

By: Representative Crawford

To: Public Utilities

HOUSE BILL NO. 1569

1 AN ACT TO AMEND SECTION 77-3-21, MISSISSIPPI CODE OF 1972, TO
2 AUTHORIZE THE PUBLIC SERVICE COMMISSION TO CANCEL A MUNICIPALITY'S
3 CERTIFICATE TO PROVIDE SERVICE GREATER THAN ONE MILE OUTSIDE ITS
4 CORPORATE BOUNDARIES UPON A FINDING THAT THE MUNICIPALITY IS NOT
5 CHARGING FAIR RATES FOR SERVICES; TO AUTHORIZE THE COMMISSION TO
6 FACILITATE MEDIATION PROCEEDINGS BETWEEN TWO WATER DISTRICTS
7 WHENEVER THE DISPUTE BETWEEN THE DISTRICTS IS NEGATIVELY IMPACTING
8 THE RATEPAYERS OF ONE OR BOTH DISTRICTS; TO AMEND SECTION 17-5-3,
9 MISSISSIPPI CODE OF 1972, TO AUTHORIZE ALL COUNTIES AND
10 MUNICIPALITIES TO PURCHASE WATERWORKS SYSTEMS AND TO BORROW MONEY
11 FOR SUCH PURPOSE; TO BRING FORWARD SECTION 77-3-22, MISSISSIPPI
12 CODE OF 1972, FOR PURPOSES OF POSSIBLE AMENDMENT; AND FOR RELATED
13 PURPOSES.

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

15 **SECTION 1.** Section 77-3-21, Mississippi Code of 1972, is
16 amended as follows:

17 77-3-21. (1) The commission may, after a hearing had upon
18 due notice, make such findings as may be supported by proof as to
19 whether any utility holding a certificate under the provisions of
20 this article is rendering reasonably adequate service in any area
21 covered by such utility's certificate. In the event the
22 commission finds that such utility is not rendering reasonably
23 adequate service, the commission may enter an order specifying in

24 what particulars such utility has failed to render reasonably
25 adequate service and order that such failure be corrected within a
26 reasonable time, such time to be fixed in such order. If the
27 utility so ordered to correct such a failure fails to comply with
28 such order of the commission and the commission finds that
29 cancellation of its certificate would be in the best interest of
30 the consuming public served by the holder of the certificate, its
31 certificate for the area affected may be revoked and cancelled by
32 the commission.

33 (2) Prior to any municipality exercising the power of
34 eminent domain as provided in Section 77-3-17, the commission
35 shall determine that the certificate of public convenience and
36 necessity granted to the utility pursuant to Section 77-3-13 for
37 the service area wherein such facilities are located, shall be
38 cancelled as provided in this section. Nothing in this paragraph
39 shall be construed to include service for water and sewage.

40 (3) Notwithstanding Section 77-3-1(1), the commission shall
41 have jurisdiction to investigate whether any municipality that
42 holds a certificate to provide service greater than one (1) mile
43 outside its municipal boundaries is providing reasonably adequate
44 service and charging fair rates for public utility services.
45 Following a hearing and upon making such a finding, the commission
46 shall have full authority to enter any order authorized under this
47 section, including canceling the certificate for the area that
48 extends beyond the municipalities' boundaries.

49 (4) Notwithstanding Section 77-3-1(1), the commission has
50 jurisdiction to review, investigate and mediate a dispute between
51 two (2) certificated water districts whenever the conflict, in the
52 determination of the commission, is negatively impacting the
53 ratepayers of one (1) or both of the districts. The commission
54 may compel the attendance of representatives of each involved
55 water district at mediation proceedings. In a mediation
56 proceeding under this subsection, the commission may facilitate
57 negotiations between the water districts for the resolution of the
58 dispute; however, the commission may perform only those duties
59 relating to the dispute as the commission deems reasonable and
60 likely to result in a resolution satisfactory to both water
61 districts. Continued participation in an investigation,
62 proceeding and mediation proceeding must be voluntary by the
63 representatives of each water district. The commission may not
64 commence proceedings or an investigation under this subsection if
65 a suit has been filed in a state or federal court with regard to
66 the subject matter of the dispute in which one (1) or both of the
67 water districts are a party.

68 **SECTION 2.** Section 17-5-3, Mississippi Code of 1972, is
69 amended as follows:

70 17-5-3. (1) Counties * * * and municipalities * * *
71 are * * * authorized and empowered, by resolution adopted by a
72 majority vote of their governing bodies * * *: (a) to acquire,
73 lease, construct, improve or extend, within and without their

74 territorial limits, waterworks systems, sewer systems, sewage
75 disposal systems, garbage disposal systems, rubbish disposal
76 systems, or any one (1) or any combination thereof; and (b) to
77 borrow money and issue bonds therefor, pursuant to the provisions
78 of Sections 17-5-3 through 17-5-11 without regard to the
79 limitations and restrictions of any other law, for the purpose of
80 financing the acquisition, leasing, construction, improvement or
81 extension of any one (1) or any combination of such systems or
82 public works, which bonds shall be payable as to both principal
83 and interest from revenues derived from the operation of any one
84 (1) or any combination of such systems or public works, as the
85 same may be added to, extended or improved. Bonds issued pursuant
86 to Sections 17-5-3 through 17-5-11 shall be subject to validation
87 under the laws of this state, and nothing in the provisions of
88 such sections shall operate to dispense with approvals respecting
89 the authorized systems or public works by any state department or
90 agency in accordance with law.

91 (2) The provisions of subsection (1) of this section
92 authorizing the acquisition, leasing, construction, improvement or
93 extension of garbage disposal systems and rubbish disposal systems
94 shall not apply in any county having a land area of more than
95 seven hundred (700) square miles and a population of more than ten
96 thousand two hundred (10,200) but not more than ten thousand two
97 hundred fifty (10,250) according to the 1990 federal census.

98 **SECTION 3.** Section 77-3-22, Mississippi Code of 1972, is
99 brought forward as follows:

100 77-3-22. Notwithstanding Section 77-3-1(1), if the
101 commission determines that any privately owned water and/or sewer
102 system, or any municipally owned or operated electric utility
103 providing service greater than one (1) mile outside its municipal
104 boundaries and within its jurisdiction is unable or unwilling to
105 adequately serve its customers or has been actually or effectively
106 abandoned by its owner, or that its management is grossly
107 inefficient, irresponsible or unresponsive to the needs of its
108 customers, the commission or its designated representative may
109 petition the Chancery Court of the First Judicial District of
110 Hinds County or the chancery court of any county wherein the
111 public utility does business for an order attaching the assets of
112 the privately owned water and/or sewer system or municipally owned
113 or operated electric utility and placing such system under the
114 sole control and responsibility of a receiver. If the court
115 determines that the petition is proper in all respects and finds,
116 after a hearing thereon, the allegations contained in the petition
117 are true, it shall order that the system be placed in
118 receivership. The court, in its discretion and in consideration
119 of the recommendation of the commission or its designated
120 representative, may appoint a receiver who shall be a responsible
121 individual, partnership, corporation or political subdivision
122 knowledgeable in water, sewer or electric service affairs and who

123 shall maintain control and responsibility for the operation and
124 management of the affairs of such system. The receiver shall
125 operate the system so as to preserve the assets of the system and
126 to serve the best interests of its customers. The receiver shall
127 be compensated from the assets of the system in an amount to be
128 determined by the court.

129 Control of and responsibility for the system shall remain in
130 the receiver until the court determines that it is in the best
131 interests of the customers that the system be returned to the
132 owner, transferred to another owner or assumed by another
133 operator, system or public service corporation. If the court,
134 after hearing, determines that control of and responsibility for
135 the affairs of the system should not be returned to the legal
136 owner thereof, the receiver may proceed to liquidate the assets of
137 such system in the manner provided by law.

138 In any court-initiated receivership for a municipally owned
139 or operated electric utility providing service greater than one
140 (1) mile outside its municipal boundaries, the receiver shall
141 assume the responsibilities and obligations of the municipality
142 with regard to any existing wholesale power contract.

143 Mississippi laws and Mississippi Rules of Civil Procedure
144 generally applicable to receivership shall govern receiverships
145 created under this section.

146 This section is in addition to the provisions of Section
147 77-3-21.

148 **SECTION 4.** This act shall take effect and be in force from
149 and after July 1, 2025.