

By: Senator(s) Posey

To: Local and Private;
Finance

SENATE BILL NO. 2989

1 AN ACT TO PROVIDE FOR THE CREATION OF THE PATTISON SEWER
2 DISTRICT IN CLAIBORNE COUNTY, MISSISSIPPI; TO AUTHORIZE THE BOARD
3 OF COMMISSIONERS OF THE DISTRICT TO CONSTRUCT A WASTEWATER
4 COLLECTION AND TREATMENT FACILITY AND RELATED SYSTEMS; TO PROVIDE
5 FOR THE ISSUANCE OF REVENUE BONDS TO CONSTRUCT THE WASTEWATER
6 TREATMENT FACILITY; AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** The Pattison Sewer District is hereby created and
9 is composed of the following described area:

10 Beginning at the northwest corner of the northeast 1/4
11 of Section 54, T11N, R3E; thence run north 0.5 miles;
12 thence run east 1.0 mile; thence run south 0.5 miles to
13 the northeast corner of the northwest 1/4 of Section 55;
14 thence run south 0.5 miles along the east line of the
15 northwest 1/4 of Section 55 to the southeast corner of
16 the northwest 1/4 of Section 55; thence run west 0.5
17 miles along the south line of the northwest 1/4 of
18 Section 55, thence run west 0.5 miles along the south
19 line of the northeast 1/4 of Section 54; thence run
20 north 0.5 miles along the west line of the northeast 1/4
21 of Section 54 to the Point of Beginning; all being
22 situated in Claiborne County, Mississippi.

23 **SECTION 2.** The Pattison Sewer District shall be and is
24 declared to be a valid political subdivision of the State of
25 Mississippi, with the power to sue and be sued and to contract and
26 be contracted with.

27 Upon the passage of this act and the appointment of the
28 initial board of commissioners, the board shall cause a notice or
29 declaration of commencement to run, within thirty (30) days, at



30 least two (2) times, within a newspaper having general circulation
31 in the district and Claiborne County.

32 **SECTION 3.** It is declared that the object and purpose of
33 creating the district is to provide sewer service to the residents
34 of the area described in Section 1 of this act and to provide ways
35 and means to carry out and accomplish such purpose, thereby
36 benefiting and making more valuable the lands in the district and
37 preserving and promoting the health, safety and convenience of the
38 residents in the district. In order to carry out and render
39 effective the object and the purpose of this act, the courts of
40 this state shall construe this act as an exercise by the
41 Legislature of all the power appertaining to it that is necessary
42 for the benefit of the health, safety and convenience of the
43 residents of the district. All the terms and provisions of this
44 act are to be liberally construed to effectuate the purposes
45 herein set forth and all powers required to accomplish the
46 purposes of this act are granted and conferred, including the
47 power to employ engineers and attorneys at such reasonable
48 compensation as the board of commissioners shall determine.

49 **SECTION 4.** From and after the effective date of this act,
50 the powers of the Pattison Sewer District shall be vested in and
51 exercised by a board of commissioners consisting of five (5)
52 members to be appointed by the Board of Supervisors of Claiborne
53 County, Mississippi. Upon their initial appointment, one (1) of
54 the commissioners shall be appointed for a term of four (4) years
55 and one (1) shall be for a term of three (3) years and one (1) for
56 a term of two (2) years and two (2) shall be appointed for the
57 term of one (1) year; thereafter, each commissioner shall be
58 appointed and shall hold office for a term of five (5) years. Any
59 vacancy occurring on the board of commissioners shall be filled by
60 the board of supervisors at a regular meeting of the board. The
61 board of supervisors shall have the authority to fill an unexpired
62 term of any commissioner or commissioners. Each commissioner



63 shall qualify for office by taking the oath required by Section
64 268 of the Mississippi Constitution of 1890, and by the filing
65 with the chancery clerk of the county a surety bond payable to the
66 State of Mississippi in the penal sum of Ten Thousand Dollars
67 (\$10,000.00), to be approved by the chancery clerk and conditioned
68 to provide for the favorable performance of his duties as
69 commissioner. The bond premium shall be paid out of the revenues
70 of the district.

71 The board of commissioners shall organize by electing one (1)
72 of its members as chairman and another as vice chairman and
73 another as secretary-treasurer. It shall be the duty of the
74 chairman to preside at all meetings of the board and to act as the
75 chief executive officer of the board of the district. The vice
76 chairman shall act in the absence or disability of the chairman.
77 The board also shall elect and fix the compensation of a
78 secretary-treasurer who may or may not be a member of the board.
79 It shall be the duty of the secretary-treasurer to keep a record
80 of all proceedings of the board and to safely keep all funds of
81 the district. The proceedings and records of the board shall be
82 available for inspection as other public records. The
83 secretary-treasurer shall be required to execute a bond, payable
84 to the district, in a sum and with such surety as shall be fixed
85 and approved by the board of commissioners. The terms of all
86 officers of the board shall be for one (1) year from and after the
87 date of election and shall run until their respective successors
88 are appointed and qualified. Each board of commissioners shall
89 adopt an official seal with which to attest the official acts and
90 records of the board and district.

91 Any qualified elector of Claiborne County using the service
92 of the district shall be eligible to hold the office of
93 commissioner. The commissioners shall receive reasonable
94 compensation and other related benefits for their services and
95 shall be reimbursed for any expenses necessarily incurred in the



96 discharge of their official duties. Compensation and other
97 benefits shall not be paid to the commissioners until sufficient
98 funding is available to meet all current financial obligations.

99 **SECTION 5.** Any district created pursuant to the provisions
100 of this act, acting by and through the board of commissioners of
101 the district, its governing authority, shall have the following
102 powers:

103 (a) To sue and be sued;

104 (b) To acquire by purchase, gift, devise or lease and
105 to hold and dispose of real and personal property of every kind;

106 (c) To make and enter into contracts, conveyances,
107 mortgages, deeds of trust, bonds or leases;

108 (d) To incur debts, to borrow money, to issue
109 negotiable bonds, and to provide for the rights of the holders
110 thereof;

111 (e) To fix, maintain, collect and revise rates and
112 charges for the services rendered by or through the facilities of
113 such district;

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

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

119 (h) To use any right-of-way, easement or other similar
120 property right;

121 (i) To adopt and issue a certificate of necessity to
122 use the power of eminent domain, including the right of immediate
123 possession, in the acquisition of real property. Upon the
124 adoption of such certificate of necessity, which shall state the
125 description of the real property needed to be acquired by eminent
126 domain, the authority shall transmit a copy of such certificate to
127 the Board of Supervisors of Claiborne County, to the governing
128 authorities of any public entity with the power of eminent domain



129 or to any other entity with the power of eminent domain. Such
130 board or entities may initiate proceedings under the provisions of
131 Title 11, Chapter 27, Mississippi Code of 1972. The eminent
132 domain proceedings thereby initiated shall be conducted according
133 to and governed by the provisions of Title 11, Chapter 27,
134 Mississippi Code of 1972;

135 (j) To enter into contracts and agreements with and
136 accept grants from any agency of the United States of America,
137 State of Mississippi or any municipality relating to the
138 construction, operation, maintenance and replacement of any sewer
139 collection system or treatment facilities;

140 (k) To have the power to issue new revenue bonds to
141 finance the construction and other related purposes of the system.
142 The amount of the revenue bonds authorized to be issued shall not
143 exceed an aggregate amount of Two Million Dollars (\$2,000,000.00).
144 Except as otherwise provided in this act, all powers with respect
145 to wastewater treatment facilities granted to municipalities of
146 the state by Sections 21-27-11 through 21-27-69 and Section
147 19-5-151 et seq., Mississippi Code of 1972, including the issuance
148 of revenue bonds, are conferred upon and may be exercised with the
149 district by the board.

150 **SECTION 6.** The commission shall have full power and
151 authority to issue all bonds of the district, but before issuing
152 any bonds, the commission shall adopt a resolution declaring its
153 intention so to do, stating the amount of the bonds proposed to be
154 issued, and the date upon which the commission proposes to direct
155 the issuance of the bonds. The resolution shall be published once
156 a week for at least three (3) consecutive weeks in at least one
157 (1) newspaper qualified under the provisions of Section 13-3-31,
158 Mississippi Code of 1972, in the county in which the district lies
159 and having a general circulation in the district which lies in the
160 county. The first publication of the resolution shall be made not
161 less than twenty-one (21) days prior to the date fixed in the



162 resolution for the issuance of the bonds, and the last publication
163 shall be made not more than seven (7) days prior to such date. If
164 ten percent (10%) of the users of the district shall file a
165 written protest against the issuance of such bonds on or before
166 the date specified in such resolution, then an election on the
167 question of the issuance of such bonds shall be called and held in
168 the manner to be provided by the commission by rules and
169 regulations promulgated prior to the adoption of the resolution
170 declaring the commission's intention to issue the bonds.

171 **SECTION 7.** There shall be and there is created a statutory
172 lien in the nature of a mortgage lien upon any system or systems
173 acquired or constructed in accordance with this act, including all
174 extensions and improvements thereof or combinations thereof
175 subsequently made. The statutory lien shall be in favor of the
176 holder or holders of any bonds issued pursuant to this act and all
177 such property shall remain subject to the statutory lien until the
178 payment in full of the principal of and interest on the bonds.
179 Any holder of the bonds or any of the coupons representing
180 interest thereon may either at law or in equity, by suit, action,
181 mandamus or other proceedings, in any court of competent
182 jurisdiction, protect and enforce such statutory lien and compel
183 performance of all duties required by this act, including the
184 making and collection of sufficient rates for the service or
185 services, the proper accounting thereof, and the performance of
186 any duties required by covenants with the holders of any bonds
187 issued in accordance with this act.

188 If any default is made in the payment of the principal of or
189 interest on the bonds, any court having jurisdiction of the action
190 may appoint a receiver to administer the district and the system
191 or systems, with power to charge and collect rates sufficient to
192 provide for the payment of all bonds and obligations outstanding
193 against the system or systems and for the payment of operating



194 expenses and to apply the income and revenues in conformity with
195 the provisions of this act and any covenants with bondholders.

196 **SECTION 8.** No holder or holders of any bonds issued pursuant
197 to this act shall ever have the right to compel the levy of any
198 tax to pay the bonds or the interest thereon. Each bond shall
199 recite in substance that the bond and interest thereon is payable
200 solely from the revenue pledged to the payment thereof and that
201 the bond does not constitute a debt of the district within the
202 meaning of any statutory limitation.

203 **SECTION 9.** The board of commissioners of the district
204 issuing bonds pursuant to this act shall prescribe and collect
205 reasonable rates, fees, tolls or charges for the services,
206 facilities and commodities of its system or systems, shall
207 prescribe penalties for nonpayment, and shall revise the rates,
208 fees, tolls or charges from time to time whenever necessary to
209 insure that the system or systems shall be and always remain
210 self-supporting. The rates, fees, tolls or charges prescribed
211 shall always produce revenue at least sufficient (a) to provide
212 for all expenses of operation and maintenance of the system or
213 systems, including reserves, and (b) to pay when due all bonds and
214 interest thereon for the payment of which the revenues are or
215 shall have been pledged, charged or otherwise encumbered,
216 including reserves.

217 **SECTION 10.** The property and revenue of the district shall
218 be exempt from all state, county and municipal taxation. Bonds
219 issued pursuant to this act and the income from such bonds shall
220 be exempt from all state, county and municipal taxation, except
221 inheritance, transfer and estate taxes, and it may be so stated on
222 the face of the bonds.

223 **SECTION 11.** Any area adjacent to any district created
224 pursuant to this act and situated within the same county as the
225 district may be annexed to and become a part of the district by
226 the procedure prescribed below:



227 (a) The board of supervisors, after due investigation,
228 may adopt a resolution finding and determining (i) that the public
229 convenience and necessity require extension of the district and
230 (ii) that the extension to the district is economically sound and
231 desirable. The resolution shall designate the contemplated
232 territorial limits of the extended district and the municipalities
233 and sewer districts proposed to be served.

234 (b) A certified copy of the resolution as so adopted
235 shall be published in a newspaper published in the county and
236 having a general circulation within the proposed district once a
237 week for at least three (3) consecutive weeks prior to the date
238 specified in the resolution as the date upon which the board
239 intends to create the district. The first publication shall be
240 made not less than twenty-one (21) days prior to the date
241 specified, and the last publication shall be made not more than
242 seven (7) days prior to the date.

243 (c) If twenty percent (20%) of the qualified electors
244 of the proposed district file a written petition with the board of
245 supervisors on or before the date specified protesting the
246 extension of the district, the board of supervisors shall call an
247 election on the question of the extending of the district. The
248 election shall be held and conducted by the election commissioners
249 of the county as nearly as may be in accordance with the general
250 laws governing elections and the election commissioners shall
251 determine which of the qualified electors of the county reside
252 within the proposed district and only such qualified electors that
253 reside within the proposed district shall be entitled to vote in
254 the election. Notice of the election, setting the time, place or
255 places, and purpose of the election shall be published by the
256 clerk of the board of supervisors. The notice shall be published
257 for the time and in the manner provided for the publication of the
258 resolution of intention. The ballots to be prepared for and used
259 at the election shall be in substantially the following form:



260 For extension of district ()
261 Against extension of district ()
262 and voters shall vote by placing a cross mark (x) or a check mark
263 (√) opposite their choice.

264 (d) If no petition requiring an election be filed or if
265 a majority of those voting at an election vote in favor of the
266 creation of the district, the board of supervisors shall adopt a
267 resolution creating the district as described in the resolution of
268 intention.

269 (e) Any party having an interest in the subject matter
270 and aggrieved or prejudiced by the findings and adjudications of
271 the board of supervisors may appeal to the circuit court of the
272 county in the manner provided by law for appeals from orders of
273 the board of supervisors; however, the appeal shall be taken
274 within a period of fifteen (15) days from and after the date of
275 the adoption of the resolution extending any such district.

276 All costs incident to the publication of notice and all other
277 costs incident to the hearings, election and proceedings shall be
278 paid by the district.

279 Within ninety (90) days after the close of each fiscal year,
280 the commissioners shall publish in a newspaper of general
281 circulation in the county a sworn statement showing the financial
282 condition of the district, the earnings for the fiscal year just
283 ended, a statement of the sewer rates being charged and a brief
284 statement of the method used in arriving at the rates. The
285 statement shall also be filed with the board of supervisors
286 creating the district.

287 **SECTION 12.** For the purposes of Section 77-3-1, Mississippi
288 Code of 1972, this wastewater treatment facility shall be deemed
289 to be a municipal sewage district not subject to the jurisdiction
290 of the Mississippi Public Service Commission, except as provided
291 by Section 77-3-1, Mississippi Code of 1972, and in this act.



292 **SECTION 13.** Any revenue bonds issued under the provisions of
293 this act may be submitted to validation under the provisions of
294 Sections 31-13-1 through 31-13-11, Mississippi Code of 1972.

295 **SECTION 14.** This act shall take effect and be in force from
296 and after its passage.

