

By: Senator(s) Thomas

To: Energy; Municipalities

SENATE BILL NO. 2143

1 AN ACT TO AMEND SECTION 21-27-23, MISSISSIPPI CODE OF 1972,
2 TO AUTHORIZE A MUNICIPALITY TO ALLOW A MUNICIPALLY OWNED UTILITY
3 TO ACCEPT PAYMENT FOR ITS SERVICES BY CREDIT CARD, DEBIT CARD OR
4 OTHER FORM OF ELECTRONIC PAYMENT AND TO ABSORB ANY FEES OR CHARGES
5 ASSOCIATED WITH THE USE OF SUCH ELECTRONIC PAYMENT IN ITS COST OF
6 SERVICE RATE BASE; AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** Section 21-27-23, Mississippi Code of 1972, is
9 amended as follows:

10 21-27-23. Any municipality may:

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

14 Money may be borrowed and bonds issued by any municipality of
15 the State of Mississippi, as defined in Section 21-27-11, to
16 acquire or improve any waterworks system, water supply system,
17 sewerage system, sewage disposal system, garbage disposal system,
18 rubbish disposal system or incinerators, gas producing system, gas
19 generating system, gas transmission system, or gas distribution
20 system, electric generating, transmission or distribution system,



21 railroad transportation system for passengers and freight, or
22 motor vehicle transportation system, including any combination of
23 any or all of those systems into one (1) system, within or without
24 the corporate limits thereof, for the purpose of supplying the
25 municipality and the persons and corporations, both public and
26 private, whether within or without its corporate limits, with the
27 services and facilities afforded by the system, provided that
28 water, electric energy, or gas afforded by any system or systems
29 may be supplied to such ultimate consumers thereof by sale thereof
30 to the owners or operators of a distribution system for resale to
31 the public. Any municipality which shall borrow money and issue
32 revenue bonds to provide funds with which to acquire a gas
33 transmission system, if necessary in order to reach and obtain a
34 source of supply of gas for the municipality, may extend or
35 construct its gas transmission line into an adjoining state, and
36 may use and expend part of the proceeds of such issue of revenue
37 bonds for the purpose.

38 (b) To assume all indebtedness for any system or
39 systems which may be acquired under the provisions of this section
40 as all or part of the consideration for the acquisition of such
41 system or systems and to issue its revenue bonds in exchange for
42 the bonds or notes evidencing the indebtedness.

43 (c) To acquire or improve any system which it is
44 authorized to borrow money and issue revenue bonds under



45 subsection (a) of this section to acquire or improve; and to make
46 contracts in furtherance thereof or in connection therewith.

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

49 (e) To establish, maintain and collect rates for the
50 facilities and services offered by any such system; provided that
51 if there is a combination of systems into one or more systems, the
52 municipality establishing the same shall be and is empowered to
53 establish, maintain and collect rates for any and all of the
54 services or for any combination thereof, and the municipality may
55 discontinue any or all of the services upon any failure to
56 promptly pay the charges fixed for the services. The rates so
57 fixed for services rendered by any system or combination thereof
58 may be charged for all services rendered thereby, regardless of
59 whether the services may have been previously rendered without
60 rates or charges therefor by the previously existing waterworks
61 system, water supply system, sewerage system, sewage disposal
62 system, garbage disposal system, rubbish disposal system or
63 incinerators, gas producing system, gas generating system, gas
64 transmission system, or gas distribution system, electric
65 generating, transmission or distribution system, which shall have
66 been merged into the combined system. Any such municipality may
67 pledge for the payment of any bonds issued to acquire or improve
68 any such combined system, or to refund any bonds previously issued
69 to acquire or improve any such combined system or to acquire or



70 improve any system merged with such combined system, the revenues
71 to be derived from the operation of such combined system,
72 including the charges authorized to be imposed by this section.

73 A municipality may authorize a municipally owned utility to
74 make early payment of the utility's bills to its electricity
75 suppliers which offer early payment discounts to the municipally
76 owned utility. The municipality may immediately refund to a
77 customer of the municipally owned utility his or her deposit for
78 municipal utility services after the municipal utility has
79 determined that payment for all services and any other obligations
80 which the customer may have incurred in regard to the municipal
81 utility has been made.

82 A municipality may authorize a municipally owned utility to
83 accept payment for its services by credit card, debit card or
84 other form of electronic payment and to absorb any fees or charges
85 associated with the use of such electronic payment in its cost of
86 service rate base.

87 If the revenues of any previously existing system being
88 merged into a combined system are subject to a prior lien, the
89 revenues and the expenses of any previously existing system shall
90 be accounted for separately to the extent necessary to satisfy the
91 covenants relating to the prior lien for so long as the
92 indebtedness secured by the revenues shall remain outstanding.
93 Only surplus revenues remaining after the satisfaction of all
94 covenants relating to the outstanding indebtedness may be pledged



95 to the retirement of any indebtedness to be secured by the
96 revenues of a combined system. The existence of the outstanding
97 indebtedness shall not, in and of itself, prevent the combining of
98 systems as herein provided, so long as the prior lien on the
99 revenues of any previously existing system is fully satisfied from
100 the revenues of the previously existing system.

101 (f) To acquire property, real or personal, which may be
102 necessary to effectuate the powers conferred by this section. The
103 municipality may purchase electric transmission line materials,
104 electric distribution system substation equipment, transformer
105 equipment, and all other appliances, apparatus, machinery,
106 equipment and appurtenances necessary for the sale of electricity,
107 such as utility vehicles and fencing, from the surplus inventory
108 of the Tennessee Valley Authority or any other similar agency of
109 the federal government and electric power associations. These
110 purchases by the municipality shall be exempt from the public bid
111 requirements prescribed in Sections 31-7-12 and 31-7-13. If the
112 power of eminent domain is exercised, it shall be exercised in the
113 manner provided by Sections 11-27-1 through 11-27-51.

114 (g) To enter into contract with the United States of
115 America or any agency thereof, under the provisions of acts of the
116 Congress of the United States, to aid or encourage public works
117 and the regulations made in pursuance thereof, for the sale of
118 bonds issued in accordance with the provisions of Sections
119 21-27-41 through 21-27-69 or for the acceptance of a grant to aid



120 such municipality in acquiring or improving any such system; and
121 the contracts may contain terms and conditions as may be agreed
122 upon by and between the municipality and the United States of
123 America or any agency thereof, or any purchaser of the bonds.

124 (h) To adopt the ordinances and resolutions and to do
125 all things and perform all acts necessary, proper or desirable to
126 effectuate the full intent and purpose of Sections 21-27-11
127 through 21-27-69, including processing, marketing, custom
128 processing, sale and resale of materials processed through any
129 facility under its jurisdiction.

130 (i) To borrow from the Mississippi Development Bank in
131 order to fund the advance purchase of energy for its gas
132 producing, generating, transmission or distribution system or its
133 electric generating, transmission or distribution system.

134 (j) Enter into an interlocal agreement in accordance
135 with Section 21-27-75.

136 **SECTION 2.** This act shall take effect and be in force from
137 and after July 1, 2023.

