

By: Representative Eads

To: Education; Ways and Means

HOUSE BILL NO. 265

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:

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:

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, 2002.

