

*****Pending*****

AMENDMENT No. 1 PROPOSED TO

House Bill NO. 1462

By Senator(s) Committee

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

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

15 21-27-11. Whenever used in Sections 21-27-11 through
16 21-27-69:

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

32 (b) The term "system" * * * includes waterworks system,
33 water supply system, sewage system, sewage disposal system, or any

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

99\SS01\HB1462A.J *SS01\HB1462AJ*

67 "system" * * * also includes any franchise held by the owner
68 thereof and shall also include operations within the capabilities
69 of any component facility within the system which reasonably
70 utilize the public resources;

71 (c) The term "improvement" * * * includes repair,
72 betterment, enlargement, extension and other improvements to a
73 system;

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

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

79 (f) The term "ordinance" * * * includes ordinance,
80 resolution or other appropriate legislative enactment of the
81 governing authorities of any municipality.

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

84 21-27-39. All municipalities owning or operating any system
85 or systems may supply consumers residing outside of and within
86 five (5) miles of the corporate limits of the municipality. In
87 any county traversed by two (2) or more natural gas transmission
88 lines and having therein two (2) or more natural gas compressor
89 stations engaged in rendering service in interstate commerce, and
90 wherein a natural gas transmission line of a municipality can be
91 laid wholly in alluvial soil, where it is necessary for any
92 municipality having a population of less than one thousand
93 (1,000), according to the federal census of 1950, to construct a
94 gas transmission line for a distance of more than five (5) miles
95 but not more than eleven (11) miles from its corporate limits to
96 the nearest point at which an adequate supply of natural gas can
97 be obtained, and where there are not less than two hundred (200)
98 prospective gas customers residing outside the corporate limits of
99 such municipality but along and within one-half (1/2) mile of the

99\SS01\HB1462A.J *SS01\HB1462AJ*

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

132 Any municipality having its own water distribution system and

99\SS01\HB1462A.J *SS01\HB1462AJ*

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

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

158 Any municipality having a population of less than five
159 hundred (500) according to the 1980 federal decennial census,
160 being located north of U.S. Highway 82 in a county in which is
161 located a United States Air Force base and a state-supported
162 institution of higher learning established primarily for women,
163 which criteria the Legislature finds to be conducive to the
164 expansion of natural gas service to support contiguous areas of
165 such Air Force base, may construct, own and/or operate a public

99\SS01\HB1462A.J *SS01\HB1462AJ*

166 utility or natural gas system and supply customers within the
167 county for a distance of eleven (11) miles from the corporate
168 limits.

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

171 21-27-23. Any municipality may:

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

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

99\SS01\HB1462A.J *SS01\HB1462AJ*

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

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

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

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

99\SS01\HB1462A.J *SS01\HB1462AJ*

232 to be derived from the operation of such combined system,
233 including the charges authorized to be imposed by this section.

234 A municipality may authorize a municipally owned utility to
235 make early payment of the utility's bills to its electricity
236 suppliers which offer early payment discounts to the municipally
237 owned utility.

238 If the revenues of any previously existing system being
239 merged into a combined system are subject to a prior lien, the
240 revenues and the expenses of any * * * previously existing system
241 shall be accounted for separately to the extent necessary to
242 satisfy the covenants relating to the prior lien for so long as
243 the indebtedness secured by the revenues shall remain outstanding.

244 Only surplus revenues remaining after the satisfaction of all
245 covenants relating to the outstanding indebtedness may be pledged
246 to the retirement of any indebtedness to be secured by the
247 revenues of a combined system. The existence of the outstanding
248 indebtedness shall not, in and of itself, prevent the combining of
249 systems as herein provided, so long as the prior lien on the
250 revenues of any previously existing system is fully satisfied from
251 the revenues of the previously existing system.

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

99\SS01\HB1462A.J *SS01\HB1462AJ*

265 through 11-27-51.

266 (g) To enter into contract with the United States of
267 America or any agency thereof, under the provisions of acts of the
268 Congress of the United States, to aid or encourage public works
269 and the regulations made in pursuance thereof, for the sale of
270 bonds issued in accordance with the provisions of Sections
271 21-27-41 through 21-27-69 or for the acceptance of a grant to aid
272 such municipality in acquiring or improving any such system; and
273 the contracts may contain * * * terms and conditions as may be
274 agreed upon by and between the municipality and the United States
275 of America or any agency thereof, or any purchaser of the bonds.

276 (h) To adopt the ordinances and resolutions and to do
277 all things and perform all acts necessary, proper or desirable to
278 effectuate the full intent and purpose of Sections 21-27-11
279 through 21-27-69, including processing, marketing, custom
280 processing, sale and resale of materials processed through any
281 facility under its jurisdiction.

282 (i) To borrow from the Mississippi Development Bank in
283 order to fund the advance purchase of energy for its gas
284 producing, generating, transmission or distribution system or its
285 electric generating, transmission or distribution system.

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

288 21-27-43. Except as hereinafter provided, no bonds shall be
289 issued pursuant to the authority granted in Section 21-27-23 until
290 and unless a majority of those qualified electors of the
291 municipality, voting on a proposition stating in general terms the
292 maximum amount and purposes of the bonds, have approved the
293 issuance at a special election called thereon according to law.

294 However, the requirement for an election to be held before
295 the issuance of the bonds shall not apply to the issuance of the
296 revenue bonds for the purpose of improving, repairing or extending
297 any waterworks system, water supply system, sewage system, sewage

99\SS01\HB1462A.J *SS01\HB1462AJ*

298 disposal system (or the addition of a sewage disposal system to a
299 sewage system), gas producing system, gas generating,
300 transmission, or distribution system, electric generating,
301 transmission, or distribution system, garbage disposal system,
302 rubbish disposal or incinerator system, or motor vehicle
303 transportation system, which is now, or hereafter, owned or
304 operated by any municipality, or railroad transportation system
305 owned or operated by any municipality located in a county
306 bordering the Mississippi River and in which Highways 49 and 61
307 intersect. The revenue bonds may be issued for such purposes in
308 the following manner: notice of intention to issue the revenue
309 bonds, setting out the amount and other terms or conditions of the
310 proposed issue, shall be given by publication once a week for
311 three (3) consecutive weeks in a local newspaper published in the
312 municipality, and if a newspaper is not published in the
313 municipality, then in some newspaper having a general circulation
314 in the municipality. After ten (10) days from the last
315 publication of the notice, the bonds may be sold under the regular
316 procedure for selling the bonds unless, within ten (10) days after
317 the last publication of the notice, a petition signed by not less
318 than twenty percent (20%) of the qualified voters of such
319 municipality be filed objecting to and protesting against such
320 revenue bond issue, in which event the same shall not be made
321 unless submitted to a special election ordered for the purpose of
322 determining whether or not a majority of those voting in the
323 election shall vote for or against the revenue bond issue. The
324 election shall be ordered to be held not later than forty (40)
325 days after the date of the last notice of the proposed revenue
326 bond issue. Notice of the election, stating the purpose of the
327 election, shall be published once each week for three (3)
328 consecutive weeks next preceding the time set for holding the
329 election in the newspaper, * * * provided in this section. The
330 laws governing * * * municipal elections shall govern the order

99\SS01\HB1462A.J *SS01\HB1462AJ*

331 and conduct of the election. However, nothing in this section
332 shall prevent the governing authorities from calling an election,
333 whether required by petition of twenty percent (20%) of the
334 qualified voters or not. This section shall not have * * *
335 application to and it shall not affect the authority granted
336 public utilities commissions under Section 21-27-25.

337 SECTION 5. This act shall take effect and be in force from
338 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, IN CONFORMITY THERETO; AND
11 FOR RELATED PURPOSES.