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

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

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

(b) Any corporation organized under this chapter which also receives funds from state agencies or local governing authorities in the form of membership dues that uses funds derived from dues for lobbying activities reported in accordance with Section 5-8-9, Mississippi Code of 1972, shall prepare a supplemental report detailing the amount of dues funds expended for each reported lobbying activity.
(2) Reports required under this section shall be filed with the Secretary of State no later than January 15 of each year and shall cover all receipts and disbursements made during the previous calendar year. Any corporation that is required to make a report under subsection (1) of this section that fails to report by January 15 shall be given notice by registered mail of the requirement to make a report. Such notice shall be mailed to any corporation not in compliance by February 1 of each year. Any firm that fails to report by March 1 shall be administratively dissolved.

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

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

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

SECTION 2. (1) (a) Any unincorporated association that receives membership dues from any state agency or local governing authority shall annually prepare a report containing a complete accounting of all public funds received from each state agency and local governing authority. Additionally, each organization shall report the uses to which such funds were directed, and shall provide an itemized statement of each person, firm, corporation or other entity to which such funds were paid. In cases where the organization expended such funds for its own operations, the association shall report the use for which such funds were expended, including, but not limited to, staff salaries, travel,
utilities, receptions, goods or services provided to others, and
other expenses.

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

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

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

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

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

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

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