

By: Senator(s) Canon, Dearing, Bryan, Hewes, Walls

To: Fees, Salaries and Administration

SENATE BILL NO. 2456

1 AN ACT TO REQUIRE THAT NOT-FOR-PROFIT CORPORATIONS AND  
2 ASSOCIATIONS THAT RECEIVE MEMBERSHIP DUES FROM STATE AGENCIES AND  
3 LOCAL GOVERNING AUTHORITIES SHALL MAKE CERTAIN FINANCIAL REPORTS  
4 SHOWING HOW FUNDS DERIVED FROM PUBLIC SOURCES WERE EXPENDED; AND  
5 FOR RELATED PURPOSES.

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

7 **SECTION 1.** (1) (a) Any corporation organized under Title  
8 79, Chapter 11, Mississippi Code of 1972, that receives funds from  
9 state agencies or local governing authorities in the form of  
10 membership dues shall annually report to the Secretary of State a  
11 complete accounting of all funds received from each state agency  
12 and local governing authority. Additionally, each corporation  
13 shall report the uses to which such funds were directed and shall  
14 provide an itemized statement of each person, firm, corporation or  
15 other entity to which such funds were paid. In cases where the  
16 corporation expended such funds for its own operations, the  
17 corporation shall report the use for which such funds were  
18 expended, including, but not limited to, staff salaries, travel,  
19 utilities, receptions, goods or services provided to others, and  
20 other expenses.

21 (b) Any corporation organized under this chapter which  
22 also receives funds from state agencies or local governing  
23 authorities in the form of membership dues that uses funds derived  
24 from dues for lobbying activities reported in accordance with  
25 Section 5-8-9, Mississippi Code of 1972, shall prepare a  
26 supplemental report detailing the amount of dues funds expended  
27 for each reported lobbying activity.



28           (2) Reports required under this section shall be filed with  
29 the Secretary of State no later than January 15 of each year and  
30 shall cover all receipts and disbursements made during the  
31 previous calendar year. Any corporation that is required to make  
32 a report under subsection (1) of this section that fails to report  
33 by January 15 shall be given notice by registered mail of the  
34 requirement to make a report. Such notice shall be mailed to any  
35 corporation not in compliance by February 1 of each year. Any  
36 firm that fails to report by March 1 shall be administratively  
37 dissolved.

38           (3) The Secretary of State shall have the authority to  
39 promulgate all necessary rules, regulations and forms necessary to  
40 accomplish the purposes of this section.

41           (4) The Secretary of State shall annually publish a report  
42 of corporations that have failed to comply with the provisions of  
43 this section. No state agency or local governing authority shall  
44 make any payment of membership dues to any organization that has  
45 been dissolved by authority of this section.

46           (5) Corporations required to report under this section shall  
47 implement all necessary changes in their accounting systems to  
48 capture all information required by subsection (1) of this  
49 section.

50           **SECTION 2.** (1) (a) Any unincorporated association that  
51 receives membership dues from any state agency or local governing  
52 authority shall annually prepare a report containing a complete  
53 accounting of all public funds received from each state agency and  
54 local governing authority. Additionally, each organization shall  
55 report the uses to which such funds were directed, and shall  
56 provide an itemized statement of each person, firm, corporation or  
57 other entity to which such funds were paid. In cases where the  
58 organization expended such funds for its own operations, the  
59 association shall report the use for which such funds were  
60 expended, including, but not limited to, staff salaries, travel,



61 utilities, receptions, goods or services provided to others, and  
62 other expenses.

63 (b) Any association that receives funds from state  
64 agencies or local governing authorities in the form of membership  
65 dues that uses funds derived from dues for lobbying activities  
66 reported in accordance with Section 5-8-9, Mississippi Code of  
67 1972, shall prepare a supplemental report detailing the amount of  
68 dues funds expended for each reported lobbying activity.

69 (2) Reports required by this section shall be prepared no  
70 later than January 15 of each year and shall cover all receipts  
71 and disbursements made during the previous calendar year. All  
72 reports prepared under the authority of this section shall be  
73 maintained for public inspection at the offices of the association  
74 during regular business hours.

75 (3) Each association shall transmit a copy of its report to  
76 every state agency and local governing authority that paid dues to  
77 the association in the preceding year by February 1 of each year.  
78 No state agency or local governing authority shall pay any dues to  
79 any association that fails to provide a copy of its report by  
80 February 1 for the next twelve (12) months.

81 (4) Associations required to report under this section shall  
82 implement all necessary changes in their accounting systems to  
83 capture all information required by subsection (1) of this  
84 section.

85 (5) For purposes of this section, the term "association"  
86 shall mean any organization that is not incorporated and is not  
87 operated for the purpose of providing profit to any person.

88 **SECTION 3.** For purposes of this act, the terms "agency" and  
89 "governing authority" shall have the meanings ascribed to them in  
90 Section 31-7-1, Mississippi Code of 1972.

91 **SECTION 4.** This act shall take effect and be in force from  
92 and after July 1, 2003.

