MISSISSIPPI LEGISLATURE

To: Apportionment and Elections; Judiciary A

By: Representative Clarke

HOUSE BILL NO.  728

AN ACT TO CREATE NEW SECTION 79-1-4, MISSISSIPPI CODE OF 1972, TO PROHIBIT A CORPORATION FROM USING ANY MONEY OR OTHER PROPERTY OF THE CORPORATION IN CONNECTION WITH A POLITICAL EXPENDITURE UNLESS THE STOCKHOLDERS, BY A CERTAIN VOTE, HAVE AUTHORIZED IN ADVANCE A CERTAIN AMOUNT OF MONEY OR PROPERTY THAT MAY BE USED FOR CERTAIN POLITICAL EXPENDITURES AND DIRECTED THAT THE MONEY OR PROPERTY BE USED FOR CERTAIN PURPOSES; TO REQUIRE STOCKHOLDER CONSIDERATION OF POLITICAL EXPENDITURES TO OCCUR AT AN ANNUAL OR SPECIAL MEETING; TO REQUIRE A CORPORATION TO GIVE AND, UNDER CERTAIN CIRCUMSTANCES, POST A CERTAIN NOTICE WITHIN A CERTAIN PERIOD OF TIME AFTER MAKING A POLITICAL EXPENDITURE; TO REQUIRE THE ANNUAL REPORT OF A CORPORATION TO CONTAIN CERTAIN INFORMATION ABOUT POLITICAL EXPENDITURES; TO AUTHORIZE THE ATTORNEY GENERAL, UNDER CERTAIN CIRCUMSTANCES, TO BRING A CIVIL ACTION TO OBTAIN CERTAIN REMEDIES FOR A VIOLATION OF THIS ACT; AND FOR RELATED PURPOSES.

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

SECTION 1. The following shall be codified as Section 79-1-4, Mississippi Code of 1972:

79-1-4. (1) As used in this section, the term "political expenditure" means a contribution, gift, transfer, disbursement, or promise of money or a thing of value to promote or assist in the promotion of the success or defeat of a candidate, political party, or question in any state or federal election.
(2) A corporation may not use any money or other property of the corporation in connection with a political expenditure unless the stockholders of the corporation, by the affirmative vote of a majority of all votes entitled to be cast, have:

(a) Authorized in advance the total amount of money or property that may be used for all political expenditures during a specific fiscal year of the corporation; and

(b) Directed that the money or property be used for:

(i) A specified candidate or candidates;

(ii) Candidates of a specified political party or parties;

(iii) A specified political party or parties;

(iv) A specified political committee or committees;

(v) A specified entity or entities exempt from taxation under Section 501(c)(4) or (6) of the Internal Revenue Code; or

(vi) A specified question or questions.

(3) Stockholder consideration of political expenditures shall occur at an annual or special meeting of the stockholders.

(4) (a) Within forty-eight (48) hours after making a political expenditure, the corporation shall:

(i) Give notice of the political expenditure by electronic transmission to each stockholder that has requested notice; and
(ii) If the corporation maintains a website, post notice of the political expenditure on the website.

(b) The notice shall state the amount, recipient, date, and purpose of the political expenditure.

(5) The annual report of the corporation shall contain a list of all political expenditures made by the corporation during the reporting period, including the amount, recipient, date, and purpose of each political expenditure.

(6) Whenever it appears to the Attorney General that any person has engaged in any act or practice constituting a violation of any provision of this section, the Attorney General may bring an action to obtain one or more of the following remedies:

(a) A temporary restraining order;

(b) A temporary or permanent injunction;

(c) A civil penalty not exceeding:

   (i) Three (3) times the amount of a political expenditure made in violation of subsection (2) of this section;

   or

   (ii) Five Thousand Dollars ($5,000.00) for any other violation of this section;

(d) A declaratory judgment;

(e) Rescission;

(f) Restitution; and

(g) Any other appropriate relief.
SECTION 2. This act shall take effect and be in force from and after July 1, 2016.