

By: Representative Eaton

To: Public Health and Human Services

HOUSE BILL NO. 1493

1 AN ACT TO REPEAL SECTION 41-26-101, MISSISSIPPI CODE OF 1972,
2 WHICH REQUIRES MEMBERS OF THE GOVERNING BOARDS OF CERTAIN
3 COMMUNITY PUBLIC WATER SYSTEMS TO COMPLETE MANAGEMENT TRAINING
4 WITHIN TWO YEARS AFTER ELECTION TO THE BOARD; TO AMEND SECTION
5 79-11-394, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND
6 FOR RELATED PURPOSES.

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

8 SECTION 1. Section 41-26-101, Mississippi Code of 1972,
9 which requires members of the governing boards of certain
10 community public water systems to complete management training
11 within two (2) years after election to the board, is repealed.

12 SECTION 2. Section 79-11-394, Mississippi Code of 1972 is
13 amended as follows:

14 79-11-394. (1) (a) Any nonprofit, nonshare corporation
15 chartered under the Mississippi Nonprofit Corporation Act, Section
16 79-11-101 et seq., for the purpose of owning and operating rural
17 waterworks annually shall prepare a financial report showing the
18 financial condition of the corporation. The financial report
19 shall be prepared on forms provided by the State Auditor within
20 ninety (90) days following the close of the fiscal year of that
21 corporation. Each report shall contain a certification signed by
22 the president of the board of directors of the corporation that
23 the president has reviewed the information contained in the
24 financial report and that the information is true and correct.

25 (b) As part of the billing statement received by the
26 subscriber immediately before the annual meeting of the
27 corporation, each corporation owning and operating rural
28 waterworks shall notify each subscriber provided water service by
29 the corporation of the availability of the most recently completed

30 annual financial report, how that report may be obtained and where
31 the report may be reviewed. If requested in writing, the
32 corporation shall provide a copy of the financial report to any
33 subscriber.

34 (c) Before July 1, 1999, and July 1 of each subsequent
35 year, each corporation required to prepare a financial report
36 under this section shall submit the most recently completed annual
37 financial report to the State Auditor. In addition, the
38 corporation shall provide a copy of that financial report to the
39 public library in the county seat of the county in which the
40 corporation's principal office is located. If no public library
41 is located in the county seat, the corporation shall provide that
42 report to the public library serving the largest population in the
43 county of the corporation's principal office. If requested in
44 writing, the State Auditor shall provide a copy of the financial
45 report to any subscriber of a water system owned and operated by
46 that corporation and may recover the costs of providing that
47 report.

48 (2) In addition to the information required under subsection
49 (1) of this section, each financial report shall contain the
50 following:

51 (a) A statement certifying that an annual meeting was
52 held in accordance with the corporation's bylaws, as required
53 under Section 79-11-197, including the date of the most recent
54 annual meeting; and

55 (b) A list of the directors currently serving on the
56 board of the corporation * * *.

57 (3) (a) Before July 15, 1999, and July 15 of each
58 subsequent year, the State Auditor shall provide the State
59 Department of Health a list of all corporations failing to file a
60 report as required under subsection (1) of this section. The
61 State Department of Health shall notify the president of the board
62 of directors of each listed system in writing and shall require

63 that the financial report be submitted to the State Auditor within
64 thirty (30) days after the date of the letter.

65 (b) If any corporation required to prepare a financial
66 report under this section fails to notify subscribers of the
67 availability of the financial report, no corporate action taken
68 after the date of the annual meeting shall be valid. If any
69 corporation required to prepare a financial report under this
70 section fails to submit the most recently completed annual
71 financial report to the State Auditor, no corporate action taken
72 after the date for submission specified in the letter from the
73 State Department of Health, as required under paragraph (a) of
74 this subsection, shall be valid.

75 (4) (a) Each nonprofit, nonshare corporation chartered
76 under Section 79-11-101 et seq. for the purpose of owning and
77 operating rural waterworks shall mail to each subscriber provided
78 water service by the corporation, as part of the billing statement
79 received by the subscriber immediately before the annual meeting
80 of the corporation, a notice of the annual meeting of the
81 corporation. Each corporation also shall submit, at the time the
82 notice is provided to the subscribers, a copy of that notice to
83 the State Department of Health.

84 (b) If any corporation fails to provide notice as
85 required under this subsection, no corporate action taken after
86 the date stated in or fixed in accordance with the corporation's
87 bylaws for the annual meeting shall be valid.

88 (5) If any nonprofit, nonshare corporation chartered under
89 Section 79-11-101 et seq. for the purpose of owning and operating
90 rural waterworks fails to hold an annual meeting, no corporate
91 action taken after the date stated in or fixed in accordance with
92 the corporation's bylaws for the annual meeting shall be valid.

93 **SECTION 3.** This act shall take effect and be in force from
94 and after July 1, 2005.