

By: Representative Taylor

To: Public Utilities

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 517

1 AN ACT TO AMEND SECTION 77-15-1, MISSISSIPPI CODE OF 1972, TO
2 PROVIDE THE COMPENSATION OF THE BOARD OF DIRECTORS OF NATURAL GAS
3 DISTRICTS; TO PROVIDE THAT ONLY MAYORS SHALL SERVE AS THE
4 CHAIRPERSON OF THE BOARD; TO PROVIDE THAT TWO MUNICIPAL/COUNTY
5 SYSTEM-USER MEMBERS SHALL BE APPOINTED TO THE BOARD FOR THEIR
6 INITIAL TERMS, AND AFTER THE EXPIRATION OF THE INITIAL TERMS SUCH
7 MEMBERS SHALL BE ELECTED; TO ADD A REPEAL DATE ON THIS SECTION;
8 AND FOR RELATED PURPOSES.

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

10 **SECTION 1.** Section 77-15-1, Mississippi Code of 1972, is
11 amended as follows:

12 77-15-1. (1) Notwithstanding any other provisions of law to
13 the contrary, all local natural gas districts containing two (2)
14 or more municipalities and nonmunicipal customers shall establish
15 and maintain a board of directors composed of: (a) the mayors of
16 each municipality within the district whose terms shall be
17 concurrent with their terms of office as mayor; and (b) one (1)
18 system-user from each county within the district, who shall not be
19 a public official. The county system-user board members shall be
20 elected by the system-users residing outside of a municipality, in
21 the county in which such board member resides. In order to
22 qualify as a candidate for election to the board, each person
23 shall obtain, on a petition, twenty-five (25) signatures from
24 system-users in the county in which such person resides. The
25 signatures shall be of system-users residing outside of a
26 municipality and the candidate shall be a system-user who resides
27 outside of a municipality. The board shall call an election
28 within fifteen (15) days after July 1, 1989, to be held within
29 sixty (60) days from the date such election is called. Those
30 persons elected to the board shall serve until the next general

31 election for supervisors and the election for such board members
32 thereafter shall be held at the same time as the supervisor
33 elections and the terms of such board members shall be concurrent
34 with the terms of the supervisors. Any mayor who devotes a
35 substantial amount of time to the operations of a local natural
36 gas district may receive additional compensation as approved by
37 the board of directors. The compensation for the board of
38 directors shall be as follows: (a) the mayors serving on the
39 board shall be compensated Five Hundred Dollars (\$500.00) per
40 month; (b) the chairperson of the board shall be compensated Six
41 Hundred Dollars (\$600.00) per month; and (c) all other board
42 members shall be compensated Two-Hundred Fifty Dollars (\$250.00)
43 per month. Only mayors of the board shall serve as chairperson
44 and such mayors shall serve annually on a rotating basis.

45 (2) Two board municipal/county system-user board members who
46 reside in his or her respective county, and must be customers of
47 the district, and who must be system-users shall be appointed as
48 follows for his or her initial term: (a) one (1) board member
49 from the county lying in the northern section of the district,
50 appointed by the Lieutenant Governor of the Mississippi Senate;
51 and (b) one (1) board member from the county lying in the southern
52 section of the district, appointed by the Speaker of the House of
53 Representatives. The appointed board municipal/county system-user
54 board members may be elected public officials.

55 The initial terms of the two (2) municipal/county system-user
56 board members shall begin July 1, 2005, and shall serve until the
57 next general election for supervisors, and thereafter the
58 municipal/county system-user board members, as described in this
59 subsection (2), shall be elected at large by the municipal and
60 county system-users.

61 The municipal/county system-user board members shall be
62 compensated as prescribed in subsection (1) of this section.

63 (3) All board members shall file any required statements of
64 economic interest with the Ethics Commission as required by law.
65 This section shall not apply to any local natural gas district
66 which leases its distribution system to an investor-owned utility
67 company regulated by the Public Service Commission.

68 (4) From and after July 1, 2004, the Board of Directors of
69 the Chickasawhay Natural Gas District shall discontinue
70 distribution of any of the revenues of the district to
71 municipalities within the district.

72 (5) This section shall stand repealed on July 1, 2006.

73 **SECTION 2.** This act shall take effect and be in force from
74 and after July 1, 2005.