

By: Representatives Brown,
Watson

To: Education

HOUSE BILL NO. 17
(As Passed the House)

1 AN ACT TO AMEND SECTION 37-59-37, MISSISSIPPI CODE OF 1972,
2 TO EXTEND THE REPAYMENT PERIOD FOR SCHOOL DISTRICTS THAT HAVE
3 BORROWED MONEY; 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.

16 However, from and after the effective date of this act through
17 January 31, 2007, the money so borrowed shall bear interest at a
18 rate not greater than that allowed in Section 75-17-105 and shall
19 be repaid within twenty-four (24) months from the date of such
20 borrowing out of the taxes and revenues in anticipation of which
21 such money is borrowed. Such money shall be used for no other
22 purpose than the payment of the current year's expenses of such
23 school district. Pending the expenditure of funds borrowed under
24 the provisions of this section, such funds may be invested in any
25 manner in which any school district, municipality, county, state
26 agency or other public body may invest surplus funds.

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

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

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

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