

By: Representative Ellington

To: Conservation and Water Resources

HOUSE BILL NO. 1396

1 AN ACT TO AUTHORIZE THE COMMISSION ON ENVIRONMENTAL QUALITY
2 OR THE STATE BOARD OF HEALTH TO PETITION THE CHANCERY COURT TO
3 APPOINT A RECEIVER FOR THE OPERATION AND MANAGEMENT OF ABANDONED
4 SEWER SYSTEMS OR SEWER SYSTEMS OPERATED IN A GROSSLY INEFFECTIVE
5 MANNER; AND FOR RELATED PURPOSES.

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

7 **SECTION 1.** If the Commission on Environmental Quality or the
8 State Board of Health determine that any privately owned sewer
9 system within its jurisdiction has been actually or effectively
10 abandoned by its owner, or that its management is grossly
11 inefficient or irresponsible, the commission or the board may
12 petition the Chancery Court of the First Judicial District of
13 Hinds County or the chancery court of any county wherein the
14 public utility does business for an order attaching the assets of
15 the privately owned sewer system and placing such sewer system
16 under the sole control and responsibility of a receiver. If the
17 court determines that the petition is proper in all respects and
18 finds, after a hearing thereon, the allegations contained in the
19 petition are true, it shall order that the sewer system be placed
20 in receivership. The court, in its discretion and in
21 consideration of the recommendation of the commission or board,
22 may appoint a receiver who shall be a responsible individual,
23 partnership, corporation or political subdivision knowledgeable in
24 sewer service affairs and who shall maintain control and
25 responsibility for the operation and management of the affairs of
26 such sewer system. The receiver shall operate the sewer system so
27 as to preserve the assets of the sewer system and to serve the
28 best interests of its customers while protecting public health and



29 welfare and the environment. The receiver shall be compensated
30 from the assets of the sewer system in an amount to be determined
31 by the court. Control of and responsibility for the sewer system
32 shall remain in the receiver until the court determines that it is
33 in the best interests of the customers and the public interest
34 that the sewer system be returned to the owner, transferred to
35 another owner, or assumed by another sewer system or public
36 service corporation. If the court, after hearing, determines that
37 control of and responsibility for the affairs of the sewer system
38 should not be returned to the legal owner thereof, the receiver
39 may proceed to liquidate the assets of the sewer system in the
40 manner provided by law. Mississippi laws and Mississippi Rules of
41 Civil Procedure generally applicable to receivership shall govern
42 receiverships created under this section. Any new owner or
43 operator of a sewer system transferred or liquidated by the
44 receiver or the chancery court under this subsection shall obtain
45 all necessary permits and approvals from the Permit Board, the
46 Public Service Commission and any other applicable state or local
47 agencies.

48 **SECTION 2.** This act shall take effect and be in force from
49 and after its passage.

