

By: Senator(s) Harden

To: Education; Finance

SENATE BILL NO. 3058

1 AN ACT TO AMEND SECTIONS 31-15-3 THROUGH 31-15-11,
2 MISSISSIPPI CODE OF 1972, TO CLARIFY THAT ALL SCHOOL DISTRICTS MAY
3 UTILIZE PROVISIONS OF THE GENERAL REFUNDING BOND LAW TO REFUND
4 OUTSTANDING SCHOOL DISTRICT INDEBTEDNESS; AND FOR RELATED
5 PURPOSES.

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

7 **SECTION 1.** Section 31-15-3, Mississippi Code of 1972, is
8 amended as follows:

9 31-15-3. Whenever used in Sections 31-15-1 through 31-15-19,
10 the words "political subdivision" shall be deemed as including any
11 county, city, town or village, whether operating under the code
12 chapter, a special charter or the commission form of government;
13 and any supervisors district, road district, municipal separate
14 school district, rural separate school district, consolidated
15 school district, line separate school district or school district
16 of any other form.

17 The words "governing authority" or "governing body," wherever
18 used in the aforesaid sections, shall be understood as referring
19 to the following: for counties, supervisors districts, road
20 districts, * * * the board of supervisors of the county; for
21 cities, towns or villages operating under the code, the board of
22 mayor and aldermen thereof; for cities, towns or villages
23 operating under special charters, the legislative body thereof
24 created by such charters; for cities, towns or villages operating
25 under the commission form of government, the council or commission
26 thereof; for * * * school districts, the county board of education
27 or board of trustees of the school district.

28 For purposes of this section, the words "bonded indebtedness"
29 means any bonds or other written evidence of indebtedness that
30 constitutes a general obligation of a political subdivision.

31 **SECTION 2.** Section 31-15-5, Mississippi Code of 1972, is
32 amended as follows:

33 31-15-5. (1) The governing authority of any political
34 subdivision may, without an election on the question of the
35 issuance thereof, issue the bonds of such subdivision for the
36 purpose of refunding any bonded indebtedness of such subdivision
37 now or hereafter outstanding, whether such bonded indebtedness
38 shall at the time of such refunding be due or to mature in the
39 future, and regardless of whether the issuance of such refunding
40 bonds shall create a total bonded indebtedness of such subdivision
41 in excess of the then existing statutory limitation of debt.

42 (2) The board of supervisors of any county may issue the
43 bonds of any county or separate road district, and the local
44 school governing board of any school district may issue bonds of
45 the school district for the purpose of refunding the outstanding
46 bonded indebtedness of any such county or district when the same
47 shall mature, whether now due or to become due in the future
48 without notice and without an election on the question of the
49 issuance of same, regardless of whether or not the issuance of
50 such bonds shall create a total bonded indebtedness in excess of
51 the then existing statutory limitation of debt.

52 (3) Such bonds may be issued in sufficient amount to pay and
53 retire any of the then outstanding bonds, whether matured or to
54 mature in the future, together with interest thereon to the date
55 of the refunding bonds or to such prior date as the governing
56 authority may determine; and such power to refund such bonds and
57 interest may be exercised whenever funds available from taxes are
58 not sufficient to pay such outstanding bonds and the interest
59 thereon whenever they may mature.

60 **SECTION 3.** Section 31-15-7, Mississippi Code of 1972, is
61 amended as follows:

62 31-15-7. Such refunding bonds shall bear such rate or rates
63 of interest as may be determined by the governing body, not
64 exceeding, however, six percent (6%) per annum payable
65 semiannually; shall be in such denomination or denominations and
66 form as may be determined by resolution or order of the governing
67 authority; and shall be executed in behalf of the subdivision by
68 such officer or officers thereof as may be determined in such
69 resolution or order. The interest to accrue on such refunding
70 bonds may, but is not required to be represented by coupons to be
71 attached thereto, which may be executed by the facsimile signature
72 of such officer or officers. All such bonds shall be made to
73 mature serially, beginning not more than five (5) years and
74 running not longer than thirty (30) years after their date, with
75 not less than one percent (1%) of the total issue to mature each
76 year during the first six (6) years, beginning in the fifth year,
77 after the date of such bonds; not less than three percent (3%) of
78 the said total issue to mature annually during the next succeeding
79 ten-year period of the life of such bonds; and not less than five
80 percent (5%) of said total issue to mature annually during the
81 next succeeding ten-year period of the life of the bonds.

82 **SECTION 4.** Section 31-15-9, Mississippi Code of 1972, is
83 amended as follows:

84 31-15-9. The resolution or order providing for the issuance
85 of such bonds may reserve unto the governing authority the right
86 to call in, pay, and redeem such bonds in the inverse order of
87 their numbers and maturities, prior to the maturity date or dates
88 thereof on any interest payment date. Whenever it is desired to
89 exercise the aforesaid right, if reserved in such resolution or
90 order, the governing authority shall cause written notice thereof
91 to be delivered to the bank or office at which such bonds are
92 payable. Such notice shall be so delivered not less than thirty

93 (30) days prior to the interest payment date designated for the
94 redemption of such bonds, after which date so designated, no
95 further interest shall accrue on the bonds so called for
96 redemption. Such refunding bonds may be sold for not less than
97 par and accrued interest, or may be exchanged at par for bonds and
98 interest coupons to be refunded thereby.

99 The board of supervisors may accept county bonds or separate
100 road district bonds, and the local school governing board of a
101 school district may accept school district bonds, as the case may
102 be, at not more than par and interest accruing thereon at the rate
103 fixed in the bonds to be refunded in exchange for said refunding
104 county bonds, separate road district bonds or * * * school
105 district bonds * * *, as the case may be. In accepting any bond
106 in exchange for, or in payment of, any such refunding bond, no
107 bond shall be accepted in such exchange or payment that is secured
108 by the property of a smaller or different district, or other
109 subdivision, than that securing the refunding bonds so issued.

110 **SECTION 5.** Section 31-15-11, Mississippi Code of 1972, is
111 amended as follows:

112 31-15-11. All refunding bonds issued under the provisions of
113 Sections 31-15-1 through 31-15-19 shall be general obligations of
114 the political subdivisions issuing same, and the governing
115 authority of such subdivision, or the levying authority of a
116 school district as defined in Section 37-57-1, shall annually levy
117 a tax upon all taxable property therein sufficient to pay the
118 principal of and the interest on such bonds as the same matures
119 and accrues. The full faith, credit, and resources of such
120 subdivision shall be and are hereby irrevocably pledged to the
121 payment of such bonds, both as to principal and interest.

122 **SECTION 6.** This act shall take effect and be in force from
123 and after July 1, 2004.