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To: Local and Private;  
Finance

## SENATE BILL NO. 3317

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 CONTIGUOUS AREAS IN HARRISON COUNTY NOT  
4 WITHIN THE CORPORATE BOUNDARIES OF A MUNICIPALITY TO INCORPORATE  
5 AS DRAINAGE DISTRICTS, RECREATION DISTRICTS, COMBINED WATER,  
6 SEWER, GARBAGE COLLECTION, FIRE PROTECTION AND DRAINAGE DISTRICTS  
7 OR COMBINED WATER, SEWER, GARBAGE COLLECTION, FIRE PROTECTION,  
8 DRAINAGE AND RECREATION DISTRICTS; TO AUTHORIZE NONRESIDENTS OF  
9 DISTRICTS FORMED UNDER THIS ACT FOR CERTAIN MASTER PLANNED  
10 COMMUNITIES TO SERVE AS COMMISSIONERS ON THE GOVERNING BODY OF  
11 SUCH DISTRICTS; TO AUTHORIZE THE BOARD OF SUPERVISORS OF HARRISON  
12 COUNTY TO ADD IN SUBSEQUENT RESOLUTIONS THE POWER TO CONDUCT  
13 SYSTEMS NOT ENUMERATED IN THE ORIGINAL RESOLUTION UPON REQUEST OF  
14 THE OWNER OF CERTAIN PARCELS OF LAND BEING DEVELOPED AS A MASTER  
15 PLANNED COMMUNITY; AND FOR RELATED PURPOSES.

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

17 SECTION 1. Chapter 50, Laws of the First Extraordinary  
18 Session of 1964, as amended by Chapter 890, Local and Private Laws  
19 of 1973, as amended by Chapter 973, Local and Private Laws of  
20 1974, as amended by Chapter 962, Local and Private Laws of 1977,  
21 as amended by Chapter 835, Local and Private Laws of 1984, as  
22 amended by Chapter 922, Local and Private Laws of 1987, as amended  
23 by Chapter 982, Local and Private Laws of 1999, is amended as  
24 follows:

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

33 combined water and sewer district, as a combined water and garbage  
34 collection district, as a combined water and fire protection  
35 district, or as a combined water, sewer, garbage collection, and  
36 fire protection district, or as a combined water, sewer, garbage  
37 collection, fire protection, and drainage district, or a combined  
38 water, sewer, garbage collection, fire protection, drainage, and  
39 recreation district, in the following manner:

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

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

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

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

103 within the proposed district and only such qualified electors as  
104 reside within such proposed district shall be entitled to vote in  
105 such election. Notice of such election, setting forth the time,  
106 place or places, and purpose of such election shall be published  
107 by the clerk of the board of supervisors, and such notice shall be  
108 published for the time and the manner herein provided for the  
109 publication of the aforesaid resolution of intention. The ballots  
110 to be prepared for and used at said election shall be in  
111 substantially the following form:

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

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

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

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

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

128 Any party having an interest in the subject matter and  
129 aggrieved or prejudiced by the findings and adjudication of the  
130 board of supervisors may appeal to the circuit court of the county  
131 in the manner provided by law for appeals from orders of the board  
132 of supervisors; provided, that if no such appeal be taken within a  
133 period of fifteen (15) days from and after the date of the  
134 adoption of the resolution creating any such district, the  
135 creation of such district shall be final and conclusive, and shall

136 not thereafter be subject to attack in any court.

137 Section 2. From and after the date of the adoption of the  
138 resolution creating any such district, such district shall be a  
139 public corporation in perpetuity under its corporate name and  
140 shall, in that name, be a body politic and corporate with power of  
141 perpetual succession. The powers of each such district shall be  
142 vested in and exercised by a board of commissioners consisting of  
143 five (5) members, to be appointed by the board of supervisors.  
144 Upon their initial appointment, one (1) of the commissioners shall  
145 be appointed for a term of one (1) year; one (1) for a term of two  
146 (2) years; one (1) for a term of three (3) years; one (1) for a  
147 term of four (4) years; and one (1) for a term of five (5) years;  
148 and thereafter, each commissioner shall be appointed and shall  
149 hold office for a term of five (5) years. Any vacancy occurring  
150 on such a board of commissioners shall be filled by the board of  
151 supervisors at any regular meeting of such board of supervisors,  
152 which board of supervisors shall have the authority to fill all  
153 unexpired terms of any commissioner or commissioners. For any  
154 district created pursuant to a petition signed by the owner of a  
155 parcel of land of at least three thousand five hundred (3,500)  
156 acres to be developed or being developed as a master planned  
157 community, as provided in Section 1(a) of this act, any such  
158 vacancy may be filled by a person who is not a resident of the  
159 district but who has been designated by the owner of such parcel  
160 to be developed or being developed as a master planned community.

161 Notwithstanding the appointive authority herein granted to the  
162 board of supervisors, its legal and actual responsibilities,  
163 authority and function, subsequent to the creation of any such  
164 district, shall be specifically limited to said appointive  
165 function, and the operation, management, subsequent possible  
166 annexation, abolition or dissolution of such district, and all  
167 other matters in connection therewith, shall be vested solely and  
168 only in said board of commissioners to the specific exclusion of

169 said board of supervisors, and the abolition, dissolution or  
170 termination of any such district shall be accomplished only by  
171 unanimous resolution of the board of commissioners. Provided,  
172 however, that such board of commissioners shall have no power,  
173 jurisdiction, or authority to abolish, dissolve or terminate any  
174 such district while such district has any outstanding indebtedness  
175 of any kind or character.

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

194 Section 4. Any person, who may be a nonresident or a  
195 resident of the district, designated by the owner of a parcel of  
196 land of at least three thousand five hundred (3,500) acres to be  
197 developed or being developed as a master planned community and  
198 every citizen of any district created pursuant to this act, of  
199 good reputation, being the owner of land situated within such  
200 district and over twenty-five (25) years of age, and of sound mind  
201 and judgment shall be eligible to hold the office of commissioner.

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

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

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

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



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

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

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

287 (a) To sue and be sued.

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

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

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

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

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

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

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

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

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

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

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

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

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

334 bondholders.

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

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

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

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

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

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

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

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

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

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

407 Section 10. (1) The board of commissioners of any district  
408 created under this act may issue bonds of the district by  
409 resolution spread upon the minutes of the board. Bonds may be  
410 issued from time to time without an election being held upon the  
411 question of their issuance unless the board of commissioners of  
412 the district is presented with a petition for an election upon the  
413 question of their issuance signed by twenty percent (20%) or two  
414 hundred fifty (250), whichever is the lesser, of the qualified  
415 electors residing within the district. The resolution authorizing  
416 any future issue of bonds shall be published in a manner similar  
417 to the publication outlined in paragraph (b) of Section 1 of this  
418 act. If an election is required, it shall be held in substantial  
419 accordance with the election outlined in paragraph (b) of Section  
420 1 of this act. The cost of this election shall be borne by the  
421 district.

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

433 evidenced by proper coupons attached thereto.

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

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

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

466 such chairman and treasurer.

467 (6) Any provisions of the general laws to the contrary  
468 notwithstanding, any bonds and interest coupons issued pursuant to  
469 the authority of this act shall be securities within the meaning  
470 of Article 8 of the Uniform Commercial Code, being Section  
471 75-8-101 et seq., Mississippi Code of 1972.

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

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

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

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

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

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

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

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

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

529         (2) The proceeds derived from two (2) mills of the levy  
530 authorized in this section shall be included in the ten percent  
531 (10%) increase limitation under Section 27-39-321, Mississippi



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

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

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

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

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

565 mains are installed according to the frontage thereof.

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

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

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

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

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

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

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

631 Charges shall be assessed in accordance with the provisions  
632 of Sections 21-41-9 through 21-41-21 and 21-41-25 through  
633 21-41-39, Mississippi Code of 1972.

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

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

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

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

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

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

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

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

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

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

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

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

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

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