

By: Harden, Tollison

To: Education;
Appropriations

SENATE BILL NO. 3185
(As Sent to Governor)

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 FOR RELATED PURPOSES.

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

6 SECTION 1. Section 37-59-111, Mississippi Code of 1972, is
7 amended as follows:[MS1]

8 37-59-111. All indebtedness incurred under the provisions of
9 this article shall be evidenced by the negotiable notes or
10 certificates of indebtedness of the school district on whose
11 behalf the money is borrowed. Said notes or certificates of
12 indebtedness shall be signed by the president of the school board
13 and superintendent of schools of such school district. Such notes
14 or certificates of indebtedness shall not bear a greater overall
15 maximum interest rate to maturity than the rates now or hereafter
16 authorized under the provisions of Section 19-9-19. No such notes
17 or certificates of indebtedness shall be issued and sold for less
18 than par and accrued interest. All such notes or certificates of
19 indebtedness shall mature according to the following:

20 (a) All notes or certificates of indebtedness issued
21 for purposes authorized under Section 37-59-101, with the
22 exception of the financing of school buses and transportation
23 equipment, shall mature in approximately equal * * * installments
24 of principal and interest over a period not to exceed twenty (20)
25 years from the date of * * * issuance thereof. Provided, however,
26 that if negotiable notes used to finance other such capital
27 improvements are outstanding from not more than one (1) previous

28 issue authorized under the provisions of this article, then the
29 schedule of payments for a new or supplementary issue may be so
30 adjusted that the schedule of maturities of all notes or series of
31 notes hereunder shall, when combined, mature in approximately
32 equal installments of principal and interest over a period of
33 twenty (20) years from the date of the new or supplementary issue,
34 or if a lower interest rate will * * * be secured on notes
35 previously issued and outstanding, a portion of the proceeds of
36 any issue authorized hereunder may be used to refund the balance
37 of the indebtedness previously issued under the authority of this
38 article.

39 (b) All notes or certificates of indebtedness for
40 purposes of financing of school buses and transportation equipment
41 shall mature in approximately equal installments of principal and
42 interest over a period not to exceed ten (10) years from the date
43 of issuance thereof. Provided, however, that if negotiable notes
44 used to finance such noncapital improvements are outstanding from
45 not more than one (1) previous issue authorized under the
46 provisions of this article, then the schedule of payments for a
47 new or supplementary issue may be so adjusted that the schedule of
48 maturities of all notes or series of notes hereunder shall, when
49 combined, mature in approximately equal installments of principal
50 and interest over a period of ten (10) years from the date of the
51 new or supplementary issue, or if a lower interest rate will
52 thereby be secured on notes previously issued and outstanding, a
53 portion of the proceeds of any issue authorized hereunder may be
54 used to refund the balance of the indebtedness previously issued
55 under the authority of this article.

56 Such notes or certificates of indebtedness shall be issued in
57 such form and in such denominations as may be determined by the
58 school board, and same may be made payable at the office of any
59 bank or trust company selected by the school board, and, in such
60 case, funds for the payment of principal and interest due thereon
61 shall be provided in the same manner provided by law for the
62 payment of the principal and interest due on bonds issued by the
63 taxing districts of this state.

64 SECTION 2. This act shall take effect and be in force from

65 and after its passage.