

By: Representatives Stamps, Banks, Bell
(65th), Brown (70th), Crudup, Foster

To: Municipalities

HOUSE BILL NO. 939

1 AN ACT TO AMEND SECTION 21-27-77, MISSISSIPPI CODE OF 1972,
2 TO EXTEND THE DATE OF THE REPEALER UNTIL JULY 1, 2025, ON THE
3 PROVISION OF LAW THAT AUTHORIZES MUNICIPALITIES HAVING A
4 POPULATION OF 150,000 OR MORE TO INSTITUTE A PROGRAM TO ADDRESS
5 DISPUTED AND DELINQUENT WATER AND SEWER CUSTOMER ACCOUNTS; AND FOR
6 RELATED PURPOSES.

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

8 **SECTION 1.** Section 21-27-77, Mississippi Code of 1972, is
9 amended as follows:

10 21-27-77. (1) A municipality having a population of one
11 hundred fifty thousand (150,000) as of the most recent decennial
12 census or more may institute a program to address certain disputed
13 or delinquent water and sewer customer accounts. The municipality
14 must adopt rules and procedures to implement the program if
15 instituted. Such rules may consider the customer's ability to pay
16 the full amount of the disputed or delinquent claim. In order for
17 the program to take effect, the mayor of the municipality, the
18 Municipal Director of Public Works, and Executive Director of the
19 Mississippi Public Utilities Staff shall mutually approve such
20 rules and procedures by July 1, 2021. The rules and procedures



21 shall include, but not be limited to, an itemized summary of the
22 amount and number of all accounts judged to be disputed or
23 delinquent. The municipality's authority to compromise doubtful
24 claims is limited to the following cases:

25 (a) (i) Instances of error on the part of the
26 municipality such as equipment failure, process failure or billing
27 failure;

28 (ii) Instances of error on the part of the
29 municipality due to unforeseen circumstance such as damage,
30 extreme weather-related event, declared disaster or emergency, or
31 mandatory evacuation, but only to the extent the customer did not
32 receive the benefit of the water or sewer service; and

33 (b) Instances where the customer's ability to pay or
34 the amount of the customer's overdue balance for water and sewer
35 service can be reasonably adjudged to be uncollectible, in which
36 case the municipality may utilize an installment payment agreement
37 to allow the customer additional time to pay a prescribed portion
38 of the outstanding balance, and as part of the installment payment
39 plan, to offer the utilization by the municipality of accounting
40 procedures to move the remaining balance as an uncollectible debt
41 to a special municipal accounting category of uncollectible or
42 inactive accounts as outlined in the program rules if the customer
43 fulfills all terms of the installment plan. The prescribed
44 portion must require some payment by the customer. The program



45 must provide that the accounting adjustments under this paragraph
46 (b) do not result in forgiveness of uncollectible debts.

47 (2) The municipality may set program parameters to take into
48 account the principle of collateral estoppel as to its own prior
49 service, billing or collection actions.

50 (3) Any utility that participates in the program shall
51 provide by January 1, 2022, to the Governor, Lieutenant Governor,
52 Speaker of the House of Representatives, and Mississippi Public
53 Utilities Staff a report that details the utility's revenue
54 collection, the number of accounts that have been adjudged
55 uncollectable, the number of accounts that are participating in
56 the installment payment plans, the number of accounts that are
57 overdue, and the effect of the program on the utility's revenue
58 collection. Such report shall also include the utility's plan to
59 address any remaining disputed or delinquent claims that have not
60 been resolved, to provide fair and accurate bills to all of its
61 customers, and to reduce equipment failure, process failure, and
62 billing failures in the future.

63 (4) For the purpose of this section, the Executive Director
64 of the Mississippi Public Utilities Staff may enter into
65 professional services contracts to ensure the success of the
66 program. The municipally-owned utility shall reimburse the
67 Mississippi Public Utilities Staff for such contracts, not to
68 exceed Two Hundred Thousand Dollars (\$200,000.00) over the
69 duration of the program.



70 (5) This section shall stand repealed on July 1, * * * 2025.

71 **SECTION 2.** This act shall take effect and be in force from
72 and after July 1, 2022.

