

**Adopted  
COMMITTEE AMENDMENT NO 1 PROPOSED TO**

**Senate Bill No. 2022**

**BY: Committee**

**Amend by striking all after the enacting clause and inserting  
in lieu thereof the following:**

15           **SECTION 1.** Section 37-57-108, Mississippi Code of 1972, is  
16 amended as follows:

17           **[From and after the effective date of this act through June**  
18 **30, 2007, this act shall read as follows:]**

19           37-57-108. (1) In the event that the amount of revenue  
20 collected or estimated to be collected from local sources, on  
21 behalf of a school district during a fiscal year, is less than the  
22 amount provided for in the duly adopted budget of said school  
23 district for the fiscal year, then the school district may issue  
24 promissory notes in an amount and in the manner set forth in  
25 Section 27-39-333, not to exceed the estimated shortfall of  
26 revenue from local sources, but in no event to exceed twenty-five  
27 percent (25%) of its budget anticipated to be funded from the  
28 sources of the shortfall for the fiscal year. A school district  
29 issuing notes under the provisions of this section shall not be  
30 required to publish notice of its intention to do so or to secure  
31 the consent of the qualified electors or the tax levying authority  
32 of such school district.

33       (2) If the amount of revenue collected or estimated to be  
34 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 the school district for the fiscal year as  
37 a result of a natural disaster, then the school district may issue  
38 promissory notes in an amount and in the manner set forth in  
39 Section 27-39-333, not to exceed the estimated shortfall of  
40 revenue from local sources, but in no event to exceed fifty  
41 percent (50%) of its budget anticipated to be funded from the  
42 sources of the shortfall for the fiscal year; however, in Hancock,  
43 Harrison and Jackson counties, the promissory notes may not exceed  
44 eighty percent (80%) of its budget anticipated to be funded from  
45 the sources of the shortfall for the fiscal year. In order for a  
46 school district to issue notes under the provisions of this  
47 section, the superintendent must recommend such action to the  
48 school board and the board must duly adopt and enter upon its  
49 official minutes a resolution setting forth specific findings as  
50 to how the district meets the requirements of this section.  
51 Before any such note is issued, the State Auditor of Public  
52 Accounts must verify the findings of the board. The State Auditor  
53 shall act within fourteen (14) days of submission of the board's  
54 findings to him. Failure of the State Auditor to act to approve  
55 or disapprove within fourteen (14) days of submission shall result  
56 in the State Auditor's approval by operation of law.

57       **[From and after July 1, 2007, this act shall read as**  
58 **follows:]**

59       37-57-108. In the event that the amount of revenue collected  
60 or estimated to be collected from local sources, on behalf of a  
61 school district during a fiscal year, is less than the amount  
62 provided for in the duly adopted budget of said school district  
63 for the fiscal year, then the school district may issue promissory  
64 notes in an amount and in the manner set forth in Section

65 27-39-333, not to exceed the estimated shortfall of revenue from  
66 local sources, but in no event to exceed twenty-five percent (25%)  
67 of its budget anticipated to be funded from the sources of the  
68 shortfall for the fiscal year. A school district issuing notes  
69 under the provisions of this section shall not be required to  
70 publish notice of its intention to do so or to secure the consent  
71 of the qualified electors or the tax levying authority of such  
72 school district.

73 **SECTION 2.** Section 27-39-333, Mississippi Code of 1972, is  
74 amended as follows:

75 **[From and after the effective date of this act through June**  
76 **30, 2007, this act shall read as follows:]**

77 27-39-333. (1) For purposes of this section, the following  
78 terms shall have the meanings ascribed herein:

79 (a) "Political subdivision" means any political  
80 subdivision which receives ad valorem tax revenue.

81 (b) "Levying authority" means any political subdivision  
82 having legal authority to levy ad valorem taxes for its operation  
83 or for the operation of another political subdivision.

84 (2) Any political subdivision which, during a fiscal year,  
85 estimates that the amount of the ad valorem taxes or other  
86 anticipated revenue from local sources to be collected therein is  
87 less than the amount estimated at the time of formulation of its  
88 budget for the fiscal year due to circumstances which were  
89 unanticipated at the time of formulation of the budget and which  
90 will prevent the political subdivision from meeting its financial  
91 obligations may, with the approval of the levying authority for  
92 such political subdivision, issue promissory notes in an amount  
93 equal to the estimated shortfall of ad valorem taxes and/or  
94 revenue from local sources but in no event to exceed twenty-five  
95 percent (25%) of its budget anticipated to be funded from the  
96 sources of the shortfall for the fiscal year. However, if a

97 political subdivision which, during a fiscal year, estimates that  
98 the amount of the ad valorem taxes or other anticipated revenue  
99 from local sources to be collected therein is less than the amount  
100 estimated at the time of formulation of its budget for the fiscal  
101 year as a result of a natural disaster and which will prevent the  
102 political subdivision from meeting its financial obligations may,  
103 with the approval of the levying authority for such political  
104 subdivision, issue promissory notes in an amount equal to the  
105 estimated shortfall of ad valorem taxes and/or revenue from local  
106 sources but in no event to exceed fifty percent (50%) of its  
107 budget anticipated to be funded from the sources of the shortfall  
108 for the fiscal year; however, in Hancock, Harrison and Jackson  
109 counties, the promissory notes shall not exceed eighty (80%) of  
110 its budget anticipated to be funded from sources of the shortfall.  
111 Before any such note is issued, the State Auditor of Public  
112 Accounts must verify the findings of the board. The State Auditor  
113 shall act within fourteen (14) days of submission of the board's  
114 findings to him. Failure of the State Auditor to act to approve  
115 or disapprove within fourteen (14) days of submission shall result  
116 in the State Auditor's approval by operation of law.

117 (3) The proceeds of such notes shall be used in the budget  
118 or budgets in which the shortfall occurred and shall be used  
119 solely to offset the shortfall in such budgets for the fiscal  
120 year. The rate of interest paid thereon shall not exceed that  
121 amount set forth in Section 75-17-105, Mississippi Code of 1972.  
122 The indebtedness shall be repaid in full, including interest  
123 thereon, in equal installments, during the three (3) fiscal years  
124 next succeeding the fiscal year in which the notes were issued.  
125 However, if the proceeds of such notes used in the budget or  
126 budgets in which the shortfall occurred as a result of a natural  
127 disaster, the indebtedness shall be repaid in full, including  
128 interest thereon, during the seven (7) fiscal years next

129 succeeding the fiscal year in which the notes were issued. For  
130 the payment of such indebtedness, the levying authority for the  
131 political subdivision shall, at its next regular meeting at which  
132 ad valorem taxes are lawfully levied, levy an ad valorem tax  
133 sufficient to repay the indebtedness in full, including interest.  
134 The proceeds of the notes shall be included as proceeds of ad  
135 valorem taxes for the purposes of the limitation on increases in  
136 revenue for the next succeeding fiscal year under Section  
137 27-39-305, 27-39-320, 27-39-321 or 37-57-107, Mississippi Code of  
138 1972, whichever is applicable depending upon the purpose for which  
139 such proceeds are used.

140 (4) Any notes issued under this section prior to the  
141 effective date of Laws 1987, Chapter 507, shall be repaid as  
142 provided in Section 28, Chapter 514, Laws of 1985.

143 (5) For the purposes of Sections 27-39-305, 27-39-320,  
144 27-39-321 and 37-57-107, the terms "revenue" and "receipts" when  
145 used in connection with the amount of funds generated in a  
146 preceding fiscal year shall include excess receipts collected in  
147 the next preceding fiscal year and deposited into a special  
148 account under Section 27-39-323.

149 **[From and after July 1, 2007, this act shall read as**  
150 **follows:]**

151 27-39-333. (1) For purposes of this section, the following  
152 terms shall have the meanings ascribed herein:

153 (a) "Political subdivision" means any political  
154 subdivision which receives ad valorem tax revenue.

155 (b) "Levying authority" means any political subdivision  
156 having legal authority to levy ad valorem taxes for its operation  
157 or for the operation of another political subdivision.

158 (2) Any political subdivision which, during a fiscal year,  
159 estimates that the amount of the ad valorem taxes or other  
160 anticipated revenue from local sources to be collected therein is

161 less than the amount estimated at the time of formulation of its  
162 budget for the fiscal year due to circumstances which were  
163 unanticipated at the time of formulation of the budget and which  
164 will prevent the political subdivision from meeting its financial  
165 obligations may, with the approval of the levying authority for  
166 such political subdivision, issue promissory notes in an amount  
167 equal to the estimated shortfall of ad valorem taxes and/or  
168 revenue from local sources but in no event to exceed twenty-five  
169 percent (25%) of its budget anticipated to be funded from the  
170 sources of the shortfall for the fiscal year.

171 (3) The proceeds of such notes shall be used in the budget  
172 or budgets in which the shortfall occurred and shall be used  
173 solely to offset the shortfall in such budgets for the fiscal  
174 year. The rate of interest paid thereon shall not exceed that  
175 amount set forth in Section 75-17-105, Mississippi Code of 1972.  
176 The indebtedness shall be repaid in full, including interest  
177 thereon, in equal installments, during the three (3) fiscal years  
178 next succeeding the fiscal year in which the notes were issued.  
179 For the payment of such indebtedness, the levying authority for  
180 the political subdivision shall, at its next regular meeting at  
181 which ad valorem taxes are lawfully levied, levy an ad valorem tax  
182 sufficient to repay the indebtedness in full, including interest.  
183 The proceeds of the notes shall be included as proceeds of ad  
184 valorem taxes for the purposes of the limitation on increases in  
185 revenue for the next succeeding fiscal year under Section  
186 27-39-305, 27-39-320, 27-39-321 or 37-57-107, Mississippi Code of  
187 1972, whichever is applicable depending upon the purpose for which  
188 such proceeds are used.

189 (4) Any notes issued under this section prior to the  
190 effective date of Laws 1987, Chapter 507, shall be repaid as  
191 provided in Section 28, Chapter 514, Laws of 1985.

192           (5) For the purposes of Sections 27-39-305, 27-39-320,  
193 27-39-321 and 37-57-107, the terms "revenue" and "receipts" when  
194 used in connection with the amount of funds generated in a  
195 preceding fiscal year shall include excess receipts collected in  
196 the next preceding fiscal year and deposited into a special  
197 account under Section 27-39-323.

198           **SECTION 3.** Section 37-59-111, Mississippi Code of 1972, is  
199 amended as follows:

200           **[From and after the effective date of this act through June**  
201 **30, 2007, this act shall read as follows:]**

202           37-59-111. All indebtedness incurred under the provisions of  
203 this article shall be evidenced by the negotiable notes or  
204 certificates of indebtedness of the school district on whose  
205 behalf the money is borrowed. Said notes or certificates of  
206 indebtedness shall be signed by the president of the school board  
207 and superintendent of schools of such school district. Such notes  
208 or certificates of indebtedness shall not bear a greater overall  
209 maximum interest rate to maturity than the rates now or hereafter  
210 authorized under the provisions of Section 19-9-19. No such notes  
211 or certificates of indebtedness shall be issued and sold for less  
212 than par and accrued interest. All such notes or certificates of  
213 indebtedness shall mature according to the following:

214           (a) All notes or certificates of indebtedness issued  
215 for purposes authorized under Section 37-59-101, with the  
216 exception of the financing of school buses and transportation  
217 equipment, shall mature in approximately equal installments of  
218 principal and interest over a period not to exceed twenty (20)  
219 years from the date of issuance thereof. However, notes or  
220 certificates of indebtedness issued as a result of a natural  
221 disaster for purposes authorized under Section 37-59-101, with the  
222 exception of the financing of school buses and transportation  
223 equipment, shall mature over a period not to exceed twenty (20)

224 years from the date of issuance thereof. Provided, however, that  
225 if negotiable notes used to finance other such capital  
226 improvements are outstanding from not more than one (1) previous  
227 issue authorized under the provisions of this article, then the  
228 schedule of payments for a new or supplementary issue may be so  
229 adjusted that the schedule of maturities of all notes or series of  
230 notes hereunder shall, when combined, mature as provided herein  
231 over a period of twenty (20) years from the date of the new or  
232 supplementary issue, or if a lower interest rate will be secured  
233 on notes previously issued and outstanding, a portion of the  
234 proceeds of any issue authorized hereunder may be used to refund  
235 the balance of the indebtedness previously issued under the  
236 authority of this article.

237 (b) All notes or certificates of indebtedness for  
238 purposes of financing of school buses and transportation equipment  
239 shall mature in approximately equal installments of principal and  
240 interest over a period not to exceed ten (10) years from the date  
241 of issuance thereof. However, notes or certificates of  
242 indebtedness issued as a result of a natural disaster for purposes  
243 of financing of school buses and transportation equipment shall  
244 mature over a period not to exceed ten (10) years from the date of  
245 issuance thereof. Provided, however, that if negotiable notes  
246 used to finance such noncapital improvements are outstanding from  
247 not more than one (1) previous issue authorized under the  
248 provisions of this article, then the schedule of payments for a  
249 new or supplementary issue may be so adjusted that the schedule of  
250 maturities of all notes or series of notes hereunder shall, when  
251 combined, mature as provided herein over a period of ten (10)  
252 years from the date of the new or supplementary issue, or if a  
253 lower interest rate will thereby be secured on notes previously  
254 issued and outstanding, a portion of the proceeds of any issue  
255 authorized hereunder may be used to refund the balance of the



256 indebtedness previously issued under the authority of this  
257 article.

258       Such notes or certificates of indebtedness shall be issued in  
259 such form and in such denominations as may be determined by the  
260 school board, and same may be made payable at the office of any  
261 bank or trust company selected by the school board, and, in such  
262 case, funds for the payment of principal and interest due thereon  
263 shall be provided in the same manner provided by law for the  
264 payment of the principal and interest due on bonds issued by the  
265 taxing districts of this state.

266       Any school district issuing debt under any provision of state  
267 law that authorizes school districts to borrow money may sell the  
268 debt to the United States Department of Agriculture Rural  
269 Development agency in the same manner and subject to the same  
270 limitations as provided in the statutes under which the debt was  
271 incurred.

272       **[From and after July 1, 2007, this act shall read as**  
273 **follows:]**

274       37-59-111. All indebtedness incurred under the provisions of  
275 this article shall be evidenced by the negotiable notes or  
276 certificates of indebtedness of the school district on whose  
277 behalf the money is borrowed. Said notes or certificates of  
278 indebtedness shall be signed by the president of the school board  
279 and superintendent of schools of such school district. Such notes  
280 or certificates of indebtedness shall not bear a greater overall  
281 maximum interest rate to maturity than the rates now or hereafter  
282 authorized under the provisions of Section 19-9-19. No such notes  
283 or certificates of indebtedness shall be issued and sold for less  
284 than par and accrued interest. All such notes or certificates of  
285 indebtedness shall mature according to the following:

286       (a) All notes or certificates of indebtedness issued  
287 for purposes authorized under Section 37-59-101, with the

288 exception of the financing of school buses and transportation  
289 equipment, shall mature in approximately equal installments of  
290 principal and interest over a period not to exceed twenty (20)  
291 years from the date of issuance thereof. Provided, however, that  
292 if negotiable notes used to finance other such capital  
293 improvements are outstanding from not more than one (1) previous  
294 issue authorized under the provisions of this article, then the  
295 schedule of payments for a new or supplementary issue may be so  
296 adjusted that the schedule of maturities of all notes or series of  
297 notes hereunder shall, when combined, mature in approximately  
298 equal installments of principal and interest over a period of  
299 twenty (20) years from the date of the new or supplementary issue,  
300 or if a lower interest rate will be secured on notes previously  
301 issued and outstanding, a portion of the proceeds of any issue  
302 authorized hereunder may be used to refund the balance of the  
303 indebtedness previously issued under the authority of this  
304 article.

305 (b) All notes or certificates of indebtedness for  
306 purposes of financing of school buses and transportation equipment  
307 shall mature in approximately equal installments of principal and  
308 interest over a period not to exceed ten (10) years from the date  
309 of issuance thereof. Provided, however, that if negotiable notes  
310 used to finance such noncapital improvements are outstanding from  
311 not more than one (1) previous issue authorized under the  
312 provisions of this article, then the schedule of payments for a  
313 new or supplementary issue may be so adjusted that the schedule of  
314 maturities of all notes or series of notes hereunder shall, when  
315 combined, mature in approximately equal installments of principal  
316 and interest over a period of ten (10) years from the date of the  
317 new or supplementary issue, or if a lower interest rate will  
318 thereby be secured on notes previously issued and outstanding, a  
319 portion of the proceeds of any issue authorized hereunder may be

320 used to refund the balance of the indebtedness previously issued  
321 under the authority of this article.

322 Such notes or certificates of indebtedness shall be issued in  
323 such form and in such denominations as may be determined by the  
324 school board, and same may be made payable at the office of any  
325 bank or trust company selected by the school board, and, in such  
326 case, funds for the payment of principal and interest due thereon  
327 shall be provided in the same manner provided by law for the  
328 payment of the principal and interest due on bonds issued by the  
329 taxing districts of this state.

330 Any school district issuing debt under any provision of state  
331 law that authorizes school districts to borrow money may sell the  
332 debt to the United States Department of Agriculture Rural  
333 Development agency in the same manner and subject to the same  
334 limitations as provided in the statutes under which the debt was  
335 incurred.

336 **SECTION 4.** This act shall take effect and be in force from  
337 and after its passage.

**Further, amend by striking the title in its entirety and  
inserting in lieu thereof the following:**

1 AN ACT TO AMEND SECTION 37-57-108, MISSISSIPPI CODE OF 1972,  
2 TO INCREASE THE LIMIT OF THE AMOUNT OF MONEY ALLOWED TO BE  
3 BORROWED BY CERTAIN SCHOOL DISTRICTS; TO AMEND SECTION 27-39-333,  
4 MISSISSIPPI CODE OF 1972, TO INCREASE THE LENGTH OF TIME FOR  
5 CERTAIN DISTRICTS TO REPAY FUNDS IF THERE HAS BEEN A REVENUE  
6 SHORTFALL; TO AMEND SECTION 37-59-111, MISSISSIPPI CODE OF 1972,  
7 TO PROVIDE THAT NOTES OR CERTIFICATES OF INDEBTEDNESS FOR CERTAIN  
8 PURPOSES FOR CERTAIN SCHOOL DISTRICTS DO NOT HAVE TO BE PAID BACK  
9 IN EQUAL INSTALLMENTS; TO CLARIFY THAT ANY SCHOOL DISTRICT ISSUING  
10 DEBT UNDER ANY PROVISION OF STATE LAW THAT AUTHORIZES SCHOOL  
11 DISTRICTS TO BORROW MONEY MAY SELL THE DEBT TO THE UNITED STATES  
12 DEPARTMENT OF AGRICULTURE RURAL DEVELOPMENT AGENCY SUBJECT TO THE  
13 SAME LIMITATIONS IN THE STATE STATUTES; AND FOR RELATED PURPOSES.