

By: Representatives Stevens, Bowles, Clarke, Frierson, Horne To: Appropriations

HOUSE BILL NO. 1455

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 Section
8 79-11-31 et seq., that receives funds from state agencies or local
9 governing authorities in the form of membership dues shall report
10 annually to the Secretary of State a complete accounting of all
11 funds received from each state agency and local governing
12 authority. Additionally, each corporation shall report the uses
13 to which such funds were directed and shall provide an itemized
14 statement of each person, firm, corporation or other entity to
15 which such funds were paid. In cases where the corporation
16 expended such funds for its own operations, the corporation shall
17 report the use for which such funds were expended, including, but
18 not limited to, staff salaries, travel, utilities, receptions,
19 goods or services provided to others and other expenses.

20 (b) Any corporation organized under Section 79-11-31 et
21 seq. that also receives funds from state agencies or local
22 governing authorities in the form of membership dues, and that
23 uses funds derived from dues for lobbying activities reported in
24 accordance with Section 5-8-9, shall prepare a supplemental report
25 detailing the amount of dues funds expended for each reported
26 lobbying activity.

27 (2) Reports required under this section shall be filed with
28 the Secretary of State no later than January 15 of each year and



29 shall cover all receipts and disbursements made during the
30 previous calendar year. Any corporation that is required to make
31 a report under subsection (1) of this section that fails to report
32 by January 15 shall be given notice by registered mail of the
33 requirement to make a report. Such notice shall be mailed to any
34 corporation not in compliance by February 1 of each year. Any
35 firm that fails to report by March 1 shall be dissolved
36 administratively.

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

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

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

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



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

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

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

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

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

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

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

