

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.