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To: Local and Private
Legislation; Ways and
Means

HOUSE BILL NO. 1600
(As Sent to Governor)

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.