MISSISSIPPI LEGISLATURE  

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REGULAR SESSION 2000

To: Local and Private Legislation; Ways and Means

HOUSE BILL NO. 1600
(As Sent to Governor)

AN ACT TO AMEND CHAPTER 50, LAWS OF THE FIRST EXTRAORDINARY SESSION OF 1964, AS LAST AMENDED BY CHAPTER 982, LOCAL AND PRIVATE LAWS OF 1999, TO AUTHORIZE THE BOARD OF SUPERVISORS OF HARRISON COUNTY TO ALLOW THE OWNER OF A PARCEL BEING DEVELOPED AS A MASTER PLANNED COMMUNITY TO DESIGNATE RESIDENTS OR NONRESIDENTS OF A PUBLIC UTILITY DISTRICT INCORPORATED IN CONNECTION WITH THE MASTER PLANNED COMMUNITY FOR APPOINTMENT BY THE BOARD OF SUPERVISORS TO THE UTILITY DISTRICT'S BOARD OF COMMISSIONERS, AND TO AUTHORIZE THE PUBLIC UTILITY DISTRICT TO PROVIDE DRAINAGE AND RECREATION SERVICES; AND FOR RELATED PURPOSES.

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


Section 1. Any contiguous area situated within the County of Harrison, in the State of Mississippi, and not being situated within the corporate boundaries of any existing municipality of said county, and having no adequate water system, sewer system, garbage collection system, or fire protection facilities service such area, may become incorporated as a water district, as a sewer district, as a garbage collection district, as a fire protection district, as a drainage district, as a recreation district, as a combined water and sewer district, as a combined water, sewer and garbage collection district, as a combined water and fire protection district, * * * as a combined water, sewer, garbage
collection, and fire protection district, as a combined water, sewer, garbage collection, fire protection, and drainage district, or as a combined water, sewer, garbage collection, fire protection, drainage, and recreation district, in the following manner:

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

(b) Upon the filing of such a petition it shall then be the duty of the board of supervisors of said county to fix a time and place for a public hearing upon the question of the public convenience and necessity of the incorporation of the proposed district. The date fixed for such hearing shall be not more than thirty (30) days after the filing of the petition, and the date of the hearing, the place at which it shall be held, and the purpose of the hearing, shall be set forth in a notice to be signed by the clerk of the board of supervisors of said county and it shall be published in a newspaper having general circulation within such
proposed district once a week for at least three (3) consecutive
weeks prior to the date of such hearing. The first such
publication shall be made not less than twenty-one (21) days prior
to the date of such hearing and the last such publication shall be
made not more than seven (7) days prior to the date of such
hearing. If, at such public hearing, the board of supervisors
finds (1) that the public convenience and necessity require the
creation of the district, and (2) that the creation of the
district is economically sound and desirable, the board of
supervisors shall adopt a resolution making the aforesaid findings
and declaring its intention to create the district on the
specified date. Such resolution shall designate the contemplated
and territorial limits of said district, which limits may or may
not be the same as the boundaries set forth in the petition.
A certified copy of the resolution so adopted shall be
published in a newspaper having a general circulation within such
proposed district once a week for at least three (3) consecutive
weeks prior to the date specified in such resolution as the date
upon which such board intends to create such district. The first
such publication shall be made not less than twenty-one (21) days
prior to the date thus specified, and the last such publication
shall be made not more than seven (7) days prior to such date. If
twenty percent (20%) of the qualified electors of such proposed
district file a written petition with such board of supervisors on
or before the date specified aforesaid, protesting against the
creation of such district, the board of supervisors shall call an
election on the question of the creation of such district. Such
election shall be held and conducted by the election commissioners
of the county as nearly as may be in accordance with the general
laws governing elections, and such election commissioners shall
determine which of the qualified electors of such county reside
within the proposed district and only such qualified electors as
reside within such proposed district shall be entitled to vote in
such election. Notice of such election, setting forth the time, place or places, and purpose of such election shall be published by the clerk of the board of supervisors, and such notice shall be published for the time and the manner herein provided for the publication of the aforesaid resolution of intention. The ballots to be prepared for and used at said election shall be in substantially the following form:

For creation of ____________ district ( )
Against creation of _________ district ( )

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

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

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

Any party having an interest in the subject matter and aggrieved or prejudiced by the findings and adjudication of the board of supervisors may appeal to the circuit court of the county in the manner provided by law for appeals from orders of the board of supervisors; provided, that if no such appeal be taken within a period of fifteen (15) days from and after the date of the adoption of the resolution creating any such district, the creation of such district shall be final and conclusive, and shall not thereafter be subject to attack in any court.
resolution creating any such district, such district shall be a
public corporation in perpetuity under its corporate name and
shall, in that name, be a body politic and corporate with power of
perpetual succession. The powers of each such district shall be
vested in and exercised by a board of commissioners consisting of
five (5) members, to be appointed by the board of supervisors.
Upon their initial appointment, one (1) of the commissioners shall
be appointed for a term of one (1) year; one (1) for a term of two
(2) years; one (1) for a term of three (3) years; one (1) for a
term of four (4) years; and one (1) for a term of five (5) years;
and thereafter, each commissioner shall be appointed and shall
hold office for a term of five (5) years. Any vacancy occurring
on such a board of commissioners shall be filled by the board of
supervisors at any regular meeting of such board of supervisors,
which board of supervisors shall have the authority to fill all
unexpired terms of any commissioner or commissioners. For any
district created pursuant to a petition signed by the owner of a
parcel of land of at least three thousand five hundred (3,500)
acres to be developed or being developed as a master planned
community, as provided in Section 1(a) of this act, any such
vacancy may be filled by a person who is not a resident of the
district but who has been designated by the owner of such parcel
to be developed or being developed as a master planned community.
Notwithstanding the appointive authority herein granted to the
board of supervisors, its legal and actual responsibilities,
authority and function, subsequent to the creation of any such
district, shall be specifically limited to said appointive
function, and the operation, management, subsequent possible
annexation, abolition or dissolution of such district, and all
other matters in connection therewith, shall be vested solely and
only in said board of commissioners to the specific exclusion of
said board of supervisors, and the abolition, dissolution or
termination of any such district shall be accomplished only by
unanimous resolution of the board of commissioners. Provided, however, that such board of commissioners shall have no power, jurisdiction, or authority to abolish, dissolve or terminate any such district while such district has any outstanding indebtedness of any kind or character.

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

Section 4. Any person who is a resident or nonresident of the district who is designated by the owner of a parcel of land of at least three thousand five hundred (3,500) acres to be developed or being developed as a master planned community and every citizen of any district created pursuant to this act, of good reputation, being the owner of land situated within such district and over twenty-five (25) years of age, and of sound mind and judgment shall be eligible to hold the office of commissioner. Each person appointed as a commissioner, before entering upon the discharge of the duties of his office, shall be required to
execute a bond, payable to the State of Mississippi, in the penal sum of Ten Thousand Dollars ($10,000.00) conditioned that he will faithfully discharge the duties of his office; and each such bond shall be approved by the clerk of the board of supervisors and filed with said clerk. Each commissioner shall take and subscribe to an oath of office before the clerk of the board of supervisors that he will faithfully discharge the duties of the office of commissioner, which oath shall also be filed with said clerk and by him preserved with such official bond. Upon express authorization of the such board of commissioners, duly spread upon the minutes of such district, each commissioner may receive a per diem of not to exceed Forty Dollars ($40.00) per day for attending each day's meeting of such board of commissioners and for each day spent in attending to the business of such district and, in addition, may receive reimbursement for actual and necessary expenses incurred in the discharge of their official duties.

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

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

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

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

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

(a) To sue and be sued.
(b) To acquire by purchase, gift, devise, lease, or exercise of the power of eminent domain or other mode of acquisition, hold and dispose of real and personal property of every kind within or without the district on behalf of the district.
(c) To make and enter into contracts, conveyances, mortgages, deeds of trust, bonds, leases, or contracts for financial advisory services.
(d) To incur debts, to borrow money, to issue negotiable bonds, and to provide for the rights of the holders thereof.
(e) To fix, maintain, and collect, and revise rates and charges for the services rendered by or through the facilities of
such district, which rates and charges shall not be subject to
review or regulation by any agency, board, or commission of the
State of Mississippi.

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

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

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

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

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

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

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

(m) To apply and contract for and to accept any grants,
grants-in-aid or gifts or loans or appropriations of funds or
property or financial or other aid in any form from the United
States or any instrumentality thereof, or from the state or any
instrumentality thereof, or from any source, public or private,
and to comply with and make agreements with respect to the terms
and conditions thereof, subject to any agreements with
(n) To invest any moneys of the district, including proceeds from the sale of any bonds, notwithstanding any law to the contrary, but subject to any agreements with bondholders, on such terms and in such manner as the district deems proper.

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

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

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

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

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

(2) Any such district shall have the power to provide funds, in addition to or in conjunction with the funds authorized in subsection (1) of this section, for water supply or pollution abatement projects or for projects for sewer systems, garbage collection systems, fire protection systems, drainage systems, or recreation systems by issuing special improvement pollution abatement bonds, special improvement water bonds, special improvement sewer bonds, special improvement garbage collection bonds, special improvement fire protection bonds, special improvement drainage bonds, special improvement recreation bonds, or combinations of special improvement water and sewer bonds, special improvement water, sewer and garbage collection bonds, special improvement water, sewer, garbage collection, and fire protection bonds, special improvement water, sewer, garbage collection, fire protection, and drainage bonds, or special improvement water, sewer, garbage collection, fire protection, drainage, and recreation bonds, if the board of supervisors authorizes making assessments against benefited properties as outlined in Section 14 of this act. Except as hereinafter provided, such bonds shall be payable solely and only from charges assessed to benefited properties as outlined in Section 14 of this act.

(3) If the board of supervisors of the county should levy a special tax, as provided in Section 13 of this act, and consent to the pledge of any part thereof, then that part of such tax levy may be pledged in addition to the revenues of such facilities to the payment of such bonds, and upon the pledge thereof such part of the levy so pledged shall not be reduced while such bonds are
outstanding and unpaid. If the district should provide for
special improvement bonds, the funds received from the charges
assessed to the properties being benefited, as provided in Section
14 of this act, shall be pledged, separately or in conjunction
with the revenues and the avails of taxes described above, for
payment of such bonds, and such assessments shall not be reduced
while such bonds are outstanding and unpaid.

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

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

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

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

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

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

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

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

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

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

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

Section 12. There is hereby created a statutory lien of the nature of a mortgage lien upon any system or systems acquired or constructed in accordance with this act, including all extensions
and improvements thereof or combinations thereof subsequently
made, which lien shall be in favor of the holder or holders of any
bonds issued pursuant hereto, and all such property shall remain
subject to such statutory lien until the payment in full of the
principal of and interest on such bonds. Any holder of such bonds
or any of the coupons representing interest thereon may, either at
law or in equity, by suit, action, mandamus or other proceeding,
in any court of competent jurisdiction, protect and enforce such
statutory lien and compel the performance of all duties required
by those sections, including the making and collection of
sufficient rates for the service or services, the proper
accounting thereof, and the performance of any duties required by
covenants with the holders of any bonds issued in accordance with
this act.

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

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

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

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

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

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

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

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

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

The resolution, in the discretion of the board of commissioners of the district, may provide for the district to pay the assessment against any property abutting a sewer or water improvement, if the property which assessment is being paid by the
district is occupied by a contributor or consumer connected to the sewer or water system who is or will be paying service charges at the time the assessment roll maintained by the district is confirmed. However, such payment shall not exceed an amount equal to that assessed against any one hundred twenty-five (125) feet of frontage of abutting property in a project.

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

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

The board of commissioners of the district, after giving notice and hearing protests in the manner prescribed by Sections 21-41-5 and 21-41-7, Mississippi Code of 1972, shall by resolution spread upon its minutes define the services to be offered and the entire area to be benefited by each improvement. Each such improvement may be designated as a project or all such improvements may be designated as one (1) project. However, if forty percent (40%) of the property owners or the owners of more than forty percent (40%) of the front footage of the property involved and actually residing on property owned by them and included within that part of any street, avenue, etc., ordered to be specially improved, or otherwise actually occupying property owned by them and included within that area designated as a project, file a protest, then the improvement shall not be made and the assessment shall not be made.
Charges shall be assessed in accordance with the provisions of Sections 21-41-9 through 21-41-21 and 21-41-25 through 21-41-39, Mississippi Code of 1972.

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

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

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

Section 16. The board of commissioners of the district issuing bonds under this act shall prescribe and collect reasonable rates, fees, tolls or charges for the services, facilities and commodities of its system or systems; shall prescribe penalties for the nonpayments thereof; and shall revise such rates, fees, tolls or charges from time to time whenever necessary to insure the economic operation of such system or systems. The rates, fees, tolls or charges prescribed shall be, as nearly as possible, such as will always produce revenue at
least sufficient to: (a) provide for all expenses of operation
and maintenance of the system or systems, including reserves
therefor, (b) pay when due all bonds and interest thereon for the
payment of which such revenues are or have been pledged, charged
or otherwise encumbered, including reserves therefor, and (c)
provide funds for reasonable expansions, extensions and
improvements of service.

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

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

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

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

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

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

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