDEBTEDNESS IN EXCESS OF THE LIMITATION PROVIDED FOR IN
11 THIS ACT; TO AUTHORIZE SUCH BONDED INDEBTEDNESS TO BE EXCEEDED
12 UNDER CERTAIN CIRCUMSTANCES; AND FOR RELATED PURPOSES. BE IT
13 ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

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15 SECTION 1. The following provision shall be codified as
16 Section 31-17-5, Mississippi Code of 1972:

17 31-17-5. (1) As used in this section:

18 (a) "General obligation bonds" means bonds of the State
19 of Mississippi, to the repayment of which, both as to principal
20 and interest, the full faith, credit and taxing power of the State
21 of Mississippi are irrevocably pledged until the principal and
22 interest is paid in full.

23 (b) "State" means the State of Mississippi and any of
24 its direct agencies, but shall not include political subdivisions
25 and other local districts.

26 (2) The state shall not issue general obligation bonds in an
27 amount that will cause the state to incur a general obligation
28 bonded indebtedness that is in excess of sixty percent (60%) of
29 the tax revenue collected by the State Tax Commission and
30 deposited into the General Fund in any one (1) of the four (4)
31 preceding fiscal years, whichever year might be higher.

32 (3) The State Bond Commission shall issue and sell all

33 general obligation bonds. The State Bond Commission shall not
34 issue or sell any general obligation bonds which if issued or sold
35 will cause the state to incur a bonded indebtedness in excess of
36 the limitation provided for in this section.

37 (4) In case of an emergency, the bonded indebtedness
38 limitation provided for in this section may be exceeded upon
39 adoption of a concurrent resolution by an affirmative vote of
40 three-fourths (3/4) of the elected membership of each house of the
41 Legislature approving a bonded indebtedness in excess of the
42 limitation provided for in this section. Nothing in this
43 subsection shall be construed to authorize the bonded indebtedness
44 of the state to exceed the limitation on bonded indebtedness
45 provided for in Section 115, Mississippi Constitution of 1890.

46 SECTION 2. This act shall take effect and be in force from
47 and after passage.