

By: Representative Brown

To: Education; Ways and Means

HOUSE BILL NO. 1700

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

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

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

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

9 37-57-108. If the amount of revenue collected or estimated
10 to be collected from local sources, on behalf of a school district
11 during a fiscal year, is less than the amount provided for in the
12 duly adopted budget of that school district for the fiscal year,
13 then the school district may issue promissory notes in an amount
14 and in the manner set forth in Section 27-39-333, not to exceed
15 the estimated shortfall of revenue from local sources, but in no
16 event to exceed twenty-five percent (25%) of its budget
17 anticipated to be funded from the sources of the shortfall for the
18 fiscal year. In addition, if a deficit exists in a school
19 district's Minimum Education Program or Education Enhancement Fund
20 allotment and the Legislature does not appropriate additional
21 funds to cover the deficit during the fiscal year in which the
22 deficit occurs, then the school district may issue promissory
23 notes in the same manner and in an amount not exceeding the amount
24 of the deficit in the Minimum Education Program allotment or
25 Education Enhancement Fund allotment, or both, for that fiscal
26 year.

27 A school district issuing notes under the provisions of this
28 section shall not be required to publish notice of its intention



29 to do so or to secure the consent of the qualified electors or the
30 tax levying authority of such school district.

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

33 37-57-108. If the amount of revenue collected or estimated
34 to be collected from local sources, on behalf of a school district
35 during a fiscal year, is less than the amount provided for in the
36 duly adopted budget of that school district for the fiscal year,
37 then the school district may issue promissory notes in an amount
38 and in the manner set forth in Section 27-39-333, not to exceed
39 the estimated shortfall of revenue from local sources, but in no
40 event to exceed twenty-five percent (25%) of its budget
41 anticipated to be funded from the sources of the shortfall for the
42 fiscal year. In addition, if a deficit exists in a school
43 district's Adequate Education Program or Education Enhancement
44 Fund allotment and the Legislature does not appropriate additional
45 funds to cover the deficit during the fiscal year in which the
46 deficit occurs, then the school district may issue promissory
47 notes in the same manner and in an amount not exceeding the amount
48 of the deficit in the Adequate Education Program allotment or
49 Education Enhancement Fund allotment, or both, for that fiscal
50 year.

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

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

