

SENATE BILL 1563

By Stevens

AN ACT to amend Chapter 150 of the Private Acts of 1919, as amended by Chapter 66 of the Private Acts of 1997, and any other acts amendatory thereto, and to repeal Chapter 136 of the Private Acts of 1977, relative to the Paris Special School District.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. The Paris Special School District, located in Henry County, Tennessee (the "District"), created by Chapter 150 of the Private Acts of 1919, as amended (collectively with all amendatory acts, the "Act of Incorporation") is hereby authorized and empowered to issue and sell, by resolution of the Board of School Trustees of the District, bonds and notes in the anticipation of such bonds each in the aggregate principal amount of not to exceed twelve million dollars (\$12,000,000) for the purpose of providing funds for the (i) acquisition of sites for, and construction, improvement, renovation, expansion, furnishing, fixturing and equipping of school buildings and facilities, and additions thereto, in and for the District, including the purchase of all property, real and personal, or interests therein, necessary in connection with said work, (ii) funding of all accounts and funds necessary and proper in connection with the issuance and sale of the bonds and notes as the Board of School Trustees of the District shall determine, (iii) payment of interest on the bonds and notes during the period of construction and for six (6) months thereafter and (iv) payment of all legal, fiscal, administrative, architectural, engineering, accounting and similar professional and other costs incident thereto and to the issuance and sale of the bonds and notes.

SECTION 2. The bonds may be sold at public or private sale in one or more series, may bear such date or dates, shall mature at such time or times, not exceeding twenty-five (25) years from their respective dated dates with respect to any series of bonds, may bear interest at a zero (0) rate or at such other rate or rates (which may vary from time to time) not to exceed

the maximum rate permitted by applicable law, may be payable at such time or times, may be in such denominations, may carry such registration and conversion privileges, may be executed in such manner, may be payable in such medium of payment at such place or places, may be subject to such terms of redemption, with or without premium and may provide for the replacement of mutilated, destroyed or lost bonds, all as may be provided by resolution of the District's Board of School Trustees. The bonds shall be sold as a whole or in part from time to time in such manner as shall be provided by resolution of the District's Board of School Trustees, but in no event shall the bonds be sold for less than ninety-eight percent (98%) of par plus accrued interest (or, if all or any part of such bonds is to be sold at a zero (0) rate of interest or at an original issue discount, such bonds may be sold at not less than ninety-eight percent (98%) of the original reoffering price of such bonds, plus accrued interest). The Board of School Trustees of the District is authorized and empowered to do and perform all acts and enter into all agreements which may be necessary or desirable in connection with the issuance and sale of the bonds and to delegate the power to consummate all such acts and execute and implement all such agreements on its behalf as the Board of School Trustees shall deem necessary or desirable.

SECTION 3. The bonds, notes, refunding bonds and bond anticipation notes shall be issued in fully registered form and shall be signed and sealed as provided in the Tennessee Public Obligations Registration Act, compiled in Tennessee Code Annotated, Title 9, Chapter 19, and in the resolution adopted by the District's Board of School Trustees authorizing the bonds, notes, refunding bonds or bond anticipation notes.

SECTION 4. Chapter 136 of the Private Acts of 1977 is hereby repealed.

SECTION 5. Chapter 66 of the Private Acts of 1997 is amended by deleting Section 4.

SECTION 6. For the purpose of paying principal of and interest and redemption premiums on the bonds, refunding bonds, and bond anticipation notes herein authorized and any other indebtedness of the District heretofore or hereafter issued by the District, the current tax levy of fifty-five and six-tenths cents (\$0.556) per one hundred dollars (\$100) of taxable value of taxable property located within the District, as adjusted for property reappraisals, is hereby continued to be used first to pay principal and interest and any redemption premium on

the bonds and notes authorized herein and any other indebtedness of the District heretofore or hereafter issued by the District as it becomes due and to maintain debt service fund balances, if any. The Board of School Trustees is hereby authorized to pledge such tax to pay the principal of and interest and any redemption premiums on the bonds, refunding bonds and bond anticipation notes authorized herein and any other indebtedness of the District heretofore or hereafter issued. The taxes shall be annually extended and collected by the county trustee of Henry County in the manner provided by general law for the extension and collection of county taxes and shall constitute a lien on the property against which they are levied with the like force and effect as do county taxes. In the event the property taxes and such other funds as shall be pledged to the payment of the indebtedness of the District are not sufficient to pay principal thereof and interest thereon when due, the District shall apply funds from operations or other available funds of the District to the payment thereof. The rate hereinabove established may be adjusted from time to time in accordance with the procedure set forth in Tennessee Code Annotated, Section 67-5-1704, relating to county-wide reappraisal. Any surplus arising from the tax hereinabove described and not required for the payment of debt service on outstanding obligations of the District shall first be used to fund any debt service reserve fund established by the Board of School Trustees, and may thereafter be used, at the discretion of the Board of School Trustees of the District, for all operations and maintenance of schools in the District and for the construction, improvement, renovation, expansion, furnishing, fixturing, and equipping of school buildings and facilities, and additions thereto, in and for the District, including the purchase of all property, real and personal, or interests therein, necessary in connection with said work, and the purchase of school buses and school transportation equipment.

SECTION 7. The Board of School Trustees is authorized, but not required, to pledge to the payment of the bonds and notes all or a portion of (i) any funds received by the District under the Tennessee Basic Education Program available to be used for capital outlay expenditures, as set forth in Tennessee Code Annotated, Section 49-3-351, et seq., and related sections, (ii) its share of the Local Option Sales and Use Tax now or hereafter levied and collected in Henry County, Tennessee, pursuant to Tennessee Code Annotated, Section 67-6-712, and (iii) any other funds received from the State of Tennessee, or any of its authorities,

agencies or instrumentalities, for school purposes and available to be used for capital outlay expenditures.

SECTION 8. The bonds, refunding bonds, and bond anticipation notes, and all income therefrom, shall be exempt from all state, county and municipal taxation in the State of Tennessee, except inheritance, transfer and estate taxes and except as otherwise provided by applicable law.

SECTION 9. The District is further authorized, by resolution of the Board of School Trustees, to borrow money and issue its bonds for the purpose of refunding at or prior to maturity, in whole or in part, at any time, in accordance with the terms hereof, the bonds authorized herein and the refunding bonds authorized herein, in an amount not exceeding the outstanding principal amount of the outstanding bonds being refunded, premium thereon, interest on such refunded bonds to maturity or earlier redemption and costs of issuance, including discount, if any. The Board of School Trustees shall have the power to provide for the custody, application and investment of the proceeds of the refunding bonds pending retirement of the refunded bonds.

SECTION 10. The District is further authorized, by resolution of the Board of School Trustees, to issue and sell bond anticipation notes of the District in anticipation of the issuance of the bonds authorized herein. The bond anticipation notes may be sold in one (1) or more series, may bear such date or dates, shall mature at such time or times, not exceeding three (3) years from their respective dated dates and may be extended or renewed for not more than one (1) additional period of three (3) years, may bear interest at such rate or rates (which may vary from time to time) not to exceed the maximum rate permitted by applicable law, may be payable at such time or times, may be in such denominations, may carry such registration and conversion privileges, may be executed in such manner, may be payable in such medium of payment at such place or places, may be subject to such terms of redemption, with or without premium, and may provide for the replacement of mutilated, destroyed or lost bond anticipation notes, all as may be provided by resolution of the Board of School Trustees. The bond anticipation notes shall be sold as a whole or in part from time to time at public or private sale in such manner as shall be provided by resolution of the Board of School Trustees but in no event

shall the bond anticipation notes be sold for less than ninety-nine percent (99%) of par plus accrued interest. Unless paid for out of the funds identified in Section 4 and/or 5 of this act, when the District receives the proceeds from the sale of the bonds in anticipation of which the bond anticipation notes were issued, a sufficient portion of proceeds shall be used to pay the principal of such bond anticipation notes and may be used to pay the interest thereon. The Board of School Trustees of the District is authorized and empowered to do and perform all acts and enter into all agreements which may be necessary or desirable in connection with the issuance and sale of the bond anticipation notes and delegate the power to consummate all such acts and execute and implement all such agreements on its behalf as the Board of School Trustees shall deem necessary or desirable.

SECTION 11. In the event that the laws creating the District are repealed or the District is abolished, that portion of such laws levying a tax, the proceeds of which are pledged to the payment of outstanding bonds and indebtedness of the District, shall remain in full force and effect with respect to the real and personal property within the District to the extent necessary to satisfy the District's debt service requirements with respect to said bonds and indebtedness, and the outstanding bonds and indebtedness of the District shall remain binding and valid obligations of the District the same to be paid out of funds collected in respect of the tax hereby required to be continued to be levied. In such event, the said remaining tax shall continue to be collected by the Henry County trustee and funds collected in respect thereof shall be paid in respect of the District's outstanding bonds and indebtedness by the Henry County Board of Education until such bonds and indebtedness have been paid in full.

SECTION 12. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 13. This act shall take effect upon becoming a law, the public welfare requiring it.