

March 15, 2006

TO THE MISSISSIPPI HOUSE OF REPRESENTATIVES:

GOVERNOR'S VETO MESSAGE FOR HOUSE BILL 1320

I am returning House Bill 1320: "AN ACT TO PROVIDE FOR THE TRACKING OF CERTAIN FEDERAL GRANT FUNDS THAT ARE TO BE PROVIDED TO THE STATE OF MISSISSIPPI FOR ASSISTANCE TO HOMEOWNERS WHOSE HOMES WERE DAMAGED OR DESTROYED BY HURRICANE KATRINA; TO DIRECT THE MISSISSIPPI DEVELOPMENT AUTHORITY TO OBTAIN AND COMPILER IN A DATABASE THE CERTAIN INFORMATION FOR EACH ASSISTANCE GRANT MADE TO A HOMEOWNER WHOSE HOME WAS DAMAGED OR DESTROYED BY HURRICANE KATRINA; TO PROVIDE THAT THE MISSISSIPPI DEVELOPMENT AUTHORITY SHALL POST ON ITS WEB SITE ON A MONTHLY BASIS CERTAIN INFORMATION RELATING TO THE ASSISTANCE GRANTS; AND FOR RELATED PURPOSES" without my approval and assign the following reasons for my veto.

After full consideration, I am vetoing House Bill 1320, which prescribes certain reporting requirements for the use of Community Development Block Grant Funds provided by the federal government in response to Hurricane Katrina. I am vetoing this legislation because one of the reporting requirements of HB 1320 requires the Mississippi Development Authority (MDA) to obtain information not consistent with the Action Plan approved for public comment by the United States Department of Housing and Urban Development (HUD) for the homeowners' assistance program.

House Bill 1320 would require the Mississippi Development Authority to obtain and compile in a database the address of each homeowner, the amount of their grant, and how they intend to use the grant. Specifically, the bill requires MDA to ascertain "the use of the grant (repair or rebuild) by address." While MDA is asking every applicant if they plan to rebuild or repair, rebuilding or repairing a home is not a qualifying criterion for the program. Therefore, MDA is not able to accurately obtain the data which House Bill 1320 would require.

Under HUD's rules, if the State required a homeowner to rebuild or repair, the State would have increased compliance costs and liability for existing and future environmental issues at each address. In addition, a requirement to repair or rebuild would limit the options for disaster victims. For example, some homeowners may choose to move inland, instead of rebuilding in an area more susceptible to future storm surges. Other homeowners may not be able to make a repair or rebuild decision until after the grants are awarded.

Taxpayers and public officials need and deserve to know how their money will be spent on this unprecedented program. The State has and will continue to work closely with HUD's Inspector General to ensure financial accountability and MDA will be publishing even more information than House Bill 1320 would require, keeping taxpayers informed. For example, House Bill 1320 would require MDA to post on a website the total number of grant recipients and the total number and amount of grants disbursed on a monthly basis. As part of the State's plan, MDA will exceed this level of disclosure by publishing on the internet the average grant award by income range and geographic area.

For these reasons, I urge the members to reject House Bill 1320 and sustain the veto.

Respectfully Submitted,

Haley Barbour
Governor