

By: Representative Henderson (9th)

To: Municipalities

HOUSE BILL NO. 1462  
(As Sent to Governor)

1 AN ACT TO AMEND SECTION 21-27-11, MISSISSIPPI CODE OF 1972,  
2 TO PROVIDE THAT THE TERM "SYSTEM" SHALL INCLUDE RAILROAD  
3 TRANSPORTATION SYSTEMS FOR THE TRANSPORTATION OF PASSENGERS AND  
4 FREIGHT FOR AN EXTENDED DISTANCE BEYOND THE CORPORATE LIMITS OF  
5 CERTAIN MUNICIPALITIES; TO AMEND SECTION 21-27-39, MISSISSIPPI  
6 CODE OF 1972, TO AUTHORIZE CERTAIN MUNICIPALITIES TO ACQUIRE,  
7 CONSTRUCT, EXPAND OR OPERATE ITS RAILROAD TRANSPORTATION SYSTEM  
8 FOR THE TRANSPORTATION OF PASSENGERS AND FREIGHT FOR AN EXTENDED  
9 DISTANCE BEYOND THE CORPORATE LIMITS; TO AMEND SECTIONS 21-27-23  
10 AND 21-27-43, MISSISSIPPI CODE OF 1972, TO AUTHORIZE A  
11 MUNICIPALITY TO ALLOW A MUNICIPALLY OWNED UTILITY TO IMMEDIATELY  
12 REFUND A DEPOSIT TO A CUSTOMER OF THE MUNICIPAL UTILITY AFTER THE  
13 MUNICIPAL UTILITY DETERMINES THAT PAYMENT FOR ALL SERVICES AND ANY  
14 OTHER OBLIGATIONS WHICH THE CUSTOMER MAY HAVE INCURRED IN REGARD  
15 TO THE UTILITY HAS BEEN MADE; AND FOR RELATED PURPOSES. BE IT  
16 ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

17  
18 SECTION 1. Section 21-27-11, Mississippi Code of 1972, is  
19 amended as follows:

20 21-27-11. Whenever used in Sections 21-27-11 through  
21 21-27-69:

22 (a) The term "municipality" \* \* \* includes any  
23 incorporated city, town or village of the State of Mississippi,  
24 whether incorporated under a special charter or under the general  
25 laws of the State of Mississippi governing municipalities, and  
26 operating under any form of municipal government. However, for  
27 the purpose of establishing a motor vehicle transportation system  
28 for the transportation of passengers within the boundaries of the  
29 governmental unit or units concerned, and within three (3) miles  
30 thereof, the word "municipality" is \* \* \* defined to include  
31 counties and groups of municipalities and shall allow those  
32 governmental units to establish a commission as provided in  
33 Section 21-27-13 and exercise the powers granted in Sections

34 21-27-11 through 21-27-69. Each county or municipality joining  
35 together shall be allowed at least one (1) commissioner  
36 representing that governing authority;

37 (b) The term "system" \* \* \* includes waterworks system,  
38 water supply system, sewage system, sewage disposal system, or any  
39 combination thereof, including any combined waterworks and sewage  
40 system, consisting of an existing waterworks system or water  
41 supply system or both, combined with an existing sewage system or  
42 sewage disposal system or both, or consisting of an existing  
43 waterworks system or water supply system or both, combined with a  
44 sewage system or sewage disposal system or both, to be acquired,  
45 (as defined herein), or consisting of an existing sewage system or  
46 sewage disposal system or both, combined with a waterworks system  
47 or water supply system or both, to be acquired, (as defined  
48 herein), gas producing system, gas generating system, gas  
49 transmission system or gas distribution system, or any one (1) or  
50 all thereof, electric generating, transmission, or distribution  
51 system, garbage disposal system, rubbish disposal system, and  
52 incinerators, and all parts and appurtenances thereof. The term  
53 "system" \* \* \* also includes a motor vehicle transportation system  
54 for the transportation of passengers within the city limits and  
55 within three (3) miles thereof. The term "system" also includes a  
56 railroad transportation system of any municipality located within  
57 a county bordering the Mississippi River and in which Highways 49  
58 and 61 intersect for the transportation of passengers and freight  
59 regardless of the amount of area outside the city limits of such  
60 municipality for which the system provides service; the railroad  
61 transportation system may be located partially outside the  
62 boundaries of the county. The term "system" \* \* \* also includes a  
63 motor vehicle transportation system for the transportation of  
64 passengers of any municipality with a population of more than  
65 forty-five thousand (45,000) but less than forty-five thousand one  
66 hundred (45,100) according to the 1970 federal decennial census  
67 regardless of the amount of area outside the city limits of such  
68 municipality for which the system provides service. Wherever in  
69 Sections 21-27-11 through 21-27-69 any one or more of the systems  
70 authorized under this section are referred to, the same shall

71 include \* \* \* motor vehicle transportation systems. The term  
72 "system" \* \* \* also includes any franchise held by the owner  
73 thereof and shall also include operations within the capabilities  
74 of any component facility within the system which reasonably  
75 utilize the public resources;

76 (c) The term "improvement" \* \* \* includes repair,  
77 betterment, enlargement, extension and other improvements to a  
78 system;

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

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

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

87 SECTION 2. Section 21-27-39, Mississippi Code of 1972, is  
88 amended as follows:

89 21-27-39. All municipalities owning or operating any system  
90 or systems may supply consumers residing outside of and within  
91 five (5) miles of the corporate limits of the municipality. In  
92 any county traversed by two (2) or more natural gas transmission  
93 lines and having therein two (2) or more natural gas compressor  
94 stations engaged in rendering service in interstate commerce, and  
95 wherein a natural gas transmission line of a municipality can be  
96 laid wholly in alluvial soil, where it is necessary for any  
97 municipality having a population of less than one thousand  
98 (1,000), according to the federal census of 1950, to construct a  
99 gas transmission line for a distance of more than five (5) miles  
100 but not more than eleven (11) miles from its corporate limits to  
101 the nearest point at which an adequate supply of natural gas can  
102 be obtained, and where there are not less than two hundred (200)  
103 prospective gas customers residing outside the corporate limits of

104 such municipality but along and within one-half (1/2) mile of the  
105 gas transmission line so constructed by the municipality, then and  
106 in that event, the municipality may supply natural gas to such  
107 customers. Any municipality having its own natural gas  
108 transmission system in any county bordering the State of Alabama,  
109 in which U.S. Highway No. 78 and State Highway No. 25 intersect,  
110 and in which there is a publicly supported junior college, may  
111 extend its transmission lines and supply customers within the  
112 county for a distance of fifteen (15) miles from the corporate  
113 limits. Any municipality having a population of less than one  
114 thousand (1,000) people, according to the federal census of 1960,  
115 and being located in the county in which U.S. Highway 51 and U.S.  
116 Highway 82 intersect, and in the county where the main line of  
117 Illinois Central Railroad and Columbus and Greenville Railroad  
118 intersect, may construct a gas transmission line and supply  
119 customers within a four-county area for a distance of forty-five  
120 (45) miles from the corporate limits of the municipality. Any  
121 municipality having its own water distribution system, the  
122 construction or expansion of which has been financed in whole or  
123 in part by an agency of the United States government, and having a  
124 population of less than five hundred (500) persons, and located in  
125 a county in which Mississippi State Highways Number 12 and Number  
126 429 intersect, may construct, expand and operate its water  
127 distribution system within the county or adjoining counties for a  
128 distance of fifteen (15) miles from the corporate limits. Any  
129 municipality having its own water distribution system, the  
130 construction or expansion of which has been financed in whole or  
131 in part by an agency of the United States government, and having a  
132 population of less than fifteen hundred (1500) persons, and  
133 located in a county in which Highway 15 and Highway 32 intersect  
134 and has a national forest, may construct, expand and operate its  
135 water distribution system within the county or adjoining counties  
136 for a distance of fifteen (15) miles from the corporate limits.

137 Any municipality having its own water distribution system and  
138 located in a county having two (2) judicial districts, and in  
139 which Mississippi Highways 17 and 35 intersect, may construct,  
140 expand and operate its water distribution system within the county  
141 or adjoining counties for a distance of fifteen (15) miles from  
142 the corporate limits. Any municipality having its own water  
143 distribution system, wherein U.S. Highway 51 and Mississippi  
144 Highway 35 intersect, and located in a county in which U.S.  
145 Highway 82 and Mississippi Highway 17 intersect, may construct,  
146 expand and operate its water distribution system within the county  
147 or adjoining counties for a distance of fifteen (15) miles from  
148 the corporate limits. Whenever such service shall be furnished to  
149 any consumer residing outside the corporate limits thereof, such  
150 consumer may not be charged at a rate greater than twice the rate  
151 charged for such services within the municipality.

152 Any municipality located within a county bordering the  
153 Mississippi River and in which Highways 49 and 61 intersect may  
154 acquire, construct, expand and operate its railroad transportation  
155 system for the transportation of passengers and freight for more  
156 than five (5) miles outside its corporate limits and outside the  
157 boundaries of the county in which it is located. Any municipality  
158 having a population of more than forty-five thousand (45,000) but  
159 less than forty-five thousand one hundred (45,100) according to  
160 the 1970 federal decennial census, may expand its motor vehicle  
161 transportation system for the transportation of passengers for  
162 more than five (5) miles outside its corporate limits.

163 Any municipality having a population of less than five  
164 hundred (500) according to the 1980 federal decennial census,  
165 being located north of U.S. Highway 82 in a county in which is  
166 located a United States Air Force base and a state-supported  
167 institution of higher learning established primarily for women,  
168 which criteria the Legislature finds to be conducive to the  
169 expansion of natural gas service to support contiguous areas of

170 such Air Force base, may construct, own and/or operate a public  
171 utility or natural gas system and supply customers within the  
172 county for a distance of eleven (11) miles from the corporate  
173 limits.

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

176 21-27-23. Any municipality may:

177 (a) \* \* \* Borrow money and \* \* \* issue revenue bonds  
178 therefor solely for the purposes specified in this section and by  
179 the procedure provided in Sections 21-27-41 through 21-27-69.

180 Money may be borrowed and bonds issued by any municipality of  
181 the State of Mississippi, as \* \* \* defined in Section 21-27-11, to  
182 acquire or improve any waterworks system, water supply system,  
183 sewerage system, sewage disposal system, garbage disposal system,  
184 rubbish disposal system or incinerators, gas producing system, gas  
185 generating system, gas transmission system, or gas distribution  
186 system, electric generating, transmission or distribution system,  
187 railroad transportation system for passengers and freight, or  
188 motor vehicle transportation system, including any combination of  
189 any or all of those systems into one (1) system, within or without  
190 the corporate limits thereof, for the purpose of supplying the  
191 municipality and the persons and corporations, both public and  
192 private, whether within or without its corporate limits, with the  
193 services and facilities afforded by the system, provided that  
194 water, electric energy, or gas afforded by any \* \* \* system or  
195 systems may be supplied to such ultimate consumers thereof by sale  
196 thereof to the owners or operators of a distribution system for  
197 resale to the public. Any municipality which shall borrow money  
198 and issue revenue bonds to provide funds with which to acquire a  
199 gas transmission system \* \* \*, if necessary in order to reach and  
200 obtain a source of supply of gas for the municipality, may extend  
201 or construct its gas transmission line into an adjoining state,  
202 and may use and expend part of the proceeds of such issue of

203 revenue bonds for the purpose.

204           (b) To assume all indebtedness for any system or  
205 systems which may be acquired under the provisions of this section  
206 as all or part of the consideration for the acquisition of such  
207 system or systems and to issue its revenue bonds in exchange for  
208 the bonds or notes evidencing the indebtedness.

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

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

215           (e) To establish, maintain and collect rates for the  
216 facilities and services offered by any such system; provided that  
217 if there is a combination of systems into one or more systems, the  
218 municipality establishing the same shall be and is empowered to  
219 establish, maintain and collect rates for any and all of the  
220 services or for any combination thereof, and the municipality may  
221 discontinue any or all of the services upon any failure to  
222 promptly pay the charges fixed for the services. The rates so  
223 fixed for services rendered by any system or combination thereof  
224 may be charged for all services rendered thereby, regardless of  
225 whether the services may have been previously rendered without  
226 rates or charges therefor by the previously existing waterworks  
227 system, water supply system, sewerage system, sewage disposal  
228 system, garbage disposal system, rubbish disposal system or  
229 incinerators, gas producing system, gas generating system, gas  
230 transmission system, or gas distribution system, electric  
231 generating, transmission or distribution system, which shall have  
232 been merged into the combined system. Any such municipality may  
233 pledge for the payment of any bonds issued to acquire or improve  
234 any such combined system, or to refund any bonds previously issued  
235 to acquire or improve any such combined system or to acquire or

236 improve any system merged with such combined system, the revenues  
237 to be derived from the operation of such combined system,  
238 including the charges authorized to be imposed by this section.

239 A municipality may authorize a municipally owned utility to  
240 make early payment of the utility's bills to its electricity  
241 suppliers which offer early payment discounts to the municipally  
242 owned utility. The municipality may immediately refund to a  
243 customer of the municipally owned utility his or her deposit for  
244 municipal utility services after the municipal utility has  
245 determined that payment for all services and any other obligations  
246 which the customer may have incurred in regard to the municipal  
247 utility has been made.

248 If the revenues of any previously existing system being  
249 merged into a combined system are subject to a prior lien, the  
250 revenues and the expenses of any \* \* \* previously existing system  
251 shall be accounted for separately to the extent necessary to  
252 satisfy the covenants relating to the prior lien for so long as  
253 the indebtedness secured by the revenues shall remain outstanding.

254 Only surplus revenues remaining after the satisfaction of all  
255 covenants relating to the outstanding indebtedness may be pledged  
256 to the retirement of any indebtedness to be secured by the  
257 revenues of a combined system. The existence of the outstanding  
258 indebtedness shall not, in and of itself, prevent the combining of  
259 systems as herein provided, so long as the prior lien on the  
260 revenues of any previously existing system is fully satisfied from  
261 the revenues of the previously existing system.

262 (f) To acquire property, real or personal, which may be  
263 necessary to effectuate the powers \* \* \* conferred by this  
264 section. The municipality may purchase electric transmission line  
265 materials, electric distribution system substation equipment,  
266 transformer equipment, and all other appliances, apparatus,  
267 machinery, equipment and appurtenances necessary for the sale of  
268 electricity, such as utility vehicles and fencing, from the



269 surplus inventory of the Tennessee Valley Authority or any other  
270 similar agency of the federal government and electric power  
271 associations. These purchases by the municipality shall be exempt  
272 from the public bid requirements prescribed in Sections 31-7-12  
273 and 31-7-13. If the power of eminent domain is exercised, it  
274 shall be exercised in the manner provided by Sections 11-27-1  
275 through 11-27-51.

276 (g) To enter into contract with the United States of  
277 America or any agency thereof, under the provisions of acts of the  
278 Congress of the United States, to aid or encourage public works  
279 and the regulations made in pursuance thereof, for the sale of  
280 bonds issued in accordance with the provisions of Sections  
281 21-27-41 through 21-27-69 or for the acceptance of a grant to aid  
282 such municipality in acquiring or improving any such system; and  
283 the contracts may contain \* \* \* terms and conditions as may be  
284 agreed upon by and between the municipality and the United States  
285 of America or any agency thereof, or any purchaser of the bonds.

286 (h) To adopt the ordinances and resolutions and to do  
287 all things and perform all acts necessary, proper or desirable to  
288 effectuate the full intent and purpose of Sections 21-27-11  
289 through 21-27-69, including processing, marketing, custom  
290 processing, sale and resale of materials processed through any  
291 facility under its jurisdiction.

292 (i) To borrow from the Mississippi Development Bank in  
293 order to fund the advance purchase of energy for its gas  
294 producing, generating, transmission or distribution system or its  
295 electric generating, transmission or distribution system.

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

298 21-27-43. Except as hereinafter provided, no bonds shall be  
299 issued pursuant to the authority granted in Section 21-27-23 until  
300 and unless a majority of those qualified electors of the  
301 municipality, voting on a proposition stating in general terms the

302 maximum amount and purposes of the bonds, have approved the  
303 issuance at a special election called thereon according to law.

304       However, the requirement for an election to be held before  
305 the issuance of the bonds shall not apply to the issuance of the  
306 revenue bonds for the purpose of improving, repairing or extending  
307 any waterworks system, water supply system, sewage system, sewage  
308 disposal system (or the addition of a sewage disposal system to a  
309 sewage system), gas producing system, gas generating,  
310 transmission, or distribution system, electric generating,  
311 transmission, or distribution system, garbage disposal system,  
312 rubbish disposal or incinerator system, or motor vehicle  
313 transportation system, which is now, or hereafter, owned or  
314 operated by any municipality, or railroad transportation system  
315 owned or operated by any municipality located in a county  
316 bordering the Mississippi River and in which Highways 49 and 61  
317 intersect. The revenue bonds may be issued for such purposes in  
318 the following manner: notice of intention to issue the revenue  
319 bonds, setting out the amount and other terms or conditions of the  
320 proposed issue, shall be given by publication once a week for  
321 three (3) consecutive weeks in a local newspaper published in the  
322 municipality, and if a newspaper is not published in the  
323 municipality, then in some newspaper having a general circulation  
324 in the municipality. After ten (10) days from the last  
325 publication of the notice, the bonds may be sold under the regular  
326 procedure for selling the bonds unless, within ten (10) days after  
327 the last publication of the notice, a petition signed by not less  
328 than twenty percent (20%) of the qualified voters of such  
329 municipality be filed objecting to and protesting against such  
330 revenue bond issue, in which event the same shall not be made  
331 unless submitted to a special election ordered for the purpose of  
332 determining whether or not a majority of those voting in the  
333 election shall vote for or against the revenue bond issue. The  
334 election shall be ordered to be held not later than forty (40)

335 days after the date of the last notice of the proposed revenue  
336 bond issue. Notice of the election, stating the purpose of the  
337 election, shall be published once each week for three (3)  
338 consecutive weeks next preceding the time set for holding the  
339 election in the newspaper, \* \* \* provided in this section. The  
340 laws governing \* \* \* municipal elections shall govern the order  
341 and conduct of the election. However, nothing in this section  
342 shall prevent the governing authorities from calling an election,  
343 whether required by petition of twenty percent (20%) of the  
344 qualified voters or not. This section shall not have \* \* \*  
345 application to and it shall not affect the authority granted  
346 public utilities commissions under Section 21-27-25.

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