

By: Representatives Yates, Bell (65th)

To: State Affairs; Public Utilities

HOUSE BILL NO. 1202

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 FORMED
3 SOLELY FOR THE PURPOSE OF COMPLYING WITH A FEDERAL OR STATE ORDER
4 CONCERNING THE SALE, TRANSMISSION OR DISTRIBUTION OF POTABLE WATER
5 TO CONVERT TO A BODY POLITIC AS A WATER AUTHORITY; AND FOR RELATED
6 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 concerning the sale, transmission or distribution
52 of potable water to the public, which provides, distributes,
53 transmits, treats, pumps or stores raw or potable water to or for
54 the benefit of members of the general public and commercial,
55 industrial and other users;

56 (f) "United States" means the United States of America
57 or any of its agencies or instrumentalities;

58 (g) "State" means the State of Mississippi; and

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

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

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

68 (a) Its resolution duly adopted by the board of
69 directors of the qualified corporation that evidences the desire



70 of the qualified corporation to convert into and become
71 reconstituted and reincorporated as a water authority and that
72 also certifies that the qualified corporation:

73 (i) Was initially formed as a not-for-profit
74 corporation or association or a for-profit entity formed solely
75 for the purpose of complying with a federal or state order
76 concerning the sale, transmission or distribution of potable water
77 to the public; and

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

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

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

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



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

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

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

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

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

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

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



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

