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To: Local and Private  
Legislation; Ways and  
Means

HOUSE BILL NO. 1600  
(As Passed the House)

1 AN ACT TO AMEND CHAPTER 50, LAWS OF THE FIRST EXTRAORDINARY  
2 SESSION OF 1964, AS LAST AMENDED BY CHAPTER 982, LOCAL AND PRIVATE  
3 LAWS OF 1999, TO AUTHORIZE THE BOARD OF SUPERVISORS OF HARRISON  
4 COUNTY TO ALLOW THE OWNER OF A PARCEL BEING DEVELOPED AS A MASTER  
5 PLANNED COMMUNITY TO DESIGNATE RESIDENTS OR NONRESIDENTS OF A  
6 PUBLIC UTILITY DISTRICT INCORPORATED IN CONNECTION WITH THE MASTER  
7 PLANNED COMMUNITY FOR APPOINTMENT BY THE BOARD OF SUPERVISORS TO  
8 THE UTILITY DISTRICT'S BOARD OF COMMISSIONERS, AND TO AUTHORIZE  
9 THE PUBLIC UTILITY DISTRICT TO PROVIDE DRAINAGE AND RECREATION  
10 SERVICES; 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, as amended  
18 by Chapter 982, Local and Private Laws of 1999, is amended as  
19 follows:

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

31 collection, and fire protection district, as a combined water,  
32 sewer, garbage collection, fire protection, and drainage district,  
33 or as a combined water, sewer, garbage collection, fire  
34 protection, drainage, and recreation district, in the following  
35 manner:

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

58 (b) Upon the filing of such a petition it shall then be  
59 the duty of the board of supervisors of said county to fix a time  
60 and place for a public hearing upon the question of the public  
61 convenience and necessity of the incorporation of the proposed  
62 district. The date fixed for such hearing shall be not more than  
63 thirty (30) days after the filing of the petition, and the date of  
64 the hearing, the place at which it shall be held, and the purpose  
65 of the hearing, shall be set forth in a notice to be signed by the  
66 clerk of the board of supervisors of said county and it shall be  
67 published in a newspaper having general circulation within such

68 proposed district once a week for at least three (3) consecutive  
69 weeks prior to the date of such hearing. The first such  
70 publication shall be made not less than twenty-one (21) days prior  
71 to the date of such hearing and the last such publication shall be  
72 made not more than seven (7) days prior to the date of such  
73 hearing. If, at such public hearing, the board of supervisors  
74 finds (1) that the public convenience and necessity require the  
75 creation of the district, and (2) that the creation of the  
76 district is economically sound and desirable, the board of  
77 supervisors shall adopt a resolution making the aforesaid findings  
78 and declaring its intention to create the district on the  
79 specified date. Such resolution shall designate the contemplated  
80 and territorial limits of said district, which limits may or may  
81 not be the same as the boundaries set forth in the petition.

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

101 such election. Notice of such election, setting forth the time,  
102 place or places, and purpose of such election shall be published  
103 by the clerk of the board of supervisors, and such notice shall be  
104 published for the time and the manner herein provided for the  
105 publication of the aforesaid resolution of intention. The ballots  
106 to be prepared for and used at said election shall be in  
107 substantially the following form:

108 For creation of \_\_\_\_\_ district ( )

109 Against creation of \_\_\_\_\_ district ( )

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

112 If no petition requiring an election be filed or if a  
113 majority of those voting at an election hereunder vote in favor of  
114 the creation of such district, the board of supervisors shall  
115 adopt a resolution creating the district as described in the  
116 aforesaid resolution of intention.

117 All costs incident to the publication of the aforesaid  
118 notices and all other costs incident to the public hearing and  
119 election hereunder shall be borne by the parties filing the  
120 petition, and the board of supervisors, in its discretion, may  
121 require the execution by the parties filing the petition of a cost  
122 bond in an amount and with good sureties to guarantee the payment  
123 of such costs.

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

133 Section 2. From and after the date of the adoption of the

134 resolution creating any such district, such district shall be a  
135 public corporation in perpetuity under its corporate name and  
136 shall, in that name, be a body politic and corporate with power of  
137 perpetual succession. The powers of each such district shall be  
138 vested in and exercised by a board of commissioners consisting of  
139 five (5) members, to be appointed by the board of supervisors.  
140 Upon their initial appointment, one (1) of the commissioners shall  
141 be appointed for a term of one (1) year; one (1) for a term of two  
142 (2) years; one (1) for a term of three (3) years; one (1) for a  
143 term of four (4) years; and one (1) for a term of five (5) years;  
144 and thereafter, each commissioner shall be appointed and shall  
145 hold office for a term of five (5) years. Any vacancy occurring  
146 on such a board of commissioners shall be filled by the board of  
147 supervisors at any regular meeting of such board of supervisors,  
148 which board of supervisors shall have the authority to fill all  
149 unexpired terms of any commissioner or commissioners. For any  
150 district created pursuant to a petition signed by the owner of a  
151 parcel of land of at least three thousand five hundred (3,500)  
152 acres to be developed or being developed as a master planned  
153 community, as provided in Section 1(a) of this act, any such  
154 vacancy may be filled by a person who is not a resident of the  
155 district but who has been designated by the owner of such parcel  
156 to be developed or being developed as a master planned community.  
157 Notwithstanding the appointive authority herein granted to the  
158 board of supervisors, its legal and actual responsibilities,  
159 authority and function, subsequent to the creation of any such  
160 district, shall be specifically limited to said appointive  
161 function, and the operation, management, subsequent possible  
162 annexation, abolition or dissolution of such district, and all  
163 other matters in connection therewith, shall be vested solely and  
164 only in said board of commissioners to the specific exclusion of  
165 said board of supervisors, and the abolition, dissolution or  
166 termination of any such district shall be accomplished only by

167 unanimous resolution of the board of commissioners. Provided,  
168 however, that such board of commissioners shall have no power,  
169 jurisdiction, or authority to abolish, dissolve or terminate any  
170 such district while such district has any outstanding indebtedness  
171 of any kind or character.

172 Section 3. Such board of commissioners shall organize by  
173 electing one (1) of its members as chairman and another as vice  
174 chairman. It shall be the duty of the chairman to preside at all  
175 meetings of the board and to act as the chief executive officer of  
176 the board and of the district. The vice chairman shall act in the  
177 absence or disability of the chairman. Such board also shall  
178 elect and fix the compensation of a treasurer who may or may not  
179 be a member of the board. It shall be the duty of the treasurer  
180 to safely keep all funds of the district. The treasurer shall be  
181 required to execute a bond, payable to the district, in a sum and  
182 with such surety as shall be fixed and approved by the board of  
183 commissioners. Such board shall elect one (1) of its members as  
184 secretary. It shall be the duty of the secretary to keep all  
185 minutes and records of the board. The board may elect such other  
186 officers as they deem necessary and advisable. The terms of all  
187 officers of the board shall be for one (1) year from and after  
188 date of election and shall run until their respective successors  
189 are appointed and qualified.

190 Section 4. Any person who is a resident or nonresident of  
191 the district who is designated by the owner of a parcel of land of  
192 at least three thousand five hundred (3,500) acres to be developed  
193 or being developed as a master planned community and every \* \* \*  
194 citizen of any district created pursuant to this act, of good  
195 reputation, being the owner of land situated within such district  
196 and over twenty-five (25) years of age, and of sound mind and  
197 judgment shall be eligible to hold the office of commissioner.  
198 Each person appointed as a commissioner, before entering upon the  
199 discharge of the duties of his office, shall be required to

200 execute a bond, payable to the State of Mississippi, in the penal  
201 sum of Ten Thousand Dollars (\$10,000.00) conditioned that he will  
202 faithfully discharge the duties of his office; and each such bond  
203 shall be approved by the clerk of the board of supervisors and  
204 filed with said clerk. Each commissioner shall take and subscribe  
205 to an oath of office before the clerk of the board of supervisors  
206 that he will faithfully discharge the duties of the office of  
207 commissioner, which oath shall also be filed with said clerk and  
208 by him preserved with such official bond. Upon express  
209 authorization of the such board of commissioners, duly spread upon  
210 the minutes of such district, each commissioner may receive a per  
211 diem of not to exceed Forty Dollars (\$40.00) per day for attending  
212 each day's meeting of such board of commissioners and for each day  
213 spent in attending to the business of such district and, in  
214 addition, may receive reimbursement for actual and necessary  
215 expenses incurred in the discharge of their official duties.

216 Section 5. Districts created under the provisions of this  
217 act shall have the powers enumerated in the resolution of the  
218 board of supervisors creating such districts and in any subsequent  
219 resolution of the board of supervisors adopted upon the request of  
220 the owner of a parcel of land of at least three thousand five  
221 hundred (3,500) acres to be developed or being developed as a  
222 master planned community for the purpose of adding the powers to  
223 conduct and operate a system or systems not enumerated in the  
224 initial resolution creating the district. However, these powers  
225 shall be limited to the conducting and operating of a water supply  
226 system, a sewer system, a garbage collection system, a fire  
227 protection system, a drainage system, a recreation system, a  
228 combined water and fire protection system, a combined water and  
229 sewer system, a combined water, sewer and garbage collection  
230 system, \* \* \* a combined water, sewer, garbage collection, and  
231 fire protection system, a combined water, sewer, garbage  
232 collection, fire protection, and drainage system, or a combined

233 water, sewer, garbage collection, fire protection, drainage, and  
234 recreation system. To carry out such purpose or purposes, such  
235 districts shall have the power and authority to acquire,  
236 construct, reconstruct, improve, better, extend, consolidate,  
237 maintain, and operate such system or systems and to contract with  
238 any municipality, person, firm, or corporation for a supply of  
239 water or for services required incident to the operation and  
240 maintenance of such a system. As long as any such district  
241 continues to furnish any of the services which it was authorized  
242 to furnish in and by the resolution by which it was created, it  
243 shall be the sole public corporation empowered to furnish such  
244 services within such district. The board of commissioners shall  
245 have the power to make regulations to secure the general health of  
246 those residing in such district; to prevent, remove and abate  
247 nuisances; to regulate or prohibit the construction of  
248 privy-vaults and cesspools, and to regulate or suppress those  
249 already constructed; to compel, regulate and require mandatory  
250 connection of all property, residences and businesses with its  
251 sewers; and to require mandatory connection of all property,  
252 residences and businesses into the water system of the district.

253 Section 6. Any area adjacent to any district created  
254 pursuant to this act and situated within Harrison County,  
255 Mississippi, and not being situated within the corporate  
256 boundaries of any existing municipality of said county may be  
257 annexed to and become a part of such district by the same  
258 procedure as is prescribed in Section 1 of this act for the  
259 original creation of such district. Additionally, any contiguous  
260 lands in an adjoining county, but not amounting to twenty percent  
261 (20%) or more of the total land area included in a district, may  
262 be served by a district created pursuant to this act. None of the  
263 territory lying within any such district shall be subject to  
264 annexation by any city, town, or village unless all of the  
265 territory of such district be so annexed, in which event such



266 city, town, or village shall assume the operation and maintenance  
267 of the facilities of such district and shall assume obligations of  
268 such district with respect to the payment of any outstanding bonds  
269 of such district, and all other contractual obligations of such  
270 district.

271 Section 7. Any district created pursuant to the provisions  
272 of this act shall be vested with all the powers necessary and  
273 requisite for the accomplishment of the purpose for which such  
274 district is created, capable of being delegated by the  
275 Legislature. No enumeration of powers herein shall be construed  
276 to impair or limit any general grant of power herein contained nor  
277 to limit any such grant to a power or powers of the same class or  
278 classes as those enumerated. Such districts are empowered to do  
279 all acts necessary, proper, or convenient in the exercise of the  
280 powers granted under this act.

281 Section 8. Any district created pursuant to the provisions  
282 of this act, acting by and through the board of commissioners of  
283 such district, its governing authority, shall have the following,  
284 among other, powers:

285 (a) To sue and be sued.

286 (b) To acquire by purchase, gift, devise, lease, or  
287 exercise of the power of eminent domain or other mode of  
288 acquisition, hold and dispose of real and personal property of  
289 every kind within or without the district on behalf of the  
290 district.

291 (c) To make and enter into contracts, conveyances,  
292 mortgages, deeds of trust, bonds, leases, or contracts for  
293 financial advisory services.

294 (d) To incur debts, to borrow money, to issue  
295 negotiable bonds, and to provide for the rights of the holders  
296 thereof.

297 (e) To fix, maintain, and collect, and revise rates and  
298 charges for the services rendered by or through the facilities of

299 such district, which rates and charges shall not be subject to  
300 review or regulation by any agency, board, or commission of the  
301 State of Mississippi.

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

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

307 (h) To use any right-of-way, easement, or other similar  
308 property or property rights necessary or convenient in connection  
309 with the acquisition, improvement, operation, or maintenance of  
310 the facilities of such district, held by the state or any  
311 political subdivision thereof; provided that the governing body of  
312 such political subdivision shall consent to such use.

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

316 (j) To adopt an official seal and alter the same at  
317 pleasure.

318 (k) To maintain an office or offices at such place or  
319 places within the district as it may determine.

320 (l) To make and enforce, and from time to time amend  
321 and repeal, bylaws and rules and regulations for the management of  
322 its business and affairs and for the use, maintenance and  
323 operation of any of its facilities and any other of its  
324 properties.

325 (m) To apply and contract for and to accept any grants,  
326 grants-in-aid or gifts or loans or appropriations of funds or  
327 property or financial or other aid in any form from the United  
328 States or any instrumentality thereof, or from the state or any  
329 instrumentality thereof, or from any source, public or private,  
330 and to comply with and make agreements with respect to the terms  
331 and conditions thereof, subject to any agreements with

332 bondholders.

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

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

340           (p) To acquire by purchase any existing works and  
341 facilities providing services for which it was created, and any  
342 lands, rights, easements, franchises and other property, real and  
343 personal, necessary to the completion and operation of such  
344 system, upon such terms and conditions as may be agreed upon and,  
345 if necessary as part of the purchase price, to assume the payment  
346 of outstanding notes, bonds or other obligations upon such system.

347           (q) To extend its services to areas beyond but within  
348 one (1) mile of the boundaries of such district; however, no such  
349 extension shall be made to areas already occupied by another  
350 corporate agency rendering the same service so long as such  
351 corporate agency desires to continue to serve such areas. Areas  
352 outside of the district desiring to be served which are beyond the  
353 one-mile limit must be brought into the district by annexation  
354 proceedings.

355           (r) To borrow funds for interim financing subject to  
356 receipt of funds.

357       Section 9. (1) Any district created under this act shall  
358 have the power to provide funds for the purpose of constructing,  
359 acquiring, reconstructing, improving, bettering, repairing, or  
360 extending the facilities of such district, or for the purpose of  
361 buying, leasing, or otherwise acquiring the assets and facilities  
362 of any nonprofit, nonshare corporation chartered under Title 79,  
363 Chapter 11, or any other utility district, by the issuance of  
364 revenue bonds. Except as hereinafter provided, such bonds shall

365 be payable solely and only from the revenues of such facilities,  
366 and such revenues may be pledged from a portion of the service  
367 area of the district to the support of debt service for a specific  
368 series or issue of bonds if such apportionment is economically  
369 feasible.

370 (2) Any such district shall have the power to provide funds,  
371 in addition to or in conjunction with the funds authorized in  
372 subsection (1) of this section, for water supply or pollution  
373 abatement projects or for projects for sewer systems, garbage  
374 collection systems, fire protection systems, drainage systems, or  
375 recreation systems by issuing special improvement pollution  
376 abatement bonds, special improvement water bonds, special  
377 improvement sewer bonds, special improvement garbage collection  
378 bonds, special improvement fire projection bonds, special  
379 improvement drainage bonds, special improvement recreation bonds,  
380 or combinations of special improvement water and sewer bonds,  
381 special improvement water, sewer and garbage collection bonds,  
382 special improvement water, sewer, garbage collection, and fire  
383 protection bonds, special improvement water, sewer, garbage  
384 collection, fire protection, and drainage bonds, or special  
385 improvement water, sewer, garbage collection, fire protection,  
386 drainage, and recreation bonds, if the board of supervisors  
387 authorizes making assessments against benefited properties as  
388 outlined in Section 14 of this act. Except as hereinafter  
389 provided, such bonds shall be payable solely and only from charges  
390 assessed to benefited properties as outlined in Section 14 of this  
391 act.

392 (3) If the board of supervisors of the county should levy a  
393 special tax, as provided in Section 13 of this act, and consent to  
394 the pledge of any part thereof, then that part of such tax levy  
395 may be pledged in addition to the revenues of such facilities to  
396 the payment of such bonds, and upon the pledge thereof such part  
397 of the levy so pledged shall not be reduced while such bonds are

398 outstanding and unpaid. If the district should provide for  
399 special improvement bonds, the funds received from the charges  
400 assessed to the properties being benefited, as provided in Section  
401 14 of this act, shall be pledged, separately or in conjunction  
402 with the revenues and the avails of taxes described above, for  
403 payment of such bonds, and such assessments shall not be reduced  
404 while such bonds are outstanding and unpaid.

405 Section 10. (1) The board of commissioners of any district  
406 created under this act may issue bonds of the district by  
407 resolution spread upon the minutes of the board. Bonds may be  
408 issued from time to time without an election being held upon the  
409 question of their issuance unless the board of commissioners of  
410 the district is presented with a petition for an election upon the  
411 question of their issuance signed by twenty percent (20%) or two  
412 hundred fifty (250), whichever is the lesser, of the qualified  
413 electors residing within the district. The resolution authorizing  
414 any future issue of bonds shall be published in a manner similar  
415 to the publication outlined in paragraph (b) of Section 1 of this  
416 act. If an election is required, it shall be held in substantial  
417 accordance with the election outlined in paragraph (b) of Section  
418 1 of this act. The cost of this election shall be borne by the  
419 district.

420 (2) Except those issued to the state or any instrumentality  
421 thereof, or the United States Government, or any instrumentality  
422 thereof, all bonds shall be lithographed or engraved and printed  
423 in two (2) or more colors to prevent counterfeiting. They shall  
424 be in denominations of not less than One Thousand Dollars  
425 (\$1,000.00) nor more than Five Thousand Dollars (\$5,000.00), and  
426 may be registered as issued, and shall be numbered in a regular  
427 series from "one (1)" upward. Each such bond shall specify on its  
428 face the purpose for which it was issued, the total amount  
429 authorized to be issued, the interest on the bond, that it is  
430 payable to the bearer and that the interest to accrue thereon is

431 evidenced by proper coupons attached thereto.

432         (3) Such bonds shall contain such covenants and provisions;  
433 shall be executed; shall be in such form, format, type,  
434 denomination or denominations; shall be payable as to principal  
435 and interest, at such place or places; and shall mature at such  
436 time or times, all as shall be determined by the board of  
437 commissioners and set forth in the resolution pursuant to which  
438 the bonds shall be issued. The date of maturity of the bonds  
439 shall not exceed forty (40) years from the date of the bond,  
440 except that on special improvement pollution abatement bonds,  
441 special improvement water bonds, or special improvement water and  
442 sewer bonds the date of maturity shall not exceed twenty-five (25)  
443 years from their date.

444         (4) All bonds shall bear interest at such rate or rates not  
445 to exceed a greater net interest cost to maturity than that  
446 allowed in Section 75-17-103, Mississippi Code of 1972. No bond  
447 shall bear more than one (1) rate of interest; each bond shall  
448 bear interest from its date to its stated maturity date at the  
449 interest rate specified in the bid; and all bonds of the same  
450 maturity shall bear the same rate of interest. All interest  
451 accruing on the bonds so issued shall be payable semiannually or  
452 annually, except that the first interest coupon attached to any  
453 such bonds may be for any period not exceeding one (1) year. No  
454 interest payment shall be evidenced by more than one (1) coupon,  
455 and supplemental coupons, cancelled coupons and zero interest  
456 coupons will not be permitted. No interest coupon shall vary more  
457 than twenty-five percent (25%) in interest rate from any other  
458 interest coupon in the same bond issue, and the interest rate on  
459 any one (1) interest coupon shall not exceed that allowed in  
460 Section 75-17-103, Mississippi Code of 1972.

461         (5) Such bonds shall be signed by the chairman and treasurer  
462 of the commission with the seal of the commission affixed thereto.  
463 However, the coupons may bear only the facsimile signatures of

464 such chairman and treasurer.

465 (6) Any provisions of the general laws to the contrary  
466 notwithstanding, any bonds and interest coupons issued pursuant to  
467 the authority of this act shall be securities within the meaning  
468 of Article 8 of the Uniform Commercial Code, being Section  
469 75-8-101 et seq., Mississippi Code of 1972.

470 (7) Notwithstanding the foregoing provisions of this  
471 section, bonds referred to in this section may be issued pursuant  
472 to the supplemental powers and authorizations conferred by the  
473 provisions of the Registered Bond Act, being Sections 31-21-1  
474 through 31-21-7, Mississippi Code of 1972.

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

481 Each interest rate specified in any bid must be in a multiple  
482 of one-tenth of one percent (1/10 of 1%) or in a multiple of  
483 one-eighth of one percent (1/8 of 1%), and a zero rate of interest  
484 cannot be named. Any premium must be paid in bank funds as a part  
485 of the purchase price, and bids shall not contemplate the  
486 cancellation of any interest coupon or the waiver of interest or  
487 other concession by the bidder as a substitute for bank funds.

488 Any bonds issued under the provisions of this act may be  
489 refunded in like manner as revenue bonds of municipalities shall  
490 be refunded.

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

494 Section 12. There is hereby created a statutory lien of the  
495 nature of a mortgage lien upon any system or systems acquired or  
496 constructed in accordance with this act, including all extensions

497 and improvements thereof or combinations thereof subsequently  
498 made, which lien shall be in favor of the holder or holders of any  
499 bonds issued pursuant hereto, and all such property shall remain  
500 subject to such statutory lien until the payment in full of the  
501 principal of and interest on such bonds. Any holder of such bonds  
502 or any of the coupons representing interest thereon may, either at  
503 law or in equity, by suit, action, mandamus or other proceeding,  
504 in any court of competent jurisdiction, protect and enforce such  
505 statutory lien and compel the performance of all duties required  
506 by those sections, including the making and collection of  
507 sufficient rates for the service or services, the proper  
508 accounting thereof, and the performance of any duties required by  
509 covenants with the holders of any bonds issued in accordance with  
510 this act.

511 If any default is made in the payment of the principal of or  
512 interest on such bonds, any court having jurisdiction of the  
513 action may appoint a receiver to administer the district and the  
514 system or systems with power to charge and collect rates  
515 sufficient to provide for the payment of all bonds and obligations  
516 outstanding against the system or systems, and for payment of  
517 operating expenses, and to apply the income and revenues thereof  
518 in conformity with the provisions hereof.

519 Section 13. (1) The board of supervisors of the county in  
520 which any district created under this act exists may levy a  
521 special tax, not to exceed four (4) mills annually, on all of the  
522 taxable property in such district, the avails of which shall be  
523 paid over to the board of commissioners of the district to be used  
524 either for the operation, support and maintenance of the district  
525 or for the retirement of any bonds issued by the district, or for  
526 both.

527 (2) The proceeds derived from two (2) mills of the levy  
528 authorized in this section shall be included in the ten percent  
529 (10%) increase limitation under Section 27-39-321, Mississippi



530 Code of 1972, and the proceeds derived from any additional millage  
531 levied under this section in excess of two (2) mills shall be  
532 excluded from such limitation for the first year of such  
533 additional levy and shall be included within such limitation in  
534 any year thereafter.

535 Section 14. (1) Funds for debt service for special  
536 improvement pollution abatement bonds, special improvement water  
537 bonds, or special improvement water and sewer bonds, special  
538 improvement water, sewer and garbage collection bonds, special  
539 improvement water, sewer, garbage collection, and fire protection  
540 bonds, special improvement water, sewer, garbage collection, fire  
541 protection, and drainage bonds, or special improvement water,  
542 sewer, garbage collection, fire protection, drainage, and  
543 recreation bonds issued in lieu of or in conjunction with revenue  
544 bonds and/or tax-supported bonds shall be provided by charges upon  
545 the properties benefited according to procedures set forth in this  
546 section.

547 (2) So long as any special improvement bond authorized by  
548 this act remains outstanding, it shall be the duty of the board of  
549 supervisors, at the time annual county tax levies are made, to  
550 levy such assessments as are certified to them by the district as  
551 being due and payable at a stated time. It shall be the duty of  
552 the tax collector of the county in which the district lies to  
553 collect such charges and pay the funds collected to the board of  
554 commissioners of the district for payment of interest and  
555 principal and the retirement of bonds issued by the district in  
556 accordance with the maturities schedule pertaining thereto.

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

559 (a) Funds for debt service may be provided by charges  
560 assessed against the property abutting upon the sewer, or abutting  
561 upon the railroad and/or utility right-of-way, street, road,  
562 highway, easement or alley in which such sewer mains or water

563 mains are installed according to the frontage thereof.

564         The board of commissioners of the district, after giving  
565 notice and hearing protests in the manner prescribed by Sections  
566 21-41-5 and 21-41-7, Mississippi Code of 1972, shall by resolution  
567 spread upon its minutes define the services to be offered and the  
568 entire area to be benefited by each improvement. Each such  
569 improvement may be designated as a project or all such  
570 improvements may be designated as one (1) project. However, if  
571 forty percent (40%) of the property owners or the owners of more  
572 than forty percent (40%) of the front footage of the property  
573 involved and actually residing on property owned by them and  
574 included within that part of any street, avenue, etc., ordered to  
575 be specially improved, or otherwise actually occupying property  
576 owned by them and included within that area designated as a  
577 project, file a protest, then the improvement shall not be made  
578 and the assessment shall not be made.

579         The resolution shall direct that the cost to be assessed  
580 against each lot or parcel of land shall be determined by dividing  
581 the entire assessable cost of the project by the total number of  
582 front feet fronting on the street, easement or other right-of-way  
583 in which all of the mains embraced within the project are  
584 installed and multiplying the quotient by the total number of  
585 front feet in any particular lot or parcel of land fronting on the  
586 street, easement or other right-of-way in which sewer mains or  
587 water mains are installed. The result thereof shall be delivered  
588 by the board of commissioners of the district to the county board  
589 of supervisors as the amount of special tax to be assessed against  
590 each lot or piece of ground for the owner's part of the total cost  
591 of the improvements.

592         The resolution, in the discretion of the board of  
593 commissioners of the district, may provide for the district to pay  
594 the assessment against any property abutting a sewer or water  
595 improvement, if the property which assessment is being paid by the

596 district is occupied by a contributor or consumer connected to the  
597 sewer or water system who is or will be paying service charges at  
598 the time the assessment roll maintained by the district is  
599 confirmed. However, such payment shall not exceed an amount equal  
600 to that assessed against any one hundred twenty-five (125) feet of  
601 frontage of abutting property in a project.

602 The resolution may, in the discretion of the board of  
603 commissioners of the district, provide for the district to pay the  
604 assessment against any property abutting a section of sewer main  
605 or water main designated as necessary and essential to the overall  
606 operation of such system or systems. However, no service shall be  
607 provided to any such abutting property until and unless all such  
608 payments made by the district are repaid to the district by the  
609 owners of such benefited property.

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

614 The board of commissioners of the district, after giving  
615 notice and hearing protests in the manner prescribed by Sections  
616 21-41-5 and 21-41-7, Mississippi Code of 1972, shall by resolution  
617 spread upon its minutes define the services to be offered and the  
618 entire area to be benefited by each improvement. Each such  
619 improvement may be designated as a project or all such  
620 improvements may be designated as one (1) project. However, if  
621 forty percent (40%) of the property owners or the owners of more  
622 than forty percent (40%) of the front footage of the property  
623 involved and actually residing on property owned by them and  
624 included within that part of any street, avenue, etc., ordered to  
625 be specially improved, or otherwise actually occupying property  
626 owned by them and included within that area designated as a  
627 project, file a protest, then the improvement shall not be made  
628 and the assessment shall not be made.

629 Charges shall be assessed in accordance with the provisions  
630 of Sections 21-41-9 through 21-41-21 and 21-41-25 through  
631 21-41-39, Mississippi Code of 1972.

632 The resolution providing for assessments under the provisions  
633 of paragraph (3)(b) of this section, in the discretion of the  
634 board of commissioners of the district, may provide for the  
635 district to pay the assessment against any lot or parcel of ground  
636 not exceeding one (1) acre in size, if such property is occupied  
637 by a contributor or consumer connected to the sewer or water  
638 system who is or will be paying service charges at the time the  
639 assessment roll maintained by the district is confirmed.

640 The resolution providing for assessment of benefited  
641 properties under this procedure shall provide for appropriate  
642 payment to debt service accounts by property owners not included  
643 in the original assessment roll but benefited by facilities  
644 installed with funds provided by such assessments at or prior to  
645 the time at which a nonassessed but benefited property is actually  
646 served by those facilities.

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

653 Section 16. The board of commissioners of the district  
654 issuing bonds under this act shall prescribe and collect  
655 reasonable rates, fees, tolls or charges for the services,  
656 facilities and commodities of its system or systems; shall  
657 prescribe penalties for the nonpayments thereof; and shall revise  
658 such rates, fees, tolls or charges from time to time whenever  
659 necessary to insure the economic operation of such system or  
660 systems. The rates, fees, tolls or charges prescribed shall be,  
661 as nearly as possible, such as will always produce revenue at

662 least sufficient to: (a) provide for all expenses of operation  
663 and maintenance of the system or systems, including reserves  
664 therefor, (b) pay when due all bonds and interest thereon for the  
665 payment of which such revenues are or have been pledged, charged  
666 or otherwise encumbered, including reserves therefor, and (c)  
667 provide funds for reasonable expansions, extensions and  
668 improvements of service.

669 Section 17. The property and revenue of such district shall  
670 be exempt from all state, county and municipal taxation. Bonds  
671 issued under this act and the income from the bonds shall be  
672 exempt from all state, county and municipal taxation, except  
673 inheritance, transfer and estate taxes, and it may be so stated on  
674 the face of the bonds.

675 Section 18. All construction contracts by the district where  
676 the amount of the contract exceeds Ten Thousand Dollars  
677 (\$10,000.00) shall, and construction contracts of less than Ten  
678 Thousand Dollars (\$10,000.00) may, be made upon at least three (3)  
679 weeks' public notice. Such notice shall be published once a week  
680 for at least three (3) consecutive weeks in at least one (1)  
681 newspaper published in such county or having general circulation  
682 therein. The first publication of such notice shall be made not  
683 less than twenty-one (21) days prior to the date fixed in such  
684 notice for the receipt of bids, and the last publication shall be  
685 made not more than seven (7) days prior to such date. The notice  
686 shall state the thing to be done and invite sealed proposals, to  
687 be filed with the secretary of the district to do the work. In  
688 all such cases, before the notice is published, plans and  
689 specifications for the work shall be prepared by a registered  
690 professional engineer and shall be filed with the secretary of the  
691 district and remain there. The board of commissioners of the  
692 district shall award the contract to the lowest responsible bidder  
693 who will comply with the terms imposed by the board and enter into  
694 bond with sufficient sureties to be approved by the board in such

695 penalty as may be fixed by the board. However, in no case shall  
696 such bond be less than the contract price, conditioned for the  
697 prompt, proper and efficient performance of the contract.

698 Contracts of less than Ten Thousand Dollars (\$10,000.00) may be  
699 negotiated; however, the board of commissioners shall invite and  
700 receive written proposals for the work from at least three (3)  
701 contractors regularly engaged in the type of work involved.

702 Section 19. Any district created under this act shall be  
703 considered a "local governmental unit" pursuant to Section  
704 17-13-5, Mississippi Code of 1972, and, as such, may enter into  
705 interlocal cooperation agreements as set forth in Sections 17-13-1  
706 through 17-13-17, Mississippi Code of 1972. The board of  
707 commissioners of any district created under this act shall have  
708 the authority to enter into cooperative agreements with the state  
709 or federal government, or both; to obtain financial assistance in  
710 the form of loans or grants as may be available from the state or  
711 federal government, or both; and to execute and deliver at private  
712 sale notes or bonds as evidence of such indebtedness in the form  
713 and subject to the terms and conditions as may be imposed by the  
714 state or federal government, or both; and to pledge the income and  
715 revenues of the district, or the income and revenues from any part  
716 of the area embraced in the district, in payment thereof. It is  
717 the purpose and intention of this section to authorize districts  
718 to do any and all things necessary to secure the financial aid or  
719 cooperation of the state or federal government, or both, in the  
720 planning, construction, maintenance or operation of project  
721 facilities.

722 Section 20. This act shall be deemed to be full and complete  
723 authority for the creation of such districts and for the issuance  
724 of such bonds. No proceedings shall be required for the creation  
725 of such districts or for the issuance of such bonds other than  
726 those provided for and required herein. All the necessary powers  
727 to be exercised by the board of supervisors of such county and by

728 the board of commissioners of any such district, in order to carry  
729 out the provisions of this act, are hereby conferred.

730 Section 21. If any provisions of this act shall be held to  
731 be invalid by any court of competent jurisdiction, the remainder  
732 of this act shall not be affected thereby.

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