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To: Finance

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 2014

1 AN ACT TO AMEND SECTION 37-59-37, MISSISSIPPI CODE OF 1972,
2 TO EXTEND THE PERIOD OF TIME WITHIN WHICH MONEY BORROWED BY A
3 SCHOOL DISTRICT IN ANTICIPATION OF REVENUE MUST BE REPAID, IF THE
4 REASONS FOR THE EXTENSION IS RELATED TO HURRICANE KATRINA; AND FOR
5 RELATED PURPOSES.

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

7 **SECTION 1.** Section 37-59-37, Mississippi Code of 1972, is
8 amended as follows:

9 **[Through June 30, 2007, this section shall read as follows:]**

10 37-59-37. (1) The school board of any school district shall
11 have the power and authority to borrow money for the anticipated
12 current year's expenses of such school district in anticipation of
13 the collection of ad valorem taxes and other revenues of such
14 school district for the then current fiscal year. Except as
15 otherwise provided in subsection (5) of this section, the money so
16 borrowed shall bear interest at a rate not greater than that
17 allowed in Section 75-17-105 and shall be repaid within fourteen
18 (14) months from the date of such borrowing out of the taxes and
19 revenues in anticipation of which such money is borrowed. Such
20 money shall be used for no other purpose than the payment of the
21 current year's expenses of such school district. Pending the
22 expenditure of funds borrowed under the provisions of this
23 section, such funds may be invested in any manner in which any
24 school district, municipality, county, state agency or other
25 public body may invest surplus funds.

26 (2) The amount borrowed under the provisions of this section
27 shall in no event exceed the estimated amount of taxes and
28 revenues collected or to be collected during the last preceding

29 fiscal year, unless the tax levy for the current fiscal year has
30 been made, then the amount borrowed under the provisions of this
31 section shall in no event exceed the estimated amount of taxes and
32 revenues collected or to be collected during the current fiscal
33 year. Revenue anticipation notes issued under the provisions of
34 this section shall be issued within the same fiscal year during
35 which the tax levy is or will be made and other revenues received
36 which it is anticipated will produce the funds from which the said
37 notes will be repaid.

38 (3) In borrowing money under the provisions of this section,
39 it shall not be necessary to publish notice of intention so to do
40 or to secure the consent of the qualified electors of such school
41 district, either by election or otherwise. Such borrowing shall
42 be authorized by order or resolution of the school board and may
43 be evidenced by negotiable note or notes, signed and executed in
44 such form as may be prescribed in such order or resolution. Such
45 note or notes may be sold at a negotiated sale. Money may be
46 borrowed in anticipation of ad valorem taxes and other revenues
47 under the provisions of this section, regardless of whether or not
48 such borrowing shall create an indebtedness in excess of statutory
49 limitations.

50 (4) Money may likewise be borrowed by any such school
51 district, as herein provided, for the purpose of paying current
52 interest maturities on any bonded indebtedness of such school
53 district in anticipation of the collection of taxes for the
54 retirement of such bonded indebtedness and the payment of any
55 interest thereon.

56 (5) For reasons related to Hurricane Katrina, a public
57 school district may increase the time within which the money
58 borrowed under this section must be repaid to twenty-four (24)
59 months after the date of such borrowing, if the school district
60 first receives the approval of the State Board of Education based
61 upon written justification therefor.

62 [From and after July 1, 2007, this section shall read as
63 follows:]

64 37-59-37. The school board of any school district shall have
65 the power and authority to borrow money for the anticipated
66 current year's expenses of such school district in anticipation of
67 the collection of ad valorem taxes and other revenues of such
68 school district for the then current fiscal year. The money so
69 borrowed shall bear interest at a rate not greater than that
70 allowed in Section 75-17-105 and shall be repaid within fourteen
71 (14) months from the date of such borrowing out of the taxes and
72 revenues in anticipation of which such money is borrowed. Such
73 money shall be used for no other purpose than the payment of the
74 current year's expenses of such school district. Pending the
75 expenditure of funds borrowed under the provisions of this
76 section, such funds may be invested in any manner in which any
77 school district, municipality, county, state agency or other
78 public body may invest surplus funds.

79 The amount borrowed under the provisions of this section
80 shall in no event exceed the estimated amount of taxes and
81 revenues collected or to be collected during the last preceding
82 fiscal year, unless the tax levy for the current fiscal year has
83 been made, then the amount borrowed under the provisions of this
84 section shall in no event exceed the estimated amount of taxes and
85 revenues collected or to be collected during the current fiscal
86 year. Revenue anticipation notes issued under the provisions of
87 this section shall be issued within the same fiscal year during
88 which the tax levy is or will be made and other revenues received
89 which it is anticipated will produce the funds from which the said
90 notes will be repaid.

91 In borrowing money under the provisions of this section, it
92 shall not be necessary to publish notice of intention so to do or
93 to secure the consent of the qualified electors of such school
94 district, either by election or otherwise. Such borrowing shall

95 be authorized by order or resolution of the school board and may
96 be evidenced by negotiable note or notes, signed and executed in
97 such form as may be prescribed in such order or resolution. Such
98 note or notes may be sold at a negotiated sale. Money may be
99 borrowed in anticipation of ad valorem taxes and other revenues
100 under the provisions of this section, regardless of whether or not
101 such borrowing shall create an indebtedness in excess of statutory
102 limitations.

103 Money may likewise be borrowed by any such school district,
104 as herein provided, for the purpose of paying current interest
105 maturities on any bonded indebtedness of such school district in
106 anticipation of the collection of taxes for the retirement of such
107 bonded indebtedness and the payment of any interest thereon.

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