

By: Senator(s) Flowers

To: Municipalities; Public Utilities

SENATE BILL NO. 2987

1 AN ACT TO AMEND SECTION 21-27-23, MISSISSIPPI CODE OF 1972,  
2 TO PROHIBIT MUNICIPALLY-OWNED UTILITIES FROM REQUIRING LANDLORDS  
3 TO BE RESPONSIBLE FOR MONTHLY BILLINGS OR OTHER CHARGES OWED TO  
4 THE UTILITY BY TENANTS; AND FOR RELATED PURPOSES.

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

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

8 21-27-23. Any municipality may:

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

12 Money may be borrowed and bonds issued by any municipality of  
13 the State of Mississippi, as defined in Section 21-27-11, to  
14 acquire or improve any waterworks system, water supply system,  
15 sewerage system, sewage disposal system, garbage disposal system,  
16 rubbish disposal system or incinerators, gas producing system, gas  
17 generating system, gas transmission system, or gas distribution  
18 system, electric generating, transmission or distribution system,  
19 railroad transportation system for passengers and freight, or  
20 motor vehicle transportation system, including any combination of  
21 any or all of those systems into one (1) system, within or without  
22 the corporate limits thereof, for the purpose of supplying the  
23 municipality and the persons and corporations, both public and  
24 private, whether within or without its corporate limits, with the  
25 services and facilities afforded by the system, provided that  
26 water, electric energy, or gas afforded by any system or systems  
27 may be supplied to such ultimate consumers thereof by sale thereof  
28 to the owners or operators of a distribution system for resale to

29 the public. Any municipality which shall borrow money and issue  
30 revenue bonds to provide funds with which to acquire a gas  
31 transmission system, if necessary in order to reach and obtain a  
32 source of supply of gas for the municipality, may extend or  
33 construct its gas transmission line into an adjoining state, and  
34 may use and expend part of the proceeds of such issue of revenue  
35 bonds for the purpose.

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

41 (c) To acquire or improve any system which it is  
42 authorized to borrow money and issue revenue bonds under  
43 subsection (a) of this section to acquire or improve; and to make  
44 contracts in furtherance thereof or in connection therewith.

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

47 (e) To establish, maintain and collect rates for the  
48 facilities and services offered by any such system; provided that  
49 if there is a combination of systems into one or more systems, the  
50 municipality establishing the same shall be and is empowered to  
51 establish, maintain and collect rates for any and all of the  
52 services or for any combination thereof, and the municipality may  
53 discontinue any or all of the services upon any failure to  
54 promptly pay the charges fixed for the services. The rates so  
55 fixed for services rendered by any system or combination thereof  
56 may be charged for all services rendered thereby, regardless of  
57 whether the services may have been previously rendered without  
58 rates or charges therefor by the previously existing waterworks  
59 system, water supply system, sewerage system, sewage disposal  
60 system, garbage disposal system, rubbish disposal system or  
61 incinerators, gas producing system, gas generating system, gas

62 transmission system, or gas distribution system, electric  
63 generating, transmission or distribution system, which shall have  
64 been merged into the combined system. Any such municipality may  
65 pledge for the payment of any bonds issued to acquire or improve  
66 any such combined system, or to refund any bonds previously issued  
67 to acquire or improve any such combined system or to acquire or  
68 improve any system merged with such combined system, the revenues  
69 to be derived from the operation of such combined system,  
70 including the charges authorized to be imposed by this section.

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

80 If the revenues of any previously existing system being  
81 merged into a combined system are subject to a prior lien, the  
82 revenues and the expenses of any previously existing system shall  
83 be accounted for separately to the extent necessary to satisfy the  
84 covenants relating to the prior lien for so long as the  
85 indebtedness secured by the revenues shall remain outstanding.  
86 Only surplus revenues remaining after the satisfaction of all  
87 covenants relating to the outstanding indebtedness may be pledged  
88 to the retirement of any indebtedness to be secured by the  
89 revenues of a combined system. The existence of the outstanding  
90 indebtedness shall not, in and of itself, prevent the combining of  
91 systems as herein provided, so long as the prior lien on the  
92 revenues of any previously existing system is fully satisfied from  
93 the revenues of the previously existing system.

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

107           (g) To enter into contract with the United States of  
108 America or any agency thereof, under the provisions of acts of the  
109 Congress of the United States, to aid or encourage public works  
110 and the regulations made in pursuance thereof, for the sale of  
111 bonds issued in accordance with the provisions of Sections  
112 21-27-41 through 21-27-69 or for the acceptance of a grant to aid  
113 such municipality in acquiring or improving any such system; and  
114 the contracts may contain terms and conditions as may be agreed  
115 upon by and between the municipality and the United States of  
116 America or any agency thereof, or any purchaser of the bonds.

117           (h) To adopt the ordinances and resolutions and to do  
118 all things and perform all acts necessary, proper or desirable to  
119 effectuate the full intent and purpose of Sections 21-27-11  
120 through 21-27-69, including processing, marketing, custom  
121 processing, sale and resale of materials processed through any  
122 facility under its jurisdiction.

123           (i) To borrow from the Mississippi Development Bank in  
124 order to fund the advance purchase of energy for its gas  
125 producing, generating, transmission or distribution system or its  
126 electric generating, transmission or distribution system.

127       Any municipality or commission operating a municipally-owned  
128 utility shall be prohibited from adopting any ordinance or policy  
129 which requires the individual or business entity holding legal  
130 deed to the property to be responsible for paying the monthly  
131 utility bills or other charges owed by tenants who reside on the  
132 property, prior to resuming any utility activity. This  
133 prohibition shall disallow responsibility for deposits, monthly  
134 billings, and final bills when any tenant vacates the property for  
135 any reason.

136       **SECTION 2.** This act shall take effect and be in force from  
137 and after July 1, 2005.