HOUSE BILL NO. 1700

AN ACT TO AMEND SECTION 37-57-108, MISSISSIPPI CODE OF 1972, TO AUTHORIZE SCHOOL DISTRICTS TO ISSUE PROMISSORY NOTES TO COVER DEFICITS IN THEIR ALLOTMENTS UNDER THE MINIMUM EDUCATION PROGRAM AND THE EDUCATION ENHANCEMENT FUND; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 37-57-108, Mississippi Code of 1972, is amended as follows:

[Until July 1, 2002, this section will read as follows:]

37-57-108. If the amount of revenue collected or estimated to be collected from local sources, on behalf of a school district during a fiscal year, is less than the amount provided for in the duly adopted budget of that school district for the fiscal year, then the school district may issue promissory notes in an amount and in the manner set forth in Section 27-39-333, not to exceed the estimated shortfall of revenue from local sources, but in no event to exceed twenty-five percent (25%) of its budget anticipated to be funded from the sources of the shortfall for the fiscal year. In addition, if a deficit exists in a school district's Minimum Education Program or Education Enhancement Fund allotment and the Legislature does not appropriate additional funds to cover the deficit during the fiscal year in which the deficit occurs, then the school district may issue promissory notes in the same manner and in an amount not exceeding the amount of the deficit in the Minimum Education Program allotment or Education Enhancement Fund allotment, or both, for that fiscal year.

A school district issuing notes under the provisions of this section shall not be required to publish notice of its intention...
to do so or to secure the consent of the qualified electors or the
tax levying authority of such school district.

[Beginning on July 1, 2002, this section will read as
follows:]

37-57-108. If the amount of revenue collected or estimated
to be collected from local sources, on behalf of a school district
during a fiscal year, is less than the amount provided for in the
duly adopted budget of that school district for the fiscal year,
then the school district may issue promissory notes in an amount
and in the manner set forth in Section 27-39-333, not to exceed
the estimated shortfall of revenue from local sources, but in no
event to exceed twenty-five percent (25%) of its budget
anticipated to be funded from the sources of the shortfall for the
fiscal year. In addition, if a deficit exists in a school
district's Adequate Education Program or Education Enhancement
Fund allotment and the Legislature does not appropriate additional
funds to cover the deficit during the fiscal year in which the
deficit occurs, then the school district may issue promissory
notes in the same manner and in an amount not exceeding the amount
of the deficit in the Adequate Education Program allotment or
Education Enhancement Fund allotment, or both, for that fiscal
year.

A school district issuing notes under the provisions of this
section shall not be required to publish notice of its intention
to do so or to secure the consent of the qualified electors or the
tax levying authority of such school district.

SECTION 2. This act shall take effect and be in force from
and after its passage.