

By: Representative Miles

To: Public Utilities

HOUSE BILL NO. 95  
(As Sent to Governor)

1 AN ACT TO AMEND SECTIONS 21-39-13, 21-27-17 AND 21-27-23,  
2 MISSISSIPPI CODE OF 1972, TO AUTHORIZE A MUNICIPALITY TO ALLOW A  
3 MUNICIPALLY OWNED UTILITY TO IMMEDIATELY REFUND A DEPOSIT TO A  
4 CUSTOMER OF THE MUNICIPAL UTILITY AFTER THE MUNICIPAL UTILITY  
5 DETERMINES THAT PAYMENT FOR ALL SERVICES AND ANY OTHER OBLIGATIONS  
6 WHICH THE CUSTOMER MAY HAVE INCURRED IN REGARD TO THE UTILITY HAS  
7 BEEN MADE; AND FOR RELATED PURPOSES.

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

9 SECTION 1. Section 21-39-13, Mississippi Code of 1972, is  
10 amended as follows:

11 21-39-13. (1) (a) The clerk of the municipality shall draw  
12 all warrants or checks for claims and accounts allowed and  
13 approved by the governing authorities. Except as provided in  
14 subsections (b) and (c), the warrants or checks shall be signed by  
15 the mayor or a majority of the members of the board of aldermen in  
16 any municipality operating under a mayor-alderman form of  
17 government, and attested by the clerk, and to which there shall be  
18 affixed the seal of the municipality. The governing authorities  
19 of any municipality may adopt the use of a standard check signing  
20 machine to be used in lieu of the manual signing of warrants or  
21 checks under such terms and conditions as the governing  
22 authorities shall deem meet and proper for the protection of the  
23 interest of the municipality.

24 (b) A municipality may authorize a municipally owned  
25 utility to make early payments to its electricity suppliers for  
26 the purpose of receiving early payment discounts from such  
27 distributors.

28 (c) The governing authorities of a municipality may

29 authorize the clerk of the municipality to issue a warrant or  
30 check for the purpose of immediately refunding to a customer of  
31 the municipally owned utility his or her deposit for municipal  
32 utility services after the municipal utility has determined that  
33 payment for all services and any other obligations which the  
34 customer may have incurred in regard to the municipal utility has  
35 been made.

36 (2) Every warrant or check drawn on the treasury shall  
37 express on its face to whom issued and for what purpose allowed,  
38 and the ordinance authorizing its issuance shall be cited, by  
39 minute book and page, in or upon it.

40 (3) All such warrants or checks shall be drawn against the  
41 proper fund in the municipality from which such allowed claims  
42 shall be paid, and all such warrants or checks shall be drawn in  
43 the order of their allowance. No warrant or check shall be  
44 signed, removed from the warrant book or checkbook or delivered by  
45 the clerk until there is sufficient money in the fund upon which  
46 it is drawn to pay the same and all prior unpaid warrants or  
47 checks drawn upon that fund, whether delivered or not.

48 (4) The owner of any claim against a municipality, either  
49 before or after allowance, may transfer same by assignment, and  
50 the holder of such assignment shall be entitled to receive the  
51 warrant or check therefor at the proper time by presenting such  
52 assignment to the clerk at any time before the delivery of the  
53 warrant or check to the original claimant.

54 SECTION 2. Section 21-27-17, Mississippi Code of 1972, is  
55 amended as follows:

56 21-27-17. The commission provided for by Section 21-27-13 is  
57 authorized to make such bylaws for the holding and conduct of its  
58 meetings and such other regulations as it may deem necessary for  
59 the safe, economic and efficient management and protection of the  
60 system or systems, and such bylaws and regulations shall have the  
61 same validity as an ordinance duly passed by the governing

62 authorities of any municipality.

63 It is authorized to elect such officers and appoint such  
64 employees as may be necessary to operate the system or systems  
65 efficiently, and it shall have the entire control and management  
66 of such system or systems, together with all property connected or  
67 appertaining in any manner to such system or systems. The  
68 commission shall have the authority to employ a superintendent or  
69 manager of the systems, who shall have actual charge of the  
70 management and operation thereof and of the enforcement and  
71 execution of all the rules, regulations, programs, plans and  
72 decisions made and adopted by the commission in making purchases  
73 for materials and supplies to be used in the operation of the  
74 systems. In addition to any other purchasing authority granted by  
75 law, the commission may purchase electric transmission line  
76 materials, electric distribution system substation equipment,  
77 transformer equipment, and all other appliances, apparatus,  
78 machinery, equipment and appurtenances necessary for the sale of  
79 electricity, such as utility vehicles and fencing, from the  
80 surplus inventory of the Tennessee Valley Authority or any other  
81 similar agency of the federal government and electric power  
82 associations. These purchases shall be exempt from the public bid  
83 requirements prescribed in Sections 31-7-12 and 31-7-13. However,  
84 for all other purchases, the commission shall advertise for  
85 competitive bids in the manner and form as is required in  
86 accordance with Section 31-7-13. The superintendent or manager  
87 shall make and keep full and proper books and records of all  
88 purchases and shall submit them to the commission for its approval  
89 and ratification before payment thereof is authorized to be made.

90 The commission may authorize the superintendent or manager to  
91 immediately refund to a customer of the municipally owned utility  
92 his or her deposit for municipal utility services after the  
93 superintendent or manager has determined that payment for all  
94 services and any other obligations which the customer may have

95 incurred in regard to the municipal utility has been made. It  
96 shall have the right to fix the salaries and term of office of all  
97 employees and to direct them in the discharge of their duties. It  
98 shall have the right to require good and sufficient bonds from all  
99 officers and employees in such amounts as it may deem proper. It  
100 shall have the right to discharge employees when found inefficient  
101 or for other good cause. It shall have the power to make and  
102 collect rates for services and facilities, and appropriate funds  
103 for the maintenance and improvements of such systems. It is  
104 authorized to borrow from the Mississippi Development Bank in  
105 order to fund advance purchases of energy for gas producing,  
106 generating, transmission or distribution system or its electric  
107 generating, transmission or distribution system. It is authorized  
108 to insure all property used in the operation of such systems,  
109 including buildings, furniture, books and records, against loss by  
110 fire and tornado, and to carry sufficient amount of employers  
111 liability, steam boiler, plate glass and other miscellaneous  
112 casualty insurance, as in the discretion of the commission may be  
113 deemed proper, and to pay premiums therefor out of the funds  
114 derived from the operation of the systems. It shall report  
115 quarterly to the governing authorities of the municipality of all  
116 its doings and transactions of every kind whatsoever and shall  
117 make a complete statement of the financial condition of  
118 the systems at the end of each quarter, and shall annually make a  
119 detailed statement covering the entire management and operation of  
120 the systems, with any recommendations which it may have for the  
121 further development of the systems. At any time, the commission,  
122 by order or resolution, may authorize the expansion of activities  
123 of any component facility to include processing of materials on a  
124 custom basis or the processing and marketing of materials acquired  
125 to fully and efficiently utilize existing plant capacity. It  
126 shall also provide copies of all such quarterly and annual reports  
127 and statements to the Public Service Commission when so directed

128 under Section 77-3-6.

129 The commission provided for by Section 21-27-13 is also  
130 authorized to allow a municipally owned utility to prepay the  
131 utility's bills to those electricity suppliers which offer early  
132 payment discounts to the municipally owned utility.

133 SECTION 3. Section 21-27-23, Mississippi Code of 1972, is  
134 amended as follows:

135 21-27-23. Any municipality is authorized and empowered:

136 (a) To borrow money and to issue revenue bonds therefor  
137 solely for the purposes specified in this section and by the  
138 procedure provided in Sections 21-27-41 through 21-27-69.

139 Money may be borrowed and bonds issued by any municipality of  
140 the State of Mississippi, as hereinbefore defined, to acquire or  
141 improve any waterworks system, water supply system, sewerage  
142 system, sewage disposal system, garbage disposal system, rubbish  
143 disposal system or incinerators, gas producing system, gas  
144 generating system, gas transmission system, or gas distribution  
145 system, electric generating, transmission or distribution system,  
146 or motor vehicle transportation system, including any combination  
147 of any or all of those systems into one (1) system, within or  
148 without the corporate limits thereof, for the purpose of supplying  
149 such municipality and the persons and corporations, both public  
150 and private, whether within or without its corporate limits, with  
151 the services and facilities afforded by such system, provided that  
152 water, electric energy, or gas afforded by any such system or  
153 systems may be supplied to such ultimate consumers thereof by sale  
154 thereof to the owners or operators of a distribution system for  
155 resale to the public. Any municipality which shall borrow money  
156 and issue revenue bonds to provide funds with which to acquire a  
157 gas transmission system may, if necessary, in order to reach and  
158 obtain a source of supply of gas for such municipality, extend or  
159 construct its gas transmission line into an adjoining state, and  
160 may use and expend part of the proceeds of such issue of revenue

161 bonds for such purpose.

162           (b) To assume all indebtedness for any system or  
163 systems which may be acquired under the provisions of this section  
164 as all or part of the consideration for the acquisition of such  
165 system or systems and to issue its revenue bonds in exchange for  
166 the bonds or notes evidencing such indebtedness.

167           (c) To acquire or improve any system which it is  
168 authorized to borrow money and issue revenue bonds under  
169 subsection (a) of this section to acquire or improve; and to make  
170 contracts in furtherance thereof or in connection therewith.

171           (d) To own, operate and maintain any such system or  
172 combination of any and all of said systems into one (1) system.

173           (e) To establish, maintain and collect rates for the  
174 facilities and services offered by any such system; provided that  
175 if there is a combination of systems into one or more systems, the  
176 municipality establishing the same shall be and is empowered to  
177 establish, maintain and collect rates for any and all of the  
178 services or for any combination thereof, and such municipality  
179 shall be and is authorized to discontinue any or all of the  
180 services upon any failure to promptly pay the charges fixed for  
181 the services. The rates so fixed for services rendered by any  
182 system or combination thereof may be charged for all services  
183 rendered thereby, regardless of whether or not such services may  
184 have been previously rendered without rates or charges therefor by  
185 the previously existing waterworks system, water supply system,  
186 sewerage system, sewage disposal system, garbage disposal system,  
187 rubbish disposal system or incinerators, gas producing system, gas  
188 generating system, gas transmission system, or gas distribution  
189 system, electric generating, transmission or distribution system,  
190 which shall have been merged into such combined system. Any such  
191 municipality is authorized to pledge for the payment of any bonds  
192 issued to acquire or improve any such combined system, or to  
193 refund any bonds previously issued to acquire or improve any such

194 combined system or to acquire or improve any system merged with  
195 such combined system, the revenues to be derived from the  
196 operation of such combined system, including the charges  
197 authorized to be imposed by this section.

198 A municipality may authorize a municipally owned utility to  
199 make early payment of the utility's bills to its electricity  
200 suppliers which offer early payment discounts to the municipally  
201 owned utility. The municipality may immediately refund to a  
202 customer of the municipally owned utility his or her deposit for  
203 municipal utility services after the municipal utility has  
204 determined that payment for all services and any other obligations  
205 which the customer may have incurred in regard to the municipal  
206 utility has been made.

207 If the revenues of any previously existing system being  
208 merged into a combined system are subject to a prior lien, the  
209 revenues and the expenses of any such previously existing system  
210 shall be accounted for separately to the extent necessary to  
211 satisfy the covenants relating to such prior lien for so long as  
212 the indebtedness secured by such revenues shall remain  
213 outstanding. Only surplus revenues remaining after the  
214 satisfaction of all covenants relating to said outstanding  
215 indebtedness may be pledged to the retirement of any indebtedness  
216 to be secured by the revenues of a combined system. The existence  
217 of such outstanding indebtedness shall not, in and of itself,  
218 prevent the combining of systems as herein provided, so long as  
219 the prior lien on the revenues of any previously existing system  
220 is fully satisfied from the revenues of said previously existing  
221 system.

222 (f) To acquire property, real or personal, which may be  
223 necessary to effectuate the powers herein conferred. The  
224 municipality may purchase electric transmission line materials,  
225 electric distribution system substation equipment, transformer  
226 equipment, and all other appliances, apparatus, machinery,

227 equipment and appurtenances necessary for the sale of electricity,  
228 such as utility vehicles and fencing, from the surplus inventory  
229 of the Tennessee Valley Authority or any other similar agency of  
230 the federal government and electric power associations. These  
231 purchases by the municipality shall be exempt from the public bid  
232 requirements prescribed in Sections 31-7-12 and 31-7-13. If the  
233 power of eminent domain is exercised, it shall be exercised in the  
234 manner provided by Sections 11-27-1 through 11-27-51.

235 (g) To enter into contract with the United States of  
236 America or any agency thereof, under the provisions of acts of the  
237 Congress of the United States, to aid or encourage public works  
238 and the regulations made in pursuance thereof, for the sale of  
239 bonds issued in accordance with the provisions of Sections  
240 21-27-41 through 21-27-69 or for the acceptance of a grant to aid  
241 such municipality in acquiring or improving any such system; and  
242 such contracts may contain such terms and conditions as may be  
243 agreed upon by and between the municipality and the United States  
244 of America or any agency thereof, or any purchaser of such bonds.

245 (h) To adopt such ordinances and resolutions and to do  
246 all things and perform all acts necessary, proper or desirable to  
247 effectuate the full intent and purpose of Sections 21-27-11  
248 through 21-27-69, including processing, marketing, custom  
249 processing, sale and resale of materials processed through any  
250 facility under its jurisdiction.

251 (i) To borrow from the Mississippi Development Bank in  
252 order to fund the advance purchase of energy for its gas  
253 producing, generating, transmission or distribution system or its  
254 electric generating, transmission or distribution system.

255 SECTION 4. This act shall take effect and be in force from  
256 and after July 1, 1999.