

By: Senator(s) Minor

To: Finance

SENATE BILL NO. 2855

1 AN ACT TO AUTHORIZE COUNTIES AND MUNICIPALITIES TO ESTABLISH
2 PUBLIC IMPROVEMENT DISTRICTS; TO PROVIDE FOR THE APPOINTMENT OF A
3 BOARD OF DIRECTORS TO GOVERN AND MANAGE THE OPERATION OF ANY SUCH
4 DISTRICT; TO PRESCRIBE THE POWERS AND DUTIES OF THE BOARD,
5 INCLUDING THE AUTHORITY TO ACQUIRE PROPERTY THROUGH GIFT, PURCHASE
6 OR CONDEMNATION PROCEEDINGS, TO CONSTRUCT AND IMPROVE FACILITIES
7 FOR WATER, SEWER AND WASTEWATER MANAGEMENT, FOR ROADS, PARKS, AND
8 RECREATIONAL INFRASTRUCTURE, AND FOR FIRE STATIONS AND FIRE
9 PREVENTION CONTROL FACILITIES AND EQUIPMENT; TO AUTHORIZE THE
10 DISTRICT TO ISSUE BONDS, NOTES AND OTHER EVIDENCES OF DEBT AND
11 INCUR INDEBTEDNESS FOR PROJECTS PERFORMED BY THE DISTRICT; TO
12 PROVIDE FOR SPECIAL ASSESSMENTS, FEES AND CHARGES THAT MAY BE
13 LEVIED AND IMPOSED UPON PROPERTY WITHIN THE DISTRICT; TO PROVIDE
14 FOR THE ESTABLISHMENT OF LIENS UPON REAL PROPERTY WITHIN THE
15 DISTRICT TO ENFORCE THE COLLECTION OF ASSESSMENTS, FEES AND
16 CHARGES IMPOSED BY THE DISTRICT; TO PRESCRIBE THE MANNER AND
17 PROCEDURE FOR TERMINATION OF THE DISTRICT; TO AMEND SECTION
18 17-13-5, MISSISSIPPI CODE OF 1972, IN CONFORMITY TO THE PROVISIONS
19 OF THIS ACT; AND FOR RELATED PURPOSES.

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

21 **SECTION 1.** This act shall be known and may be cited as the
22 "Public Improvement District Act."

23 **SECTION 2.** The Legislature finds that:

24 (a) There is a need for uniform, focused and fair
25 procedures in state law to provide a reasonable alternative for
26 the establishment, power, operation and duration of independent
27 districts to manage and finance basic public improvement services;
28 and that, based upon a proper and fair determination of applicable
29 facts, an independent district can constitute a timely, efficient,
30 effective, responsive and economic way to deliver these basic
31 services, thereby providing a solution to the state's planning,
32 management and financing needs for delivery of capital
33 infrastructure in order to service projected growth without
34 overburdening counties and municipalities and their taxpayers.



35 (b) It is the legislative intent and purpose to
36 authorize a uniform procedure by general law to establish an
37 independent special district as an alternative method to manage
38 and finance basic services for public improvements through the
39 levy and collection of special assessments. It is further the
40 legislative intent and purpose to provide by general law for the
41 uniform operation, exercise of power and procedure for termination
42 of any such independent district. It is further the purpose and
43 intent of the Legislature that a district created under this act
44 not have or exercise any zoning or permitting power. It is
45 further the purpose and intent of the Legislature that no debt or
46 obligation of a district shall constitute a burden on any local
47 government without its consent.

48 **SECTION 3.** As used in this act the following terms shall
49 have the meanings ascribed to them in this section unless the
50 context clearly requires otherwise:

51 (a) "Assessable improvements" means any public
52 improvements and community facilities that the district is
53 empowered to provide in accordance with this act.

54 (b) "Assessment bonds" means special obligations of the
55 district that are payable solely from proceeds of the special
56 assessments levied for an assessable project.

57 (c) "Board" or "board of directors" means the governing
58 board of the district or, if such board has been abolished, the
59 board, body or commission succeeding to the principal functions
60 thereof or to whom the powers given to the board by this act have
61 been given by law.

62 (d) "Bond" includes "certificate," and the provisions
63 that are applicable to bonds are equally applicable to
64 certificates. The term "bond" includes any assessment bond,
65 refunding bond, revenue bond and other such obligation in the
66 nature of a bond as is provided for in this act.



67 (e) "Public improvement district" or "district" means a
68 special district that is created pursuant to this act and limited
69 to the performance of those specialized functions authorized by
70 this act, the boundaries of which are contained wholly within a
71 single county; the governing head of which is a body created,
72 organized and constituted and authorized to function specifically
73 as prescribed in this act for the delivery of public improvement
74 services; and the formation powers, governing body, operation,
75 duration accountability, requirements for disclosure and
76 termination of which are as required by general law.

77 (f) "Cost," when used with reference to any project,
78 includes but is not limited to:

79 (i) The expenses of determining the feasibility or
80 practicability of acquisition, construction or reconstruction.

81 (ii) The cost of surveys, estimates, plans and
82 specifications.

83 (iii) The cost of improvements.

84 (iv) Engineering, fiscal and legal expenses and
85 charges.

86 (v) The cost of all labor, materials, machinery
87 and equipment.

88 (vi) The cost of all lands, rights, servitudes and
89 franchises acquired.

90 (vii) Financing charges.

91 (viii) The creation of initial reserve and debt
92 service funds.

93 (ix) Working capital.

94 (x) Interest charges incurred or estimated to be
95 incurred on money borrowed before and during construction and
96 acquisition and for such reasonable period of time after
97 completion of construction or acquisition as the board may
98 determine.



99 (xi) The cost of issuance of bonds pursuant to
100 this act, including advertisements and printing.

101 (xii) The cost of any election held pursuant to
102 this act and all other expenses of issuance of bonds.

103 (xiii) The discount, if any, on the sale or
104 exchange of bonds.

105 (xiv) Administrative expenses.

106 (xv) Such other expenses as may be necessary or
107 incidental to the acquisition, construction or reconstruction of
108 any project or to the financing thereof, or to the development of
109 any lands within the district.

110 (g) "District manager" means the manager of the
111 district.

112 (h) "District roads" means highways, streets, roads,
113 alleys, sidewalks, landscaping, storm drains, bridges and
114 thoroughfares of all kinds and descriptions.

115 (i) "Landowner" means the owner of land, including real
116 property as it appears in the official records of the county,
117 including a trustee, a private corporation and an owner of a
118 condominium unit.

119 (j) "Project" means any development, improvement,
120 property, utility, facility, works, enterprise or service
121 undertaken after the passage of this act or established under the
122 provisions of this act.

123 (k) "Revenue bonds" means obligations of the district
124 that are payable from revenues derived from sources other than ad
125 valorem taxes on real or personal property and that do not pledge
126 the property, credit or general tax revenue of the district.

127 (l) "Sewer system" means any plant, system, facility or
128 property, and additions, extensions and improvements thereto,
129 useful or necessary in connection with the collection, treatment
130 or disposal of sewage.



131 (m) "Water management and control facilities" means any
132 lakes, canals, ditches, reservoirs, dams, levees, floodways,
133 pumping stations or any other works, structures or facilities for
134 the conservation, control, development, utilization and disposal
135 of water, and any purposes incidental thereto.

136 (n) "Water system" means any plant system, facility or
137 property, and additions, extensions, and improvements thereto,
138 useful or necessary in connection with the development of sources,
139 treatment or purification and distribution of water.

140 **SECTION 4.** (1) The method for the establishment of a public
141 improvement district shall be pursuant to an ordinance adopted by
142 the governing body of the county in which the land is located
143 granting a petition for the establishment of a public improvement
144 district. The petition for the establishment of a public
145 improvement district shall be filed by the petitioner with the
146 governing body of the county. The petition shall contain:

147 (a) A description of the boundaries of the district;

148 (b) The written consent to the establishment of the
149 district by all landowners in the district;

150 (c) A designation of five (5) persons to be the initial
151 members of the board of directors, who shall serve in that office
152 until replaced by elected members as provided in this act;

153 (d) The proposed name of the district;

154 (e) A map of the proposed district showing existing
155 infrastructure, if any; and

156 (f) Based upon available data, the proposed timetable
157 for construction of the district services and the estimated cost
158 of constructing the proposed services.

159 (2) A public hearing on the petition shall be conducted by
160 the governing body of the county within forty-five (45) days after
161 the petition is filed unless an extension of time is requested by
162 the petitioners and granted by the governing body of the county.
163 The hearing shall be held at an accessible location in the county



164 in which the public improvement district is to be located. The
165 petitioner shall cause a notice of the hearing to be published in
166 a newspaper having general circulation in the county at least once
167 a week for the four (4) successive weeks immediately prior to the
168 hearing. Such notice shall give the time and place for the
169 hearing, a description of the area to be included in the district,
170 and any other relevant information which the establishing
171 governing bodies may require. The advertisement shall be
172 published in the official minutes of the local governing body.

173 (3) The governing body of the county shall consider the
174 record of the public hearing and any other relevant factors in
175 making its determination to grant or deny a petition for the
176 establishment of a public improvement district.

177 (4) An ordinance establishing a public improvement district
178 shall include the boundaries of the district, the names of the
179 five (5) persons designated to be the initial members of the board
180 of directors of the district and the name of the district.

181 (5) If all of the land in the area for the proposed district
182 is within the territorial jurisdiction of a municipality, then the
183 petition requesting establishment of a public improvement district
184 under this act shall be filed by the petitioner with that
185 particular municipality. In such event, the duties of the county
186 with regard to the petition shall be the duties of the
187 municipality. If any of the land area of a proposed district is
188 within the land area of a municipality, the governing body of the
189 county may not create the district without the approval of the
190 municipality.

191 (6) The governing body of a county and/or a municipality may
192 enter into a contribution agreement with a district.

193 **SECTION 5.** (1) The board of the district shall exercise the
194 powers granted to the district pursuant to this act. The board
195 shall consist of five (5) members as otherwise provided in this
196 section. Each member shall hold office for a term of four (4)



197 years and until a successor is chosen and qualifies. The initial
198 members of the board shall be residents of the state and at least
199 one (1) of the initial members shall be a resident of the area
200 immediately adjacent to the district.

201 (2) Beginning six (6) years after the initial appointment of
202 members, the position of each member whose term has expired shall
203 be filled by a qualified elector of the district, elected by the
204 qualified electors of the district.

205 (3) Members of the board shall be known as directors and,
206 upon entering into office, shall take an oath of office. They
207 shall hold office for the terms for which they were elected or
208 appointed and until their successors are chosen and qualified. If
209 during the term of office, a vacancy occurs, the remaining members
210 of the board shall fill the vacancy by an appointment for the
211 remainder of the unexpired term.

212 (4) A majority of the members of the board constitutes a
213 quorum for the purposes of conducting its business and exercising
214 its powers and for all other purposes. Action taken by the
215 district shall be upon a vote of a majority of the members present
216 unless general law or a rule of the district requires a greater
217 number.

218 (5) As soon as practicable after each election or
219 appointment, the board shall organize by electing one (1) of its
220 members as chair and by electing a secretary, who need not be a
221 member of the board, and such other officers as the board may deem
222 necessary.

223 (6) The board shall keep a permanent minute book in which
224 shall be recorded minutes of all meetings, resolutions,
225 ordinances, proceedings and all corporate acts.

226 (7) Members of the board may receive per diem compensation
227 for services in an amount as provided under Section 25-3-69, and
228 shall be entitled to expenses necessarily incurred in the
229 discharge of their duties in accordance with Section 25-3-41. Any



230 payments for compensation and expenses shall be paid from funds of
231 the district.

232 SECTION 6. (1) The board shall employ and fix the
233 compensation of a district manager. The district manager shall
234 have charge and supervision of the works of the district and shall
235 be responsible for (a) preserving and maintaining any improvement
236 or facility constructed or erected pursuant to the provisions of
237 this act, (b) maintaining and operating the equipment owned by the
238 district, and (c) for performing such other duties as may be
239 prescribed by the board. The district manager may hire or
240 otherwise employ and terminate the employment of such other
241 persons including, without limitation, professional, supervisory
242 and clerical employees, as may be necessary as authorized by the
243 board. The compensation and other conditions of employment of the
244 officers and employees of the district shall be as provided by the
245 board. The district manager, a board member or district employee
246 may be a stockholder, officer or employee of a landowner.

247 (2) The board shall designate a person who is a resident of
248 the state as treasurer of the district, who shall have charge of
249 the funds of the district. Such funds shall be disbursed only
250 upon the order or pursuant to the resolution of the board by
251 warrant or check countersigned by the treasurer and by such other
252 person as may be authorized by the board. The board may give the
253 treasurer such other or additional powers and duties as the board
254 may deem appropriate and may fix his or her compensation. The
255 board may require the treasurer to give a bond in such amount on
256 such terms, and with such sureties as may be deemed satisfactory
257 to the board to secure the performance by the treasurer of his or
258 her powers and duties. The financial records of the district shall
259 be audited by an independent certified public accountant at least
260 once a year.



261 (3) The board may select as a depository for its funds any
262 qualified public depository as provided for under Sections
263 27-105-301 through 27-105-371.

264 **SECTION 7.** (1) The district shall comply with Sections
265 19-11-1 through 19-11-27, the County Budget Law.

266 (2) At least sixty (60) days before adoption of the annual
267 budget, the district board shall submit to the local governing
268 authorities having jurisdiction over the area included in the
269 district for purposes of disclosure and information only, the
270 proposed annual budget for the ensuing fiscal year and any
271 proposed long-term financial plan or program of the district for
272 future operations.

273 **SECTION 8.** The district shall take affirmative steps to
274 provide for the full disclosure of information relating to the
275 public financing and maintenance of improvements to real property
276 undertaken by the district. Such information shall be made
277 available to all existing residents and to all prospective
278 residents of the district. The district shall furnish each
279 developer of a residential development within the district with
280 sufficient copies of that information who shall provide each
281 prospective initial purchaser of property in that development with
282 a copy.

283 **SECTION 9.** The district shall have, and the board may
284 exercise, the power:

285 (a) To sue and be sued in the name of the district; to
286 adopt and use a seal and authorize the use of a facsimile thereof;
287 to acquire, by purchase, gift, devise or otherwise, and to dispose
288 of, real and personal property; and to make and execute contracts
289 and other instruments necessary or convenient to the exercise of
290 its powers.

291 (b) To contract for the services of consultants to
292 perform planning, engineering, financial, legal or other
293 appropriate services of a professional nature.



294 (c) To borrow money and accept gifts; to apply for and
295 use grants or loans of money or other property from the United
296 States, the state, a unit of local government or any person or any
297 organization for any district purposes and enter into agreements
298 required in connection therewith; and to hold, use and dispose of
299 such monies or property for any district purposes in accordance
300 with the terms of the gift, grant, loan or agreement relating
301 thereto.

302 (d) To adopt bylaws prescribing the powers, duties and
303 functions of the officers of the district, the conduct of the
304 business of the district and the maintenance of records.

305 (e) To maintain an office at such place or places as it
306 may designate within a county in which the district is located,
307 which office must be reasonably accessible to the landowners.
308 Meetings shall be held at such office or such other location as
309 may be designated by the board.

310 (f) To hold, control and acquire by donation, or
311 purchase or dispose of, any public servitudes or dedications to
312 public use and to make use of such servitudes or dedications for
313 any of the purposes authorized by this act.

314 (g) To lease as lessor or lessee to or from any person,
315 firm, corporation, association, or body public or private, any
316 projects of the type that the district is authorized to undertake
317 and facilities or property of any nature for the use of the
318 district to carry out any of the purposes authorized by this act.

319 (h) To borrow money and issue bonds, certificates,
320 warrants, notes or other evidence of indebtedness as provided in
321 this act; to levy such special assessments as may be authorized;
322 and to charge, collect and enforce fees and other user charges.

323 (i) To acquire property for public use through
324 condemnation, exercised pursuant to Sections 11-27-1 through
325 11-27-51, subject to the approval of the governing body of the



326 county and/or the municipality that enacted the ordinance
327 establishing the district.

328 (j) To raise, by user charges or fees authorized by
329 resolution of the board, amounts of money which are necessary for
330 the conduct of the district activities and services and to enforce
331 their receipt and collection in the manner prescribed by
332 resolution not inconsistent with law.

333 (k) To cooperate with, to contract with and to enter
334 into a contribution agreement with other governmental agencies and
335 governing bodies of counties and/or municipalities as may be
336 necessary, convenient, incidental or proper in connection with any
337 of the powers, duties or purposes authorized by this act.

338 (l) To determine, order, levy, impose, collect and
339 enforce special assessments pursuant to this act.

340 (m) To enter into interlocal cooperative agreements
341 pursuant to Section 17-13-1 et seq.

342 (n) To exercise all of the powers necessary and proper
343 in connection with any of the powers, duties or purposes
344 authorized by this act.

345 **SECTION 10.** The district shall have, and the board may
346 exercise, any or all of the special powers relating to public
347 improvements and community facilities authorized by this act. The
348 district shall have the power to finance, fund, establish,
349 acquire, construct or reconstruct, enlarge or extend, equip,
350 operate and maintain systems, facilities and basic infrastructures
351 for the following:

352 (a) Water management and control for the lands within
353 the district and connection of some or any of such facilities with
354 roads and bridges.

355 (b) Water supply, sewer and wastewater management,
356 reclamation and reuse, or any combination thereof.

357 (c) Bridges or culverts that may be needed across any
358 drain, ditch canal, floodway, holding basin, excavation, public



359 highway, tract, grade, fill or cut and roadways over levees and
360 embankments.

361 (d) District roads equal to or exceeding the
362 specifications of the county in which such district roads are
363 located, and street lights.

364 (e) Parks and facilities for indoor and outdoor
365 recreational, cultural and educational uses, and other tourism
366 related infrastructure and facilities.

367 (f) Fire prevention and control, including fire
368 stations, water mains and plugs, fire trucks, and other vehicles
369 and equipment.

370 (g) Security, except that the district may not exercise
371 any police power, but may contract with the appropriate local
372 governmental agencies for an increased level of such services
373 within the district boundaries.

374 (h) Waste collection and disposal.

375 (i) Systems as defined in Section 21-27-11(b).

376 **SECTION 11.** No public improvement district may purchase or
377 sell a water or wastewater utility that provides service to the
378 public, or enter into a management contract for such facilities,
379 until the board has held a public hearing on the purchase, sale or
380 management contract and has made a determination that the
381 purchase, sale or management contract is in the public interest.

382 **SECTION 12.** (1) The district may issue and sell from time
383 to time bonds, notes, negotiable notes, tax anticipation notes,
384 bond anticipation notes, other fund anticipation notes, renewal
385 notes, refunding bonds, interim certificates, certificates of
386 indebtedness, certificates of participation, debentures, warrants,
387 commercial paper or other obligations or evidences of indebtedness
388 to provide funds for and to fulfill and achieve its public purpose
389 or corporate purposes, as set forth in this act, including but not
390 limited to the payment of all or a portion of the costs of a
391 project, to provide amounts necessary for any corporate purposes,



392 including incidental expenses in connection with the issuance of
393 the obligations, the payment of principal and interest on the
394 obligations of the district, the establishment of reserves to
395 secure such obligations, and all other purposes and expenditures
396 of the district incident to and necessary or convenient to carry
397 out its public functions or corporate purposes, and any credit
398 enhancement for such obligations.

399 (2) Except as may otherwise be provided by the district, all
400 obligations issued by the district shall be negotiable instruments
401 and payable solely from the levy of any special assessment by the
402 district or from any other sources whatsoever that may be
403 available to the district but shall not be secured by the full
404 faith and credit of the state or the county or municipality that
405 created the district.

406 (3) Obligations shall be authorized, issued and sold by a
407 resolution or resolutions of the district adopted as provided in
408 this act. Such bonds or obligations may be of such series, bear
409 such date or dates, mature at such time or times, bear interest at
410 such rate or rates, including variable, adjustable, or zero
411 interest rates, be payable at such time or times, be in such
412 denominations, be sold at such price or prices, at public or
413 private negotiated sale, after advertisement as is provided for in
414 Section 17-21-53, be in such form, carry such registration and
415 exchangeability privileges, be payable at such place or places, be
416 subject to such terms of redemption and be entitled to such
417 priorities on the income, revenue and receipts of, or available
418 to, the district as may be provided by the district in the
419 resolution or resolutions providing for the issuance and sale of
420 the bonds or obligations of the district.

421 (4) The obligations of the district shall be signed by such
422 directors or officers of the district by either manual or
423 facsimile signatures as shall be determined by resolution or



424 resolutions of the district, and shall have impressed or imprinted
425 thereon the seal of the district or a facsimile thereof.

426 (5) Any obligations of the district may be validly issued,
427 sold and delivered notwithstanding that one or more of the
428 directors or officers of the district signing such obligations or
429 whose facsimile signature or signatures may be on the obligations
430 shall have ceased to be such director or officer of the district
431 at the time such obligations shall actually have been delivered.

432 (6) Obligations of the district may be sold in such manner
433 and from time to time as may be determined by the district to be
434 most beneficial, and the district may pay all expenses, premiums,
435 fees or commissions that it deems necessary or advantageous in
436 connection with the issuance and sale thereof, subject to the
437 provisions of this act.

438 (7) The district may authorize the establishment of a fund
439 or funds for the creation of a debt service reserve, a renewal and
440 replacement reserve or such other funds or reserves as the
441 district may approve with respect to the financing and operation
442 of any project and as may be authorized by any bond resolution,
443 trust agreement indenture of trust or similar instrument or
444 agreement pursuant to the provisions of which the issuance of
445 bonds or other obligations of the district may be authorized.

446 (8) Any cost, obligation or expense incurred for any of the
447 purposes specified in this act shall be a part of the project
448 costs and may be paid or reimbursed as such out of the proceeds of
449 bonds or other obligations issued by the district.

450 (9) Neither the directors of the board nor any person
451 executing the bonds shall be personally liable for the bonds or be
452 subject to any personal liability by reason of the issuance
453 thereof. No earnings or assets of the district shall accrue to
454 the benefit of any private persons. However, the limitation of
455 liability provided for in this subsection shall not apply to any



456 gross negligence or criminal negligence on the part of any
457 director or person executing the bonds.

458 (10) The district may avail itself of the provisions of
459 Sections 31-13-1 through 31-13-11.

460 (11) This act constitutes full and complete authority for
461 the issuance of bonds and the exercise of the powers of the
462 district provided herein. No procedures or proceedings,
463 publications, notices, consents, approvals, orders, acts or things
464 by the board or any board, officers, commission, department,
465 agency or instrumentality of the district, other than those
466 required by this act, shall be required to perform anything under
467 this act, except that the issuance or sale of bonds pursuant to
468 the provisions of this act shall comply with the general law
469 requirements applicable to the issuance or sale of bonds by the
470 district. Nothing in this act shall be construed to authorize the
471 district to utilize bond proceeds to fund the ongoing operations
472 of the district.

473 **SECTION 13.** Any pledge made by the district shall be valid
474 and binding from time to time when the pledge is made without the
475 need for physical delivery of any pledged property. The money,
476 assets or revenues of the district so pledged and thereafter
477 received by the district shall be immediately subject to the lien
478 of such pledge and shall be valid and binding as against all
479 parties having claims of any kind in tort, contract or otherwise
480 against the district, irrespective of whether such parties have
481 notice thereof. Neither the resolution nor any other instrument
482 by which a pledge is created need be recorded or filed in order to
483 establish and perfect a lien or security interest in the property
484 so pledged by the district.

485 **SECTION 14.** It is hereby determined that the creation of the
486 district and the carrying out of its public functions and
487 corporate purposes is, in all respects, a public and governmental
488 purpose for the benefit of the people of the state and for the



489 improvement of their health, safety, welfare, prosperity and
490 security, that such functions and purposes are public purposes and
491 that the district will be performing an essential governmental
492 function in the exercise of the powers conferred upon it by this
493 act. All obligations authorized to be issued by the district
494 pursuant to the provisions of this act, together with interest
495 thereof, income therefrom, and gain upon the sale thereof shall be
496 exempt from all state and local taxes.

497 **SECTION 15.** Bonds issued under the provisions of this act
498 shall be limited obligations of the district payable solely from
499 the sources pledged for the payment thereof. All such bonds shall
500 contain a statement on their face substantially to the effect that
501 neither the full faith and credit of the state nor the full faith
502 and credit of any governmental unit of the state are pledged to
503 the payment of the principal of or the interest on such bonds.
504 The issuance of bonds under the provisions of this act shall not
505 directly, indirectly or contingently obligate the state or any
506 governmental unit of the state to levy any taxes or to make any
507 appropriation for their payment arising out of contracts
508 authorized under this act.

509 **SECTION 16.** The state and all public officers, any county,
510 municipality or other subdivision or instrumentality of the state,
511 any political subdivision, any bank, banker, trust company,
512 savings bank and institution, building and loan association,
513 savings and loan association, investment company or any person
514 carrying on a banking or investment business, any insurance
515 company or business, insurance association and any person carrying
516 on an insurance business, any executor, administrator, curator,
517 trustee and other fiduciary, and any retirement system fund may
518 legally invest any sinking funds, monies or other funds belonging
519 to them or within their control in any bonds or other obligations
520 issued by the district pursuant to the provisions of this act, and
521 such bonds or other obligations shall be authorized security for



522 all public deposits. It is the purpose of this section to
523 authorize such persons, firms, corporations, associations,
524 political subdivisions and officers, or other entities public or
525 private, to use any funds owned or controlled by them, including
526 but not limited to sinking, insurance, investment, retirement,
527 compensation, pension and trust funds, and funds held on deposit,
528 for the purchase of any such bonds or other obligations of the
529 district and that any such bonds shall be authorized security for
530 all public deposits. However, nothing contained in this section
531 with regard to legal investments or security for public deposits
532 shall be construed as relieving any such person, firm, corporation
533 or other entity from any duty of exercising reasonable care in
534 selecting securities.

535 **SECTION 17.** (1) The board shall annually determine, order
536 and levy the annual installment of the total benefit special
537 assessments for bonds issued and related expenses to finance
538 district facilities and projects that are levied under this act.
539 These assessments may be due and collected during each year that
540 county taxes are due and collected, in which case such annual
541 installment and levy shall be evidenced to and certified to the
542 assessor by the board not later than August 31 of each year. Such
543 assessments shall be entered by the assessor on the county tax
544 rolls and shall be collected and enforced by the tax collector in
545 the same manner and at the same time as county taxes, and the
546 proceeds thereof shall be paid to the district. These benefit
547 special assessments shall be a lien on the property against which
548 assessed until paid and shall be collectible and enforceable in
549 like manner as county property taxes. All statutes regulating the
550 collection and enforcement of county property taxes shall apply to
551 the enforcement and collection of the benefit special assessments
552 levied under this section. The amount of the assessment for the
553 exercise of the district's powers under this act shall be
554 determined by the board based upon a report of the district's



555 engineer and assessed by the board upon such lands, which may be
556 part or all of the lands within the district benefited by the
557 improvement, apportioned between benefited lands in proportion to
558 the benefits received by each tract of land.

559 (2) To maintain and preserve the facilities and projects of
560 the district, the board shall levy a maintenance special
561 assessment. This assessment may be evidenced by and certified to
562 the assessor by the board of directors not later than August 31 of
563 each year and shall be entered by the assessor on the county tax
564 rolls and shall be collected and enforced by the tax collector in
565 the same manner and at the same time as county taxes, and the
566 proceeds therefrom shall be paid to the district. These
567 maintenance special assessments shall be a lien on the property
568 against which assessed until paid and shall be collectible and
569 enforceable in like manner as county property taxes and all
570 statutes regulating the collection and enforcement of county
571 property taxes shall apply to the enforcement and collection of
572 the benefit special assessments levied under this section. The
573 amount of the maintenance special assessment for the exercise of
574 the district's powers under this act shall be determined by the
575 board based upon a report of the district's engineer and assessed
576 by the board upon such lands, which may be all of the lands within
577 the district benefited by the maintenance thereof, apportioned
578 between the benefited lands in proportion to the benefits received
579 by each tract of land.

580 (3) Benefit special assessments and maintenance special
581 assessments authorized by this section shall be levied and payable
582 in annual installments for each year for which bonds secured by
583 the assessment are outstanding. The tax collector shall collect
584 and enforce assessments in the same manner and at the same time as
585 ad valorem taxes. Benefit special assessments and maintenance
586 special assessments shall constitute a lien on the property
587 against which assessed until paid and shall be on a parity with



588 the lien of state, county, municipal and school district property
589 taxes.

590 (4) The tax assessor and tax collector are entitled to
591 reasonable compensation for preparing the rolls and collecting the
592 assessments.

593 (5) District assessments may be made payable in no more than
594 thirty (30) yearly installments.

595 **SECTION 18.** Any lien in favor of the district arising under
596 this act may be enforced by the district in a court of competent
597 jurisdiction as provided by law. Such proceedings may be brought
598 at any time after the expiration of one (1) year from the date any
599 tax or installment thereof becomes delinquent.

600 **SECTION 19.** The district shall comply with the provisions of
601 Section 31-7-1 et seq., regarding the construction of public works
602 or the purchase of materials or supplies.

603 **SECTION 20.** (1) The district may prescribe, fix, establish
604 and collect rates, fees, rentals or other charges for the
605 facilities and services furnished by the district, within the
606 limits of the district, including, but not limited to,
607 recreational facilities, water management and control facilities
608 and water and sewer systems. The district may also recover the
609 costs of making connection with any district facility or system
610 and provide for reasonable penalties against any user or property
611 for any such rates, fees, rentals or other charges that are
612 delinquent.

613 (2) No such rates, fees, rentals or other charges for any of
614 the facilities or services of the district may be fixed until
615 after a public hearing at which all the users of the proposed
616 facility or services shall have an opportunity to be heard
617 concerning the proposed rates, fees, rentals or other charges.
618 Notice of such public hearing setting forth the proposed schedule
619 of rates, fees, rentals and other charges shall be published in



620 the official journal of the district once at least ten (10) days
621 before such public hearing.

622 SECTION 21. The district shall provide by ordinance with
623 respect to nonpayment, delinquency charges and discontinuance of
624 service for water and sewer services provided by the district.

625 SECTION 22. (1) The boundaries of the district may be
626 contracted or expanded in the same manner in which the district
627 was created pursuant to this act.

628 (2) The district may be terminated or dissolved in one of
629 the following ways:

630 (a) The district may be terminated or dissolved upon
631 the transfer of all the public improvement services of the
632 district to a unit of local government. The district shall be
633 terminated in accordance with a plan of termination which shall be
634 adopted by the board of directors and filed with the clerk of the
635 court.

636 (b) If, within five (5) years after the effective date
637 of the ordinance creating the district, a landowner has not
638 received a development permit on some part or all of the area
639 covered by the district, then the district will be automatically
640 dissolved and a court of competent jurisdiction shall cause a
641 statement to that effect to be filed in the public records.

642 (c) If the district has become inactive, the county or
643 municipality that created the district shall be informed and shall
644 take appropriate action.

645 SECTION 23. After the establishment of a district under this
646 act, each contract for the initial sale of a parcel of real
647 property and each contract for the initial sale of a residential
648 unit within the district shall include, immediately before the
649 space reserved in the contract for the signature of the purchaser,
650 the following disclosure statement in boldfaced and conspicuous
651 type which is larger than the type in the remaining text of the
652 contract: **"THE (Name of District) PUBLIC IMPROVEMENT DISTRICT MAY**



653 IMPOSE AND LEVY ASSESSMENTS ON THIS PROPERTY. THESE ASSESSMENTS
654 PAY THE CONSTRUCTION, OPERATION AND MAINTENANCE COSTS OF CERTAIN
655 PUBLIC FACILITIES AND SERVICES OF THE DISTRICT AND ARE SET
656 ANNUALLY BY THE GOVERNING BOARD OF THE DISTRICT. THESE
657 ASSESSMENTS ARE IN ADDITION TO COUNTY AND OTHER LOCAL GOVERNMENTAL
658 TAXES AND ASSESSMENTS AND ALL OTHER TAXES AND ASSESSMENTS PROVIDED
659 FOR BY LAW."

660 SECTION 24. Within thirty (30) days after the effective date
661 of the ordinance establishing a public improvement district under
662 this act, the district shall cause to be recorded in the land
663 records in the county in which it is located a "Notice of
664 Establishment of the _____ Public
665 Improvement District." The notice shall include the legal
666 description of the district and a copy of the disclosure statement
667 specified in this act.

668 SECTION 25. This act, being necessary for the welfare of the
669 state and its residents, shall be liberally construed to
670 effectuate its purposes.

671 SECTION 26. Section 17-13-5, Mississippi Code of 1972, is
672 amended as follows:

673 17-13-5. For the purpose of this chapter, the following
674 words shall be defined as herein provided unless the context
675 requires otherwise:

676 (a) "Local governmental unit" shall mean any county,
677 any incorporated city, town or village, any school district, any
678 utility district, any community college, any institution of higher
679 learning, * * * any municipal airport authority or regional
680 airport authority in the state or any public improvement district
681 created under the Public Improvement District Act.

682 (b) "Governing authority" shall mean the board of
683 supervisors of any county, board of trustees of any school
684 district or community college whether elective or appointive, the
685 governing board of any city, town or village, the board of



686 commissioners of a utility district, the Board of Trustees of
687 State Institutions of Higher Learning, * * * the commissioners of
688 a municipal airport authority or regional airport authority or the
689 board of directors of any public improvement district created
690 under the Public Improvement District Act.

691 **SECTION 27.** This act shall take effect and be in force from
692 and after its passage.

