

By: Senator(s) Harden

To: Education; Finance

SENATE BILL NO. 2217

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, 2005.