

By: Senator(s) Tollison

To: Education

SENATE BILL NO. 2792

1 AN ACT TO AMEND SECTION 37-59-37, MISSISSIPPI CODE OF 1972,
2 TO CLARIFY THAT SCHOOL TAX ANTICIPATION NOTES MAY BE SOLD AT A
3 NEGOTIATED SALE; AND FOR RELATED PURPOSES.

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

5 SECTION 1. Section 37-59-37, Mississippi Code of 1972, is
6 amended as follows:

7 37-59-37. The school board of any school district shall have
8 the power and authority to borrow money for the anticipated
9 current year's expenses of such school district in anticipation of
10 the collection of ad valorem taxes and other revenues of such
11 school district for the then current fiscal year. The money so
12 borrowed shall bear interest at a rate not greater than that
13 allowed in Section 75-17-105 and shall be repaid within fourteen
14 (14) months from the date of such borrowing out of the taxes and
15 revenues in anticipation of which such money is borrowed. Such
16 money shall be used for no other purpose than the payment of the
17 current year's expenses of such school district. Pending the
18 expenditure of funds borrowed under the provisions of this
19 section, such funds may be invested in any manner in which any
20 school district, municipality, county, state agency or other
21 public body may invest surplus funds.

22 The amount borrowed under the provisions of this section
23 shall in no event exceed the estimated amount of taxes and
24 revenues collected or to be collected during the last preceding
25 fiscal year, unless the tax levy for the current fiscal year has
26 been made, then the amount borrowed under the provisions of this
27 section shall in no event exceed the estimated amount of taxes and

28 revenues collected or to be collected during the current fiscal
29 year. Revenue anticipation notes issued under the provisions of
30 this section shall be issued within the same fiscal year during
31 which the tax levy is or will be made and other revenues received
32 which it is anticipated will produce the funds from which the said
33 notes will be repaid.

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

46 Money may likewise be borrowed by any such school district,
47 as herein provided, for the purpose of paying current interest
48 maturities on any bonded indebtedness of such school district in
49 anticipation of the collection of taxes for the retirement of such
50 bonded indebtedness and the payment of any interest thereon.

51 SECTION 2. This act shall take effect and be in force from
52 and after its passage.