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Jones County School District v. Covington County School District

Supreme Court of Mississippi - October 13, 2022 - So.3d - 2022 WL 7278319

Noncustodial school district brought action against custodial school district for accounting, declaratory judgment, money had and received, breach of fiduciary duties, and preliminary injunction, alleging that custodial district failed to share sixteenth-section income as required by statute for period of 18 years or more.

Custodial district asserted counterclaim seeking declaratory judgment regarding application of statute controlling sixteenth-section fund allocation. Noncustodial district moved for accounting and for partial summary judgment. Custodial district filed cross-motion for partial summary judgment. The Chancery Court granted motion for accounting in part. Noncustodial district filed interlocutory appeal.

The Supreme Court held that:

- Statutes establishing one-year limitations period for noncustodial school district to make a claim with custodial school district for pro rata share of sixteenth-section income were not statutes of limitation and were not in conflict with section of Mississippi Constitution providing that statutes of limitation did not run against political subdivisions, and
- Term “available,” as used in statutes governing investment and pro rata distribution of sixteenth-section revenue, means only those funds which are capable of being utilized.

Statute establishing one-year limitations period for noncustodial school district to make a claim with custodial school district for pro rata share of sixteenth-section income and statute providing that “[a]ny school district failing to timely provide the list [of enrolled children] to the...custodial school district shall forfeit its right to such funds” were not statutes of limitation and were not in conflict with section of Mississippi Constitution providing that statutes of limitation did not run against political subdivisions; one-year period did not place time limit on litigation, but rather placed time limit on when noncustodial district could make claim with a custodial district, and thus was not statute of limitations.

Term “available,” as used in the statute requiring custodial school district to invest revenues from sixteenth-section lands in principal fund and the statute describing payment of pro rata shares of available funds to noncustodial school districts, cannot mean all funds derived from sixteenth-section lands, and thus must mean only those funds which are capable of being utilized, i.e., expendable funds.