
OFFICE OF GOVERNOR RONNIE MUSGROVE
INTEROFFICE MEMORANDUM

TO: GOVERNOR
FROM: RILEY
SUBJECT: **SB 2792**
DATE 3/8/01
CC: FILE

SB 2792

SB 2792 amends Section 37-59-37 to clarify that school tax anticipation notes may be sold at a negotiated sale.

Current law provides for school boards to borrow money in anticipation of ad valorem taxes and other revenue for the then current fiscal year. The amount borrowed, which is documented by these tax anticipation notes, is only to be used for a district's current year expenditures. School boards are not required to publish notice of intention to borrow this money, rather boards may authorize such borrowing via board resolution.

According to both Senator Tollison, who introduced the bill, and MDE, these tax anticipation notes are already being sold at negotiated sale, so SB 2792 would simply authorize a current practice of school boards. It was mentioned in the House Education Committee that negotiated sales might provide more leeway for school boards, which might result in savings. No legislators expressed opposition to this bill during committee meetings.

SB 2792 was double referred in the House to both Ways and Means and Education.

SB 2792 is effective upon passage.