

By: Tollison

To: Finance

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 2409

1 AN ACT TO AMEND SECTION 37-59-5, MISSISSIPPI CODE OF 1972, TO
2 INCREASE THE GENERAL BONDED INDEBTEDNESS LIMITATION ON SCHOOL
3 BONDS BASED UPON THE ASSESSED VALUATION OF THE SCHOOL DISTRICT; TO
4 AMEND SECTION 37-59-7, MISSISSIPPI CODE OF 1972, IN CONFORMITY
5 THERETO; AND FOR RELATED PURPOSES.

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

7 SECTION 1. Section 37-59-5, Mississippi Code of 1972, is
8 amended as follows:[RDD1]

9 37-59-5. No school district shall, except as provided in
10 section 37-59-7, hereafter issue bonds for the purposes authorized
11 by law in an amount which, added to all of its then outstanding
12 bonded indebtedness, shall result in the imposition on any of the
13 property in such district of an indebtedness for school purposes
14 of more than twenty percent (20%) of the assessed value of the
15 taxable property within such district, according to the then last
16 completed assessment for taxation, regardless of whether any of
17 such indebtedness shall have been incurred by such district or by
18 another school district or districts.

19 SECTION 2. Section 37-59-7, Mississippi Code of 1972, is
20 amended as follows:[WAN2]

21 37-59-7. (1) Any school district in which the total number
22 of pupils enrolled at any one time during the school year shall
23 have increased by at least twenty percent (20%) within the
24 preceding five (5) years shall not issue bonds for the purposes
25 authorized by law in an amount which when added to all of its then
26 outstanding bonded indebtedness, shall result in the imposition on
27 any of the property in such district of an indebtedness for school

28 purposes of more than twenty-five percent (25%) of the assessed
29 value of the taxable property within such district according to
30 the then last completed assessment for taxation.

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

34 (2) Any school district may hereafter issue bonds in an
35 amount exceeding the limit of Section 37-59-5 for the purpose of
36 constructing, reconstructing, repairing, equipping, remodeling or
37 enlarging school buildings and related facilities, as described in
38 subsection (a) of Section 37-59-3, but no such district shall
39 issue bonds in an amount which when added to all of its then
40 outstanding bonded indebtedness, shall result in the imposition on
41 any of the property in such district of an indebtedness for such
42 school purposes of more than twenty-five percent (25%) of the
43 assessed value of the taxable property in such district, according
44 to the then last completed assessment for taxation, regardless of
45 whether any of such indebtedness shall have been incurred by such
46 district or by another school district or districts:

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

51 (b) In the event such school district has lost its
52 accreditation and the constructing, reconstructing, repairing,
53 equipping, remodeling or enlarging of such school buildings and
54 related facilities is necessary for the restoration of such
55 accreditation.

56 * * *

57 (3) In any district where the assessed valuation per pupil
58 is less than seventy-five percent (75%) of the average of all
59 school districts, such school district may issue bonds for the
60 purposes authorized by Section 37-59-3 in an amount exceeding the
61 twenty percent (20%) debt limitation set forth in Section 37-59-5,
62 but not exceeding an amount which, when added to all of the school
63 district's then outstanding bonded indebtedness, shall result in
64 the imposition on any of the property in such district of an

65 indebtedness for such school purposes of more than twenty-five
66 percent (25%) of the assessed value of the taxable property in
67 such district, according to the then last completed assessment for
68 taxation if:

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

74 (b) The notice of the bond election required by Section
75 37-59-13 contains a provision notifying the qualified electors in
76 the school district:

77 (i) Of the fact that the proposed bonds, if
78 issued, will exceed the twenty percent (20%) debt limit contained
79 in Section 37-59-5; and

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

82 (c) The election is held and the proposed bond issue
83 receives the requisite voter approval as set forth in Section
84 37-59-17.

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