

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



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

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

24 51-41-3. As used in this chapter, unless the context
25 otherwise requires:

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

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

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

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



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

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

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

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

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

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

63 51-41-9. (1) Whenever a qualified corporation desires to
64 convert into and become reconstituted and reincorporated as a
65 water authority under this chapter, the qualified corporation
66 shall present to and file with the Secretary of State:

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



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

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

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

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

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

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

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



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

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

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

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

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

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

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

