

(2) THIS SECTION IS SELF-EXECUTING AND DOES NOT REQUIRE ANY MUNICIPAL CORPORATION TO AMEND ITS CHARTER TO EXERCISE THE POWERS GRANTED UNDER THIS SECTION.

(D) (1) BONDS SHALL BE PAYABLE FROM THE SPECIAL FUND REQUIRED UNDER SUBSECTION (E) OF THIS SECTION.

(2) THE GOVERNING BODY OF A MUNICIPAL CORPORATION THAT ISSUES BONDS UNDER THIS SECTION MAY ALSO:

~~(I) PLEDGE ITS FULL FAITH AND CREDIT;~~

~~(II) (I) ESTABLISH SINKING FUNDS;~~

~~(III) (II) ESTABLISH DEBT SERVICE RESERVE FUNDS; OR~~

~~(IV) (III) PLEDGE OTHER ASSETS AND REVENUES TOWARDS THE PAYMENTS OF THE PRINCIPAL AND INTEREST; OR~~

(V) (IV) PROVIDE FOR MUNICIPAL BOND INSURANCE OR ANY OTHER TYPE OF FINANCIAL GUARANTY OF THE BONDS.

(3) ALL PROCEEDS RECEIVED FROM ANY BONDS ISSUED AND SOLD SHALL BE APPLIED SOLELY FOR:

(I) COSTS OF DESIGN, CONSTRUCTION, ESTABLISHMENT, EXTENSION, ALTERATION, OR ACQUISITION OF INFRASTRUCTURE IMPROVEMENTS;

(II) COSTS OF ISSUING BONDS; AND

(III) PAYMENT OF THE PRINCIPAL AND INTEREST ON LOANS, MONEY ADVANCES, OR INDEBTEDNESS INCURRED BY A MUNICIPAL CORPORATION FOR ANY OF THE PURPOSES STATED IN SUBSECTION (B)(2) OF THIS SECTION.

(E) (1) BEFORE ISSUING THESE BONDS, THE GOVERNING BODY OF THE MUNICIPAL CORPORATION SHALL:

(I) DESIGNATE BY RESOLUTION A CONTIGUOUS AREA WITHIN ITS JURISDICTION AS A SPECIAL TAXING DISTRICT;

(II) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, ADOPT A RESOLUTION CREATING A SPECIAL FUND WITH RESPECT TO THE SPECIAL TAXING DISTRICT; AND

(III) LEVY AN AD VALOREM TAX ON ALL REAL AND PERSONAL PROPERTY WITHIN THE SPECIAL TAXING DISTRICT AT A RATE SUFFICIENT TO PROVIDE ADEQUATE REVENUES TO PAY THE PRINCIPAL OF, INTEREST ON, AND REDEMPTION PREMIUM, IF ANY, ON THE BONDS AS REQUIRED DESIGNED TO PROVIDE ADEQUATE