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Bond Commission Approves Bond Rules to Protect Taxpayers

Nearly every year, the Mississippi Legislature passes a bond bill, authorizing debt on behalf of the State to fund projects over the long-term. Typically, those bills include infrastructure projects for economic development, capital improvements for our universities and colleges, and upgrades to our healthcare system. This year's bill included over four dozen other projects that were far more local in their benefit and questionably appropriate for funding with the taxpayer credit card.

The Legislature holds the power of the purse, but a State Bond Commission, composed of the Governor, Attorney General, and Treasurer, carries out the final details of issuing the debt authorized by the Legislature. In order to ensure that future bond bills are not loaded up with local projects like this year's, Treasurer Fitch drafted and the Bond Commission approved a set of rules to govern which projects can be bonded and which can't.

The rules draw on federal and state laws and regulations, model rules from national financial officer organizations, and best practices from other states. These rules will ensure, for example, that debt isn't issued retroactively for completed projects and that debt isn't issued for projects that have a limited local benefit. When the State issues debt, every Mississippi taxpayer is on the hook for the payment plus interest, and typically for a period of 20 years. With every man, woman, and child in the State already on the hook for over \$1,700 in state debt, we need to think long and hard about what we put on the taxpayer credit card.