

**Adopted
COMMITTEE AMENDMENT NO 1 PROPOSED TO**

House Bill No. 698

BY: Committee

**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 our 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.

**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.

