

By: Senator(s) Tollison

To: Education

SENATE BILL NO. 2928

1 AN ACT TO AMEND SECTION 37-59-43, MISSISSIPPI CODE OF 1972,
2 TO AUTHORIZE SCHOOL BOARDS TO INVEST SURPLUS FUNDS IN THE SAME
3 MANNER THAT IS PROVIDED FOR THE INVESTMENT OF SIXTEENTH SECTION
4 FUNDS; AND FOR RELATED PURPOSES.

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

6 SECTION 1. Section 37-59-43, Mississippi Code of 1972, is
7 amended as follows:

8 37-59-43. (1) Whenever any school district or levying
9 authority, as defined in Section 37-57-1(1)(b), acting on behalf
10 of a school district, shall have on hand any bond and interest
11 funds, any funds derived from the sale of bonds, or any other
12 funds in excess of the sums which will be required for payment of
13 current obligations and expenses as they come due, and which are
14 not needed or cannot by law be used for the payment of the current
15 obligations or expenses of the school district, the school board
16 of the district shall have the power and authority to invest such
17 excess funds in any bonds or other direct obligations of the
18 United States of America or the State of Mississippi, or of any
19 county or municipality of this state, which such county or
20 municipal bonds have been approved by a reputable bond attorney or
21 have been validated by a decree of the chancery court; or in
22 interest-bearing time certificates of deposit or interest-bearing
23 accounts with any financial institution approved for the deposit
24 of state funds; and such institution shall be eligible to hold
25 school district funds to the extent that it is qualified as a
26 depository for state funds; or in any type of investment permitted
27 by Sections 27-105-33(d) and 27-105-33(e). The rate of interest

28 on such time certificates of deposit and interest-bearing accounts
29 may be negotiated. The negotiated rate of interest shall be at
30 the highest rate possible at the date of purchase or investment
31 for such time certificates of deposit or interest-bearing
32 accounts. In any event, the bonds or obligations in which such
33 funds are invested shall mature or be redeemable prior to the time
34 the funds so invested will be needed for expenditure. When bonds
35 or other obligations have been so purchased, the same may be sold
36 or surrendered for redemption at any time, except certificates of
37 deposit which must mature, by order or resolution of such school
38 board, and the president of the school board, when authorized by
39 such order or resolution, shall have the power and authority to
40 execute all instruments and take such other action as may be
41 necessary to effectuate the sale or redemption thereof. In
42 addition to the foregoing, any school board may invest any such
43 funds in the same manner as provided for the investment of
44 sixteenth section principal funds pursuant to Section 29-3-113.

45 (2) The provisions of subsection (1) of this section shall
46 also apply to funds of junior college districts, and the governing
47 authorities of such districts are vested with all power and
48 authority with respect to such funds and matters herein mentioned
49 as are vested in the other boards mentioned above with respect to
50 such matters.

51 (3) All earnings from funds other than bond funds or bond
52 sinking funds in excess of One Hundred Dollars (\$100.00) in any
53 fiscal year, invested according to the provisions of subsections
54 (1) and (2) of this section shall be deposited in the district
55 fund from which the investment was made, or the treasury of the
56 junior college, as the case may be. Earnings from such school
57 district funds which are less than One Hundred Dollars (\$100.00)
58 in any fiscal year may be deposited in the school district
59 maintenance fund, or in the district fund from which the
60 investment was made, in the discretion of the school board.

61 Earnings from funds invested out of bond funds or bond sinking
62 funds, together with the principal thereof, shall be deposited in
63 the fund from which the investment was made.

64 (4) Nothing contained in this section shall be construed to
65 prevent the payment of a portion of the earnings derived from the
66 investment of bond proceeds or any other amounts in the bond fund
67 or related reserve or sinking funds to the federal government to
68 the extent required by the federal laws applicable to such bonds
69 or the interest income thereon in order to maintain their tax
70 exempt status.

71 SECTION 2. This act shall take effect and be in force from
72 and after July 1, 2001.