

By: Representatives Sanford, Sykes, Dixon

To: Municipalities

HOUSE BILL NO. 380

1 AN ACT TO AUTHORIZE A MUNICIPALITY TO ENTER INTO AN  
 2 INTERLOCAL AGREEMENT WITH A RURAL WATER ASSOCIATION OPERATING  
 3 WITHIN THE CORPORATE LIMITS OF THE MUNICIPALITY THAT REQUIRES THE  
 4 ASSOCIATION TO TERMINATE THE WATER SERVICE OF CUSTOMERS WHO ARE  
 5 DELINQUENT IN THE PAYMENT OF CHARGES FOR SEWER SERVICES PROVIDED  
 6 BY THE MUNICIPALITY; TO AMEND SECTION 21-27-23, MISSISSIPPI CODE  
 7 OF 1972, TO CONFORM; AND FOR RELATED PURPOSES.

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

9 **SECTION 1.** (1) The governing authorities of a municipality  
 10 are authorized and empowered, in their discretion, to enter into  
 11 an interlocal agreement with a rural water association operating  
 12 within the corporate limits of the municipality that requires the  
 13 association to terminate the water service of any of its customers  
 14 who are thirty (30) days or more delinquent in the payment of  
 15 charges for sewer services provided by the municipality.

16 (2) Any agreement entered into under this section shall at a  
 17 minimum:

18 (a) Require the municipality to notify the association  
 19 of any customer of the association who also has sewer service  
 20 provided by the municipality who is thirty (30) days or more



21 delinquent in the payment of sewer charges by a method agreeable  
22 to the municipality and the association;

23 (b) Provide that upon receipt of a notification the  
24 association shall terminate the water service of the named  
25 customer;

26 (c) Provide that upon satisfaction of the delinquency  
27 and any fees connected with the delinquency and the termination of  
28 water service, the association shall restart the water service of  
29 the customer;

30 (d) Provide that the municipality shall save and hold  
31 harmless the association against any and all claims based on the  
32 disconnection of water or sewer service and any other damages  
33 resulting from any action taken by the association under an  
34 interlocal agreement entered into under this section.

35 (3) Upon entering into an interlocal agreement under this  
36 section, the association is authorized to terminate the water  
37 service of any customer delinquent in the payment of sewer charges  
38 to the municipality pursuant to the terms of the interlocal  
39 agreement.

40 **SECTION 2.** Section 21-27-23, Mississippi Code of 1972, is  
41 amended as follows:

42 21-27-23. Any municipality may:

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



46 Money may be borrowed and bonds issued by any municipality of  
47 the State of Mississippi, as defined in Section 21-27-11, to  
48 acquire or improve any waterworks system, water supply system,  
49 sewerage system, sewage disposal system, garbage disposal system,  
50 rubbish disposal system or incinerators, gas producing system, gas  
51 generating system, gas transmission system, or gas distribution  
52 system, electric generating, transmission or distribution system,  
53 railroad transportation system for passengers and freight, or  
54 motor vehicle transportation system, including any combination of  
55 any or all of those systems into one (1) system, within or without  
56 the corporate limits thereof, for the purpose of supplying the  
57 municipality and the persons and corporations, both public and  
58 private, whether within or without its corporate limits, with the  
59 services and facilities afforded by the system, provided that  
60 water, electric energy, or gas afforded by any system or systems  
61 may be supplied to such ultimate consumers thereof by sale thereof  
62 to the owners or operators of a distribution system for resale to  
63 the public. Any municipality which shall borrow money and issue  
64 revenue bonds to provide funds with which to acquire a gas  
65 transmission system, if necessary in order to reach and obtain a  
66 source of supply of gas for the municipality, may extend or  
67 construct its gas transmission line into an adjoining state, and  
68 may use and expend part of the proceeds of such issue of revenue  
69 bonds for the purpose.



70           (b) To assume all indebtedness for any system or  
71 systems which may be acquired under the provisions of this section  
72 as all or part of the consideration for the acquisition of such  
73 system or systems and to issue its revenue bonds in exchange for  
74 the bonds or notes evidencing the indebtedness.

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

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

81           (e) To establish, maintain and collect rates for the  
82 facilities and services offered by any such system; provided that  
83 if there is a combination of systems into one or more systems, the  
84 municipality establishing the same shall be and is empowered to  
85 establish, maintain and collect rates for any and all of the  
86 services or for any combination thereof, and the municipality may  
87 discontinue any or all of the services upon any failure to  
88 promptly pay the charges fixed for the services. The rates so  
89 fixed for services rendered by any system or combination thereof  
90 may be charged for all services rendered thereby, regardless of  
91 whether the services may have been previously rendered without  
92 rates or charges therefor by the previously existing waterworks  
93 system, water supply system, sewerage system, sewage disposal  
94 system, garbage disposal system, rubbish disposal system or



95 incinerators, gas producing system, gas generating system, gas  
96 transmission system, or gas distribution system, electric  
97 generating, transmission or distribution system, which shall have  
98 been merged into the combined system. Any such municipality may  
99 pledge for the payment of any bonds issued to acquire or improve  
100 any such combined system, or to refund any bonds previously issued  
101 to acquire or improve any such combined system or to acquire or  
102 improve any system merged with such combined system, the revenues  
103 to be derived from the operation of such combined system,  
104 including the charges authorized to be imposed by this section.

105 A municipality may authorize a municipally owned utility to  
106 make early payment of the utility's bills to its electricity  
107 suppliers which offer early payment discounts to the municipally  
108 owned utility. The municipality may immediately refund to a  
109 customer of the municipally owned utility his or her deposit for  
110 municipal utility services after the municipal utility has  
111 determined that payment for all services and any other obligations  
112 which the customer may have incurred in regard to the municipal  
113 utility has been made.

114 If the revenues of any previously existing system being  
115 merged into a combined system are subject to a prior lien, the  
116 revenues and the expenses of any previously existing system shall  
117 be accounted for separately to the extent necessary to satisfy the  
118 covenants relating to the prior lien for so long as the  
119 indebtedness secured by the revenues shall remain outstanding.



120 Only surplus revenues remaining after the satisfaction of all  
121 covenants relating to the outstanding indebtedness may be pledged  
122 to the retirement of any indebtedness to be secured by the  
123 revenues of a combined system. The existence of the outstanding  
124 indebtedness shall not, in and of itself, prevent the combining of  
125 systems as herein provided, so long as the prior lien on the  
126 revenues of any previously existing system is fully satisfied from  
127 the revenues of the previously existing system.

128 (f) To acquire property, real or personal, which may be  
129 necessary to effectuate the powers conferred by this section. The  
130 municipality may purchase electric transmission line materials,  
131 electric distribution system substation equipment, transformer  
132 equipment, and all other appliances, apparatus, machinery,  
133 equipment and appurtenances necessary for the sale of electricity,  
134 such as utility vehicles and fencing, from the surplus inventory  
135 of the Tennessee Valley Authority or any other similar agency of  
136 the federal government and electric power associations. These  
137 purchases by the municipality shall be exempt from the public bid  
138 requirements prescribed in Sections 31-7-12 and 31-7-13. If the  
139 power of eminent domain is exercised, it shall be exercised in the  
140 manner provided by Sections 11-27-1 through 11-27-51.

141 (g) To enter into contract with the United States of  
142 America or any agency thereof, under the provisions of acts of the  
143 Congress of the United States, to aid or encourage public works  
144 and the regulations made in pursuance thereof, for the sale of



145 bonds issued in accordance with the provisions of Sections  
146 21-27-41 through 21-27-69 or for the acceptance of a grant to aid  
147 such municipality in acquiring or improving any such system; and  
148 the contracts may contain terms and conditions as may be agreed  
149 upon by and between the municipality and the United States of  
150 America or any agency thereof, or any purchaser of the bonds.

151 (h) To adopt the ordinances and resolutions and to do  
152 all things and perform all acts necessary, proper or desirable to  
153 effectuate the full intent and purpose of Sections 21-27-11  
154 through 21-27-69, including processing, marketing, custom  
155 processing, sale and resale of materials processed through any  
156 facility under its jurisdiction.

157 (i) To borrow from the Mississippi Development Bank in  
158 order to fund the advance purchase of energy for its gas  
159 producing, generating, transmission or distribution system or its  
160 electric generating, transmission or distribution system.

161 (j) Enter into an interlocal agreement in accordance  
162 with Section 1 of this act.

163 **SECTION 3.** This act shall take effect and be in force from  
164 and after its passage.

