

By: Senator(s) Blount, Horhn, Norwood,  
Frazier

To: Municipalities;  
Accountability, Efficiency,  
Transparency

COMMITTEE SUBSTITUTE  
FOR  
SENATE BILL NO. 2898

1 AN ACT TO AMEND SECTION 21-27-77, MISSISSIPPI CODE OF 1972,  
2 TO EXTEND THE AUTOMATIC REPEALER ON THE SECTION ALLOWING CERTAIN  
3 MUNICIPALITIES TO ADOPT RULES AND PROCEDURES FOR ACCOUNTING SYSTEM  
4 ACCOMMODATION OF CERTAIN UNCOLLECTIBLE INDEBTEDNESS OWED BY A  
5 CUSTOMER FOR WATER AND SEWER SERVICES; AND FOR RELATED PURPOSES.

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

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

9 21-27-77. (1) A municipality having a population of one  
10 hundred fifty thousand (150,000) as of the most recent decennial  
11 census or more may institute a program to address certain disputed  
12 or delinquent water and sewer customer accounts. The municipality  
13 must adopt rules and procedures to implement the program if  
14 instituted. Such rules may consider the customer's ability to pay  
15 the full amount of the disputed or delinquent claim. In order for  
16 the program to take effect, the mayor of the municipality, the  
17 Municipal Director of Public Works, and Executive Director  
18 of \* \* \* the Mississippi Public Utilities Staff shall mutually  
19 approve such rules and procedures by July 1, 2021. The rules and



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

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

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

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



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

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

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

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



69 (5) This section shall stand repealed on July 1, \* \* \* 2023.

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

