

By: Representatives McBride, Morris,
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To: Local and Private
Legislation

HOUSE BILL NO. 1663
(As Sent to Governor)

1 AN ACT TO ESTABLISH A METHOD FOR CREATION OF THE PANOLA
2 COUNTY UTILITY DISTRICT WITHIN PANOLA COUNTY WHICH MAY BECOME
3 INCORPORATED AS A WATER DISTRICT, SEWER DISTRICT, FIRE PROTECTION
4 DISTRICT, NATURAL GAS DISTRICT OR ANY COMBINATION THEREOF; TO
5 PROVIDE FOR THE POWERS AND DUTIES OF SUCH DISTRICT; TO AUTHORIZE
6 THE DISTRICT TO ISSUE BONDS TO PROVIDE FUNDS FOR THE EXERCISE OF
7 ITS POWERS AND DUTIES; TO ESTABLISH THE TERMS AND CONDITIONS UPON
8 WHICH SUCH BONDS MAY BE ISSUED; TO AUTHORIZE THE BOARD OF
9 SUPERVISORS OF PANOLA COUNTY TO LEVY AN AD VALOREM TAX OR SPECIAL
10 ASSESSMENT WITHIN THE DISTRICT IF REVENUES OF THE DISTRICT ARE
11 INSUFFICIENT TO PAY PRINCIPAL OF AND INTEREST ON BONDS WHEN DUE;
12 AND FOR RELATED PURPOSES.

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

14 **SECTION 1.** Any contiguous area situated within Panola
15 County, Mississippi, and not being situated within the corporate
16 boundaries of any existing municipality or being situated within
17 an area which has been certificated by the Mississippi Public
18 Service Commission in connection with the provision of water,
19 sewer, natural gas and/or fire protection may become incorporated
20 as a water district, sewer district, natural gas district and/or
21 fire protection district, or as a combination of any of the four
22 (4) in the manner set forth in Section 2 of this act.

23 **SECTION 2.** (1) A petition for the incorporation of Panola
24 County Utility District may be submitted to the Board of
25 Supervisors of Panola County signed by not less than fifteen (15)
26 owners of real property within the boundaries of the proposed
27 district who also reside within the proposed district. Such
28 petition shall include:

29 (a) Statement of necessity for the service or services
30 to be supplied by the proposed district;

31 (b) The proposed boundaries of the district;

32 (c) An estimate of the cost of acquisition or
33 construction of the facilities to be operated by the district,
34 which estimate, however, shall not serve as a limitation upon the
35 financing of improvements or extensions to the facilities; and

36 (d) A statement of whether or not the Board of
37 Supervisors of Panola County is requested to exercise its
38 authority to levy taxes or assessments as outlined in this act.
39 Such petition shall be signed by the petitioners, with their
40 respective resident addresses, and shall be accompanied by a sworn
41 statement of each person circulating the petition, who shall state
42 under oath that he or she witnessed the signature of each
43 petitioner, that each signature is the signature of the person
44 that it purports to be, and that to the best of his or her
45 knowledge, each petitioner was at the time of signing an owner of
46 real property within, and a resident of, the proposed district.

47 (2) The Board of Supervisors of Panola County, upon receipt
48 of such a petition, or, in its discretion, without a petition
49 being submitted to it, may initiate the incorporation of a
50 district under this section by adoption of a resolution by not
51 less than a three-fifths (3/5) majority setting forth the
52 following:

53 (a) A finding that the public convenience and necessity
54 require the creation of the district;

55 (b) The proposed boundaries of the district;

56 (c) An estimate of the cost of acquisition or
57 construction of the facilities to be initially operated by the
58 district, which estimate, however, shall not serve as a limitation
59 upon the financing of improvements or extensions to the
60 facilities; and

61 (d) A statement of whether or not the board of
62 supervisors shall establish its authority to levy the taxes or
63 assessments outlined in this act.

64 **SECTION 3.** (1) Upon the filing of a petition, or upon the
65 adoption of a resolution declaring the intent of the board of
66 supervisors to incorporate such district without the filing of a
67 petition, the Board of Supervisors of Panola County shall fix a
68 time and date for a public hearing on the question of the public
69 convenience and necessity of the incorporation of the proposed
70 district. The date of the hearing, the place where it shall be
71 held, the proposed boundaries of the district, and the purpose of
72 the hearing shall be set forth in a notice. The notice shall be
73 signed by the Clerk of the Board of Supervisors of Panola County.
74 Such notice shall be published in a newspaper having general
75 circulation within Panola County once a week for at least three
76 (3) consecutive weeks before the date of such hearing. The first
77 publication shall be made not less than twenty-one (21) days
78 before the date of such hearing and the last such publication
79 shall be made not more than fourteen (14) days before the date of
80 such hearing.

81 (2) If, at such public hearing, the Board of Supervisors of
82 Panola County finds: (a) that the public convenience and the
83 creation of the district, and (b) that the creation of the
84 district is economically sound and desirable, then the Board of
85 Supervisors of Panola County shall adopt a resolution making those
86 findings and declaring its intention to create the district on a
87 date to be specified in such resolution. Such resolution also
88 shall designate the name of the proposed district, define its
89 territorial limits which shall be fixed by the board pursuant to
90 such hearing, and state whether or not the board of supervisors
91 shall have the authority to levy taxes or assessments as
92 authorized by this act.

93 A copy of the resolution of intent so adopted shall be
94 published in a newspaper having general circulation within Panola
95 County once a week for at least three (3) consecutive weeks before
96 the date specified in the resolution as the date upon which such

97 board intends to create such district. The first such publication
98 shall be made not less than twenty-one (21) days before the date
99 specified, and the last such publication shall be made not more
100 than fourteen (14) days before such date.

101 If twenty percent (20%) or fifteen hundred (1500), whichever
102 is less, of the owners of real property located in such proposed
103 district file a written petition with such board of supervisors on
104 or before the date specified in the resolution protesting the
105 creation of the district, the Board of Supervisors of Panola
106 County shall call an election on the question of the creation of
107 such district. Such election shall be held and conducted by the
108 election commissioners of Panola County as nearly as may be in
109 accordance with the general laws governing elections. The
110 election commissioners shall determine which of the qualified
111 electors of Panola County reside within the proposed district, and
112 only such qualified electors residing within such proposed
113 district shall be entitled to vote in such election. Notice of
114 such election setting forth the time, place or places and purpose
115 of such election shall be published by the clerk of the board of
116 supervisors, and such notice shall be published for the time and
117 in the manner prescribed in this section for the publication of
118 the resolution of intent. The ballot to be prepared for and used
119 at such election shall be in substantially the following form:

120 FOR THE CREATION OF THE PANOLA COUNTY UTILITY DISTRICT: ()

121 AGAINST CREATION OF THE PANOLA COUNTY UTILITY DISTRICT: ()

122 Voters shall vote by placing a cross mark (X) or a check mark
123 (✓) opposite their choice.

124 **SECTION 4.** If no petition requiring an election is filed, or
125 if three-fifths (3/5) of those voting in the election provided in
126 this act vote in favor of the creation of such district, the Board
127 of Supervisors of Panola County shall adopt a resolution creating
128 the district as prescribed in the resolution of intent.

129 **SECTION 5.** If the board of supervisors initiates the
130 creation of the district, all costs incident to the publication of
131 the notices, the public hearing and election, the preparation of
132 the resolution, and all other costs associated with the board
133 meeting the requirements of this act, may be paid by the Board of
134 Supervisors of Panola County, in its discretion, from any
135 available county fund it deems appropriate, or if the creation of
136 the district is initiated by the filing of a petition or
137 petitions, then the Board of Supervisors of Panola County may
138 either pay such costs or require that such costs shall be borne by
139 the parties filing the petition. The Board of Supervisors of
140 Panola County, in its discretion, may require the execution of a
141 cost bond by the parties filing the petition. Such bond shall be
142 in an amount and with good surety to guarantee the payment of such
143 costs.

144 **SECTION 6.** Any party having an interest in the subject
145 matter who is aggrieved or prejudiced by the findings and
146 adjudication of the board of supervisors may appeal to the Circuit
147 Court of Panola County in the manner provided by law for appeals
148 from orders of the board of supervisors. However, if no such
149 appeal is taken within a period of fifteen (15) days after the
150 date of the adoption of the resolution creating the Panola County
151 Utility District, the creation of the district shall be final and
152 conclusive and shall not thereafter be subject to attack in any
153 court.

154 **SECTION 7.** From and after the date of the adoption of the
155 resolution creating the district, such district shall be a public
156 corporation in perpetuity under its corporate name and, in that
157 name, shall be a body politic and corporate with powers of
158 perpetual succession.

159 **SECTION 8.** (1) The powers of the Panola County Utility
160 District may be vested and exercised by a board of commissioners
161 consisting of five (5) members appointed by the Board of

162 Supervisors of Panola County. The members of the board of
163 commissioners shall be qualified electors of Panola County at
164 least twenty-five (25) years of age and of sound and disposing
165 mind and judgment. Upon their initial appointment, one (1) of the
166 commissioners shall be appointed for a term of one (1) year; one
167 (1) for a term of two (2) years; one (1) for a term of three (3)
168 years; one (1) for a term of four (4) years; and one (1) for a
169 term of five (5) years. Thereafter, each commissioner shall be
170 appointed and shall hold office for a term of five (5) years. Any
171 vacancy occurring on such board of commissioners shall be filled
172 by the board of supervisors at any regular meeting of the board of
173 supervisors, and the board of supervisors shall have the authority
174 to fill all unexpired terms of any commissioner.

175 (2) The board of commissioners shall have complete and sole
176 authority to appoint a chairman and a vice chairman and any other
177 officers it may deem necessary from among the membership of the
178 board of commissioners. It shall be the duty of the chairman to
179 preside at all meetings of the board and to act as the chief
180 executive officer of the board of commissioners and of the
181 district. The vice chairman shall act in the absence or
182 disability of the chairman. The board of commissioners also shall
183 elect and fix the compensation of a secretary-treasurer who may or
184 may not be a member of the board of commissioners. It shall be
185 the duty of the secretary-treasurer to keep all minutes and
186 records of the board of commissioners and to safely keep all funds
187 of the district. The secretary-treasurer shall be required to
188 execute a bond, payable to the district, in a sum and with
189 security as shall be fixed and approved by the board of
190 commissioners. The bond shall be filed with the Chancery Clerk of
191 Panola County.

192 (3) The operation, management, abolition or dissolution of
193 the district, and all other matters in connection therewith, shall
194 be vested solely and only in the board of commissioners to the

195 specific exclusion of the board of supervisors, except as provided
196 for herein. The abolition, dissolution or termination of such
197 district shall be accomplished only by resolution of the board of
198 commissioners, which resolution must receive at least a
199 four-fifths (4/5) vote of the entire membership of the board.
200 Except as otherwise provided herein, such board of commissioners
201 shall have no power, jurisdiction or authority to abolish,
202 dissolve or terminate any such district while such district has
203 any outstanding indebtedness of any kind or character.

204 (4) Each person appointed as a commissioner, before entering
205 upon the discharge of the duties of his or her office, shall be
206 required to execute a bond payable to the State of Mississippi in
207 the penal sum of Ten Thousand Dollars (\$10,000.00) conditional
208 that he or she will faithfully discharge the duties of his or her
209 office. Each bond shall be approved by the Chancery Clerk of
210 Panola County and filed with such clerk.

211 (5) Each commissioner shall take and subscribe to an oath of
212 office as prescribed in Section 268, Mississippi Constitution of
213 1890, before the Chancery Clerk of Panola County, that he will
214 faithfully discharge the duties of the office of commissioner.
215 The oath shall be filed with the Chancery Clerk of Panola County
216 and by him preserved with such official bond.

217 (6) A majority of the membership of the board of
218 commissioners shall constitute a quorum. Except as otherwise
219 required under this act, all official acts of the board of
220 commissioners shall require a majority vote of the quorum.

221 (7) The board of commissioners shall have authority to
222 employ such employees, experts and consultants and other
223 professional persons as it may deem necessary to assist the board
224 of commissioners in the discharge of its responsibilities to the
225 extent that funds are made available.

226 (8) The board of commissioners may receive per diem
227 compensation, if approved by the board of supervisors, in the same

228 manner provided to officers of state boards, commissions and
229 agencies in Section 25-3-69, Mississippi Code of 1972.

230 **SECTION 9.** The board of commissioners shall have the power
231 to make regulations to secure the general health of those residing
232 within the district; to prevent, remove and abate nuisances; to
233 regulate or prohibit the construction of privy-vaults and
234 cesspools, and to regulate or suppress those already constructed;
235 and to compel and regulate the connection of all property with
236 sewers.

237 **SECTION 10.** The Panola County Utility District created under
238 this act shall have the powers enumerated in the resolution of the
239 board of supervisors creating such district, which shall be
240 limited to the conducting of a water supply system, sewer system,
241 natural gas system and/or fire protection district, or a
242 combination of any or all of the same. To carry out such purpose
243 or purposes, such district, to the extent it is authorized to
244 furnish such services in its organizational documents, shall have
245 the power and authority to acquire, construct, reconstruct,
246 improve, better, extend, consolidate, maintain and operate such
247 system or systems and to contract with any municipality, county or
248 other governmental entity, or with any person, firm or corporation
249 for such services and for a supply and treatment and distribution
250 of water, for fire protection services and facilities, for
251 collection, transportation, treatment and/or disposal of sewage
252 and for a supply of natural gas and for services required incident
253 to the operation and maintenance of a natural gas distribution
254 system. As long as the district continues to furnish any of the
255 services which it was authorized to furnish in the resolution by
256 which it was created, it shall be the sole public corporation or
257 entity and sole power to furnish such services within the
258 district. The district is authorized to furnish and sell at
259 either wholesale or retail such products and services as it is

260 authorized to provide pursuant to this act and to the proceedings
261 creating the district.

262 Any district created pursuant to this act shall be vested
263 with all the powers necessary and requisite for the accomplishment
264 of the purpose for which such district is created. No enumeration
265 of powers herein shall be construed to impair or limit any general
266 grant of power herein contained, nor to limit any such grant to a
267 power or powers of the same class or classes as those enumerated.
268 Such districts are empowered to do all acts necessary, proper or
269 convenient to the exercise of the powers granted under this act.

270 **SECTION 11.** Any district created pursuant to this act,
271 acting by and through the board of commissioners of the district
272 as its governing authority, shall have the following, among other,
273 powers:

274 (a) To sue and be sued;

275 (b) To acquire by purchase, gift, devise and lease, or
276 any other mode of acquisition (other than by eminent domain), and
277 to hold and dispose of, real and personal property of any kind
278 within or without the district, including franchise rights and
279 certificates issued by the Mississippi Public Service Commission;

280 (c) To make and enter into contracts, conveyances,
281 deeds of trust, bonds, leases or contracts for financial advisory
282 services;

283 (d) To incur debts, to borrow money, to issue
284 negotiable revenue bonds, and to provide for the rights of the
285 holders thereof;

286 (e) To fix, maintain, collect and revise rates and
287 charges for services rendered by or through the facilities of such
288 district, which rates and charges shall not be subject to review
289 or regulation by the Mississippi Public Service Commission except
290 in those instances when a municipality operating similar services
291 would be subject to regulation and review. The district shall
292 obtain a certificate of convenience and public necessity from the

293 Mississippi Public Service Commission for operation of a water,
294 sewer and/or natural gas system;

295 (f) To pledge all or any part of its revenues to the
296 payment of its debt obligations, including, but not limited to,
297 revenues from the district's operations, revenues from special
298 assessments and tax revenues;

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

302 (h) To use any right-of-way, public right-of-way,
303 easement, or other similar property or property rights, necessary
304 or convenient in connection with the acquisition, improvement or
305 maintenance of the facilities of the district held by the state,
306 or any political subdivision thereof; however, the governing body
307 of such political subdivisions shall consent to such use;

308 (i) To enter into agreements with state and federal
309 agencies for loans, grants and aid, and other forms of assistance,
310 including, but not limited to, participation of the sale and
311 purchase of bonds, and to enter into agreements with state
312 agencies, federal agencies and political subdivisions of the State
313 of Mississippi pertaining to matters relating to the operation of
314 any services of the district authorized under this act, and such
315 state agencies and political subdivisions of the State of
316 Mississippi are authorized to enter into such contracts with the
317 Panola County Utility District;

318 (j) To acquire by purchase any existing works and
319 facilities providing services for which the district was created
320 and any lands, rights, easements, franchises and other property,
321 real and personal, necessary to the completion and operation of
322 such system upon such terms and conditions as may be agreed upon,
323 and if necessary, as part of the purchase price to assume the
324 payment of outstanding notes, bonds or other obligations upon the
325 system;

326 (k) To extend its services to areas beyond but within
327 one (1) mile of the boundaries of the district; however, no such
328 extension shall be made to areas already occupied by another
329 corporate agency rendering the same service so long as the
330 corporate agency desires to continue to serve such areas. Areas
331 outside the district desiring to be served which are beyond the
332 one-mile limit must be brought into the district by annexation
333 proceedings unless the owners of such areas consent to being part
334 of this district;

335 (l) To be deemed to have the same status as counties
336 and municipalities with respect to payment of sales taxes on
337 purchases made by such district;

338 (m) To sell to any municipality in the county, under
339 those terms, conditions and covenants that may be imposed or
340 required by the district, part or all of the utility system or
341 systems within the district; however, in the event of a sale of
342 all of the system or systems, the municipality shall assume all
343 obligations of the district as a condition precedent to the sale;

344 (n) To contract with any municipality in the county for
345 the operation, maintenance and extension of any utility system or
346 systems or storm drainage systems in the district by the
347 municipality, or with the county for the operation, maintenance
348 and extension of any roadway or street, or for the dedication
349 thereof, upon those terms, conditions and covenants that may be
350 agreed upon between the municipality or the county and the
351 district;

352 (o) To contract with the United States of America, or
353 any agency of the United States of America, the State of
354 Mississippi, or any political subdivision of the State of
355 Mississippi, or any agency, commission, authority, board or other
356 entity thereof, or any municipality or municipalities, for any of
357 the purposes authorized by this act;

358 (p) To contract with any person, partnership,
359 corporation or other entity for the operation and maintenance,
360 including billing services, of any property or facilities of the
361 district, upon such terms, conditions and covenants as may be
362 agreed upon by such contracting parties. The board of
363 commissioners may contract for the operation and maintenance of
364 any property or facilities of the district for a term of up to
365 twenty (20) years;

366 (q) To contract with any person, partnership,
367 corporation or other entity pursuant to which such party may
368 acquire, by construction or otherwise, all or any part of a water
369 system, a sewer system, a fire protection system or a natural gas
370 system with private funds in advance of the issuance of bonds by
371 the district, and such party may be reimbursed by the district for
372 such costs upon the issuance and delivery of bonds and upon
373 conveyance of such water facilities, sewer facilities, fire
374 protection facilities or natural gas facilities to the district;
375 and

376 (r) To acquire by purchase, gift, devise, lease and/or
377 any other mode of acquisition any rural water association located
378 in Panola County.

379 **SECTION 12.** The Board of Supervisors of Panola County, upon
380 petition by the board of commissioners of the district, may
381 exercise the power of eminent domain on behalf of the district
382 wherever and whenever public necessity and convenience so
383 requires, and the district may pay the costs of any such
384 proceedings.

385 **SECTION 13.** (1) The district shall have the power to issue
386 its bonds to provide funds for the purpose of constructing,
387 acquiring, reconstructing, improving, bettering or extending the
388 facilities to provide the services the district is authorized to
389 provide pursuant to this act and the proceedings organizing the
390 district, and acquiring land therefor. Such bonds shall be

391 payable primarily from the revenues of such facilities, and if so
392 provided for in the proceedings authorizing such bonds, such bonds
393 shall also be payable from special assessments levied pursuant to
394 Section 15 of this act, and further, if so provided for in the
395 proceedings authorizing such bonds and agreed to by resolution of
396 the Board of Supervisors of Panola County authorizing the board of
397 commissioners to make such pledge, such bonds shall also be
398 payable from the avails of the ad valorem tax levy provided for in
399 subsection (2) of this section, or from any combination of monies
400 from such revenues, special assessments and tax levies. Such bonds
401 may be issued from time to time without an election being held
402 upon the question of their issuance unless the board of
403 commissioners of the district is presented with a petition for an
404 election upon the question of issuance signed by twenty percent
405 (20%) of the qualified electors residing within the district. The
406 resolution authorizing any issue of bonds other than the initial
407 issue shall be published in a manner similar to the publication of
408 the resolution of intent described in Section 3 of this act. If
409 an election is required, it shall be held in substantial accord
410 with the election described in Section 3 of this act. The cost of
411 any such election under this section shall be borne by the
412 district. Such bonds shall contain such covenants and provisions;
413 shall be executed; shall bear interest at such rate or rates not
414 to exceed fourteen percent (14%) per annum; shall be in such
415 denomination or denominations; shall be payable, both as to
416 principal and interest, at such place or places; and shall mature
417 at such time or times not exceeding thirty-five (35) years from
418 their date, all as shall be determined by such board of
419 commissioners and set forth in the resolution pursuant to which
420 such bonds shall be issued; however, any such bonds which are
421 secured by a pledge of special assessments in addition to a pledge
422 of revenues shall mature at such time or times not exceeding the
423 time period over which such special assessments are payable, as

424 determined by the board of commissioners pursuant to Section 17 of
425 this act. Any provisions of general law to the contrary
426 notwithstanding, any bonds and interest coupons issued pursuant to
427 the authority of this act shall possess all of the qualities of
428 negotiable instruments; and such bonds, premium, if any, and
429 interest thereon shall be exempt from all state, county, municipal
430 and other taxation under the laws of the State of Mississippi.
431 Any bonds issued pursuant to the authority of this act may be
432 refunded in the manner provided herein upon a finding by the board
433 of commissioners that such refunding is in the public interest,
434 and bonds for the betterment, improvement or extension of any
435 facilities of the district may be included with such refunding
436 bonds. Such bonds may be sold without the necessity of
437 advertising for bids therefor and may be sold by negotiated
438 private sale and on such terms, conditions and covenants as may be
439 agreed to by and between the issuing authority and the purchasers
440 of such bonds.

441 (2) If, and to the extent, provided in the proceedings
442 authorizing the issuance of the bonds and agreed to by resolution
443 of the Board of Supervisors of Panola County authorizing the board
444 of commissioners of the district to make such pledge, then when
445 there are insufficient revenues accruing from the operation of
446 such district or insufficient revenues received from special
447 assessments authorized hereunder, or from both together, according
448 to the provisions made in the proceedings authorizing the issuance
449 of such bonds, to meet the interest and/or principal payments when
450 due on any bonds issued under the authority of this act (excluding
451 for such purpose any amounts in a reserve fund for any such
452 bonds), then, upon certification of such fact by the board of
453 commissioners of such district to the board of supervisors, it
454 shall be the mandatory duty of the Board of Supervisors of Panola
455 County to levy an ad valorem tax on all taxable property within
456 the geographical limits of the district, which tax, together with

457 any other monies available for such purpose, shall be sufficient
458 to provide for the payment of the principal of and interest on
459 such bonds as the same falls due, and, if so provided in the
460 proceedings for the issuance of such bonds, to replenish any
461 reserve fund established for such bonds.

462 **SECTION 14.** In addition to the purposes authorized by
463 Section 13(1) of this act, any district created under this act may
464 issue bonds of such district in the manner provided in Section
465 13(1) for any or all of the following purposes:

466 (a) To refund the outstanding bonds of such district
467 upon a finding by the board of commissioners that such refunding
468 is in the public interest;

469 (b) To improve, better or extend the water, sewer,
470 natural gas and fire protection systems of such district;

471 (c) To purchase or acquire part or all of the water,
472 sewer, natural gas and fire protection system or systems of any
473 other district, municipality or other entity located in whole or
474 in part in Panola County, including part or all of such system or
475 systems within the corporate boundaries of any municipality;

476 (d) To provide for the payment of the principal,
477 premium and interest on the outstanding bonds of any other
478 district or municipality in connection with the purchase of any
479 facilities of such district or municipality, and to purchase or
480 acquire the outstanding bonds of any other district or
481 municipality;

482 (e) To purchase or acquire part or all of any privately
483 owned utility system or systems;

484 (f) To enter into cooperative agreements with the state
485 or federal government, or both, to obtain financial assistance in
486 the form of loans or grants as may be available from the state or
487 federal government, or both (reference to the state or federal
488 government as used herein shall specifically include any agency
489 thereof); and to execute and deliver at private sale notes or

490 bonds as evidence of such indebtedness in the form and subject to
491 the terms and conditions as may be imposed by the state or federal
492 government, or both; and to pledge the income and revenues of the
493 district, or the income and revenues from any part of the area
494 embraced in the district (which revenues in either instance shall
495 include, but not be limited to, revenues from special assessments
496 and tax revenues), in payment thereof; and the state and any
497 agency thereof is authorized to enter into such agreements with
498 the district;

499 (g) To purchase or acquire part or all of any utility
500 system or systems located in whole or in part in Panola County
501 owned by the United States or any agency thereof, or the State of
502 Mississippi or any agency, commission, authority, board or other
503 entity thereof, and to provide therefor as follows:

504 (i) In the event that any outstanding bonds to be
505 purchased, acquired or refunded by the district created pursuant
506 to this act, by the terms thereof: (a) mature without option of
507 prior payment after the date of the district bonds to be issued;
508 or (b) mature on specified dates, but with the option reserved to
509 call in, pay and redeem such bonds on a date subsequent to the
510 date of the district bonds to be issued; and in the event that the
511 holder or holders of such outstanding revenue bonds are numerous,
512 cannot be immediately located or will not accept district bonds to
513 be issued in exchange for and upon surrender and cancellation of a
514 like amount of such outstanding bonds, then the district, in its
515 discretion, may sell district bonds and deposit with a trustee to
516 be designated in the resolution issuing such district bonds an
517 amount sufficient to redeem all such outstanding county, district
518 or municipal bonds, together with accrued interest and any premium
519 required for such redemption on the earliest call date or on the
520 maturity date of noncallable bonds. Such deposits shall be held
521 in a trust fund and shall be used for no purpose other than the
522 redemption of such outstanding bonds, the payment of interest

523 thereon as the same shall mature and come due, and the payment of
524 any premium required for redemption of such bonds on their
525 callable or maturity date or dates. In the event that any of such
526 outstanding bonds are subject to call for redemption, the county,
527 district or municipality, before the issuance of district bonds
528 therefor, shall exercise such right or call and shall call such
529 outstanding bonds for redemption on the earliest possible call
530 date.

531 The district, by resolution, may direct that such trust fund
532 be invested in bonds, notes, certificates or other obligations of,
533 or guaranteed by, the United States of America and maturing or
534 being redeemable at or before the time when such funds will be
535 needed for the redemption of such outstanding bonds. For the
536 purpose of determining the adequacy of such deposits, the maturity
537 value or redemption value of all such investments and the interest
538 accruing thereon to maturity or call date, shall be considered as
539 cash on hand. The district may make such covenants and do any and
540 all acts and things as may be necessary, convenient and desirable
541 in order to secure such bonds, in order to make such bonds more
542 marketable, notwithstanding that such covenants, acts or things
543 may not be enumerated herein or expressly authorized herein. It
544 is the intention of this act to give the governing authority of
545 the district, in issuing such bonds, the power to do all things
546 required or necessary in the issuance of such bonds and for their
547 execution which are not inconsistent with the Mississippi
548 Constitution of 1890.

549 The district bonds herein authorized may be issued
550 concurrently and in combination with bonds issued to provide funds
551 for any or all of the purposes authorized by this act. In the
552 issuance of bonds hereunder, a sufficient sum may be added to the
553 principal amount thereof: (a) to provide for the payment of all
554 reserves, interest, expenses, premiums, fees and commissions
555 deemed necessary or advantageous incident to the issuance and

556 delivery or exchange of such bonds; and (b) to provide for the
557 payment into a reserve fund of a sum not exceeding the maximum
558 annual principal and interest requirements of such bonds, as a
559 reserve therefor.

560 **SECTION 15.** In addition to the charges and levies elsewhere
561 provided for in this act, the board of commissioners may levy and
562 collect special assessments on any property located in the
563 district to provide funds for the purposes for which bonds may be
564 issued under this act, and may pledge the receipts from the
565 special assessments to secure the payment of the principal of,
566 premium, if any, and interest on any bonds authorized to be issued
567 pursuant to this act.

568 Any special assessments authorized under this section shall
569 be levied and collected in the manner provided in Sections 21-41-1
570 through 21-41-53, Mississippi Code of 1972, except as otherwise
571 herein provided; however, it is hereby specifically provided that
572 any special assessment for any type of improvement may be made
573 according to any of the methods for making special assessments, in
574 the discretion of the board of commissioners of the district. The
575 board of commissioners may secure bonds of the district solely
576 from the aforesaid receipts from special assessments, or may
577 pledge such receipts in addition to the pledge of revenues of the
578 district or the receipts from any tax levy authorized in this act,
579 or from any combination of monies from the special assessments,
580 revenues and tax levies. Bonds issued pursuant to this act shall
581 be payable as to principal, premium, if any, and interest solely
582 from the sources authorized in this act and pledged or contracted
583 for pursuant to the proceedings authorizing and directing the
584 issuance of such bonds.

585 **SECTION 16.** Any bonds secured by a pledge of the special
586 assessments authorized in Section 15 shall mature at any time or
587 times, not exceeding twenty (20) years from the date of the bonds,

588 and may be in fully registered form or in bearer form, as
589 determined by the board of commissioners.

590 **SECTION 17.** All special assessments levied under this act
591 shall be payable in equal annual installments over a period not in
592 excess of twenty (20) years, as determined by the board of
593 commissioners, with interest from the date of the confirmation of
594 the assessment at a rate, to be fixed by the board of
595 commissioners, which will produce sufficient funds for the payment
596 of all or a specified portion of the principal of and interest on
597 the bonds as they mature and accrue and for fees and expenses for
598 a paying agent and/or trustee for the bonds. The amount to be
599 paid pursuant to such special assessments may be limited by the
600 board of commissioners to the assessments needed for the aforesaid
601 purposes. Any property owner who shall not have taken an appeal
602 from the assessment, upon failure to pay the assessment in full
603 within thirty (30) days from the date of confirmation, shall be
604 deemed to have elected to pay the assessment in installments as
605 provided in this section, and shall be deemed to have admitted the
606 legality of the assessment, and the right to contest the validity
607 of the assessment shall be waived. The installments of the
608 assessment shall be due and payable at the same time that the
609 annual real property tax becomes due and payable, commencing with
610 the first county tax levy which is payable after the expiration of
611 thirty (30) days from the date of confirmation of the assessment.

612 **SECTION 18.** The resolution declaring the intent of the board
613 of commissioners to proceed with the special improvements
614 authorized by this act may direct that all of the expenses of the
615 property or facilities of the district, or such part of the
616 expenses that the board of commissioners shall charge upon the
617 property in the district, shall be assessed according to the
618 frontage rule or area rule, as outlined in this section. Bonds
619 may be issued for one or more projects, and the area and method of
620 assessment for each project shall be specified in the resolution

621 declaring the intent of the board of commissioners of the district
622 to proceed with that project.

623 The resolution declaring the intent of the board of
624 commissioners to proceed with the special improvements shall: (a)
625 define the area to be benefited by each improvement, with each
626 improvement being designated as a project; (b) fix the amount or
627 percentage of the charge to be levied upon the property benefited;
628 (c) designate the minimum and maximum number of years between the
629 date of the bonds and the maturity of those bonds; (d) delineate
630 the method of determining the amount of special assessments to be
631 levied on each lot or parcel of land in the benefited area; and
632 (e) designate the minimum and maximum number of equal annual
633 installments that the board of commissioners may later allow for
634 the payment of assessments with interest on those assessments.

635 If the board of commissioners determines that the front foot
636 rule is the most equitable method of distributing the cost among
637 the properties, then the resolution shall direct that the cost to
638 be assessed against each lot or parcel of land shall be determined
639 by dividing the entire cost to be assessed by the total number of
640 front feet of real property abutting upon the utility easement,
641 street, railroad or public or private right-of-way on which the
642 project is located and which will be subject to such special
643 assessment, and multiplying the quotient by the total number of
644 front feet in any particular lot or parcel of land fronting in the
645 utility easement, street, railroad or public or private
646 right-of-way on which the project is located. The result of this
647 formula shall be assessed against each lot or parcel of land for
648 the owner's part of the cost of the entire improvement to be paid
649 through special assessments.

650 If the board of commissioners determines that the area rule
651 is the most equitable method of distributing the cost among the
652 properties, then the resolution shall direct that the cost to be
653 assessed against each lot or parcel of land shall be determined by

654 dividing the entire cost to be assessed by the total number of
655 acres or square feet in the area being benefited and that is
656 subject to such special assessment, and multiplying the quotient
657 by the total number of acres or square feet in any particular lot
658 or parcel of land. The result of this formula shall be assessed
659 against each lot or parcel of land for the owner's part of the
660 cost of the entire improvement to be paid through special
661 assessments.

662 **SECTION 19.** If the owners of a majority of the front footage
663 of the property to be assessed under the front foot rule, or if
664 the owners of a majority of the area of the property to be
665 assessed under the area rule, as described in Section 18, file a
666 written protest objecting to the assessments authorized under this
667 act, then the board of commissioners shall not proceed with the
668 special assessment.

669 **SECTION 20.** All construction contracts by the district where
670 the amount of the contract shall exceed Twenty Thousand Dollars
671 (\$20,000.00) shall be made upon at least three (3) weeks public
672 notice. Such notice shall be published once a week for at least
673 three (3) consecutive weeks in at least one (1) newspaper having
674 general circulation in Panola County. The first publication of
675 such notice shall be made not less than twenty-one (21) days
676 before the date fixed in the notice for the receipt of bids, and
677 the last publication shall be made not more than fourteen (14)
678 days before such date. The notice shall state the construction
679 project to be done and invite sealed proposals, to be filed with
680 the secretary of the district, to do the work. In all such cases,
681 before the notice is published, plans and specifications for the
682 work shall be prepared by a registered professional engineer and
683 filed with the secretary of the district and remain therein. The
684 board of commissioners of the district shall award the contract to
685 the lowest and best bidder who will comply with the terms imposed
686 by the commission and enter into bond with sufficient sureties to

687 be approved by the commissioners and such penalty as shall be
688 fixed by the commissioners; however, in no case shall such bond be
689 less than the contract price, and the bond shall be conditioned
690 for the prompt, proper, efficient performance of the contract.
691 Contracts of less than Twenty Thousand Dollars (\$20,000.00) may be
692 negotiated; however, the board of commissioners shall invite and
693 receive written proposals for the work from at least three (3)
694 contractors regularly engaged in the type of work involved.

695 **SECTION 21.** Any area adjacent to any district created
696 pursuant to this act and situated within Panola County and not
697 being situated within the corporate boundaries of any existing
698 municipality may be added to the district by order of the Board of
699 Supervisors of Panola County upon the written consent of one
700 hundred percent (100%) of the owners of real property to be so
701 added. Any area adjacent to the district which is situated within
702 Panola County may be annexed to and become a part of the district
703 by the same procedures prescribed for the creation of the
704 district, except as otherwise provided herein. The petition for
705 any annexation must be signed by the owners of no less than
706 seventy-five percent (75%) of the land to be annexed into the
707 district, computed on a square footage basis (no minimum number
708 being otherwise required). All costs incident to the publication
709 of notice and all other costs incident to the annexation shall be
710 paid by the district.

711 The district shall have the exclusive right to provide any of
712 the services for which it was created in the annexed territory;
713 however, if any part of the annexed territory is then being served
714 by another corporate agency with any such service, the district,
715 at the option of the other corporate agency, shall either: (a)
716 relinquish its prior right to serve the area occupied by the
717 corporate agency; or (b) acquire by purchase the facilities of
718 such corporate agencies, together with its franchise rights to
719 serve such area. If the annexation affects only a portion of the

720 corporate agency's facility, the cash considerations for such
721 purpose shall not be less than: (a) the present day reproduction
722 cost, new, of the facilities being acquired, less depreciation
723 computed on a straight-line basis; plus (b) an amount equal to the
724 cost of constructing any necessary facilities to reintegrate the
725 system of the corporate agency outside the annexed area after
726 detaching the portion to be acquired by the district; plus an
727 annual amount payable each year for a period of ten (10) years
728 equal to the sum of twenty-five percent (25%) of the revenues
729 received from sales to consumers within the annexed area during
730 the last twelve (12) months.

731 If the option is for the district to purchase, upon
732 notification thereof the district shall be obligated to buy and
733 pay for, and the corporate agency shall be obligated to convey to
734 the district, all of its service facilities and franchise rights
735 in the annexed area free and clear of all mortgages, liens and
736 encumbrances for the aforesaid cash consideration.

737 If the annexed territory affects all of the property and
738 facilities of such other corporate agency, then all such property
739 constituting the entire system or facility of the corporate agency
740 shall be acquired by the district in accordance with the terms and
741 conditions as may be agreed upon, and the district shall have the
742 authority to assume the operation of such entire system or
743 facilities and to assume and become liable for the payment of any
744 notes, bonds or other obligations that are outstanding against
745 such system or facility and payable primarily from the revenues
746 therefrom.

747 If the district is notified to relinquish its prior right to
748 serve the annexed area, the district shall grant the corporate
749 agency a franchise to serve within the annexed territory; however,
750 the corporate agency shall be entitled to serve only such
751 customers or locations within the annexed area as it served on the
752 date that such annexation became effective.

753 The annexed territory shall become liable for any existing
754 indebtedness of the district and shall be subject to any taxes
755 levied by the board of supervisors pursuant to the terms of this
756 act in payment of the district's indebtedness.

757 **SECTION 22.** The board of commissioners of any district
758 created pursuant to this act shall have the authority to enter
759 into cooperative agreements with the state or federal government,
760 or both, to obtain financial assistance in the form of loans or
761 grants as may be available from the state or federal government,
762 or both, and to execute and deliver at private sale notes or bonds
763 as evidence of such indebtedness in the form and subject to the
764 terms and conditions as may be imposed by the state or federal
765 government, or both, and to pledge the income and revenues of the
766 district, or the income and revenues from any part of the area
767 embraced in the district, in payment thereof. It is the purpose
768 and intent of this section to authorize the district to do any and
769 all things necessary to secure the financial aid or cooperation of
770 the state or federal government, or both, in the planning,
771 construction, maintenance or operation of project facilities.

772 If the board of supervisors creates the district within one
773 (1) mile of the corporate boundaries of any existing municipality,
774 the municipality may require such district to construct and
775 maintain all facilities, whether purchased or constructed, to
776 standards commensurate with those of the adjoining municipality;
777 however, the governing authorities of the municipality may
778 specifically waive compliance with any or all of such
779 requirements.

780 **SECTION 23.** This act, without reference to any statute,
781 shall be deemed to be full and complete authority for the creation
782 of the district and for the issuance of bonds. No proceedings
783 shall be required for the creation of the district or for the
784 issuance of bonds other than those provided for and required
785 herein. All necessary powers to be exercised by the Board of

786 Supervisors of Panola County and by the board of commissioners of
787 the district in order to carry out the provisions of this act are
788 hereby conferred.

789 **SECTION 24.** Within one hundred twenty (120) days after the
790 close of each fiscal year, the board of commissioners shall
791 furnish to the Board of Supervisors of Panola County a statement
792 showing the financial condition of the district and a statement of
793 the rates then in effect.

794 **SECTION 25.** If the district created under this act includes
795 water and/or sewer facilities, the board of supervisors, where it
796 finds unhealthy or unsanitary or deleterious conditions in such
797 district because of the inadequate or contaminated water supplies
798 or lack of approved septic tanks or because of high water tables
799 or inadequate drainage or inadequate provisions for disposal of
800 sewage, may require by order or resolution, all dwellings and
801 buildings within the district that are within reasonable proximity
802 to the system or systems to be connected to the water and sewer
803 systems of the district.

804 **SECTION 26.** Any bonds issued under the provisions of this
805 act may be submitted for validation under the provisions of
806 Chapter 13, Title 31, Mississippi Code of 1972.

807 **SECTION 27.** This act shall be liberally construed for the
808 purposes herein set out, the powers hereby granted being
809 additional, cumulative and supplemental to any power granted to
810 Panola County or any municipality or district therein by any
811 general or local and private act of the Legislature.

812 **SECTION 28.** If any provisions of this act shall be held to
813 be invalid by any court of competent jurisdiction, the remainder
814 of this act shall not be affected thereby.

815 **SECTION 29.** This act shall take effect and be in force from
816 and after its passage.