

By: Senator(s) Carter, Seymour

To: Energy

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 2338

1 AN ACT TO AMEND SECTION 21-27-7, MISSISSIPPI CODE OF 1972, TO
2 ENSURE JUST, REASONABLE AND TRANSPARENT BILLING FOR MUNICIPAL
3 WATER, WASTEWATER, AND SEWER SERVICES; AND FOR RELATED PURPOSES.

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

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

7 21-27-7. (1) (a) The governing authorities of
8 municipalities shall have the power to erect, purchase, maintain
9 and operate waterworks, and to regulate the same, and to prescribe
10 the rates at which water shall be supplied to the
11 inhabitants * * *. Except as provided in Section 21-27-77, the
12 rates at which water, wastewater, and sewer services shall be
13 supplied shall be just and reasonable based on the actual cost to
14 operate and maintain the systems, and rates may not be
15 unreasonably preferential, prejudicial or discriminatory but shall
16 be sufficient, equitable and consistent in application to each
17 class of users. While a municipality may set different rates for
18 different classifications of users, a municipality shall not



19 discriminate in setting rates among members of the same
20 classification. The municipal governing authorities shall make a
21 finding on the minutes of the governing body establishing the rate
22 based on the actual cost to operate and maintain the system. A
23 municipality shall not charge a user a fee for services received
24 which is less than the cost incurred by the municipality to
25 provide such services.

26 (b) The governing authorities of a municipality shall
27 establish and maintain rates and charges in equitable proportion
28 to the use of the services and benefits rendered by the waterworks
29 systems and water treatment facilities serving the municipal area.
30 From time to time the governing authorities shall adjust such
31 rates, to the end that the revenues therefrom will be sufficient
32 at all times to pay the expenses of operating and maintaining such
33 works, facilities and systems and all of the municipality's
34 obligations under any contract or bond resolution with respect
35 thereto. Except as provided in Section 21-27-77, the calculation
36 of a user's bill shall be limited to the actual amount of
37 volumetric usage, plus those fees reasonable and necessary for the
38 cost of capital expenses, system operation and maintenance, and
39 debt service.

40 (c) If the Governor declares a State of Emergency and a
41 municipality within the emergency area cannot practicably
42 determine volumetric usage due to the nature of the emergency, the
43 municipality shall make a finding of such, and the municipality



44 may thereafter establish a billing method based on the municipal
45 billing average over the six (6) months immediately preceding the
46 emergency declaration and may use such calculation for up to six
47 (6) months after the emergency declaration. After such time, the
48 municipality shall revert back to billing based solely upon
49 volumetric usage.

50 (d) Notice of any change in the rate at which services
51 are supplied shall be posted on all bills sent to users at least
52 one (1) month prior to the effective date of the rate change.
53 Notice shall also be posted to the municipality's online webpage
54 or bill payment platform, if the municipality has an online
55 webpage or bill payment platform.

56 (e) Nothing in this statute shall be construed as
57 prohibiting a user or governing authority of any municipality from
58 applying for and receiving any federally or privately subsidized
59 payment assistance, grant or other funds, nor shall this statute
60 be construed as prohibiting a municipality from establishing or
61 administering a program under Section 21-27-77.

62 (2) The governing authorities of municipalities shall have
63 the power to acquire by purchase, donation or condemnation, in the
64 name of the municipality, suitable grounds, within or without the
65 corporate limits, upon which to erect waterworks, and also the
66 right-of-way to and from such works and the right-of-way for
67 laying water pipes within the corporate limits, and from such
68 waterworks to the municipality, and to extend such right-of-way



69 from time to time. The governing authorities shall have the power
70 to contract with any person for the maintenance and operation of
71 waterworks. Said authorities shall have the power to contract
72 with any person for the erection and maintenance of waterworks for
73 a term not exceeding twenty-five (25) years, fixing water rates in
74 the contract subject to municipal regulations. A contract for the
75 erection or purchase of waterworks shall not, however, be entered
76 into until submitted to a vote of the qualified electors and
77 approved by a majority of those voting. A contract for
78 maintenance under which the person who will perform such
79 maintenance is wholly or partially responsible for fixing water
80 rates shall not be entered into until submitted to a vote of the
81 qualified electors and approved by a majority of those voting. It
82 shall be unlawful for any municipally owned waterworks to supply
83 water free of charge, or in any amount less than the fixed
84 charges, to any person, firm or corporation, except as is
85 expressly authorized by law.

86 **SECTION 2.** Section 21-27-189, Mississippi Code of 1972, is
87 amended as follows:

88 21-27-189. A municipality, as defined in Section 21-27-163,
89 is authorized and empowered, in the discretion of its governmental
90 authorities, to exercise the following powers and authority within
91 the area and territories comprising the metropolitan area of which
92 it is a part:



93 (a) To operate and manage sewerage systems, sewage
94 treatment facilities and sewage disposal systems and related
95 facilities serving the metropolitan area in conformance with the
96 metropolitan area plan.

97 (b) To construct, operate and maintain sewerage
98 systems, sewage treatment facilities and sewage disposal systems
99 in the manner and to the extent required by the metropolitan area
100 plan.

101 (c) To accept and utilize grants and other funds from
102 any source for waste treatment management purposes.

103 (d) To establish and maintain rates and charges in
104 equitable proportion for the use of the services and benefits
105 rendered of such sewerage systems, sewage treatment facilities and
106 sewage disposal systems within the metropolitan area, and from
107 time to time to adjust such rates, to the end that the revenues
108 therefrom will be sufficient at all times to pay the expenses of
109 operating and maintaining such works, facilities and systems and
110 all of the municipality's obligations under any contract or bond
111 resolution with respect thereto. The rates shall be just and
112 reasonable, and rates may not be unreasonably preferential,
113 prejudicial or discriminatory but shall be sufficient, equitable
114 and consistent in application to each class of users. While the
115 municipality may set different rates for different classifications
116 of users, a municipality shall not discriminate in setting rates
117 among members of the same classification. The governing



118 authorities of the municipality shall make a finding on the
119 minutes of the governing body establishing the rate based upon the
120 actual cost to operate and maintain the system, and a municipality
121 shall not charge a user a fee for services received which is less
122 than the cost incurred by the municipality to provide such
123 services.

124 (e) To incur short and long-term indebtedness under the
125 provisions of Sections 21-27-161 through 21-27-191 or other
126 applicable statutes.

127 (f) To adopt rules and regulations necessary to carry
128 out the implementation of the metropolitan area plan and to assure
129 the payment of each participating person or public agency of its
130 proportionate share of treatment costs.

131 (g) To refuse to receive any waste from any public
132 agency or subdivision thereof or any other person which does not
133 comply with the provisions of the metropolitan area plan
134 applicable to the particular area within which such public agency
135 or subdivision thereof or any other person is located.

136 (h) To accept industrial waste for treatment and to
137 require the pretreatment of same when within the opinion of the
138 municipality such pretreatment is necessary.

139 (i) To adopt all necessary and reasonable rules and
140 regulations to carry out and effectuate any waste treatment plan
141 adopted for the metropolitan area.



142 (j) To require by ordinance or by contract with a
143 public agency or other person that all waste within the
144 metropolitan area be disposed of through sewerage systems,
145 treatment facilities and sewage disposal systems which comprise a
146 part of the metropolitan area plan, to the extent that the same
147 may be available, but no public agency shall be precluded from
148 constructing, operating and maintaining its own sewerage system if
149 the same be a part of the metropolitan area plan.

150 **SECTION 3.** This act shall take effect and be in force from
151 and after July 1, 2023.

