

By: Representative Clarke

To: Apportionment and  
Elections; Judiciary A

HOUSE BILL NO. 728

1 AN ACT TO CREATE NEW SECTION 79-1-4, MISSISSIPPI CODE OF  
 2 1972, TO PROHIBIT A CORPORATION FROM USING ANY MONEY OR OTHER  
 3 PROPERTY OF THE CORPORATION IN CONNECTION WITH A POLITICAL  
 4 EXPENDITURE UNLESS THE STOCKHOLDERS, BY A CERTAIN VOTE, HAVE  
 5 AUTHORIZED IN ADVANCE A CERTAIN AMOUNT OF MONEY OR PROPERTY THAT  
 6 MAY BE USED FOR CERTAIN POLITICAL EXPENDITURES AND DIRECTED THAT  
 7 THE MONEY OR PROPERTY BE USED FOR CERTAIN PURPOSES; TO REQUIRE  
 8 STOCKHOLDER CONSIDERATION OF POLITICAL EXPENDITURES TO OCCUR AT AN  
 9 ANNUAL OR SPECIAL MEETING; TO REQUIRE A CORPORATION TO GIVE AND,  
 10 UNDER CERTAIN CIRCUMSTANCES, POST A CERTAIN NOTICE WITHIN A  
 11 CERTAIN PERIOD OF TIME AFTER MAKING A POLITICAL EXPENDITURE; TO  
 12 REQUIRE THE ANNUAL REPORT OF A CORPORATION TO CONTAIN CERTAIN  
 13 INFORMATION ABOUT POLITICAL EXPENDITURES; TO AUTHORIZE THE  
 14 ATTORNEY GENERAL, UNDER CERTAIN CIRCUMSTANCES, TO BRING A CIVIL  
 15 ACTION TO OBTAIN CERTAIN REMEDIES FOR A VIOLATION OF THIS ACT; AND  
 16 FOR RELATED PURPOSES.

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

18 **SECTION 1.** The following shall be codified as Section  
 19 79-1-4, Mississippi Code of 1972:

20 79-1-4. (1) As used in this section, the term "political  
 21 expenditure" means a contribution, gift, transfer, disbursement,  
 22 or promise of money or a thing of value to promote or assist in  
 23 the promotion of the success or defeat of a candidate, political  
 24 party, or question in any state or federal election.



25 (2) A corporation may not use any money or other property of  
26 the corporation in connection with a political expenditure unless  
27 the stockholders of the corporation, by the affirmative vote of a  
28 majority of all votes entitled to be cast, have:

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

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

33 (i) A specified candidate or candidates;

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

36 (iii) A specified political party or parties;

37 (iv) A specified political committee or  
38 committees;

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

42 (vi) A specified question or questions.

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

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

47 (i) Give notice of the political expenditure by  
48 electronic transmission to each stockholder that has requested  
49 notice; and



50 (ii) If the corporation maintains a website, post  
51 notice of the political expenditure on the website.

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

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

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

62 (a) A temporary restraining order;

63 (b) A temporary or permanent injunction;

64 (c) A civil penalty not exceeding:

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

67 or

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

70 (d) A declaratory judgment;

71 (e) Rescission;

72 (f) Restitution; and

73 (g) Any other appropriate relief.



74           **SECTION 2.** This act shall take effect and be in force from  
75 and after July 1, 2016.

