MISSISSIPPI LEGISLATURE REGULAR SESSION 2021

By: Representative Bell (65th)

To: Public Utilities;
Appropriations

HOUSE BILL NO. 930

AN ACT TO AUTHORIZE MUNICIPALLY-OWNED UTILITIES AND CERTAIN OTHER ENTITIES TO ADOPT RULES AND PROCEDURES AUTHORIZING ACCOUNTING SYSTEM ACCOMMODATION OF CERTAIN UNCOLLECTIBLE INDEBTEDNESS OWED BY A CUSTOMER FOR UTILITY SERVICES; TO AMEND SECTIONS 31-19-27, 31-19-29 AND 21-27-27, MISSISSIPPI CODE OF 1972, TO CONFORM TO THE PRECEDING SECTION; TO SPECIFICALLY AUTHORIZE RATE STRUCTURES BASED ON CERTAIN FACTORS; TO ALLOW MUNICIPALLY-OWNED UTILITIES AND CERTAIN OTHER ENTITIES TO CREATE ASSISTANCE PROGRAMS FOR LOW-INCOME CUSTOMERS; AND FOR RELATED PURPOSES.

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

SECTION 1. (1) For purposes of this section, the following words shall have the meanings ascribed herein unless the context clearly describes and indicates a different meaning:

(a) "Utility" means any utility created or operated pursuant to Section 21-27-11, et seq., Mississippi Code of 1972, or any entity created by or authorized by other legislation of the State of Mississippi providing water, sewer, electricity, gas, transportation, or other utility services whose rates are not subject to regulation by the Mississippi Public Service Commission.

(b) "Low-income customer" means any customer of a utility whose household income equals or is less than two hundred percent (200%) of the Federal Poverty Guidelines for a household the size of the customer's. A utility may deem a customer to have income less than two hundred percent (200%) of the Federal Poverty Guidelines without further income verification if a member of the customer's household receives benefits through the Supplemental Nutritional Assistance Program (SNAP).

(2) Any utility may institute a program to address certain disputed or delinquent customer accounts. The utility must adopt rules and procedures to implement the program if instituted. The utility's authority to compromise doubtful claims is limited to the following cases:

(a) (i) Instances of error on the part of the utility such as equipment failure or process failure, but only to the extent the customer did not receive the benefit of the utility service;

(ii) Instances of error not on the part of the customer due to unforeseen circumstance such as damage, extreme weather-related event, declared disaster or emergency, or mandatory evacuation, but only to the extent the customer did not receive the benefit of the utility service; and

(b) Instances where a low-income customer's overdue balance for a utility service can be reasonably adjudged to be uncollectible, in which case the utility may use an installment

payment agreement to allow the customer additional time to pay a prescribed portion of the outstanding balance, and as part of the installment payment plan, to offer the use by the utility of accounting procedures to move the remaining balance as an uncollectible debt to a special accounting category of uncollectible or inactive accounts as outlined in the program rules if the customer fulfills all terms of the installment plan. The program must provide that the accounting adjustments under this paragraph (b) do not result in forgiveness of uncollectible debts.

(3) The utility may set program parameters to take into account the principle of collateral estoppel as to its own prior service, billing or collection actions.

SECTION 2. Section 31-19-27, Mississippi Code of 1972, is amended as follows:

31-19-27. A doubtful claim of the state, or of the county, city, town, village, or levee board is one for which judgment has been rendered and for the collection of which the ordinary process of law has been ineffectual; debts due by drainage districts or other taxing districts or sinking funds to counties under the Rehabilitation Act of 1928, being Chapter 88 *** * ***, Laws of 1928, and Chapter 16 of the Acts of the Special Session of 1931; those debts due counties by drainage districts, which the Reconstruction Finance Corporation has heretofore refused to refinance; those debts due a utility as authorized under Section 1 of this act;

debts due for sixteenth section township school fund loans made to churches, where the board of supervisors finds that the value of the security given therefor is insufficient or inadequate to pay or satisfy the principal and interest of * * * the loan, and when the church repays the principal of * * * such loan; and debts due by counties and townships to drainage districts for drainage district assessments or taxes levied and assessed upon sixteenth section lands.

SECTION 3. Section 31-19-29, Mississippi Code of 1972, is amended as follows:

31-19-29. The Governor, on the advice of the Attorney General or * * * the Commissioner of Revenue at the State Department of Revenue, may, upon application of the defendant or debtor proposing a compromise, settle and compromise any doubtful claim of the state, or of any county, city, town, or village, or of any levee board against such defendant or debtor, upon such terms as he may deem proper, the board of supervisors in the case of a county, and the municipal authorities in the case of a city, town or village, and the levee board in the case of a claim of a levee board, concurring therein. The Governor, upon application of a drainage district having obligations outstanding to a county under the provisions of Chapter 88, Laws of 1928, and Chapter 16, Laws of the Extraordinary Session of 1931, or obligations which the Reconstruction Finance Corporation has heretofore refused to refinance, may settle and compromise any claim, debt or obligation

that said drainage district may owe any county in the State of Mississippi for money loaned said district under the provisions of said Chapter 88, Laws of 1928, or any other claim, debt or obligation that said drainage district may owe the county which the Reconstruction Finance Corporation has heretofore refused to finance, if the board of supervisors of said county concurs in the application of the drainage district. A utility may compromise a debt owed for water and sewer service only as provided under Section 1 of this act. The Governor, upon application by the board of supervisors for any taxing districts of * * * a county or sinking funds of * * * a county under the control and supervision of * * * the board of supervisors having obligations outstanding and due to * * * such county under the provisions of Chapter 88, Laws of 1928, and Chapter 16, Laws of the Extraordinary Session of 1931, may settle and compromise any claim, debt, or obligation that * * * such taxing districts or sinking funds may owe * * * the county for money loaned * * * the taxing districts or sinking funds under the provisions of * * * Chapter 88, Laws of 1928; and provided that the Governor, on the advice of the Attorney General, and upon application of a church owing a sixteenth section township school fund loan, may settle and compromise such debt or obligation if the board of supervisors of the * * * county concurs in the application of the * * * church. The Governor may, on the advice of the Attorney General, in like manner compromise and settle a claim of a drainage district for unpaid assessments or

taxes upon sixteenth section lands upon application of the board of supervisors wherein such sixteenth section is situated, if the commissioners of the drainage district concur therein.

SECTION 4. Section 21-27-27, Mississippi Code of 1972, is amended as follows:

21-27-27. Except as otherwise provided under Section 1 of this act, no free service shall be furnished by any such system, or combined system, to any private person, firm, corporation, or association. The municipality may, however, furnish such service, free of charge, to the municipality or any agency or department thereof, to any public school, or to any hospital or benevolent institution located within such municipality, including county, city, and community fairs.

SECTION 5. (1) The rates charged by a utility shall be uniform for the same class of customers or service and facilities. In classifying customers served or service and facilities furnished by a system or systems of sewerage, the governing authority of the city or town may in its discretion consider any or all of the following factors:

(a) The difference in cost of service and facilities to customers;

(b) The location of customers within and without the city or town;

(c) The difference in cost of maintenance, operation, repair, and replacement of the parts of the system;

(d) The different character of the service and facilities furnished to customers;

(e) The quantity and quality of the sewage delivered and the time of its delivery;

(f) Capital contributions made to the systems, plants, sites, or other facilities, including but not limited to, assessments;

(g) The nonprofit, public benefit status of the land user; and

(h) Any other factors that present a reasonable difference as a ground for distinction.

SECTION 6. A utility may provide assistance to aid low-income customers in connection with the utility services. Such assistance to low-income customers and the expenses of administering the assistance program may be funded from the revenue generated by the rates charged to the customers of the utility and shall be considered an expense of operating and maintaining the utility.

SECTION 7. Notwithstanding any other provision of law, any utility may provide services at reduced rates for low-income senior customers or other low-income customers; provided, however, any reduction in rates granted in whatever manner to low-income senior customers or other low-income customers in one (1) part of a service area shall be uniformly extended to low-income senior

customers or other low-income customers in all other parts of the service area.

SECTION 8. This act shall take effect and be in force from and after its passage.