

By: Tollison

To: Finance

SENATE BILL NO. 2409

1 AN ACT TO AMEND SECTIONS 37-59-5 AND 37-59-7, MISSISSIPPI
2 CODE OF 1972, TO REVISE THE BONDED INDEBTEDNESS LIMITATIONS ON
3 SCHOOL BONDS BASED UPON THE ASSESSED VALUATION OF THE SCHOOL
4 DISTRICT; AND FOR RELATED PURPOSES.

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

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

8 37-59-5. No school district shall, except as provided in
9 section 37-59-7, hereafter issue bonds for the purposes authorized
10 by law in an amount which, added to all of its then outstanding
11 bonded indebtedness, shall result in the imposition on any of the
12 property in such district of an indebtedness for school purposes
13 of more than thirty percent (30%) of the assessed value of the
14 taxable property within such district, according to the then last
15 completed assessment for taxation, regardless of whether any of
16 such indebtedness shall have been incurred by such district or by
17 another school district or districts.

18 SECTION 2. Section 37-59-7, Mississippi Code of 1972, is
19 amended as follows:[RDD2]

20 37-59-7. (1) Any school district in which the total number
21 of pupils enrolled at any one time during the school year shall
22 have increased by at least twenty percent (20%) within the
23 preceding five (5) years shall not issue bonds for the purposes
24 authorized by law in an amount which when added to all of its then
25 outstanding bonded indebtedness, shall result in the imposition on
26 any of the property in such district of an indebtedness for school
27 purposes of more than forty percent (40%) of the assessed value of

28 the taxable property within such district according to the then
29 last completed assessment for taxation.

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

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

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

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

55 (3) In any school district wherein more than nine percent
56 (9%) of the total land area of the school district is owned by the
57 federal government and situated in a flood control reservoir or
58 maintained as a part of the national forest system, the said
59 school district may issue bonds in an amount, which when added to
60 all of its then outstanding bonded indebtedness for school
61 purposes, shall result in the imposition on any of the property in
62 such school district of an indebtedness for school purposes of not
63 more than thirty-five percent (35%) of the assessed value of the
64 taxable property within such district, according to the then last

65 completed assessment for taxation, regardless of whether any of
66 such indebtedness shall have been incurred by such district or by
67 another school district or districts. If bonds in an amount in
68 excess of thirty percent (30%) of the total assessed value of the
69 property of a school district are issued under the provisions of
70 this subsection, not less than twenty-five percent (25%) of the
71 total funds received by the school district under the provisions
72 of Section 49-19-23, Mississippi Code of 1972, shall be paid into
73 the bond and interest sinking fund of such district and used for
74 the retirement of the bonds so issued.

75 (4) In any district where the assessed valuation per pupil
76 is less than seventy-five percent (75%) of the average of all
77 school districts, such school district may issue bonds for the
78 purposes authorized by Section 37-59-3 in an amount exceeding the
79 thirty percent (30%) debt limitation set forth in Section 37-59-5,
80 but not exceeding an amount which, when added to all of the school
81 district's then outstanding bonded indebtedness, shall result in
82 the imposition on any of the property in such district of an
83 indebtedness for such school purposes of more than forty percent
84 (40%) of the assessed value of the taxable property in such
85 district, according to the then last completed assessment for
86 taxation if:

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

92 (b) The notice of the bond election required by Section
93 37-59-13 contains a provision notifying the qualified electors in
94 the school district:

95 (i) Of the fact that the proposed bonds, if
96 issued, will exceed the thirty percent (30%) debt limit contained
97 in Section 37-59-5; and

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

100 (c) The election is held and the proposed bond issue
101 receives the requisite voter approval as set forth in Section
102 37-59-17.

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