

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.

