

By: Miles, Franks

To: Local and Private
Legislation

HOUSE BILL NO. 762
(As Passed the House)

1 AN ACT TO AUTHORIZE THE CITY OF FULTON, MISSISSIPPI, TO
2 ACQUIRE AND ASSUME THE OPERATION AND MAINTENANCE OF THE NORTH CLAY
3 WATER ASSOCIATION AND TO ASSUME ALL THE LIABILITIES, OBLIGATIONS,
4 ASSETS, DUTIES AND RESPONSIBILITIES OF SUCH ASSOCIATION; TO
5 AUTHORIZE THE CITY OF FULTON TO OPERATE ITS WATER DISTRIBUTION
6 SYSTEM FOR A DISTANCE OF MORE THAN FIVE MILES FROM THE CORPORATE
7 LIMITS OF THE CITY OF FULTON IN ORDER TO OPERATE THE WATER SYSTEM
8 WITHIN THE AREA PRESENTLY SERVED BY THE NORTH CLAY WATER
9 ASSOCIATION; AND FOR RELATED PURPOSES.

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

11 SECTION 1. (1) The governing authorities of the City of
12 Fulton, Mississippi, in their discretion, may acquire and assume
13 the operation and maintenance of the water distribution systems
14 owned by North Clay Water Association; and, in connection
15 therewith, the governing authorities of the City of Fulton may
16 assume all liabilities, including the Farmers Home Administration
17 (FHA) indebtedness outstanding on the effective date of House Bill
18 No. 762, 2000 Regular Session, obligations, assets, duties and
19 responsibilities of the association. The city shall have such
20 powers and authority concerning the association and its facilities
21 as is granted by law to municipalities concerning water systems.

22 (2) Any indebtedness incurred by the City of Fulton as a
23 result of the exercise of the authority granted under subsection
24 (1) of this section shall not constitute a debt within the meaning
25 of any statutory limitation as to the amount of debt which may be
26 incurred by the municipality.

27 SECTION 2. (1) (a) Notwithstanding any provisions of
28 Section 21-27-39, Mississippi Code of 1972, to the contrary, the
29 governing authorities of the City of Fulton, Mississippi, in their

30 discretion, may construct, expand, operate and maintain the water
31 distribution system of the City of Fulton for a distance of more
32 than five (5) miles from the corporate limits of the City of
33 Fulton in order to operate the water system within the area
34 served by North Clay Water Association on the effective date of
35 House Bill No. 762, 2000 Regular Session. The rate charged to
36 consumers of water service furnished by the water system who
37 reside outside the corporate limits of the City of Fulton shall be
38 no greater than twice the rate charged to consumers who reside
39 within the corporate limits of the city, until the provisions of
40 paragraph (b) are applicable.

41 (b) Upon the completion of any construction, expansion
42 or improvement of the water system and the retirement of any
43 indebtedness incurred in connection therewith, the consumers of
44 water service furnished by the water distribution system who
45 reside outside the corporate limits of the City of Fulton shall be
46 charged the same rate as that charged to consumers who reside
47 within the corporate limits of the city.

48 (2) The authority conferred by this section shall not be
49 construed as an exemption to Chapter 3, Title 77, Mississippi Code
50 of 1972, concerning the requirements of obtaining a Certificate of
51 Public Convenience and Necessity, the jurisdiction of the Public
52 Service Commission to regulate rates or any other provision of law
53 related to the regulation of public utilities.

54 SECTION 3. This act shall take effect and be in force from
55 and after its passage.