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Chapter No. 330
18/HR43/R1373
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HOUSE BILL NO. 380

Originated in House _____ Clerk

HOUSE BILL NO. 380

AN ACT TO AUTHORIZE A MUNICIPALITY TO ENTER INTO AN INTERLOCAL AGREEMENT WITH A RURAL WATER ASSOCIATION OPERATING WITHIN THE CORPORATE LIMITS OF THE MUNICIPALITY THAT REQUIRES THE ASSOCIATION TO TERMINATE THE WATER SERVICE OF CUSTOMERS WHO ARE DELINQUENT IN THE PAYMENT OF CHARGES FOR SEWER SERVICES PROVIDED BY THE MUNICIPALITY; TO AMEND SECTION 21-27-23, MISSISSIPPI CODE OF 1972, TO CONFORM; AND FOR RELATED PURPOSES.

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

SECTION 1. (1) The governing authorities of a municipality are authorized and empowered, in their discretion, to enter into an interlocal agreement with a rural water association operating within the corporate limits of the municipality that requires the association to terminate the water service of any of its customers who are thirty (30) days or more delinquent in the payment of charges for sewer services provided by the municipality.

(2) Any agreement entered into under this section shall at a minimum:

(a) Require the municipality to notify the association of any customer of the association who also has sewer service provided by the municipality who is thirty (30) days or more

delinquent in the payment of sewer charges by a method agreeable to the municipality and the association;

(b) Provide that upon receipt of a notification the association shall terminate the water service of the named customer;

(c) Provide that upon satisfaction of the delinquency and any fees connected with the delinquency and the termination of water service, the association shall restart the water service of the customer;

(d) Provide that the municipality shall save and hold harmless the association against any and all claims based on the disconnection of water or sewer service and any other damages resulting from any action taken by the association under an interlocal agreement entered into under this section.

(3) Upon entering into an interlocal agreement under this section, the association is authorized to terminate the water service of any customer delinquent in the payment of sewer charges to the municipality pursuant to the terms of the interlocal agreement.

SECTION 2. Section 21-27-23, Mississippi Code of 1972, is amended as follows:

21-27-23. Any municipality may:

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

Money may be borrowed and bonds issued by any municipality of the State of Mississippi, as defined in Section 21-27-11, to acquire or improve any waterworks system, water supply system, sewerage system, sewage disposal system, garbage disposal system, rubbish disposal system or incinerators, gas producing system, gas generating system, gas transmission system, or gas distribution system, electric generating, transmission or distribution system, railroad transportation system for passengers and freight, or motor vehicle transportation system, including any combination of any or all of those systems into one (1) system, within or without the corporate limits thereof, for the purpose of supplying the municipality and the persons and corporations, both public and private, whether within or without its corporate limits, with the services and facilities afforded by the system, provided that water, electric energy, or gas afforded by any system or systems may be supplied to such ultimate consumers thereof by sale thereof to the owners or operators of a distribution system for resale to the public. Any municipality which shall borrow money and issue revenue bonds to provide funds with which to acquire a gas transmission system, if necessary in order to reach and obtain a source of supply of gas for the municipality, may extend or construct its gas transmission line into an adjoining state, and may use and expend part of the proceeds of such issue of revenue bonds for the purpose.

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

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

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

(e) To establish, maintain and collect rates for the facilities and services offered by any such system; provided that if there is a combination of systems into one or more systems, the municipality establishing the same shall be and is empowered to establish, maintain and collect rates for any and all of the services or for any combination thereof, and the municipality may discontinue any or all of the services upon any failure to promptly pay the charges fixed for the services. The rates so fixed for services rendered by any system or combination thereof may be charged for all services rendered thereby, regardless of whether the services may have been previously rendered without rates or charges therefor by the previously existing waterworks system, water supply system, sewerage system, sewage disposal system, garbage disposal system, rubbish disposal system or

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

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

If the revenues of any previously existing system being merged into a combined system are subject to a prior lien, the revenues and the expenses of any previously existing system shall be accounted for separately to the extent necessary to satisfy the covenants relating to the prior lien for so long as the indebtedness secured by the revenues shall remain outstanding.

Only surplus revenues remaining after the satisfaction of all covenants relating to the outstanding indebtedness may be pledged to the retirement of any indebtedness to be secured by the revenues of a combined system. The existence of the outstanding indebtedness shall not, in and of itself, prevent the combining of systems as herein provided, so long as the prior lien on the revenues of any previously existing system is fully satisfied from the revenues of the previously existing system.

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

(g) To enter into contract with the United States of America or any agency thereof, under the provisions of acts of the Congress of the United States, to aid or encourage public works and the regulations made in pursuance thereof, for the sale of

bonds issued in accordance with the provisions of Sections 21-27-41 through 21-27-69 or for the acceptance of a grant to aid such municipality in acquiring or improving any such system; and the contracts may contain terms and conditions as may be agreed upon by and between the municipality and the United States of America or any agency thereof, or any purchaser of the bonds.

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

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

<u>(j) Enter into an interlocal agreement in accordance with Section 1 of this act.</u>

SECTION 3. This act shall take effect and be in force from and after its passage.

PASSED BY THE HOUSE OF REPRESENTATIVES
February 6, 2018

Philip Gunn

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PASSED BY THE SENATE
February 28, 2018

Tate Reeves

PRESIDENT OF THE SENATE

APPROVED BY THE GOVERNOR

Phil Bryant

GOVERNOR

March 08, 2018
10:17 AM