SENATE BILL NO. 2125

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
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, 2002.