

By: Representative Henderson (9th)

To: Municipalities

HOUSE BILL NO. 1462  
(As Passed the House)

1 AN ACT TO AMEND SECTION 21-27-11, MISSISSIPPI CODE OF 1972,  
2 TO PROVIDE THAT THE TERM "SYSTEM" SHALL INCLUDE TRANSPORTATION  
3 SYSTEMS FOR THE TRANSPORTATION OF FREIGHT WITHIN THIRTY MILES OF  
4 THE CORPORATE LIMITS OF A CITY; TO AMEND SECTION 21-27-39,  
5 MISSISSIPPI CODE OF 1972, TO AUTHORIZE MUNICIPALITIES TO ACQUIRE,  
6 CONSTRUCT, EXPAND OR OPERATE ITS TRANSPORTATION SYSTEM FOR THE  
7 TRANSPORTATION OF PASSENGERS AND FREIGHT FOR A DISTANCE OF THIRTY  
8 MILES FROM THE CORPORATE LIMITS; TO AMEND SECTIONS 21-27-23 AND  
9 21-27-43, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND FOR  
10 RELATED PURPOSES.

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

12 SECTION 1. Section 21-27-11, Mississippi Code of 1972, is  
13 amended as follows:

14 21-27-11. Whenever used in Sections 21-27-11 through  
15 21-27-69:

16 (a) The term "municipality" \* \* \* includes any  
17 incorporated city, town or village of the State of Mississippi,  
18 whether incorporated under a special charter or under the general  
19 laws of the State of Mississippi governing municipalities, and  
20 operating under any form of municipal government. However, for  
21 the purpose of establishing a motor vehicle transportation system  
22 for the transportation of passengers within the boundaries of the  
23 governmental unit or units concerned, and within three (3) miles  
24 thereof, the word "municipality" is \* \* \* defined to include  
25 counties and groups of municipalities and shall allow those  
26 governmental units to establish a commission as provided in  
27 Section 21-27-13 and exercise the powers granted in Sections  
28 21-27-11 through 21-27-69. Each county or municipality joining  
29 together shall be allowed at least one (1) commissioner  
30 representing that governing authority;

31           (b) The term "system" \* \* \* includes waterworks system,  
32 water supply system, sewage system, sewage disposal system, or any  
33 combination thereof, including any combined waterworks and sewage  
34 system, consisting of an existing waterworks system or water  
35 supply system or both, combined with an existing sewage system or  
36 sewage disposal system or both, or consisting of an existing  
37 waterworks system or water supply system or both, combined with a  
38 sewage system or sewage disposal system or both, to be acquired,  
39 (as defined herein), or consisting of an existing sewage system or  
40 sewage disposal system or both, combined with a waterworks system  
41 or water supply system or both, to be acquired, (as defined  
42 herein), gas producing system, gas generating system, gas  
43 transmission system or gas distribution system, or any one (1) or  
44 all thereof, electric generating, transmission, or distribution  
45 system, garbage disposal system, rubbish disposal system, and  
46 incinerators, and all parts and appurtenances thereof. The term  
47 "system" also shall \* \* \* include a motor vehicle transportation  
48 system for the transportation of passengers or freight within the  
49 city limits and within thirty (30) miles thereof. The term  
50 "system" also shall \* \* \* include a motor vehicle transportation  
51 system for the transportation of passengers of any municipality  
52 with a population of more than forty-five thousand (45,000) but  
53 less than forty-five thousand one hundred (45,100) according to  
54 the 1970 federal decennial census regardless of the amount of area  
55 outside the city limits of the municipality for which the system  
56 provides service. Wherever in Sections 21-27-11 through 21-27-69  
57 any one or more of the systems authorized under this section are  
58 referred to, the same shall include \* \* \* motor vehicle  
59 transportation systems. The term "system" also shall \* \* \*  
60 include any franchise held by the owner thereof and also  
61 shall \* \* \* include operations within the capabilities of any  
62 component facility within the system which reasonably utilize the  
63 public resources;

64 (c) The term "improvement" \* \* \* includes repair,  
65 betterment, enlargement, extension and other improvements to a  
66 system;

67 (d) The term "acquire" \* \* \* includes construct,  
68 purchase, gift, exercise of power of eminent domain and other  
69 methods by which a municipality may acquire a system;

70 (e) The term "improve" \* \* \* includes repair, better,  
71 enlarge, extend and other methods of improving a system;

72 (f) The term "ordinance" \* \* \* includes ordinance,  
73 resolution or other appropriate legislative enactment of the  
74 governing authorities of any municipality.

75 SECTION 2. Section 21-27-23, Mississippi Code of 1972, is  
76 amended as follows:

77 21-27-23. Any municipality may:

78 (a) To borrow money and to issue revenue bonds \* \* \*  
79 solely for the purposes specified in this section and by the  
80 procedure provided in Sections 21-27-41 through 21-27-69.

81 Money may be borrowed and bonds issued by any municipality of  
82 the State of Mississippi, as \* \* \* defined in Section 21-27-11, to  
83 acquire or improve any waterworks system, water supply system,  
84 sewerage system, sewage disposal system, garbage disposal system,  
85 rubbish disposal system or incinerators, gas producing system, gas  
86 generating system, gas transmission system, or gas distribution  
87 system, electric generating, transmission or distribution system,  
88 or motor vehicle transportation system, including any combination  
89 of any or all of those systems into one (1) system, within or  
90 without the corporate limits of the municipality, for the purpose  
91 of supplying the municipality and the persons and corporations,  
92 both public and private, whether within or without its corporate  
93 limits, with the services and facilities afforded by the system,  
94 provided that water, electric energy, or gas afforded by any \* \* \*  
95 system or systems may be supplied to such ultimate consumers  
96 thereof by sale thereof to the owners or operators of a

97 distribution system for resale to the public. Any municipality  
98 which shall borrow money and issue revenue bonds to provide funds  
99 with which to acquire a gas transmission system \* \* \*, if  
100 necessary, in order to reach and obtain a source of supply of gas  
101 for the municipality, may extend or construct its gas transmission  
102 line into an adjoining state, and may use and expend part of the  
103 proceeds of the issue of revenue bonds for such purpose.

104 (b) To assume all indebtedness for any system or  
105 systems which may be acquired under the provisions of this section  
106 as all or part of the consideration for the acquisition of the  
107 system or systems and to issue its revenue bonds in exchange for  
108 the bonds or notes evidencing the indebtedness.

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

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

115 (e) To establish, maintain and collect rates for the  
116 facilities and services offered by any such system; provided that  
117 if there is a combination of systems into one or more systems, the  
118 municipality establishing the same shall be and is empowered to  
119 establish, maintain and collect rates for any and all of the  
120 services or for any combination thereof, and the municipality may  
121 discontinue any or all of the services upon any failure to  
122 promptly pay the charges fixed for the services. The rates so  
123 fixed for services rendered by any system or combination thereof  
124 may be charged for all services rendered thereby, regardless of  
125 whether or not the services may have been previously rendered  
126 without rates or charges therefor by the previously existing  
127 waterworks system, water supply system, sewerage system, sewage  
128 disposal system, garbage disposal system, rubbish disposal system  
129 or incinerators, gas producing system, gas generating system, gas

130 transmission system, or gas distribution system, electric  
131 generating, transmission or distribution system, which shall have  
132 been merged into the combined system. Any such municipality may  
133 pledge for the payment of any bonds issued to acquire or improve  
134 any such combined system, or to refund any bonds previously issued  
135 to acquire or improve any such combined system or to acquire or  
136 improve any system merged with such combined system, the revenues  
137 to be derived from the operation of such combined system,  
138 including the charges authorized to be imposed by this section.

139 A municipality may authorize a municipally owned utility to  
140 make early payment of the utility's bills to its electricity  
141 suppliers which offer early payment discounts to the municipally  
142 owned utility.

143 If the revenues of any previously existing system being  
144 merged into a combined system are subject to a prior lien, the  
145 revenues and the expenses of any \* \* \* previously existing system  
146 shall be accounted for separately to the extent necessary to  
147 satisfy the covenants relating to the prior lien for so long as  
148 the indebtedness secured by the revenues shall remain outstanding.

149 Only surplus revenues remaining after the satisfaction of all  
150 covenants relating to the outstanding indebtedness may be pledged  
151 to the retirement of any indebtedness to be secured by the  
152 revenues of a combined system. The existence of the outstanding  
153 indebtedness shall not, in and of itself, prevent the combining of  
154 systems as herein provided, so long as the prior lien on the  
155 revenues of any previously existing system is fully satisfied from  
156 the revenues of the previously existing system.

157 (f) To acquire property, real or personal, which may be  
158 necessary to effectuate the powers \* \* \* conferred in this  
159 section. The municipality may purchase electric transmission line  
160 materials, electric distribution system substation equipment,  
161 transformer equipment, and all other appliances, apparatus,  
162 machinery, equipment and appurtenances necessary for the sale of

163 electricity, such as utility vehicles and fencing, from the  
164 surplus inventory of the Tennessee Valley Authority or any other  
165 similar agency of the federal government and electric power  
166 associations. These purchases by the municipality shall be exempt  
167 from the public bid requirements prescribed in Sections 31-7-12  
168 and 31-7-13. If the power of eminent domain is exercised, it  
169 shall be exercised in the manner provided by Sections 11-27-1  
170 through 11-27-51.

171 (g) To enter into contract with the United States of  
172 America or any agency thereof, under the provisions of acts of the  
173 Congress of the United States, to aid or encourage public works  
174 and the regulations made in pursuance thereof, for the sale of  
175 bonds issued in accordance with the provisions of Sections  
176 21-27-41 through 21-27-69 or for the acceptance of a grant to aid  
177 such municipality in acquiring or improving any such system; and  
178 the contracts may contain \* \* \* terms and conditions as may be  
179 agreed upon by and between the municipality and the United States  
180 of America or any agency thereof, or any purchaser of the bonds.

181 (h) To adopt the ordinances and resolutions and to do  
182 all things and perform all acts necessary, proper or desirable to  
183 effectuate the full intent and purpose of Sections 21-27-11  
184 through 21-27-69, including processing, marketing, custom  
185 processing, sale and resale of materials processed through any  
186 facility under its jurisdiction.

187 (i) To borrow from the Mississippi Development Bank in  
188 order to fund the advance purchase of energy for its gas  
189 producing, generating, transmission or distribution system or its  
190 electric generating, transmission or distribution system.

191 SECTION 3. Section 21-27-39, Mississippi Code of 1972, is  
192 amended as follows:

193 21-27-39. All municipalities owning or operating any system  
194 or systems may supply consumers residing outside of and within  
195 five (5) miles of the corporate limits of the municipality. In

196 any county traversed by two (2) or more natural gas transmission  
197 lines and having therein two (2) or more natural gas compressor  
198 stations engaged in rendering service in interstate commerce, and  
199 wherein a natural gas transmission line of a municipality can be  
200 laid wholly in alluvial soil, where it is necessary for any  
201 municipality having a population of less than one thousand  
202 (1,000), according to the federal census of 1950, to construct a  
203 gas transmission line for a distance of more than five (5) miles  
204 but not more than eleven (11) miles from its corporate limits to  
205 the nearest point at which an adequate supply of natural gas can  
206 be obtained, and where there are not less than two hundred (200)  
207 prospective gas customers residing outside the corporate limits of  
208 such municipality but along and within one-half (1/2) mile of the  
209 gas transmission line so constructed by the municipality, then and  
210 in that event, the municipality may supply natural gas to the  
211 customers. Any municipality having its own natural gas  
212 transmission system in any county bordering the State of Alabama,  
213 in which U.S. Highway No. 78 and State Highway No. 25 intersect,  
214 and in which there is a publicly supported junior college, may  
215 extend its transmission lines and supply customers within the  
216 county for a distance of fifteen (15) miles from the corporate  
217 limits. Any municipality having a population of less than one  
218 thousand (1,000) people, according to the federal census of 1960,  
219 and being located in the county in which U.S. Highway 51 and U.S.  
220 Highway 82 intersect, and in the county where the main line of  
221 Illinois Central Railroad and Columbus and Greenville Railroad  
222 intersect, may construct a gas transmission line and supply  
223 customers within a four-county area for a distance of forty-five  
224 (45) miles from the corporate limits of the municipality. Any  
225 municipality having its own water distribution system, the  
226 construction or expansion of which has been financed in whole or  
227 in part by an agency of the United States Government, and having a  
228 population of less than five hundred (500) persons, and located in

229 a county in which Mississippi State Highways Number 12 and Number  
230 429 intersect, may construct, expand and operate its water  
231 distribution system within the county or adjoining counties for a  
232 distance of fifteen (15) miles from the corporate limits. Any  
233 municipality having its own water distribution system, the  
234 construction or expansion of which has been financed in whole or  
235 in part by an agency of the United States Government, and having a  
236 population of less than fifteen hundred (1500) persons, and  
237 located in a county in which Highway 15 and Highway 32 intersect  
238 and has a national forest, may construct, expand and operate its  
239 water distribution system within the county or adjoining counties  
240 for a distance of fifteen (15) miles from corporate limits.

241 Any municipality having its own water distribution system and  
242 located in a county having two (2) judicial districts, and in  
243 which Mississippi Highways 17 and 35 intersect, may construct,  
244 expand and operate its water distribution system within the county  
245 or adjoining counties for a distance of fifteen (15) miles from  
246 the corporate limits. Any municipality having its own water  
247 distribution system, wherein U. S. Highway 51 and Mississippi  
248 Highway 35 intersect, and located in a county in which U. S.  
249 Highway 82 and Mississippi Highway 17 intersect, may construct,  
250 expand and operate its water distribution system within the county  
251 or adjoining counties for a distance of fifteen (15) miles from  
252 the corporate limits. Whenever such service shall be furnished to  
253 any consumer residing outside the corporate limits thereof, the  
254 consumer may not be charged at a rate greater than twice the rate  
255 charged for such services within the municipality.

256 Any municipality may acquire, construct, expand and operate  
257 its motor vehicle transportation system for the transportation of  
258 passengers and freight for a distance of thirty (30) miles from  
259 its corporate limits. Any municipality having a population of  
260 more than forty-five thousand (45,000) but less than forty-five  
261 thousand one hundred (45,100) according to the 1970 federal

262 decennial census, may expand its motor vehicle transportation  
263 system for the transportation of passengers for more than five (5)  
264 miles outside its corporate limits.

265 Any municipality having a population of less than five  
266 hundred (500) according to the 1980 federal decennial census,  
267 being located north of U. S. Highway 82 in a county in which is  
268 located a United States Air Force base and a state-supported  
269 institution of higher learning established primarily for women,  
270 which criteria the Legislature finds to be conducive to the  
271 expansion of natural gas service to support contiguous areas of  
272 the Air Force base, may construct, own and/or operate a public  
273 utility or natural gas system and supply customers within the  
274 county for a distance of eleven (11) miles from the corporate  
275 limits.

276 SECTION 4. Section 21-27-43, Mississippi Code of 1972, is  
277 amended as follows:

278 21-27-43. Except as hereinafter provided, no bonds shall be  
279 issued pursuant to the authority granted in Section 21-27-23 until  
280 and unless a majority of those qualified electors of the  
281 municipality, voting on a proposition stating in general terms the  
282 maximum amount and purposes of the bonds, have approved the  
283 issuance at a special election called thereon according to law.

284 However, the requirement for an election to be held before  
285 the issuance of the bonds shall not apply to the issuance of the  
286 revenue bonds for the purpose of improving, repairing or extending  
287 any water works system, water supply system, sewage system, sewage  
288 disposal system (or the addition of a sewage disposal system to a  
289 sewage system), gas producing system, gas generating,  
290 transmission, or distribution system, electric generating,  
291 transmission, or distribution system, garbage disposal system,  
292 rubbish disposal or motor vehicle incinerator system, or \* \* \*  
293 transportation system, which is now, or hereafter, owned or  
294 operated by any municipality. The revenue bonds may be issued for

295 the purposes in the following manner: notice of intention to  
296 issue the revenue bonds, setting out the amount and other terms or  
297 conditions of the proposed issue, shall be given by publication  
298 once a week for three (3) consecutive weeks in a local newspaper  
299 published in the municipality, and if a newspaper is not published  
300 in the municipality, then in some newspaper having a general  
301 circulation in the municipality. After ten (10) days from the  
302 last publication of the notice, the bonds may be sold under the  
303 regular procedure for selling the bonds unless, within ten (10)  
304 days after the last publication of the notice, a petition signed  
305 by not less than twenty percent (20%) of the qualified voters of  
306 the municipality be filed objecting to and protesting against the  
307 revenue bond issue, in which event the same shall not be made  
308 unless submitted to a special election ordered for the purpose of  
309 determining whether or not a majority of those voting in the  
310 election shall vote for or against the revenue bond issue. The  
311 election shall be ordered to be held not later than forty (40)  
312 days after the date of the last notice of the proposed revenue  
313 bond issue. Notice of the election, stating the purpose of the  
314 election, shall be published once each week for three (3)  
315 consecutive weeks next preceding the time set for holding the  
316 election in the newspaper, as \* \* \* provided in this section. The  
317 laws governing \* \* \* municipal elections shall govern the order  
318 and conduct of the election. However, nothing in this section  
319 shall prevent the governing authorities from calling an election,  
320 whether required by petition of twenty percent (20%) of the  
321 qualified voters or not. This section shall not have \* \* \*  
322 application to and it shall not affect the authority granted  
323 public utilities commissions under Section 21-27-25.

324 SECTION 5. This act shall take effect and be in force from  
325 and after July 1, 1999.