

By: Senator(s) Ferris

To: Education

SENATE BILL NO. 2377

1 AN ACT TO AMEND SECTION 37-59-111, MISSISSIPPI CODE OF 1972,  
 2 TO INCREASE THE AUTHORIZED TERM TO MATURITY OF NOTES OR  
 3 CERTIFICATES OF INDEBTEDNESS ISSUED BY SCHOOL DISTRICTS FOR  
 4 CAPITAL IMPROVEMENT AND TRANSPORTATION PURPOSES; TO AMEND SECTIONS  
 5 37-59-101, 37-59-103, 37-59-105, 37-59-107, 37-59-109 AND  
 6 37-59-115, MISSISSIPPI CODE OF 1972, TO AUTHORIZE SCHOOL DISTRICTS  
 7 TO EXPEND THE AVAILS OF THE MILLAGE LEVIED FOR SUCH SHORT-TERM  
 8 INDEBTEDNESS WITHOUT THE NECESSITY OF ISSUING NOTES OR  
 9 CERTIFICATES; AND FOR RELATED PURPOSES.

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

11 SECTION 1. Section 37-59-111, Mississippi Code of 1972, is  
 12 amended as follows:

13 37-59-111. All indebtedness incurred under the provisions of  
 14 this article shall be evidenced by the negotiable notes or  
 15 certificates of indebtedness of the school district on whose  
 16 behalf the money is borrowed. Said notes or certificates of  
 17 indebtedness shall be signed by the president of the school board  
 18 and superintendent of schools of such school district. Such notes  
 19 or certificates of indebtedness shall not bear a greater overall  
 20 maximum interest rate to maturity than the rates now or hereafter  
 21 authorized under the provisions of Section 19-9-19. No such notes  
 22 or certificates of indebtedness shall be issued and sold for less  
 23 than par and accrued interest. All notes or certificates of  
 24 indebtedness shall mature in approximately equal annual  
 25 installments of principal and interest over a period not to exceed  
 26 twenty (20) years from the dates of the issuance thereof.

27 Provided, however, if negotiable notes are outstanding from not  
 28 more than one (1) previous issue authorized under the provisions  
 29 of this article, then the schedule of payments for a new or

30 supplementary issue may be so adjusted that the schedule of  
31 maturities of all notes or series of notes hereunder shall, when  
32 combined, mature in approximately equal installments of principal  
33 and interest over a period of twenty (20) years from the date of  
34 the new or supplementary issue, or if a lower interest rate will  
35 thereby be secured on notes previously issued and outstanding, a  
36 portion of the proceeds of any issue authorized hereunder may be  
37 used to refund the balance of the indebtedness previously issued  
38 under the authority of this article. Such notes or certificates  
39 of indebtedness shall be issued in such form and in such  
40 denominations as may be determined by the school board, and same  
41 may be made payable at the office of any bank or trust company  
42 selected by the school board, and, in such case, funds for the  
43 payment of principal and interest due thereon shall be provided in  
44 the same manner provided by law for the payment of the principal  
45 and interest due on bonds issued by the taxing districts of this  
46 state.

47 SECTION 2. Section 37-59-101, Mississippi Code of 1972, is  
48 amended as follows:

49 37-59-101. (1) The school board of any school district in  
50 the county is authorized and empowered, in its discretion, to  
51 borrow money under the terms and conditions specified in this  
52 article for the purpose of making repairs, alterations and  
53 additions to school buildings of such school districts, for the  
54 purpose of erecting school buildings and other buildings used for  
55 school purposes, for the purpose of purchasing heating plants, air  
56 conditioning, fixtures and equipment for such buildings, for the  
57 purpose of purchasing land for school purposes, school buses and  
58 transportation equipment, and for the purpose of improving and  
59 equipping such lands for school recreational and athletic  
60 purposes.

61 (2) The school board of any school district is also  
62 authorized, in its discretion, to determine and declare that it is  
63 in the best interest of the school district to expend the avails  
64 of the ad valorem millage provided under this article for the  
65 purposes authorized under this section without the necessity of  
66 issuing negotiable notes or certificates of indebtedness.

67 SECTION 3. Section 37-59-103, Mississippi Code of 1972, is  
68 amended as follows:

69 37-59-103. Before any money shall be borrowed or expended  
70 under the provisions of this article, the school board of the  
71 school district shall adopt a resolution declaring the necessity  
72 for and its intention of borrowing or expending such money,  
73 specifying the amount to be so borrowed or expended, the date or  
74 dates of the maturity thereof, and how such indebtedness is to be  
75 evidenced. Such resolution shall also set forth the nature and  
76 approximate cost of the alterations, additions, and repairs to be  
77 made, or of the erections contemplated, or of the heating plant,  
78 fixtures and equipment necessary to be purchased, or of the land  
79 to be purchased, improved or equipped, or of the school buses and  
80 transportation equipment to be purchased, as the case may be, and  
81 shall declare in said resolution that no funds are available in  
82 the school funds of the district or from any other source with  
83 which to make such repairs, alterations, additions, purchases,  
84 erections or improvements.

85 SECTION 4. Section 37-59-105, Mississippi Code of 1972, is  
86 amended as follows:

87 37-59-105. The said resolution adopted by the school board  
88 pursuant to Section 37-59-103 shall be published once each week  
89 for two (2) consecutive weeks in a newspaper having a general  
90 circulation in the school district involved, with the first  
91 publication thereof to be made not less than fifteen (15) days  
92 prior to the date upon which the school board is to take final  
93 action upon the question of authorizing the borrowing or  
94 expenditure of said money. If no petition requesting an election  
95 is filed prior to such meeting, then the school board shall, at  
96 said meeting, by resolution spread upon its minutes, give final  
97 approval to the borrowing or expenditure of said money and shall  
98 authorize the issuance of negotiable notes or certificates of  
99 indebtedness of the school district or the expenditure therefor in

100 accordance with the provisions of this article.

101         If at any time prior to said meeting a petition signed by not  
102 less than twenty percent (20%) of the qualified electors of the  
103 school district involved shall be filed with the school board  
104 requesting that an election be called on the question of incurring  
105 said indebtedness or authorizing said expenditure, then the school  
106 board shall, not later than the next regular meeting, adopt a  
107 resolution calling an election to be held within such school  
108 district upon the question of the incurring of said indebtedness  
109 or authorizing said expenditure for the purposes and in the amount  
110 requested. Such election shall be called and held, and notice  
111 thereof shall be given, in the same manner provided in Article 1  
112 of this chapter for elections upon the question of the issuance of  
113 the bonds of school districts, and the results thereof shall be  
114 certified to the school board. If three-fifths (3/5) of the  
115 qualified electors voting in said election shall vote in favor of  
116 incurring said indebtedness or authorizing said expenditure, then  
117 the school board shall proceed to issue said negotiable notes or  
118 certificates of indebtedness or requesting the levying authority  
119 to provide such expenditure as prayed for in the original  
120 resolution of the school board; however, if less than three-fifths  
121 (3/5) of the qualified electors voting in said election vote in  
122 favor of incurring said indebtedness or authorizing said  
123 expenditure, then said notes or certificates of indebtedness shall  
124 not be issued and said expenditure shall not be authorized.

125         Money may be borrowed and an expenditure authorized under the  
126 provisions of this article and the negotiable notes or  
127 certificates of indebtedness evidencing same may be issued as  
128 provided in this article (1) without the necessity of being  
129 authorized in an election called for that purpose, except where a  
130 petition requesting an election is filed as provided herein, and  
131 (2) without the necessity of giving notice thereof except as  
132 specifically provided herein, and specifically without the

133 necessity of complying with the requirements of Section 31-19-25.

134 SECTION 5. Section 37-59-107, Mississippi Code of 1972, is  
135 amended as follows:

136 37-59-107. The levying authority for the school district  
137 shall annually levy a special tax on all of the taxable property  
138 of the school district on whose behalf the notes or certificates  
139 of indebtedness are issued or the expenditure is to be made in an  
140 amount which shall be sufficient to pay the principal of and  
141 interest upon such negotiable notes or certificates of  
142 indebtedness as the same shall respectively mature and accrue, or  
143 as is requested by the local school board. Said tax shall be  
144 levied and collected at the same time and in the same manner as  
145 other taxes are collected and said tax shall be in addition to all  
146 other taxes authorized by law. It is expressly provided, however,  
147 that such annual tax levy shall not exceed three (3) mills on the  
148 dollar for the payment of all notes issued or the payment of all  
149 expenditures under the provisions of this article and all notes  
150 previously issued under the statutes hereby repealed. The special  
151 tax so levied shall be collected by the tax collector of the  
152 county at the same time and in the same manner as other taxes are  
153 collected, and the proceeds thereof shall be paid to the school  
154 district and shall be used exclusively for the payment of  
155 principal of and interest upon such negotiable notes or  
156 certificates of indebtedness, or the payment of expenditures  
157 authorized herein. In the event the school district is expending  
158 funds for the purposes authorized under this article and is not  
159 issuing negotiable notes or certificates of indebtedness, the  
160 three-mill levy provided under this section shall be authorized  
161 for a period not to exceed one (1) year.

162 SECTION 6. Section 37-59-109, Mississippi Code of 1972, is  
163 amended as follows:

164 37-59-109. If the school district on whose behalf money is  
165 to be borrowed or expended under the provisions of this article

166 shall lie in two (2) or more counties, said school board shall  
167 take all steps required by this article in the issuance of the  
168 negotiable notes or certificates of indebtedness of the district  
169 or the expenditure of funds authorized herein without regard to  
170 county lines. The negotiable notes or certificates of  
171 indebtedness shall be general obligations of the entire school  
172 district without regard to county lines and shall constitute a  
173 lien upon all of the taxable property thereof.

174 The board of supervisors of the county which furnishes the  
175 largest assessed valuation of the property in the district shall  
176 annually certify to the board of supervisors of each county in  
177 which the district is located the amount of the annual tax levy  
178 required for the payment of the principal of and interest upon  
179 said notes or certificates of indebtedness or for the payment of  
180 funds authorized herein, and each such board of supervisors shall  
181 annually levy such tax at the same time and in the same manner as  
182 other taxes are levied by such board in the amount so fixed. The  
183 taxes so levied shall be collected by the tax collector of each  
184 county in the same manner as other taxes are collected and shall  
185 be remitted to the school district depository. Such school  
186 district depository shall deposit said funds to the credit of the  
187 special fund provided for in Section 37-59-107 for the payment of  
188 the principal of and interest upon such notes or certificates of  
189 indebtedness or the payment of expenditures authorized herein.

190 SECTION 7. Section 37-59-115, Mississippi Code of 1972, is  
191 amended as follows:

192 37-59-115. The indebtedness incurred or expenditures made  
193 under the authority of this article shall not be included in  
194 computing the statutory limitation upon the indebtedness or  
195 expenditures which may be incurred by school districts as provided  
196 in Article 1 of this chapter, or any other statute, but shall be  
197 in addition thereto. The only limitation upon the amount of  
198 indebtedness or expenditures which may be incurred or expended

199 under the provisions of this article shall be that provided in  
200 Section 37-59-107.

201 SECTION 8. This act shall take effect and be in force from  
202 and after July 1, 1999.