

By: Representative Guice

To: Public Utilities

## HOUSE BILL NO. 476

1 AN ACT TO ESTABLISH THE JURISDICTION OF THE PUBLIC SERVICE  
2 COMMISSION OVER THE SERVICES AND RATES OF CERTAIN PUBLIC UTILITY  
3 DISTRICTS AND NONPROFIT CORPORATIONS; TO PROVIDE THAT THIS ACT  
4 SUPERSEDES THOSE PROVISIONS OF PREVIOUSLY ENACTED LOCAL AND  
5 PRIVATE ACTS TO THE CONTRARY; TO AMEND SECTIONS 19-5-177 AND  
6 77-3-5, MISSISSIPPI CODE OF 1972, IN CONFORMITY TO THE PROVISIONS  
7 OF THIS ACT; AND FOR RELATED PURPOSES.

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

9 SECTION 1. (1) Notwithstanding any provision of any act of  
10 the Legislature to the contrary, the Public Service Commission  
11 shall have original jurisdiction over the intrastate business,  
12 property, services and rates of a public utility, as defined by  
13 Section 77-3-3(d), provided by: utility districts incorporated  
14 under Sections 19-5-151 through 19-5-207; nonprofit, nonshare  
15 corporations chartered under Title 79, Chapter 11, Mississippi  
16 Code of 1972; and those districts created for the purpose of  
17 providing public utility services under local and private acts of  
18 the Legislature. However, this section shall apply only if the  
19 district or association, or a part thereof, is situated in a  
20 county having a population of fifty thousand (50,000) or more.

21 (2) This section shall apply to each public utility district  
22 or association in a county having a population of fifty thousand  
23 (50,000) or more which was or is created or incorporated under  
24 Sections 19-5-151 through 19-5-207, Title 79, Chapter 11,  
25 Mississippi Code of 1972, or a local and private act of the  
26 Legislature before, on or after July 1, 1999. Any provision of a  
27 local and private act of the Legislature to the contrary in effect  
28 on July 1, 1999, is superseded by this section, and this section

shall control over any provision to the contrary which is enacted after July 1, 1999.

SECTION 2. Section 19-5-177, Mississippi Code of 1972, is amended as follows:

19-5-177. Any district created pursuant to the provisions of Sections 19-5-151 to 19-5-207, acting by and through the board of commissioners of such district as its governing authority, shall have the following among other powers:

(a) To sue and be sued;

(b) To acquire by purchase, gift, devise and lease or any other mode of acquisition, other than by eminent domain, hold and dispose of real and personal property of every kind within or without the district;

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

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

(e) To fix, maintain, collect and revise rates and charges for services rendered by or through the facilities of such district, which rates and charges shall not be subject to review or regulation by the Mississippi Public Service Commission except in those instances where the district or a part of the district is situated in a county having a population of fifty thousand (50,000) or more and in those instances where a city operating similar services would be subject to regulation and review; however, each district shall obtain a certificate of convenience and necessity from the Mississippi Public Service Commission for operating of water and/or sewer systems;

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

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

(h) To use any right-of-way, public right-of-way, easement, or other similar property or property rights necessary

66 or convenient in connection with the acquisition, improvement,  
67 operation or maintenance of the facilities of such district held  
68 by the state or any political subdivision thereof; however, the  
69 governing body of such political subdivision shall consent to such  
70 use;

71 (i) To enter into agreements with state and federal  
72 agencies for loans, grants, grants-in-aid, and other forms of  
73 assistance including but not limited to participation in the sale  
74 and purchase of bonds;

75 (j) To acquire by purchase any existing works and  
76 facilities providing services for which it was created, and any  
77 lands, rights, easements, franchises and other property, real and  
78 personal necessary to the completion and operation of such system  
79 upon such terms and conditions as may be agreed upon, and if  
80 necessary as part of the purchase price to assume the payment of  
81 outstanding notes, bonds or other obligations upon such system;

82 (k) To extend its services to areas beyond but within  
83 one (1) mile of the boundaries of such district; however, no such  
84 extension shall be made to areas already occupied by another  
85 corporate agency rendering the same service so long as such  
86 corporate agency desires to continue to serve such areas. Areas  
87 outside of the district desiring to be served which are beyond the  
88 one (1) mile limit must be brought into the district by annexation  
89 proceedings;

90 (l) To be deemed to have the same status as counties  
91 and municipalities with respect to payment of sales taxes on  
92 purchases made by such districts;

93 (m) To borrow funds for interim financing subject to  
94 receipt of funds as outlined in Section 19-5-181.

95 SECTION 3. Section 77-3-5, Mississippi Code of 1972, is  
96 amended as follows:

97 77-3-5. Subject to the limitations imposed in this article  
98 and in accordance with the provisions hereof, the Public Service

Commission shall have exclusive original jurisdiction over the intrastate business and property of public utilities. However, the commission shall not have jurisdiction over the production and gathering of natural gas or the sale of natural gas in or within the vicinity of the field where produced, or over the facilities and equipment utilized in any such operations including but not limited to such facilities as separators, scrubbers and gasoline plants of all types. Moreover, the commission shall not have jurisdiction to regulate the rates for the sales:

(a) Of gas, water, electricity or sewage disposal services by municipalities to such persons as the municipalities are authorized by law to serve;

(b) Of gas or electricity by cooperative gas or electric power associations to the members thereof as consumers, except as provided by Sections 77-3-15 and 77-3-17, where service is rendered in a municipality;

(c) Of water or sewage disposal service by nonprofit corporations or associations in counties having a population of less than fifty thousand (50,000), where the governing body of such corporation or association is elected by the consumers thereof or appointed by the county board of supervisors; or

(d) Of water by districts organized under the provisions of Chapter 45, Laws of 1966-1967, Extraordinary Session.

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