SENATE BILL NO. 2706

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

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

SECTION 1. Section 37-59-5, Mississippi Code of 1972, is amended as follows:

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

SECTION 2. Section 37-59-7, Mississippi Code of 1972, is amended as follows:

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

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

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

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

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

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(3) In any district where the assessed valuation per pupil
is less than seventy-five percent (75%) of the average of all
school districts, such school district may issue bonds for the
purposes authorized by Section 37-59-3 in an amount exceeding the
twenty percent (20%) debt limitation set forth in Section 37-59-5,
but not exceeding an amount which, when added to all of the school
district's then outstanding bonded indebtedness, shall result in
the imposition on any of the property in such district of an
indebtedness for such school purposes of more than twenty-five
percent (25%) of the assessed value of the taxable property in
such district, according to the then last completed assessment for
taxation if:

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

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

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

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

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

SECTION 3. This act shall take effect and be in force from
and after July 1, 2001.