HOUSE BILL NO. 437

AN ACT TO REENACT SECTIONS 21-33-501 THROUGH 21-33-525, MISSISSIPPI CODE OF 1972, WHICH AUTHORIZE CERTAIN MUNICIPALITIES TO CREATE LOCAL IMPROVEMENT TAXING DISTRICTS, PRESCRIBE THE POWERS AND DUTIES OF MUNICIPALITIES WITHIN SPECIAL TAXING DISTRICTS, PROVIDE FOR THE USE OF PROCEEDS FROM SPECIAL TAX LEVIED ON REAL ESTATE AND PROVIDE FOR THE ISSUANCE, EXECUTION AND PAYMENT OF BONDS; TO AMEND SECTION 14, CHAPTER 573, LAWS OF 1993, AS AMENDED BY SECTION 14, CHAPTER 502, LAWS OF 1998, TO EXTEND THE REPEALER ON LOCAL IMPROVEMENT TAXING DISTRICTS FROM JULY 1, 2001, TO JULY 1, 2002; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 21-33-501, Mississippi Code of 1972, is reenacted as follows:

[Until Laws, 2000, Chapter 459, Section 1, is effectuated under Section 5 of the Voting Rights Act of 1965, this section will read as follows:]

21-33-501. For the purposes of this article, the following words and phrases shall have the meanings ascribed herein unless the context clearly indicates otherwise:

(a) "Issuing authority" means any municipality or any urban renewal agency or redevelopment authority within such city or town having authority to issue bonds pursuant to this article.

(b) "Local improvements" means (i) any improvements constructed within a special local improvement taxing district or services established under this article to improve the appearance or functioning of property located within the district including, but not limited to, parks and related facilities, sidewalks, streets, street curbing, street medians, planting areas, walls, lighting equipment, fountains and flagpoles; (ii) trees, shrubs, flowers and other vegetation; (iii) security enhancements including, but not limited to, cameras, radios, monitors and
related equipment; (iv) private patrol services; and (v) any expenditures made in conjunction with the improvements set forth above such as the removal and relocation of utility service or purchase and removal of signs.

(c) "Special local improvement taxing district" means a district established pursuant to Section 21-33-503 and may be comprised of either residential or nonresidential real property. Nonresidential real property located within or immediately adjacent to a special local improvement taxing district comprised of residential real property may be included within such special local improvement taxing district by a request submitted in writing by the owner of such nonresidential property to the governing authorities of the municipality. Residential real estate property located within or immediately adjacent to a special local improvement taxing district comprised of nonresidential real property may be included within such special local improvement taxing district by a request submitted in writing by the owner of such residential property to the governing authorities of the municipality.

(d) "Municipality" means any city or town incorporated under the laws of the State of Mississippi with a population in excess of one hundred ninety thousand (190,000) according to the latest federal decennial census.

[From and after the date Laws, 2000, Chapter 459, Section 1, is effectuated under Section 5 of the Voting Rights Act of 1965, this section will read as follows:]

21-33-501. For the purposes of this article, the following words and phrases shall have the meanings ascribed herein unless the context clearly indicates otherwise:

(a) "Issuing authority" means any municipality or any urban renewal agency or redevelopment authority within such city or town having authority to issue bonds pursuant to this article.
(b) "Local improvements" means (i) any improvements constructed within a special local improvement taxing district or services established under this article to improve the appearance or functioning of property located within the district including, but not limited to, parks and related facilities, sidewalks, streets, street curbing, street medians, planting areas, walls, lighting equipment, fountains and flagpoles; (ii) trees, shrubs, flowers and other vegetation; (iii) security enhancements including, but not limited to, cameras, radios, monitors and related equipment; (iv) private patrol services; (v) the acquisition, rehabilitation and sale of property in a special local improvement taxing district; and (vi) any expenditures made in conjunction with the improvements set forth above such as the removal and relocation of utility service or purchase and removal of signs.

(c) "Special local improvement taxing district" means a district established pursuant to Section 21-33-503 and may be comprised of either residential or nonresidential real property. Nonresidential real property located within or immediately adjacent to a special local improvement taxing district comprised of residential real property may be included within such special local improvement taxing district by a request submitted in writing by the owner of such nonresidential property to the governing authorities of the municipality. Residential real estate property located within or immediately adjacent to a special local improvement taxing district comprised of nonresidential real property may be included within such special local improvement taxing district by a request submitted in writing by the owner of such residential property to the governing authorities of the municipality.

(d) "Municipality" means any city or town incorporated under the laws of the State of Mississippi with a population in...
excess of one hundred ninety thousand (190,000) according to the latest federal decennial census.

SECTION 2. Section 21-33-503, Mississippi Code of 1972, is reenacted as follows:

[Until Laws, 200, Chapter 459, Section 2, is effectuated under Section 5 of the Voting Rights Act of 1965, this section will read as follows:]

21-33-503. (1) The governing authority of a municipality is authorized to establish one or more special local improvement taxing districts and to levy and collect an annual special tax not to exceed six (6) mills against only that taxable real property that is included within each such district, provided that such a special tax shall not be levied or collected unless the governing authority (a) shall have adopted a resolution (i) designating an area a special local improvement taxing district and (ii) specifying the maximum millage to be levied on taxable real property in the district under this section, and (b) has received a petition in favor of the levy of such tax signed by the owners of at least seventy percent (70%) of the taxable real property in the proposed district. For purposes of this subsection, "owners" means those persons possessing a majority of the ownership interest in a piece of taxable real property.

(2) Such special tax levy shall be excluded from the limitations imposed under Section 27-39-321. Before adopting such resolution, the governing authority shall hold a public hearing with respect thereto after public notice by publication at least twice, once a week for two (2) consecutive weeks in a newspaper of general circulation in the municipality, with the first publication being not less than fourteen (14) calendar days before the date specified for such hearing, such notice to include the date, time and place of such hearing, the proposed boundaries of such special local improvement taxing district and the maximum
special tax to be levied on property in such district under this
section.

(3) The boundaries of the special local improvement taxing
district shall not be modified and special taxes shall not be
levied in excess of the maximum set forth in such resolution,
unless:

(a) The governing authority shall have amended such
resolution to reflect such modifications in the boundaries and tax
levy;

(b) The governing authority has received a petition in
favor of the levy of the special tax signed by owners, as that
term is defined in subsection (1) of this section, of at least
seventy percent (70%) of the taxable real property within the
modified boundaries of the district; and

(c) A public hearing is held as provided in subsection
(2) of this section. Any special local improvement taxing
district established under this article may include any real
property located within the corporate boundaries of the
municipality.

[From and after the date Laws, 2000, Chapter 459, Section 2,
is effectuated under Section 5 of the Voting Rights Act of 1965,
this section will read as follows:]

21-33-503. (1) (a) The governing authority of a
municipality is authorized to establish one or more special local
improvement taxing districts and to levy and collect an annual
special tax not to exceed six (6) mills against only that taxable
real property that is included within each such district, provided
that such a special tax shall not be levied or collected unless
the governing authority (a) shall have adopted a resolution (i)
designating an area a special local improvement taxing district
and (ii) specifying the maximum millage to be levied on taxable
real property in the district under this section, and (b) has
received a petition in favor of the levy of such tax signed by the
owners of at least sixty percent (60%) of the taxable real
property in the proposed district. For purposes of this
subsection, "owners" means those persons possessing a majority of
the ownership interest in a piece of taxable real property.

(b) Such special tax levy shall be excluded from the
limitations imposed under Section 27-39-321. Before adopting such
resolution, the governing authority shall hold a public hearing
with respect thereto after public notice by publication at least
twice, once a week for two (2) consecutive weeks in a newspaper of
general circulation in the municipality, with the first
publication being not less than fourteen (14) calendar days before
the date specified for such hearing, such notice to include the
date, time and place of such hearing, the proposed boundaries of
such special local improvement taxing district and the maximum
special tax to be levied on property in such district under this
section.

(c) The boundaries of the special local improvement
taxing district shall not be modified and special taxes shall not
be levied in excess of the maximum set forth in such resolution,
unless:

(i) The governing authority shall have amended
such resolution to reflect such modifications in the boundaries
and tax levy;

(ii) The governing authority has received a
petition in favor of the levy of the special tax signed by owners,
as that term is defined in subsection (1) of this section, of at
least seventy percent (70%) of the taxable real property within
the modified boundaries of the district; and

(iii) A public hearing is held as provided in
subsection (2) of this section. Any special local improvement
taxing district established under this article may include any
real property located within the corporate boundaries of the
municipality.
(2) (a) As an alternative to the procedure provided in subsection (1) of this section, a special local improvement taxing district may be created under this subsection (2) if the boundaries of the proposed special local improvement taxing district are within the boundaries of the homeowners' association representing that area. Upon delivery of a petition to the clerk of the municipality in which the proposed district is located, signed by the owners of at least sixty percent (60%) of the taxable real property in the homeowners' association representing the area in the proposed district, the municipality shall begin efforts to establish the district. Within fifteen (15) days after receipt of such a petition, the clerk of the municipality shall mail ballots to all of the property owners in the proposed special local improvement taxing district providing for a referendum on the issue of creating the district. The ballot shall clearly state the issue to be decided and shall indicate the date by which the ballot must be returned to the clerk of the municipality, which date may not be later than thirty (30) days after the date the clerk mailed the ballots. The governing authorities of the municipality shall adopt a resolution creating the special local improvement taxing district if on or before the last day fixed for the return of ballots, the owners of at least sixty percent (60%) of the taxable real property in the proposed special local improvement taxing district vote in favor of creating the district. The resolution shall contain a description of the boundaries of the district and shall specify the maximum millage rate to be levied upon taxable real property in the district for the municipality's fiscal year.

(b) The homeowners' association representing the property owners in the special local improvement taxing district shall submit a plan to the municipality specifying the local improvements proposed for the district during the municipality's upcoming fiscal year and the total amount proposed to be expended.
for the improvements. The governing authorities of the
municipality may levy a special tax not to exceed six (6) mills
upon all taxable real property in the district to provide funds
for the local improvements.

(c) The procedures required in this subsection (2) for
the establishment of a district shall be used for the modification
of the boundaries of a district.

SECTION 3. Section 21-33-505, Mississippi Code of 1972, is
reenacted as follows:

[Until Laws, 2000, Chapter 459, Section 3, is effectuated
under Section 5 of the Voting Rights Act of 1965, this section
will read as follows:]

21-33-505. (1) Upon the adoption of a resolution
establishing a special local improvement taxing district as set
forth under Section 21-33-503, the governing authority of a
municipality shall be authorized to exercise the following powers
within any special local improvement taxing district:

(a) To provide for the planning and design of local
improvements and the coordination of landscape design on different
parcels of property, including the preparation of working drawings
for the construction, acquisition and installation of local
improvements;

(b) To purchase, acquire, install and construct local
improvements;

(c) To purchase and acquire easements, air rights,
scenic rights-of-way and other interests in land on which local
improvements can be placed and which are necessary or desirable in
connection with any local improvements;

(d) To provide for the management of local
improvements, including but not limited to, providing maintenance
and services within the district; and

(e) To contract with a nonprofit local association duly
incorporated under the laws of the State of Mississippi to
undertake all or a portion of the activities within the local improvement district.

(2) A special local improvement taxing district shall be dissolved by resolution of the governing authority of the municipality if all activities for which such district was established have been completed and no debts incurred in connection with such activities are outstanding.

[From and after the date Laws, 2000, chapter 459, Section 3, is effectuated under Section 5 of the Voting Rights Act of 1965, this section will read as follows:]

21-33-505. (1) (a) Upon the adoption of a resolution establishing a special local improvement taxing district as set forth under Section 21-33-503(1), the governing authority of a municipality shall be authorized to exercise the following powers within any special local improvement taxing district:

(i) To provide for the planning and design of local improvements and the coordination of landscape design on different parcels of property, including the preparation of working drawings for the construction, acquisition and installation of local improvements;

(ii) To purchase, acquire, install and construct local improvements;

(iii) To purchase and acquire easements, air rights, scenic rights-of-way and other interests in land on which local improvements can be placed and which are necessary or desirable in connection with any local improvements;

(iv) To provide for the management of local improvements, including but not limited to, providing maintenance and services within the district; and

(v) To contract with a nonprofit local association duly incorporated under the laws of the State of Mississippi to undertake all or a portion of the activities within the local improvement district.
(b) A special local improvement taxing district created under Section 21-33-503(1) shall be dissolved by resolution of the governing authority of the municipality if all activities for which such district was established have been completed and no debts incurred in connection with such activities are outstanding.

(2) (a) Upon the adoption of a resolution establishing a special local improvement taxing district as set forth under Section 21-33-503(2), the homeowners' association representing the property area in the district shall be authorized to exercise the following powers within the special local improvement taxing district:

(i) To provide for the planning and design of local improvements and the coordination of landscape design on different parcels of property, including the preparation of working drawings for the construction, acquisition and installation of local improvements;

(ii) To purchase, acquire, install and construct local improvements;

(iii) To purchase and acquire easements, air rights, scenic rights-of-way and other interests in land on which local improvements can be placed and which are necessary or desirable in connection with any local improvements;

(iv) To provide for the management of local improvements, including but not limited to, providing maintenance and services within the district; and

(v) To contract with a nonprofit local association duly incorporated under the laws of the State of Mississippi to undertake all or a portion of the activities within the district.

(b) A special local improvement taxing district established under Section 21-33-503(2) that has satisfied all indebtedness incurred in connection with activities of the district may be dissolved by following the petition and ballot
procedures provided for the establishment of the district in Section 21-33-503(2).

SECTION 4. Section 21-33-507, Mississippi Code of 1972, is reenacted as follows:

[Until Laws, 2000, Chapter 459, Section 4, is effectuated under Section 5 of the Voting Rights Act of 1965, this section will read as follows:]

21-33-507. The proceeds of any special tax levied on real estate property located within a special local improvement taxing district under Section 21-33-503 may be used to pay costs including administrative costs of and relating to exercising the powers set forth in Section 21-33-505.

Nothing stated herein shall prevent the use of such special tax for the purpose of planning and design of local improvement for any property located within a district and the coordination of landscape design on different parcels of property.

[From and after the date Laws, 2000, Chapter 459, Section 4, is effectuated under Section 5 of the Voting Rights Act of 1965, this section will read as follows:]

21-33-507. (1) The proceeds of any special tax levied on real estate property located within a special local improvement taxing district under Section 21-33-503(1) may be used to pay costs including administrative costs of and relating to exercising the powers set forth in Section 21-33-505(1).

Nothing stated herein shall prevent the use of such special tax for the purpose of planning and design of local improvement for any property located within a district and the coordination of landscape design on different parcels of property.

(2) (a) The proceeds of any special ad valorem tax levied on real property located within a special local improvement taxing district under Section 21-33-503(2) may be used to pay costs including administrative costs of and relating to exercising the powers set forth in Section 21-33-505(2). The municipality shall
hold the proceeds of the special ad valorem tax levy until

358 disbursing the proceeds to the homeowners' association

359 representing the area in a district created under Section

360 21-33-503(2). The proceeds from the special ad valorem tax levy

361 disbursed to a homeowners' association shall remain public funds

362 and shall be subject to review by the State Auditor of Public

363 Accounts. The municipality may retain a portion of the proceeds

364 of such tax levy in an amount necessary to defray costs incurred

365 by the municipality in establishing a district or modifying the

366 boundaries of a district. A homeowners' association shall keep

367 the proceeds of such ad valorem tax levy separate and apart from

368 other funds of the association. Accounting for receipts and

369 expenditures of proceeds from the ad valorem tax levy shall be

370 made separately and apart from the accounting of receipts and

371 expenditures of the homeowners' association for other funds of the

372 district. The homeowners' association shall have its books and

373 records audited annually by an independent certified public

374 accountant and shall file a written report of the audit with the

375 clerk of the municipality. The clerk of the municipality shall

376 make the report of the audit available for public review. A

377 special local improvement taxing district shall operate on the

378 same fiscal year as the municipality.

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(b) Nothing in this subsection (2) shall prevent the

380 use of such special tax for the purpose of planning and design of

381 local improvements for any property located within a district and

382 the coordination of landscape design on different parcels of

383 property.

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SECTION 5. Section 21-33-509, Mississippi Code of 1972, is

385 reenacted as follows:

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[Until Laws, 2000, Chapter 459, Section 5, is effectuated

387 under Section 5 of the Voting Rights Act of 1965, this section

388 will read as follows:]
21-33-509. The governing authority of a municipality exercising the authority to levy a special tax as set forth in Section 21-33-503 shall levy such tax at the maximum rate specified in the resolution provided for in Section 21-33-503 against all property in such special local improvement taxing district unless a lesser rate will provide revenues sufficient to pay debt service on all bonds payable from such tax and to pay costs of exercising the powers authorized pursuant to Section 21-33-505, and if a municipality has delegated to an urban renewal agency or redevelopment authority any of its authority under this article, the governing authority of such urban renewal agency or redevelopment authority shall have certified to the municipality that a lesser tax rate will be sufficient to make such payments, in which event the governing authority of the municipality shall levy such tax at such lesser rate.

The governing authority may also enter into agreements for the benefit of holders of bonds issued by an urban renewal agency or redevelopment authority of the municipality pursuant to Section 21-33-511 including, without limitation, agreements limiting or restricting issuance of bonds by the municipality which would be payable from such special tax, to the extent that such governing authorities shall determine that such agreements are necessary or desirable in connection with the issuance of bonds by an urban renewal agency or redevelopment authority pursuant to Section 21-33-511.

[From and after the date Laws, 2000, Chapter 459, Section 5, is effectuated under Section 5 of the Voting Rights Act of 1965, this section will read as follows:]

21-33-509. (1) (a) The governing authority of a municipality exercising the authority to levy a special tax as set forth in Section 21-33-503(1) shall levy such tax at the maximum rate specified in the resolution provided for in Section 21-33-503(1) against all property in such special local improvement taxing district unless a lesser rate will provide revenues sufficient to pay debt service on all bonds payable from such tax and to pay costs of exercising the powers authorized pursuant to Section 21-33-505, and if a municipality has delegated to an urban renewal agency or redevelopment authority any of its authority under this article, the governing authority of such urban renewal agency or redevelopment authority shall have certified to the municipality that a lesser tax rate will be sufficient to make such payments, in which event the governing authority of the municipality shall levy such tax at such lesser rate.

The governing authority may also enter into agreements for the benefit of holders of bonds issued by an urban renewal agency or redevelopment authority of the municipality pursuant to Section 21-33-511 including, without limitation, agreements limiting or restricting issuance of bonds by the municipality which would be payable from such special tax, to the extent that such governing authorities shall determine that such agreements are necessary or desirable in connection with the issuance of bonds by an urban renewal agency or redevelopment authority pursuant to Section 21-33-511.
improvement taxing district unless a lesser rate will provide revenues sufficient to pay debt service on all bonds payable from such tax and to pay costs of exercising the powers authorized pursuant to Section 21-33-505(1), and if a municipality has delegated to an urban renewal agency or redevelopment authority any of its authority under this article, the governing authority of such urban renewal agency or redevelopment authority shall have certified to the municipality that a lesser tax rate will be sufficient to make such payments, in which event the governing authority of the municipality shall levy such tax at such lesser rate.

(b) The governing authority may also enter into agreements for the benefit of holders of bonds issued by an urban renewal agency or redevelopment authority of the municipality pursuant to Section 21-33-511 including, without limitation, agreements limiting or restricting issuance of bonds by the municipality which would be payable from such special tax, to the extent that such governing authorities shall determine that such agreements are necessary or desirable in connection with the issuance of bonds by an urban renewal agency or redevelopment authority pursuant to Section 21-33-511.

(2) The governing authorities of a municipality exercising the authority to levy a special tax as set forth in Section 21-33-503(2) shall levy such tax at the maximum rate specified in the resolution provided for in Section 21-33-503(2) against all taxable property in such special local improvement taxing district unless a lesser rate will provide revenues sufficient to pay the costs of improvements included in the plan submitted to the municipality under Section 21-33-503(2)(b).

SECTION 6. Section 21-33-511, Mississippi Code of 1972, is reenacted as follows:
Except until Laws, 2000, Chapter 459, Section 6, is effectuated under Section 5 of the Voting Rights Act of 1965, this section will read as follows:

21-33-511. The governing authority which has elected to exercise the authority to establish special local improvement taxing districts as provided in this article and the governing authority of any urban renewal agency or redevelopment authority to which authority under this article shall have been delegated, are authorized, in their discretion, to issue bonds for the purpose of defraying any costs described in Section 21-33-507; refunding outstanding bonds; paying costs relating to the issuance of such bonds; and establishing any reserve funds determined to be appropriate. Such bonds may be issued without an election thereon upon the adoption of a resolution by the governing authority of the issuing authority. Such bonds shall not be subject to any limitation as to amount and shall not be included in computing the statutory limitation of indebtedness of such issuing authority under any present or future law. Such bonds shall bear such date or dates, shall be of such denomination or denominations, shall bear interest at such rate or rates as shall be approved by the issuing authority, shall be payable at such place or places within or without the State of Mississippi, shall mature at such time or times and upon such terms and may be made redeemable prior to maturity with or without premium, shall bear such registration privileges and shall be in substantially such form as shall be determined by resolution of the governing authority of such issuing authority. Any bonds issued under this article may be sold at public or private sale at such price as may be determined by the governing authority.

Such bonds shall be executed by the manual or facsimile signature of the official or officials of such issuing authority which have been designated by the governing authority, with the seal of the issuing authority affixed thereto or reproduced.
thereon. Whenever such bonds shall have been signed by the
officials designated to sign the same who were in office at the
time of such signing but who may have ceased to be such officials
prior to the date of the sale and delivery of such bonds, or who
may not have been in office on the date such bonds may bear, the
signatures of such officials upon such bonds shall nevertheless be
valid and sufficient for all purposes and have the same effect as
if the person so officially signing such bonds had remained in
office until the delivery of the same to the purchaser or had been
in office on the date such bonds may bear.

[From and after the date Laws, 2000, Chapter 459, Section 6,
is effectuated under Section 5 of the Voting Rights Act of 1965,
this section will read as follows:]

21-33-511. The governing authority which has elected to
exercise the authority to establish special local improvement
taxing districts as provided in Section 21-33-503(1) and the
governing authority of any urban renewal agency or redevelopment
authority to which authority under this article shall have been
delegated, are authorized, in their discretion, to issue bonds for
the purpose of defraying any costs described in Section
21-33-507(1); refunding outstanding bonds; paying costs relating
to the issuance of such bonds; and establishing any reserve funds
determined to be appropriate. Such bonds may be issued without an
election thereon upon the adoption of a resolution by the
governing authority of the issuing authority. Such bonds shall
not be subject to any limitation as to amount and shall not be
included in computing the statutory limitation of indebtedness of
such issuing authority under any present or future law. Such
bonds shall bear such date or dates, shall be of such denomination
or denominations, shall bear interest at such rate or rates as
shall be approved by the issuing authority, shall be payable at
such place or places within or without the State of Mississippi,
shall mature at such time or times and upon such terms and may be
made redeemable prior to maturity with or without premium, shall bear such registration privileges and shall be in substantially such form as shall be determined by resolution of the governing authority of such issuing authority. Any bonds issued under this article may be sold at public or private sale at such price as may be determined by the governing authority.

Such bonds shall be executed by the manual or facsimile signature of the official or officials of such issuing authority which have been designated by the governing authority, with the seal of the issuing authority affixed thereto or reproduced thereon. Whenever such bonds shall have been signed by the officials designated to sign the same who were in office at the time of such signing but who may have ceased to be such officials prior to the date of the sale and delivery of such bonds, or who may not have been in office on the date such bonds may bear, the signatures of such officials upon such bonds shall nevertheless be valid and sufficient for all purposes and have the same effect as if the person so officially signing such bonds had remained in office until the delivery of the same to the purchaser or had been in office on the date such bonds may bear.

SECTION 7. Section 21-33-513, Mississippi Code of 1972, is reenacted as follows:

[Until Laws, 2000, Chapter 459, Section 7, is effectuated under Section 5 of the Voting Rights Act of 1965, this section will read as follows:]

21-33-513. Bonds issued under the provisions of this article shall be payable, both as to principal and interest, solely out of such special taxes levied pursuant to Section 21-33-503, and any contributions received by the issuing authority for such purpose, as shall be specified in the resolution authorizing issuance of such bonds, and the full faith and credit of the issuing authority shall not be pledged therefor, and such fact shall be recited on the face of each bond.
[From and after the date Laws, 2000, Chapter 459, Section 7, is effectuated under Section 5 of the Voting Rights Act of 1965, this section will read as follows:]

21-33-513. Bonds issued under the provisions of this article shall be payable, both as to principal and interest, solely out of such special taxes levied pursuant to Section 21-33-503(1), and any contributions received by the issuing authority for such purpose, as shall be specified in the resolution authorizing issuance of such bonds, and the full faith and credit of the issuing authority shall not be pledged therefor, and such fact shall be recited on the face of each bond.

SECTION 8. Section 21-33-515, Mississippi Code of 1972, is reenacted as follows:

21-33-515. (1) A resolution issuing bonds in compliance with this article may include any covenants which the governing authority deems necessary to make such bonds secure and marketable, including, but without limitation, covenants regarding the application of the bond proceeds; the pledging, application and securing of special taxes; the creation and maintenance of reserves; covenants to levy special taxes; covenants to enforce agreements; the investment of funds; the issuance of additional bonds; the terms and conditions upon which bondholders may exercise their rights and remedies; the replacement of lost, destroyed or mutilated bonds; the definition, consequences and remedies of an event of default; and the appointment of a receiver in the event of a default.

(2) All taxes or other revenues pledged to the payment of such bonds shall be subject to a lien in favor of the holders of such bonds, and all such taxes received by the issuing authority, or the municipality if such bonds shall have been issued by a redevelopment authority or an urban renewal agency shall be immediately subject to such lien without any physical delivery thereof or further act by the issuing authority, and such lien
shall be effective as against all parties asserting claims against the issuing authority or municipality, whether by way of tort, contract or otherwise, whether or not such parties may have had notice of such lien. Such pledge or trust agreement creating the same need not be filed or recorded except in the official minutes of the issuing authority.

(3) The state does hereby covenant with the holders of any such bonds that it will not, while any such bonds shall be outstanding, limit or diminish the right and power of any municipality to levy the special taxes authorized by this article, or the right and power of any municipality, urban renewal agency or redevelopment authority to fulfill any covenants with or for the benefit of such bondholders.

SECTION 9. Section 21-33-517, Mississippi Code of 1972, is reenacted as follows:

[Until Laws, 2000, Chapter 459, Section 8, is effectuated under Section 5 of the Voting Rights Act of 1965, this section will read as follows:]

21-33-517. The governing body of a municipality act, by resolution or order adopted by such governing body, may delegate the other authority granted under this article, including the authority to plan, construct and maintain local improvements pursuant to Section 21-33-505 and the authority to issue bonds pursuant to Section 21-33-511, to the urban renewal agency or the redevelopment authority of the municipality. If such authority has been so delegated hereunder and thereafter exercised, then any taxes levied hereunder shall be paid, upon receipt by the municipality, to the entity to which such authority has been delegated.

[From and after the date Laws, 2000, Chapter 459, Section 8, is effectuated under Section 5 of the Voting Rights Act of 1965, this section will read as follows:]
The governing body of a municipality that has established a special local improvement taxing district under Section 21-33-503(1), by resolution or order adopted by such governing body, may delegate the other authority granted under this article, including the authority to plan, construct and maintain local improvements pursuant to Section 21-33-505(1) and the authority to issue bonds pursuant to Section 21-33-511, to the urban renewal agency or the redevelopment authority of the municipality. If such authority has been so delegated hereunder and thereafter exercised, then any taxes levied hereunder shall be paid, upon receipt by the municipality, to the entity to which such authority has been delegated.

SECTION 10. Section 21-33-519, Mississippi Code of 1972, is reenacted as follows:

[Until Laws, 2000, chapter 459, Section 9, is effectuated under Section 5 of the Voting Rights Act of 1965, this section will read as follows:]

21-33-519. Any municipality which has formed a special local improvement taxing district under the authority of this article, and any urban renewal agency or redevelopment authority which has been delegated authority under this article, may accept and expend contributions from any other sources and apply such contributions to any of the purposes set forth in this article.

[From and after the date Laws, 2000, Chapter 459, Section 9, is effectuated under Section 5 of the Voting Rights Act of 1965, this section will read as follows:]

21-33-519. Any municipality which has formed a special local improvement taxing district under the authority of Section 21-33-503(1), any urban renewal agency or redevelopment authority which has been delegated authority under this article, and any homeowners' association representing the area in a district established under Section 21-33-503(2), may accept and expend...
contributions from any other sources and apply such contributions

to any of the purposes set forth in this article.

SECTION 11. Section 21-33-521, Mississippi Code of 1972, is
reenacted as follows:

21-33-521. Bonds issued under the provisions of this article
shall be legal investments for commercial banks, savings and loan
associations and insurance companies organized under the laws of
this state.

SECTION 12. Section 21-33-523, Mississippi Code of 1972, is
reenacted as follows:

21-33-523. This article, without reference to any statute
not referred to herein, shall be deemed to be full and complete
authority for the issuance of bonds, and shall be construed as an
additional and alternative method therefor, and none of the
present restrictions, requirements, conditions or limitations of
law applicable to the issuance or sale of bonds, notes or other
obligations by issuers in this state shall apply to the issuance
and sale of bonds under this article, and no proceedings shall be
required for the issuance of bonds other than those provided for
and required herein, and all powers necessary to be exercised in
order to carry out the provisions of this article are hereby
conferred.

SECTION 13. Section 21-33-525, Mississippi Code of 1972, is
reenacted as follows:

21-33-525. The bonds authorized by this article and the
income therefrom shall be exempt from all taxation in the State of
Mississippi.

SECTION 14. Section 14, Chapter 573, Laws of 1993, as
amended by Section 14, Chapter 502, Laws of 1998, is amended as
follows:

Section 14. This act shall take effect and be in force from
and after its passage and shall stand repealed July 1, 2002.
SECTION 15. The Attorney General of the State of Mississippi shall submit this act, immediately upon approval by the Governor, or upon approval by the Legislature subsequent to a veto, to the Attorney General of the United States or to the United States District Court for the District of Columbia in accordance with the provisions of the Voting Rights Act of 1965, as amended and extended.

SECTION 16. This act shall take effect and be in force from and after the date it is effectuated under Section 5 of the Voting Rights Act of 1965, as amended and extended.