

By: Representatives Fredericks, Barnett
(116th), Dedeaux, Guice, Ishee, Janus,
Peranich, Ryan, Simpson

To: Local and Private
Legislation

HOUSE BILL NO. 1740
(As Sent to Governor)

1
2 AN ACT TO AMEND CHAPTER 50, LAWS OF THE FIRST EXTRAORDINARY
3 SESSION OF 1964, AS LAST AMENDED BY CHAPTER 922, LOCAL AND PRIVATE
4 LAWS OF 1987, TO AUTHORIZE THE BOARD OF SUPERVISORS OF HARRISON
5 COUNTY TO ACCEPT A PETITION FOR THE INCORPORATION OF A PUBLIC
6 UTILITY DISTRICT WHEN SUCH PETITION IS SIGNED BY THE OWNER OF A
7 PARCEL TO BE DEVELOPED AS A MASTER PLANNED COMMUNITY, AND TO
8 AUTHORIZE THE OWNER OF SUCH PARCELS TO DESIGNATE PERSONS ELIGIBLE
9 FOR APPOINTMENT BY THE BOARD OF SUPERVISORS TO THE UTILITY
10 DISTRICT'S BOARD OF COMMISSIONERS; AND FOR RELATED PURPOSES.

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

12 SECTION 1. Chapter 50, Laws of the First Extraordinary
13 Session of 1964, as amended by Chapter 890, Local and Private Laws
14 of 1973, as amended by Chapter 973, Local and Private Laws of
15 1974, as amended by Chapter 962, Local and Private Laws of 1977,
16 as amended by Chapter 835, Local and Private Laws of 1984, as
17 amended by Chapter 922, Local and Private Laws of 1987, is amended
18 as follows:

19 Section 1. Any contiguous area situated within the County of
20 Harrison, in the State of Mississippi, and not being situated
21 within the corporate boundaries of any existing municipality of
22 said county, and having no adequate water system, sewer system,
23 garbage collection system, or fire protection facilities service
24 such area, may become incorporated as a water district, as a sewer
25 district, as a garbage collection district, as a fire protection
26 district, as a combined water and sewer district, as a combined
27 water and garbage collection district, as a combined water and
28 fire protection district, or as a combined water, sewer, garbage
29 collection, and fire protection district, in the following manner:

30 (a) A petition for the incorporation of such a district

31 may be submitted to the board of supervisors of said county,
32 signed by the owner of a parcel of land of at least three thousand
33 five hundred (3,500) acres to be developed as a master planned
34 community or signed by not less than twenty-five (25) owners of
35 real property residing within the boundaries of the proposed
36 district. Such petition shall include (1) a statement of the
37 necessity for the service or services to be supplied by the
38 proposed district; (2) the proposed corporate name for the
39 district; (3) the proposed boundaries of the district; and (4) an
40 estimate of the cost of the acquisition or construction of the
41 facilities to be operated by the district, which estimate,
42 however, shall not serve as a limitation upon the financing of
43 improvements or extensions to the facilities. Such petition shall
44 be signed in person by the petitioners, with their respective
45 residence addresses, and shall be accompanied by a sworn statement
46 of the person or persons circulating the petition, who shall state
47 under oath that he or they witnessed the signature of each
48 petitioner, that each signature is the signature of the person it
49 purports to be, and that, to the best of his or their knowledge,
50 each petitioner was, at the time of signing, an owner of real
51 property within and a resident of the proposed district.

52 (b) Upon the filing of such a petition it shall then be
53 the duty of the board of supervisors of said county to fix a time
54 and place for a public hearing upon the question of the public
55 convenience and necessity of the incorporation of the proposed
56 district. The date fixed for such hearing shall be not more than
57 thirty (30) days after the filing of the petition, and the date of
58 the hearing, the place at which it shall be held, and the purpose
59 of the hearing, shall be set forth in a notice to be signed by the
60 clerk of the board of supervisors of said county and it shall be
61 published in a newspaper having general circulation within such
62 proposed district once a week for at least three (3) consecutive
63 weeks prior to the date of such hearing. The first such

64 publication shall be made not less than twenty-one (21) days prior
65 to the date of such hearing and the last such publication shall be
66 made not more than seven (7) days prior to the date of such
67 hearing. If, at such public hearing, the board of supervisors
68 finds (1) that the public convenience and necessity require the
69 creation of the district, and (2) that the creation of the
70 district is economically sound and desirable, the board of
71 supervisors shall adopt a resolution making the aforesaid findings
72 and declaring its intention to create the district on the
73 specified date. Such resolution shall designate the contemplated
74 and territorial limits of said district, which limits may or may
75 not be the same as the boundaries set forth in the petition.

76 A certified copy of the resolution so adopted shall be
77 published in a newspaper having a general circulation within such
78 proposed district once a week for at least three (3) consecutive
79 weeks prior to the date specified in such resolution as the date
80 upon which such board intends to create such district. The first
81 such publication shall be made not less than twenty-one (21) days
82 prior to the date thus specified, and the last such publication
83 shall be made not more than seven (7) days prior to such date. If
84 twenty percent (20%) of the qualified electors of such proposed
85 district file a written petition with such board of supervisors on
86 or before the date specified aforesaid, protesting against the
87 creation of such district, the board of supervisors shall call an
88 election on the question of the creation of such district. Such
89 election shall be held and conducted by the election commissioners
90 of the county as nearly as may be in accordance with the general
91 laws governing elections, and such election commissioners shall
92 determine which of the qualified electors of such county reside
93 within the proposed district and only such qualified electors as
94 reside within such proposed district shall be entitled to vote in
95 such election. Notice of such election, setting forth the time,
96 place or places, and purpose of such election shall be published

97 by the clerk of the board of supervisors, and such notice shall be
98 published for the time and the manner herein provided for the
99 publication of the aforesaid resolution of intention. The ballots
100 to be prepared for and used at said election shall be in
101 substantially the following form:

102 For creation of _____ district ()

103 Against creation of _____ district ()

104 and voters shall vote by placing a cross mark (x) or a check mark
105 (v) opposite their choice.

106 If no petition requiring an election be filed or if a
107 majority of those voting at an election hereunder vote in favor of
108 the creation of such district, the board of supervisors shall
109 adopt a resolution creating the district as described in the
110 aforesaid resolution of intention.

111 All costs incident to the publication of the aforesaid
112 notices and all other costs incident to the public hearing and
113 election hereunder shall be borne by the parties filing the
114 petition, and the board of supervisors, in its discretion, may
115 require the execution by the parties filing the petition of a cost
116 bond in an amount and with good sureties to guarantee the payment
117 of such costs.

118 Any party having an interest in the subject matter and
119 aggrieved or prejudiced by the findings and adjudication of the
120 board of supervisors may appeal to the circuit court of the county
121 in the manner provided by law for appeals from orders of the board
122 of supervisors; provided, that if no such appeal be taken within a
123 period of fifteen (15) days from and after the date of the
124 adoption of the resolution creating any such district, the
125 creation of such district shall be final and conclusive, and shall
126 not thereafter be subject to attack in any court.

127 Section 2. From and after the date of the adoption of the
128 resolution creating any such district, such district shall be a
129 public corporation in perpetuity under its corporate name and

130 shall, in that name, be a body politic and corporate with power of
131 perpetual succession. The powers of each such district shall be
132 vested in and exercised by a board of commissioners consisting of
133 five (5) members, to be appointed by the board of supervisors.
134 Upon their initial appointment, one (1) of the commissioners shall
135 be appointed for a term of one (1) year; one (1) for a term of two
136 (2) years; one (1) for a term of three (3) years; one (1) for a
137 term of four (4) years; and one (1) for a term of five (5) years;
138 and thereafter, each commissioner shall be appointed and shall
139 hold office for a term of five (5) years. Any vacancy occurring
140 on such a board of commissioners shall be filled by the board of
141 supervisors at any regular meeting of such board of supervisors,
142 which board of supervisors shall have the authority to fill all
143 unexpired terms of any commissioner or commissioners.

144 Notwithstanding the appointive authority herein granted to the
145 board of supervisors, its legal and actual responsibilities,
146 authority and function, subsequent to the creation of any such
147 district, shall be specifically limited to said appointive
148 function, and the operation, management, subsequent possible
149 annexation, abolition or dissolution of such district, and all
150 other matters in connection therewith, shall be vested solely and
151 only in said board of commissioners to the specific exclusion of
152 said board of supervisors, and the abolition, dissolution or
153 termination of any such district shall be accomplished only by
154 unanimous resolution of the board of commissioners. Provided,
155 however, that such board of commissioners shall have no power,
156 jurisdiction, or authority to abolish, dissolve or terminate any
157 such district while such district has any outstanding indebtedness
158 of any kind or character.

159 Section 3. Such board of commissioners shall organize by
160 electing one (1) of its members as chairman and another as vice
161 chairman. It shall be the duty of the chairman to preside at all
162 meetings of the board and to act as the chief executive officer of

163 the board and of the district. The vice chairman shall act in the
164 absence or disability of the chairman. Such board also shall
165 elect and fix the compensation of a treasurer who may or may not
166 be a member of the board. It shall be the duty of the treasurer
167 to safely keep all funds of the district. The treasurer shall be
168 required to execute a bond, payable to the district, in a sum and
169 with such surety as shall be fixed and approved by the board of
170 commissioners. Such board shall elect one (1) of its members as
171 secretary. It shall be the duty of the secretary to keep all
172 minutes and records of the board. The board may elect such other
173 officers as they deem necessary and advisable. The terms of all
174 officers of the board shall be for one (1) year from and after
175 date of election and shall run until their respective successors
176 are appointed and qualified.

177 Section 4. Any person designated by the owner of a parcel of
178 land of at least three thousand five hundred (3,500) acres to be
179 developed as a master planned community and every * * * citizen of
180 any district created pursuant to this act, of good reputation,
181 being the owner of land situated within such district and over
182 twenty-five (25) years of age, and of sound mind and judgment
183 shall be eligible to hold the office of commissioner. Each person
184 appointed as a commissioner, before entering upon the discharge of
185 the duties of his office, shall be required to execute a bond,
186 payable to the State of Mississippi, in the penal sum of Ten
187 Thousand Dollars (\$10,000.00) conditioned that he will faithfully
188 discharge the duties of his office; and each such bond shall be
189 approved by the clerk of the board of supervisors and filed with
190 said clerk. Each commissioner shall take and subscribe to an oath
191 of office before the clerk of the board of supervisors that he
192 will faithfully discharge the duties of the office of
193 commissioner, which oath shall also be filed with said clerk and
194 by him preserved with such official bond. Upon express
195 authorization of the such board of commissioners, duly spread upon

196 the minutes of such district, each commissioner may receive a per
197 diem of not to exceed Forty Dollars (\$40.00) per day for attending
198 each day's meeting of such board of commissioners and for each day
199 spent in attending to the business of such district and, in
200 addition, may receive reimbursement for actual and necessary
201 expenses incurred in the discharge of their official duties.

202 Section 5. Districts created under the provisions of this
203 act shall have the powers enumerated in the resolution of the
204 board of supervisors creating such districts but shall be limited
205 to the conducting and operating of a water supply system, a sewer
206 system, a garbage collection system, a fire protection system, a
207 combined water and fire protection system, a combined water and
208 sewer system, a combined water and garbage collection system, or a
209 combined water, sewer, garbage collection, and fire protection
210 system, and to carry out such purpose or purposes, such districts
211 shall have the power and authority to acquire, construct,
212 reconstruct, improve, better, extend, consolidate, maintain, and
213 operate such system or systems and to contract with any
214 municipality, person, firm, or corporation for a supply of water
215 or for services required incident to the operation and maintenance
216 of such a system. As long as any such district continues to
217 furnish any of the services which it was authorized to furnish in
218 and by the resolution by which it was created, it shall be the
219 sole public corporation empowered to furnish such services within
220 such district. The board of commissioners shall have the power to
221 make regulations to secure the general health of those residing in
222 such district; to prevent, remove and abate nuisances; to regulate
223 or prohibit the construction of privy-vaults and cesspools, and to
224 regulate or suppress those already constructed; to compel,
225 regulate and require mandatory connection of all property,
226 residences and businesses with its sewers; and to require
227 mandatory connection of all property, residences and businesses
228 into the water system of the district.

229 Section 6. Any area adjacent to any district created
230 pursuant to this act and situated within Harrison County,
231 Mississippi, and not being situated within the corporate
232 boundaries of any existing municipality of said county may be
233 annexed to and become a part of such district by the same
234 procedure as is prescribed in Section 1 of this act for the
235 original creation of such district. Additionally, any contiguous
236 lands in an adjoining county, but not amounting to twenty percent
237 (20%) or more of the total land area included in a district, may
238 be served by a district created pursuant to this act. None of the
239 territory lying within any such district shall be subject to
240 annexation by any city, town, or village unless all of the
241 territory of such district be so annexed, in which event such
242 city, town, or village shall assume the operation and maintenance
243 of the facilities of such district and shall assume obligations of
244 such district with respect to the payment of any outstanding bonds
245 of such district, and all other contractual obligations of such
246 district.

247 Section 7. Any district created pursuant to the provisions
248 of this act shall be vested with all the powers necessary and
249 requisite for the accomplishment of the purpose for which such
250 district is created, capable of being delegated by the
251 Legislature. No enumeration of powers herein shall be construed
252 to impair or limit any general grant of power herein contained nor
253 to limit any such grant to a power or powers of the same class or
254 classes as those enumerated. Such districts are empowered to do
255 all acts necessary, proper, or convenient in the exercise of the
256 powers granted under this act.

257 Section 8. Any district created pursuant to the provisions
258 of this act, acting by and through the board of commissioners of
259 such district, its governing authority, shall have the following,
260 among other, powers:

261 (a) To sue and be sued.

262 (b) To acquire by purchase, gift, devise, lease, or
263 exercise of the power of eminent domain or other mode of
264 acquisition, hold and dispose of real and personal property of
265 every kind within or without the district on behalf of the
266 district.

267 (c) To make and enter into contracts, conveyances,
268 mortgages, deeds of trust, bonds, leases, or contracts for
269 financial advisory services.

270 (d) To incur debts, to borrow money, to issue
271 negotiable bonds, and to provide for the rights of the holders
272 thereof.

273 (e) To fix, maintain, and collect, and revise rates and
274 charges for the services rendered by or through the facilities of
275 such district, which rates and charges shall not be subject to
276 review or regulation by any agency, board, or commission of the
277 State of Mississippi.

278 (f) To pledge all or any part of its revenues to the
279 payment of its obligations.

280 (g) To make such covenants in connection with the
281 issuance of bonds or to secure the payment of bonds that a private
282 business corporation can make under the general laws of the state.

283 (h) To use any right-of-way, easement, or other similar
284 property or property rights necessary or convenient in connection
285 with the acquisition, improvement, operation, or maintenance of
286 the facilities of such district, held by the state or any
287 political subdivision thereof; provided that the governing body of
288 such political subdivision shall consent to such use.

289 (i) Such districts shall have the same status as
290 counties and municipalities concerning payment of sales taxes on
291 purchases made by such districts for district purposes.

292 (j) To adopt an official seal and alter the same at
293 pleasure.

294 (k) To maintain an office or offices at such place or

295 places within the district as it may determine.

296 (1) To make and enforce, and from time to time amend
297 and repeal, bylaws and rules and regulations for the management of
298 its business and affairs and for the use, maintenance and
299 operation of any of its facilities and any other of its
300 properties.

301 (m) To apply and contract for and to accept any grants,
302 grants-in-aid or gifts or loans or appropriations of funds or
303 property or financial or other aid in any form from the United
304 States or any instrumentality thereof, or from the state or any
305 instrumentality thereof, or from any source, public or private,
306 and to comply with and make agreements with respect to the terms
307 and conditions thereof, subject to any agreements with
308 bondholders.

309 (n) To invest any moneys of the district, including
310 proceeds from the sale of any bonds, notwithstanding any law to
311 the contrary, but subject to any agreements with bondholders, on
312 such terms and in such manner as the district deems proper.

313 (o) To enter on any lands, waters or premises for the
314 purpose of making surveys, borings, soundings and examinations for
315 the purposes of the district.

316 (p) To acquire by purchase any existing works and
317 facilities providing services for which it was created, and any
318 lands, rights, easements, franchises and other property, real and
319 personal, necessary to the completion and operation of such
320 system, upon such terms and conditions as may be agreed upon and,
321 if necessary as part of the purchase price, to assume the payment
322 of outstanding notes, bonds or other obligations upon such system.

323 (q) To extend its services to areas beyond but within
324 one (1) mile of the boundaries of such district; however, no such
325 extension shall be made to areas already occupied by another
326 corporate agency rendering the same service so long as such
327 corporate agency desires to continue to serve such areas. Areas

328 outside of the district desiring to be served which are beyond the
329 one-mile limit must be brought into the district by annexation
330 proceedings.

331 (r) To borrow funds for interim financing subject to
332 receipt of funds.

333 Section 9. (1) Any district created under this act shall
334 have the power to provide funds for the purpose of constructing,
335 acquiring, reconstructing, improving, bettering, repairing, or
336 extending the facilities of such district, or for the purpose of
337 buying, leasing, or otherwise acquiring the assets and facilities
338 of any nonprofit, nonshare corporation chartered under Title 79,
339 Chapter 11, or any other utility district, by the issuance of
340 revenue bonds. Except as hereinafter provided, such bonds shall
341 be payable solely and only from the revenues of such facilities,
342 and such revenues may be pledged from a portion of the service
343 area of the district to the support of debt service for a specific
344 series or issue of bonds if such apportionment is economically
345 feasible.

346 (2) Any such district shall have the power to provide funds,
347 in addition to or in conjunction with the funds authorized in
348 subsection (1) of this section, for water supply or pollution
349 abatement projects by issuing special improvement pollution
350 abatement bonds, special improvement water bonds, or combinations
351 of special improvement water and sewer bonds, if the board of
352 supervisors authorizes making assessments against benefited
353 properties as outlined in Section 14 of this act. Except as
354 hereinafter provided, such bonds shall be payable solely and only
355 from charges assessed to benefited properties as outlined in
356 Section 14 of this act.

357 (3) If the board of supervisors of the county should levy a
358 special tax, as provided in Section 13 of this act, and consent to
359 the pledge of any part thereof, then that part of such tax levy
360 may be pledged in addition to the revenues of such facilities to

361 the payment of such bonds, and upon the pledge thereof such part
362 of the levy so pledged shall not be reduced while such bonds are
363 outstanding and unpaid. If the district should provide for
364 special improvement bonds, the funds received from the charges
365 assessed to the properties being benefited, as provided in Section
366 14 of this act, shall be pledged, separately or in conjunction
367 with the revenues and the avails of taxes described above, for
368 payment of such bonds, and such assessments shall not be reduced
369 while such bonds are outstanding and unpaid.

370 Section 10. (1) The board of commissioners of any district
371 created under this act may issue bonds of the district by
372 resolution spread upon the minutes of the board. Bonds may be
373 issued from time to time without an election being held upon the
374 question of their issuance unless the board of commissioners of
375 the district is presented with a petition for an election upon the
376 question of their issuance signed by twenty percent (20%) or two
377 hundred fifty (250), whichever is the lesser, of the qualified
378 electors residing within the district. The resolution authorizing
379 any future issue of bonds shall be published in a manner similar
380 to the publication outlined in paragraph (b) of Section 1 of this
381 act. If an election is required, it shall be held in substantial
382 accordance with the election outlined in paragraph (b) of Section
383 1 of this act. The cost of this election shall be borne by the
384 district.

385 (2) Except those issued to the state or any instrumentality
386 thereof, or the United States Government, or any instrumentality
387 thereof, all bonds shall be lithographed or engraved and printed
388 in two (2) or more colors to prevent counterfeiting. They shall
389 be in denominations of not less than One Thousand Dollars
390 (\$1,000.00) nor more than Five Thousand Dollars (\$5,000.00), and
391 may be registered as issued, and shall be numbered in a regular
392 series from "one (1)" upward. Each such bond shall specify on its
393 face the purpose for which it was issued, the total amount

394 authorized to be issued, the interest on the bond, that it is
395 payable to the bearer and that the interest to accrue thereon is
396 evidenced by proper coupons attached thereto.

397 (3) Such bonds shall contain such covenants and provisions;
398 shall be executed; shall be in such form, format, type,
399 denomination or denominations; shall be payable as to principal
400 and interest, at such place or places; and shall mature at such
401 time or times, all as shall be determined by the board of
402 commissioners and set forth in the resolution pursuant to which
403 the bonds shall be issued. The date of maturity of the bonds
404 shall not exceed forty (40) years from the date of the bond,
405 except that on special improvement pollution abatement bonds,
406 special improvement water bonds, or special improvement water and
407 sewer bonds the date of maturity shall not exceed twenty-five (25)
408 years from their date.

409 (4) All bonds shall bear interest at such rate or rates not
410 to exceed a greater net interest cost to maturity than that
411 allowed in Section 75-17-103, Mississippi Code of 1972. No bond
412 shall bear more than one (1) rate of interest; each bond shall
413 bear interest from its date to its stated maturity date at the
414 interest rate specified in the bid; and all bonds of the same
415 maturity shall bear the same rate of interest. All interest
416 accruing on the bonds so issued shall be payable semiannually or
417 annually, except that the first interest coupon attached to any
418 such bonds may be for any period not exceeding one (1) year. No
419 interest payment shall be evidenced by more than one (1) coupon,
420 and supplemental coupons, cancelled coupons and zero interest
421 coupons will not be permitted. No interest coupon shall vary more
422 than twenty-five percent (25%) in interest rate from any other
423 interest coupon in the same bond issue, and the interest rate on
424 any one (1) interest coupon shall not exceed that allowed in
425 Section 75-17-103, Mississippi Code of 1972.

426 (5) Such bonds shall be signed by the chairman and treasurer

427 of the commission with the seal of the commission affixed thereto.
428 However, the coupons may bear only the facsimile signatures of
429 such chairman and treasurer.

430 (6) Any provisions of the general laws to the contrary
431 notwithstanding, any bonds and interest coupons issued pursuant to
432 the authority of this act shall be securities within the meaning
433 of Article 8 of the Uniform Commercial Code, being Section
434 75-8-101 et seq., Mississippi Code of 1972.

435 (7) Notwithstanding the foregoing provisions of this
436 section, bonds referred to in this section may be issued pursuant
437 to the supplemental powers and authorizations conferred by the
438 provisions of the Registered Bond Act, being Sections 31-21-1
439 through 31-21-7, Mississippi Code of 1972.

440 Section 11. The bonds issued under this act shall be sold
441 upon sealed bids in the manner provided for in Section 31-19-25,
442 Mississippi Code of 1972, in conformity with the provisions of
443 Sections 19-5-151 through 19-5-207, Mississippi Code of 1972.
444 However, bonds may be sold to the United States of America or an
445 agency or instrumentality thereof at private sale.

446 Each interest rate specified in any bid must be in a multiple
447 of one-tenth of one percent (1/10 of 1%) or in a multiple of
448 one-eighth of one percent (1/8 of 1%), and a zero rate of interest
449 cannot be named. Any premium must be paid in bank funds as a part
450 of the purchase price, and bids shall not contemplate the
451 cancellation of any interest coupon or the waiver of interest or
452 other concession by the bidder as a substitute for bank funds.

453 Any bonds issued under the provisions of this act may be
454 refunded in like manner as revenue bonds of municipalities shall
455 be refunded.

456 Any bonds issued under the provisions hereof shall be
457 submitted to validation under the provisions of Sections 31-13-1
458 through 31-13-11, Mississippi Code of 1972.

459 Section 12. There is hereby created a statutory lien of the

460 nature of a mortgage lien upon any system or systems acquired or
461 constructed in accordance with this act, including all extensions
462 and improvements thereof or combinations thereof subsequently
463 made, which lien shall be in favor of the holder or holders of any
464 bonds issued pursuant hereto, and all such property shall remain
465 subject to such statutory lien until the payment in full of the
466 principal of and interest on such bonds. Any holder of such bonds
467 or any of the coupons representing interest thereon may, either at
468 law or in equity, by suit, action, mandamus or other proceeding,
469 in any court of competent jurisdiction, protect and enforce such
470 statutory lien and compel the performance of all duties required
471 by those sections, including the making and collection of
472 sufficient rates for the service or services, the proper
473 accounting thereof, and the performance of any duties required by
474 covenants with the holders of any bonds issued in accordance with
475 this act.

476 If any default is made in the payment of the principal of or
477 interest on such bonds, any court having jurisdiction of the
478 action may appoint a receiver to administer the district and the
479 system or systems with power to charge and collect rates
480 sufficient to provide for the payment of all bonds and obligations
481 outstanding against the system or systems, and for payment of
482 operating expenses, and to apply the income and revenues thereof
483 in conformity with the provisions hereof.

484 Section 13. (1) The board of supervisors of the county in
485 which any district created under this act exists may levy a
486 special tax, not to exceed four (4) mills annually, on all of the
487 taxable property in such district, the avails of which shall be
488 paid over to the board of commissioners of the district to be used
489 either for the operation, support and maintenance of the district
490 or for the retirement of any bonds issued by the district, or for
491 both.

492 (2) The proceeds derived from two (2) mills of the levy

493 authorized in this section shall be included in the ten percent
494 (10%) increase limitation under Section 27-39-321, Mississippi
495 Code of 1972, and the proceeds derived from any additional millage
496 levied under this section in excess of two (2) mills shall be
497 excluded from such limitation for the first year of such
498 additional levy and shall be included within such limitation in
499 any year thereafter.

500 Section 14. (1) Funds for debt service for special
501 improvement pollution abatement bonds, special improvement water
502 bonds, or special improvement water and sewer bonds issued in lieu
503 of or in conjunction with revenue bonds and/or tax-supported bonds
504 shall be provided by charges upon the properties benefited
505 according to procedures set forth in this section.

506 (2) So long as any special improvement bond authorized by
507 this act remains outstanding, it shall be the duty of the board of
508 supervisors, at the time annual county tax levies are made, to
509 levy such assessments as are certified to them by the district as
510 being due and payable at a stated time. It shall be the duty of
511 the tax collector of the county in which the district lies to
512 collect such charges and pay the funds collected to the board of
513 commissioners of the district for payment of interest and
514 principal and the retirement of bonds issued by the district in
515 accordance with the maturities schedule pertaining thereto.

516 (3) One of the following procedures may be utilized in
517 providing funds as authorized by this section:

518 (a) Funds for debt service may be provided by charges
519 assessed against the property abutting upon the sewer, or abutting
520 upon the railroad and/or utility right-of-way, street, road,
521 highway, easement or alley in which such sewer mains or water
522 mains are installed according to the frontage thereof.

523 The board of commissioners of the district, after giving
524 notice and hearing protests in the manner prescribed by Sections
525 21-41-5 and 21-41-7, Mississippi Code of 1972, shall by resolution

526 spread upon its minutes define the services to be offered and the
527 entire area to be benefited by each improvement. Each such
528 improvement may be designated as a project or all such
529 improvements may be designated as one (1) project. However, if
530 forty percent (40%) of the property owners or the owners of more
531 than forty percent (40%) of the front footage of the property
532 involved and actually residing on property owned by them and
533 included within that part of any street, avenue, etc., ordered to
534 be specially improved, or otherwise actually occupying property
535 owned by them and included within that area designated as a
536 project, file a protest, then the improvement shall not be made
537 and the assessment shall not be made.

538 The resolution shall direct that the cost to be assessed
539 against each lot or parcel of land shall be determined by dividing
540 the entire assessable cost of the project by the total number of
541 front feet fronting on the street, easement or other right-of-way
542 in which all of the mains embraced within the project are
543 installed and multiplying the quotient by the total number of
544 front feet in any particular lot or parcel of land fronting on the
545 street, easement or other right-of-way in which sewer mains or
546 water mains are installed. The result thereof shall be delivered
547 by the board of commissioners of the district to the county board
548 of supervisors as the amount of special tax to be assessed against
549 each lot or piece of ground for the owner's part of the total cost
550 of the improvements.

551 The resolution, in the discretion of the board of
552 commissioners of the district, may provide for the district to pay
553 the assessment against any property abutting a sewer or water
554 improvement, if the property which assessment is being paid by the
555 district is occupied by a contributor or consumer connected to the
556 sewer or water system who is or will be paying service charges at
557 the time the assessment roll maintained by the district is
558 confirmed. However, such payment shall not exceed an amount equal

559 to that assessed against any one hundred twenty-five (125) feet of
560 frontage of abutting property in a project.

561 The resolution may, in the discretion of the board of
562 commissioners of the district, provide for the district to pay the
563 assessment against any property abutting a section of sewer main
564 or water main designated as necessary and essential to the overall
565 operation of such system or systems. However, no service shall be
566 provided to any such abutting property until and unless all such
567 payments made by the district are repaid to the district by the
568 owners of such benefited property.

569 (b) Funds for debt service may be provided by charges
570 assessed against a lot or block in a recorded subdivision of land
571 or by other appropriately designated parcel or tract of land in
572 accord with the following procedure:

573 The board of commissioners of the district, after giving
574 notice and hearing protests in the manner prescribed by Sections
575 21-41-5 and 21-41-7, Mississippi Code of 1972, shall by resolution
576 spread upon its minutes define the services to be offered and the
577 entire area to be benefited by each improvement. Each such
578 improvement may be designated as a project or all such
579 improvements may be designated as one (1) project. However, if
580 forty percent (40%) of the property owners or the owners of more
581 than forty percent (40%) of the front footage of the property
582 involved and actually residing on property owned by them and
583 included within that part of any street, avenue, etc., ordered to
584 be specially improved, or otherwise actually occupying property
585 owned by them and included within that area designated as a
586 project, file a protest, then the improvement shall not be made
587 and the assessment shall not be made.

588 Charges shall be assessed in accordance with the provisions
589 of Sections 21-41-9 through 21-41-21 and 21-41-25 through
590 21-41-39, Mississippi Code of 1972.

591 The resolution providing for assessments under the provisions

592 of paragraph (3)(b) of this section, in the discretion of the
593 board of commissioners of the district, may provide for the
594 district to pay the assessment against any lot or parcel of ground
595 not exceeding one (1) acre in size, if such property is occupied
596 by a contributor or consumer connected to the sewer or water
597 system who is or will be paying service charges at the time the
598 assessment roll maintained by the district is confirmed.

599 The resolution providing for assessment of benefited
600 properties under this procedure shall provide for appropriate
601 payment to debt service accounts by property owners not included
602 in the original assessment roll but benefited by facilities
603 installed with funds provided by such assessments at or prior to
604 the time at which a nonassessed but benefited property is actually
605 served by those facilities.

606 Section 15. No holder or holders of any bonds issued under
607 this act shall ever have the right to compel the levy of any tax
608 to pay the bonds or the interest thereon except where the board of
609 supervisors of the county has made a levy of a special tax and
610 consented to the pledge thereof, all as is provided in Sections 9
611 and 13 of this act.

612 Section 16. The board of commissioners of the district
613 issuing bonds under this act shall prescribe and collect
614 reasonable rates, fees, tolls or charges for the services,
615 facilities and commodities of its system or systems; shall
616 prescribe penalties for the nonpayments thereof; and shall revise
617 such rates, fees, tolls or charges from time to time whenever
618 necessary to insure the economic operation of such system or
619 systems. The rates, fees, tolls or charges prescribed shall be,
620 as nearly as possible, such as will always produce revenue at
621 least sufficient to: (a) provide for all expenses of operation
622 and maintenance of the system or systems, including reserves
623 therefor, (b) pay when due all bonds and interest thereon for the
624 payment of which such revenues are or have been pledged, charged

625 or otherwise encumbered, including reserves therefor, and (c)
626 provide funds for reasonable expansions, extensions and
627 improvements of service.

628 Section 17. The property and revenue of such district shall
629 be exempt from all state, county and municipal taxation. Bonds
630 issued under this act and the income from the bonds shall be
631 exempt from all state, county and municipal taxation, except
632 inheritance, transfer and estate taxes, and it may be so stated on
633 the face of the bonds.

634 Section 18. All construction contracts by the district where
635 the amount of the contract exceeds Ten Thousand Dollars
636 (\$10,000.00) shall, and construction contracts of less than Ten
637 Thousand Dollars (\$10,000.00) may, be made upon at least three (3)
638 weeks' public notice. Such notice shall be published once a week
639 for at least three (3) consecutive weeks in at least one (1)
640 newspaper published in such county or having general circulation
641 therein. The first publication of such notice shall be made not
642 less than twenty-one (21) days prior to the date fixed in such
643 notice for the receipt of bids, and the last publication shall be
644 made not more than seven (7) days prior to such date. The notice
645 shall state the thing to be done and invite sealed proposals, to
646 be filed with the secretary of the district to do the work. In
647 all such cases, before the notice is published, plans and
648 specifications for the work shall be prepared by a registered
649 professional engineer and shall be filed with the secretary of the
650 district and remain there. The board of commissioners of the
651 district shall award the contract to the lowest responsible bidder
652 who will comply with the terms imposed by the board and enter into
653 bond with sufficient sureties to be approved by the board in such
654 penalty as may be fixed by the board. However, in no case shall
655 such bond be less than the contract price, conditioned for the
656 prompt, proper and efficient performance of the contract.
657 Contracts of less than Ten Thousand Dollars (\$10,000.00) may be

658 negotiated; however, the board of commissioners shall invite and
659 receive written proposals for the work from at least three (3)
660 contractors regularly engaged in the type of work involved.

661 Section 19. Any district created under this act shall be
662 considered a "local governmental unit" pursuant to Section
663 17-13-5, Mississippi Code of 1972, and, as such, may enter into
664 interlocal cooperation agreements as set forth in Sections 17-13-1
665 through 17-13-17, Mississippi Code of 1972. The board of
666 commissioners of any district created under this act shall have
667 the authority to enter into cooperative agreements with the state
668 or federal government, or both; to obtain financial assistance in
669 the form of loans or grants as may be available from the state or
670 federal government, or both; and to execute and deliver at private
671 sale notes or bonds as evidence of such indebtedness in the form
672 and subject to the terms and conditions as may be imposed by the
673 state or federal government, or both; and to pledge the income and
674 revenues of the district, or the income and revenues from any part
675 of the area embraced in the district, in payment thereof. It is
676 the purpose and intention of this section to authorize districts
677 to do any and all things necessary to secure the financial aid or
678 cooperation of the state or federal government, or both, in the
679 planning, construction, maintenance or operation of project
680 facilities.

681 Section 20. This act shall be deemed to be full and complete
682 authority for the creation of such districts and for the issuance
683 of such bonds. No proceedings shall be required for the creation
684 of such districts or for the issuance of such bonds other than
685 those provided for and required herein. All the necessary powers
686 to be exercised by the board of supervisors of such county and by
687 the board of commissioners of any such district, in order to carry
688 out the provisions of this act, are hereby conferred.

689 Section 21. If any provisions of this act shall be held to
690 be invalid by any court of competent jurisdiction, the remainder

691 of this act shall not be affected thereby.

692 SECTION 2. This act shall take effect and be in force from
693 and after its passage.