

By: Representative Ellington

To: Conservation and Water Resources

HOUSE BILL NO. 1397

1 AN ACT TO CREATE SECTION 49-17-44.1, MISSISSIPPI CODE OF
2 1972, TO AUTHORIZE THE COMMISSION ON ENVIRONMENTAL QUALITY TO
3 PETITION THE CHANCERY COURT TO APPOINT A RECEIVER FOR THE
4 OPERATION AND MANAGEMENT OF ABANDONED SEWER SYSTEMS OR SEWER
5 SYSTEMS OPERATED IN A GROSSLY INEFFECTIVE MANNER; AND FOR RELATED
6 PURPOSES.

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

8 **SECTION 1.** The following shall be codified as Section
9 49-17-44.1, Mississippi Code of 1972:

10 49-17-44.1. If the commission determines that any privately
11 owned sewer system within its jurisdiction has been actually or
12 effectively abandoned by its owner, or that its management is
13 grossly inefficient or irresponsible, the commission may petition
14 the Chancery Court of the First Judicial District of Hinds County
15 or the chancery court of any county wherein the public utility
16 does business for an order attaching the assets of the privately
17 owned sewer system and placing such sewer system under the sole
18 control and responsibility of a receiver. If the court determines
19 that the petition is proper in all respects and finds, after a
20 hearing thereon, the allegations contained in the petition are
21 true, it shall order that the sewer system be placed in
22 receivership. The court, in its discretion and in consideration
23 of the recommendation of the commission, may appoint a receiver
24 who shall be a responsible individual, partnership, corporation or
25 political subdivision knowledgeable in sewer service affairs and
26 who shall maintain control and responsibility for the operation
27 and management of the affairs of such sewer system. The receiver
28 shall operate the sewer system so as to preserve the assets of the
29 sewer system and to serve the best interests of its customers



30 while protecting public health and welfare and the environment.
31 The receiver shall be compensated from the assets of the sewer
32 system in an amount to be determined by the court. Control of and
33 responsibility for the sewer system shall remain in the receiver
34 until the court determines that it is in the best interests of the
35 customers and the public interest that the sewer system be
36 returned to the owner, transferred to another owner, or assumed by
37 another sewer system or public service corporation. If the court,
38 after hearing, determines that control of and responsibility for
39 the affairs of the sewer system should not be returned to the
40 legal owner thereof, the receiver may proceed to liquidate the
41 assets of the sewer system in the manner provided by law.
42 Mississippi laws and Mississippi Rules of Civil Procedure
43 generally applicable to receivership shall govern receiverships
44 created under this section. Any new owner or operator of a sewer
45 system transferred or liquidated by the receiver or the chancery
46 court under this subsection shall obtain all necessary permits and
47 approvals from the Permit Board, the Public Service Commission and
48 any other applicable state or local agencies.

49 **SECTION 2.** This act shall take effect and be in force from
50 and after its passage.

