

By: Eads

To: Education; Ways and Means

HOUSE BILL NO. 524

1 AN ACT TO AMEND SECTION 37-59-5, MISSISSIPPI CODE OF 1972, TO
2 INCREASE THE LIMITATION ON THE BONDED INDEBTEDNESS THAT MAY BE
3 INCURRED BY SCHOOL DISTRICTS; TO BRING FORWARD SECTION 37-59-7,
4 MISSISSIPPI CODE OF 1972, WHICH CREATES EXCEPTIONS TO THE GENERAL
5 LIMITATION ON SCHOOL DISTRICTS' BONDED INDEBTEDNESS ESTABLISHED IN
6 SECTION 37-59-5, MISSISSIPPI CODE OF 1972; AND FOR RELATED
7 PURPOSES.

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

9 SECTION 1. Section 37-59-5, Mississippi Code of 1972, is
10 amended as follows:[BD1]

11 37-59-5. No school district shall, except as provided in
12 Section 37-59-7, * * * issue bonds for the purposes authorized by
13 law in an amount which, added to all of its then outstanding
14 bonded indebtedness, shall result in the imposition on any of the
15 property in such district of an indebtedness for school purposes
16 of more than thirty percent (30%) of the assessed value of the
17 taxable property within such district, according to the then last
18 completed assessment for taxation, regardless of whether any of
19 such indebtedness shall have been incurred by such district or by
20 another school district or districts.

21 SECTION 2. Section 37-59-7, Mississippi Code of 1972, is
22 brought forward as follows:[BD2]

23 37-59-7. (1) Any school district in which the total number

24 of pupils enrolled at any one time during the school year shall
25 have increased by at least twenty percent (20%) within the
26 preceding five (5) years shall not issue bonds for the purposes
27 authorized by law in an amount which when added to all of its then
28 outstanding bonded indebtedness, shall result in the imposition on
29 any of the property in such district of an indebtedness for school
30 purposes of more than twenty-five percent (25%) of the assessed
31 value of the taxable property within such district according to
32 the then last completed assessment for taxation.

33 The pupil increase mentioned hereinabove shall apply only to
34 growth in pupil enrollment and shall not apply to pupil increases
35 brought about by consolidation of school districts.

36 (2) Any school district may hereafter issue bonds in an
37 amount exceeding the limit of Section 37-59-5 for the purpose of
38 constructing, reconstructing, repairing, equipping, remodeling or
39 enlarging school buildings and related facilities, as described in
40 subsection (a) of Section 37-59-3, but no such district shall
41 issue bonds in an amount which when added to all of its then
42 outstanding bonded indebtedness, shall result in the imposition on
43 any of the property in such district of an indebtedness for such
44 school purposes of more than twenty percent (20%) of the assessed
45 value of the taxable property in such district, according to the
46 then last completed assessment for taxation, regardless of whether
47 any of such indebtedness shall have been incurred by such district
48 or by another school district or districts:

49 (a) In the event of the damage to or destruction of any
50 school building or school buildings, or related facilities of any
51 such district by fire, windstorm, flood or other providential and
52 unforeseeable cause; or

53 (b) In the event such school district has lost its
54 accreditation and the constructing, reconstructing, repairing,

55 equipping, remodeling or enlarging of such school buildings and
56 related facilities is necessary for the restoration of such
57 accreditation.

58 (3) In any school district wherein more than nine percent
59 (9%) of the total land area of the school district is owned by the
60 federal government and situated in a flood control reservoir or
61 maintained as a part of the national forest system, the said
62 school district may issue bonds in an amount, which when added to
63 all of its then outstanding bonded indebtedness for school
64 purposes, shall result in the imposition on any of the property in
65 such school district of an indebtedness for school purposes of not
66 more than twenty percent (20%) of the assessed value of the
67 taxable property within such district, according to the then last
68 completed assessment for taxation, regardless of whether any of
69 such indebtedness shall have been incurred by such district or by
70 another school district or districts. If bonds in an amount in
71 excess of fifteen percent (15%) of the total assessed value of the
72 property of a school district are issued under the provisions of
73 this subsection, not less than twenty-five percent (25%) of the
74 total funds received by the school district under the provisions
75 of Section 49-19-23, Mississippi Code of 1972, shall be paid into
76 the bond and interest sinking fund of such district and used for
77 the retirement of the bonds so issued.

78 (4) In any district where the assessed valuation per pupil
79 is less than seventy-five percent (75%) of the average of all
80 school districts, such school district may issue bonds for the
81 purposes authorized by Section 37-59-3 in an amount exceeding the
82 fifteen percent (15%) debt limitation set forth in Section

83 37-59-5, but not exceeding an amount which, when added to all of
84 the school district's then outstanding bonded indebtedness, shall
85 result in the imposition on any of the property in such district
86 of an indebtedness for such school purposes of more than
87 twenty-five percent (25%) of the assessed value of the taxable
88 property in such district, according to the then last completed
89 assessment for taxation if:

90 (a) The board of trustees or board of education of the
91 school district adopts a resolution finding that issuing bonds in
92 an amount exceeding the limitation stated in Section 37-59-5 is
93 necessary to provide or maintain adequate educational facilities
94 within the school district; and

95 (b) The notice of the bond election required by Section
96 37-59-13 contains a provision notifying the qualified electors in
97 the school district:

98 (i) Of the fact that the proposed bonds, if
99 issued, will exceed the fifteen percent (15%) debt limit contained
100 in Section 37-59-5; and

101 (ii) Of the reasons why the school district is
102 proposing to exceed said limitation;

103 (c) The election is held and the proposed bond issue
104 receives the requisite voter approval as set forth in Section
105 37-59-17.

106 SECTION 3. This act shall take effect and be in force from
107 and after July 1, 2000.