

REPORT OF CONFERENCE COMMITTEE

MR. SPEAKER AND MR. PRESIDENT:

We, the undersigned conferees, have had under consideration the amendments to the following entitled BILL:

H.B. No. 1462: Municipal public utility systems; expand to include freight.

We, therefore, respectfully submit the following report and recommendation:

1. That the Senate recede from its Amendment No. 1.
2. That the House and Senate adopt the following amendment:

Amend by striking all after the enacting clause and inserting in lieu thereof the following:

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

19 21-27-11. Whenever used in Sections 21-27-11 through
20 21-27-69:

21 (a) The term "municipality" * * * includes any
22 incorporated city, town or village of the State of Mississippi,
23 whether incorporated under a special charter or under the general
24 laws of the State of Mississippi governing municipalities, and
25 operating under any form of municipal government. However, for
26 the purpose of establishing a motor vehicle transportation system
27 for the transportation of passengers within the boundaries of the
28 governmental unit or units concerned, and within three (3) miles
29 thereof, the word "municipality" is * * * defined to include
30 counties and groups of municipalities and shall allow those
31 governmental units to establish a commission as provided in
32 Section 21-27-13 and exercise the powers granted in Sections
33 21-27-11 through 21-27-69. Each county or municipality joining
34 together shall be allowed at least one (1) commissioner
35 representing that governing authority;

36 (b) The term "system" * * * includes waterworks system,
37 water supply system, sewage system, sewage disposal system, or any
38 combination thereof, including any combined waterworks and sewage
39 system, consisting of an existing waterworks system or water

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

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

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

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

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

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

88 21-27-39. All municipalities owning or operating any system
89 or systems may supply consumers residing outside of and within
90 five (5) miles of the corporate limits of the municipality. In
91 any county traversed by two (2) or more natural gas transmission
92 lines and having therein two (2) or more natural gas compressor
93 stations engaged in rendering service in interstate commerce, and
94 wherein a natural gas transmission line of a municipality can be
95 laid wholly in alluvial soil, where it is necessary for any
96 municipality having a population of less than one thousand
97 (1,000), according to the federal census of 1950, to construct a
98 gas transmission line for a distance of more than five (5) miles
99 but not more than eleven (11) miles from its corporate limits to
100 the nearest point at which an adequate supply of natural gas can
101 be obtained, and where there are not less than two hundred (200)
102 prospective gas customers residing outside the corporate limits of
103 such municipality but along and within one-half (1/2) mile of the
104 gas transmission line so constructed by the municipality, then and
105 in that event, the municipality may supply natural gas to such
106 customers. Any municipality having its own natural gas
107 transmission system in any county bordering the State of Alabama,
108 in which U.S. Highway No. 78 and State Highway No. 25 intersect,
109 and in which there is a publicly supported junior college, may

110 extend its transmission lines and supply customers within the
111 county for a distance of fifteen (15) miles from the corporate
112 limits. Any municipality having a population of less than one
113 thousand (1,000) people, according to the federal census of 1960,
114 and being located in the county in which U.S. Highway 51 and U.S.
115 Highway 82 intersect, and in the county where the main line of
116 Illinois Central Railroad and Columbus and Greenville Railroad
117 intersect, may construct a gas transmission line and supply
118 customers within a four-county area for a distance of forty-five
119 (45) miles from the corporate limits of the municipality. Any
120 municipality having its own water distribution system, the
121 construction or expansion of which has been financed in whole or
122 in part by an agency of the United States government, and having a
123 population of less than five hundred (500) persons, and located in
124 a county in which Mississippi State Highways Number 12 and Number
125 429 intersect, may construct, expand and operate its water
126 distribution system within the county or adjoining counties for a
127 distance of fifteen (15) miles from the corporate limits. Any
128 municipality having its own water distribution system, the
129 construction or expansion of which has been financed in whole or
130 in part by an agency of the United States government, and having a
131 population of less than fifteen hundred (1500) persons, and
132 located in a county in which Highway 15 and Highway 32 intersect
133 and has a national forest, may construct, expand and operate its
134 water distribution system within the county or adjoining counties
135 for a distance of fifteen (15) miles from the corporate limits.

136 Any municipality having its own water distribution system and
137 located in a county having two (2) judicial districts, and in
138 which Mississippi Highways 17 and 35 intersect, may construct,
139 expand and operate its water distribution system within the county
140 or adjoining counties for a distance of fifteen (15) miles from
141 the corporate limits. Any municipality having its own water
142 distribution system, wherein U.S. Highway 51 and Mississippi
143 Highway 35 intersect, and located in a county in which U.S.
144 Highway 82 and Mississippi Highway 17 intersect, may construct,

145 expand and operate its water distribution system within the county
146 or adjoining counties for a distance of fifteen (15) miles from
147 the corporate limits. Whenever such service shall be furnished to
148 any consumer residing outside the corporate limits thereof, such
149 consumer may not be charged at a rate greater than twice the rate
150 charged for such services within the municipality.

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

162 Any municipality having a population of less than five
163 hundred (500) according to the 1980 federal decennial census,
164 being located north of U.S. Highway 82 in a county in which is
165 located a United States Air Force base and a state-supported
166 institution of higher learning established primarily for women,
167 which criteria the Legislature finds to be conducive to the
168 expansion of natural gas service to support contiguous areas of
169 such Air Force base, may construct, own and/or operate a public
170 utility or natural gas system and supply customers within the
171 county for a distance of eleven (11) miles from the corporate
172 limits.

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

175 21-27-23. Any municipality may:

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

179 Money may be borrowed and bonds issued by any municipality of

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

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

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

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

214 (e) To establish, maintain and collect rates for the

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

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

247 If the revenues of any previously existing system being
248 merged into a combined system are subject to a prior lien, the
249 revenues and the expenses of any * * * previously existing system

250 shall be accounted for separately to the extent necessary to
251 satisfy the covenants relating to the prior lien for so long as
252 the indebtedness secured by the revenues shall remain outstanding.

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

261 (f) To acquire property, real or personal, which may be
262 necessary to effectuate the powers * * * conferred by this
263 section. The municipality may purchase electric transmission line
264 materials, electric distribution system substation equipment,
265 transformer equipment, and all other appliances, apparatus,
266 machinery, equipment and appurtenances necessary for the sale of
267 electricity, such as utility vehicles and fencing, from the
268 surplus inventory of the Tennessee Valley Authority or any other
269 similar agency of the federal government and electric power
270 associations. These purchases by the municipality shall be exempt
271 from the public bid requirements prescribed in Sections 31-7-12
272 and 31-7-13. If the power of eminent domain is exercised, it
273 shall be exercised in the manner provided by Sections 11-27-1
274 through 11-27-51.

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

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

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

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

297 21-27-43. Except as hereinafter provided, no bonds shall be
298 issued pursuant to the authority granted in Section 21-27-23 until
299 and unless a majority of those qualified electors of the
300 municipality, voting on a proposition stating in general terms the
301 maximum amount and purposes of the bonds, have approved the
302 issuance at a special election called thereon according to law.

303 However, the requirement for an election to be held before
304 the issuance of the bonds shall not apply to the issuance of the
305 revenue bonds for the purpose of improving, repairing or extending
306 any waterworks system, water supply system, sewage system, sewage
307 disposal system (or the addition of a sewage disposal system to a
308 sewage system), gas producing system, gas generating,
309 transmission, or distribution system, electric generating,
310 transmission, or distribution system, garbage disposal system,
311 rubbish disposal or incinerator system, or motor vehicle
312 transportation system, which is now, or hereafter, owned or
313 operated by any municipality, or railroad transportation system
314 owned or operated by any municipality located in a county
315 bordering the Mississippi River and in which Highways 49 and 61
316 intersect. The revenue bonds may be issued for such purposes in
317 the following manner: notice of intention to issue the revenue
318 bonds, setting out the amount and other terms or conditions of the
319 proposed issue, shall be given by publication once a week for

320 three (3) consecutive weeks in a local newspaper published in the
321 municipality, and if a newspaper is not published in the
322 municipality, then in some newspaper having a general circulation
323 in the municipality. After ten (10) days from the last
324 publication of the notice, the bonds may be sold under the regular
325 procedure for selling the bonds unless, within ten (10) days after
326 the last publication of the notice, a petition signed by not less
327 than twenty percent (20%) of the qualified voters of such
328 municipality be filed objecting to and protesting against such
329 revenue bond issue, in which event the same shall not be made
330 unless submitted to a special election ordered for the purpose of
331 determining whether or not a majority of those voting in the
332 election shall vote for or against the revenue bond issue. The
333 election shall be ordered to be held not later than forty (40)
334 days after the date of the last notice of the proposed revenue
335 bond issue. Notice of the election, stating the purpose of the
336 election, shall be published once each week for three (3)
337 consecutive weeks next preceding the time set for holding the
338 election in the newspaper, * * * provided in this section. The
339 laws governing * * * municipal elections shall govern the order
340 and conduct of the election. However, nothing in this section
341 shall prevent the governing authorities from calling an election,
342 whether required by petition of twenty percent (20%) of the
343 qualified voters or not. This section shall not have * * *
344 application to and it shall not affect the authority granted
345 public utilities commissions under Section 21-27-25.

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

**Further, amend by striking the title in its entirety and
inserting in lieu thereof the following:**

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.

CONFEREES FOR THE HOUSE:

CONFEREES FOR THE SENATE:

X
Percy W. Watson

X
David Jordan

X
Rita Martinson

X
Hillman Terome Frazier

X
Tom Wallace

X
Terry C. Burton