

## Senate Amendments to House Bill No. 698

TO THE CLERK OF THE HOUSE:

THIS IS TO INFORM YOU THAT THE SENATE HAS ADOPTED THE AMENDMENTS SET OUT BELOW:

### AMENDMENT NO. 1

Amend by striking all after the enacting clause and inserting in lieu thereof the following:

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 \* \* \* users.  
11 Except as provided in Section 21-27-77, the rates at which water,  
12 wastewater, and sewer services shall be supplied shall be just and  
13 reasonable based on the actual cost to operate and maintain the  
14 systems, and rates may not be unreasonably preferential,  
15 prejudicial or discriminatory but shall be sufficient, equitable  
16 and consistent in application to each class of users. While a  
17 municipality may set different rates for different classifications  
18 of users, a municipality shall not discriminate in setting rates  
19 among members of the same classification. The municipal governing  
20 authorities shall make a finding on the minutes of the governing  
21 body establishing the rate based on the actual cost to operate and

22 maintain the system. A municipality shall not charge a user a fee  
23 for services received which is less than the cost incurred by the  
24 municipality to provide such services.

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

39 (c) If a user's meter is tampered with, unreadable, or  
40 otherwise out-of-order, a municipality may render an estimated  
41 bill to that user for a period not to exceed six (6) months. In  
42 such circumstance, an estimated bill shall be based upon the prior  
43 average measured usage of the user.

44 (i) In the event a municipality is unable to meet  
45 the requirement of billing based solely on volumetric usage, the  
46 municipality may bill based on a flat fee rate. In such  
47 circumstance, the municipality may set different flat fee rates

48 for different classifications of users, but the municipality shall  
49 not discriminate in setting flat fee rates among members of the  
50 same classification.

51 (ii) The governing authorities of the municipality  
52 shall make a finding on the minutes of the governing body  
53 establishing the rate based upon the actual cost to operate and  
54 maintain the system, and the municipality shall not charge a user  
55 a fee for services received that is less than the cost incurred by  
56 the municipality to provide such services.

57 (d) Notice of any change in the rate or rate structure  
58 at which services are supplied shall be posted on all bills sent  
59 to users at least one (1) month prior to the effective date of the  
60 rate change. Notice shall also be posted to the municipality's  
61 online webpage or bill payment platform, if the municipality has  
62 an online webpage or bill payment platform.

63 (e) Nothing in this statute shall be construed as  
64 prohibiting a user or governing authority of any municipality from  
65 applying for and receiving any federally or privately subsidized  
66 payment assistance, grant or other funds, nor shall this statute  
67 be construed as prohibiting a municipality from establishing or  
68 administering a program under Section 21-27-77.

69 (f) The governing authority of a municipality may  
70 provide for the calculation of a user's bill by a method other  
71 than volumetric usage only in exchange for consideration as part  
72 of or in connection with an incentive contract or other form of  
73 benefit or assistance related to the user's location, expansion,

74 or maintenance of its commercial or industrial operation within  
75 the municipality, so long as such rate is equitable, fair, and  
76 non-discriminatory.

77 (2) The governing authorities of municipalities shall have  
78 the power to acquire by purchase, donation or condemnation, in the  
79 name of the municipality, suitable grounds, within or without the  
80 corporate limits, upon which to erect waterworks, and also the  
81 right-of-way to and from such works and the right-of-way for  
82 laying water pipes within the corporate limits, and from such  
83 waterworks to the municipality, and to extend such right-of-way  
84 from time to time. The governing authorities shall have the power  
85 to contract with any person for the maintenance and operation of  
86 waterworks. \* \* \* The authorities shall have the power to  
87 contract with any person for the erection and maintenance of  
88 waterworks for a term not exceeding twenty-five (25) years, fixing  
89 water rates in the contract subject to municipal regulations. A  
90 contract for the erection or purchase of waterworks shall not,  
91 however, be entered into until submitted to a vote of the  
92 qualified electors and approved by a majority of those voting. A  
93 contract for maintenance under which the person who will perform  
94 such maintenance is wholly or partially responsible for fixing  
95 water rates shall not be entered into until submitted to a vote of  
96 the qualified electors and approved by a majority of those voting.  
97 It shall be unlawful for any municipally owned waterworks to  
98 supply water free of charge, or in any amount less than the fixed

99 charges, to any person, firm or corporation, except as is  
100 expressly authorized by law.

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

103 21-27-189. A municipality, as defined in Section 21-27-163,  
104 is authorized and empowered, in the discretion of its governmental  
105 authorities, to exercise the following powers and authority within  
106 the area and territories comprising the metropolitan area of which  
107 it is a part:

108 (a) To operate and manage sewerage systems, sewage  
109 treatment facilities and sewage disposal systems and related  
110 facilities serving the metropolitan area in conformance with the  
111 metropolitan area plan.

112 (b) To construct, operate and maintain sewerage  
113 systems, sewage treatment facilities and sewage disposal systems  
114 in the manner and to the extent required by the metropolitan area  
115 plan.

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

118 (d) To establish and maintain rates and charges in  
119 equitable proportion for the use of the services and benefits  
120 rendered of such sewerage systems, sewage treatment facilities and  
121 sewage disposal systems within the metropolitan area, and from  
122 time to time to adjust such rates, to the end that the revenues  
123 therefrom will be sufficient at all times to pay the expenses of  
124 operating and maintaining such works, facilities and systems and

125 all of the municipality's obligations under any contract or bond  
126 resolution with respect thereto. The rates shall be just and  
127 reasonable, and rates may not be unreasonably preferential,  
128 prejudicial or discriminatory but shall be sufficient, equitable  
129 and consistent in application to each class of users. While the  
130 municipality may set different rates for different classifications  
131 of users, a municipality shall not discriminate in setting rates  
132 among members of the same classification. The governing  
133 authorities of the municipality shall make a finding on the  
134 minutes of the governing body establishing the rate based upon the  
135 actual cost to operate and maintain the system, and a municipality  
136 shall not charge a user a fee for services received which is less  
137 than the cost incurred by the municipality to provide such  
138 services.

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

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

146 (g) To refuse to receive any waste from any public  
147 agency or subdivision thereof or any other person which does not  
148 comply with the provisions of the metropolitan area plan  
149 applicable to the particular area within which such public agency  
150 or subdivision thereof or any other person is located.

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

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

157 (j) To require by ordinance or by contract with a  
158 public agency or other person that all waste within the  
159 metropolitan area be disposed of through sewerage systems,  
160 treatment facilities and sewage disposal systems which comprise a  
161 part of the metropolitan area plan, to the extent that the same  
162 may be available, but no public agency shall be precluded from  
163 constructing, operating and maintaining its own sewerage system if  
164 the same be a part of the metropolitan area plan.

165 **SECTION 3.** This act shall take effect and be in force from  
166 and after July 1, 2023, and shall stand repealed on June 30, 2023.

**Further, amend by striking the title in its entirety and  
inserting in lieu thereof the following:**

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.

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Eugene S. Clarke  
Secretary of the Senate