

By: Representatives Bell (65th), Yates

To: State Affairs; Public
Utilities

HOUSE BILL NO. 1194

1 AN ACT TO AMEND SECTIONS 51-41-1, 51-41-3 AND 51-41-9,
2 MISSISSIPPI CODE OF 1972, TO AUTHORIZE A FOR-PROFIT ENTITY
3 INVOLVED IN THE SALE, TRANSMISSION AND DISTRIBUTION OF POTABLE
4 WATER, WHICH ENTITY WAS FORMED SOLELY FOR THE PURPOSE OF COMPLYING
5 WITH A FEDERAL OR STATE ORDER, TO CONVERT TO A BODY POLITIC AS A
6 WATER AUTHORITY; AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** Section 51-41-1, Mississippi Code of 1972, is
9 amended as follows:

10 51-41-1. It is the intent of the Legislature to provide a
11 means, in addition to the incorporation of districts authorized in
12 Sections 19-1-151 through 19-5-207, by which not-for-profit
13 corporations or associations, and for-profit entities formed
14 solely for the purpose of complying with a federal or state order,
15 which are involved in the sale, transmission and distribution of
16 potable water to members of the public and others may convert
17 their entity status from that of a body corporate to that of a
18 body politic, thereby allowing those entities the opportunity to
19 access the tax-exempt capital markets and thereby assuring the



State of Mississippi and the customers of those entities of
adequate supplies of water at the lowest water rates possible.

SECTION 2. Section 51-41-3, Mississippi Code of 1972, is
amended as follows:

51-41-3. As used in this chapter, unless the context
otherwise requires:

(a) "Board" means the board of directors of the water
authority * * *.

(b) "Bond" means any bond, promissory note, lease
purchase agreement or other evidence of indebtedness of any nature
along with all debt securing instruments of every nature related
thereto * * *.

(c) "Indenture" means a mortgage, an indenture of
mortgage, deed of trust, trust agreement, loan agreement, security
agreement or trust indenture executed by the water authority as
security for any bonds * * *.

(d) "Project" means any raw or potable water or
wastewater intake, treatment, distribution, transmission, storage,
pumping, well site, well field or other facility or system, or any
combination of the foregoing, that has as its purpose the
providing of raw or potable water to members of the public and
commercial, industrial or other users or the treatment of
wastewater, along with any and all other appurtenances, equipment,
betterments or improvements related thereto. The above projects
may include any lands, or interest in any lands, deemed by the



board to be desirable in connection with the projects, and
necessary equipment for the proper functioning and operation of
the buildings or facilities involved * * *.

(e) "Qualified corporation" means * * * a
not-for-profit corporation or association * * *, or a for-profit
entity formed solely for the purpose of complying with a federal
or state order, which provides, distributes, transmits, treats,
pumps or stores raw or potable water to or for the benefit of
members of the general public and commercial, industrial and other
users * * *.

(f) "United States" means the United States of America
or any of its agencies or instrumentalities * * *.

(g) "State" means the State of Mississippi * * *.

(h) "Water authority" means that body politic and
governmental entity organized under the provisions of this
chapter.

SECTION 3. Section 51-41-9, Mississippi Code of 1972, is
amended as follows:

51-41-9. (1) Whenever a qualified corporation desires to
convert into and become reconstituted and reincorporated as a
water authority under this chapter, the qualified corporation
shall present to and file with the Secretary of State:

(a) Its resolution duly adopted by the board of
directors of the qualified corporation that evidences the desire
of the qualified corporation to convert into and become



reconstituted and reincorporated as a water authority and that also certifies that the qualified corporation:

(i) Was initially formed as a not-for-profit corporation or association or a for-profit entity formed solely for the purpose of complying with a federal or state order; and

(ii) Desires to operate as a public body authorized under the laws of Mississippi as a result of its conversion and reconstitution as a water authority under this chapter;

(b) Its application for reconstitution and certificate of incorporation, which shall state and include the following information:

(i) The name of the water authority, which shall be "The _____ Public Water Authority of the State of Mississippi," or some other name of similar import, it being understood that the water authority may adopt a fictitious operational name upon written request to and approval by the Secretary of State;

(ii) The location of the water authority's principal office, and the number of directors of the water authority, which shall be subject to change and modification as provided in the water authority's bylaws;

(iii) The names and addresses of the initial board of directors of the water authority;



(iv) The name and address of the agent for service of process of the water authority; and

(v) Any other matters that the initial board of directors of the water authority may deem necessary and appropriate;

(c) A copy of the water authority's bylaws along with any other information that the initial board of directors of the water authority may deem necessary and appropriate;

(d) A statement and certification from the Secretary of State that the proposed name of the water authority is not identical with that of any other water authority in the state, or so nearly similar thereto as to lead to confusion and uncertainty; and

(e) A reasonable filing and review fee that the Secretary of State may designate and determine from time to time, which shall not be in excess of the filing fee charged in connection with the receipt and filing of a corporation's articles of incorporation.

(2) Two (2) or more qualified corporations may jointly convert into and become reconstituted and reincorporated as one (1) water authority under the same procedure as specified for one (1) qualified corporation under this chapter.

SECTION 4. This act shall take effect and be in force from and after July 1, 2025.

