

By: Senator(s) Parker

To: Accountability,
Efficiency, Transparency

SENATE BILL NO. 2575

1 AN ACT TO BRING FORWARD SECTION 51-41-1, MISSISSIPPI CODE OF
2 1972, FOR THE PURPOSE OF POSSIBLE AMENDMENT; TO AMEND SECTION
3 51-41-3, MISSISSIPPI CODE OF 1972, TO EXPAND THE DEFINITION OF
4 QUALIFIED CORPORATION; TO AMEND SECTION 51-41-9, MISSISSIPPI CODE
5 OF 1972, TO CONFORM; AND FOR RELATED PURPOSES.

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

7 **SECTION 1.** Section 51-41-1, Mississippi Code of 1972, is
8 brought forward as follows:

9 51-41-1. It is the intent of the Legislature to provide a
10 means, in addition to the incorporation of districts authorized in
11 Sections 19-1-151 through 19-5-207, by which not-for-profit
12 corporations or associations involved in the sale, transmission
13 and distribution of potable water to members of the public and
14 others may convert their entity status from that of a body
15 corporate to that of a body politic, thereby allowing those
16 entities the opportunity to access the tax-exempt capital markets
17 and thereby assuring the State of Mississippi and the customers of
18 those entities of adequate supplies of water at the lowest water
19 rates possible.



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

22 51-41-3. As used in this chapter, unless the context
23 otherwise requires:

24 (a) "Board" means the board of directors of the water
25 authority;

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

30 (c) "Indenture" means a mortgage, an indenture of
31 mortgage, deed of trust, trust agreement, loan agreement, security
32 agreement or trust indenture executed by the water authority as
33 security for any bonds;

34 (d) "Project" means any raw or potable water or
35 wastewater intake, treatment, distribution, transmission, storage,
36 pumping, well site, well field or other facility or system, or any
37 combination of the foregoing, that has as its purpose the
38 providing of raw or potable water to members of the public and
39 commercial, industrial or other users or the treatment of
40 wastewater, along with any and all other appurtenances, equipment,
41 betterments or improvements related thereto. The above projects
42 may include any lands, or interest in any lands, deemed by the
43 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 any not-for-profit corporation or association or for-profit entity formed solely for the purpose of complying with federal and state order, that 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; and

(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 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



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

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

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

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

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

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

