

By: Senator(s) England

To: Elections

SENATE BILL NO. 2608
(As Passed the Senate)

1 AN ACT TO LIMIT POLITICAL CONTRIBUTIONS BY CORPORATIONS TO
2 \$1,000.00 PER CALENDAR YEAR; TO PROVIDE THAT ANY CONTRIBUTION OVER
3 \$1,000.00 PER CALENDAR YEAR SHALL BE RETURNED TO THE DONOR, OR IF
4 RETURNING THE EXCESS AMOUNT IS NOT POSSIBLE, THEN THE EXCESS SHALL
5 BE DEPOSITED INTO THE ELECTION SUPPORT FUND; TO PROHIBIT A
6 CANDIDATE, CANDIDATE COMMITTEE OR POLITICAL COMMITTEE FROM
7 EXPENDING A CORPORATE DONATION FOR THE PORTION THAT EXCEEDS
8 \$1,000.00; TO REPEAL SECTIONS 97-13-15 AND 97-13-17, MISSISSIPPI
9 CODE OF 1972, WHICH PROHIBITED POLITICAL CONTRIBUTIONS BY
10 CORPORATIONS AND PENALIZED ILLEGAL CORPORATE CONTRIBUTIONS; TO
11 AMEND SECTION 79-29-105, MISSISSIPPI CODE OF 1972, TO CONFORM; AND
12 FOR RELATED PURPOSES.

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

14 **SECTION 1.** (1) It shall be unlawful for any corporation,
15 incorporated company or incorporated association, by whatever name
16 it may be known, incorporated or organized under the laws of this
17 state or any state or any country, or for any servant, agent,
18 employee or officer thereof, to give, donate, appropriate or
19 furnish directly or indirectly, any money, security, funds or
20 property of said corporation, incorporated company or incorporated
21 association, in excess of One Thousand Dollars (\$1,000.00) per
22 calendar year for the purpose of aiding any political party or any
23 candidate for any public office, or any candidate for any



24 nomination for any public office of any political party, or to
25 give, donate, appropriate or furnish, directly or indirectly, any
26 money, security, funds or property of said corporation,
27 incorporated company or association in excess of One Thousand
28 Dollars (\$1,000.00) to any committee or person as a contribution
29 to the expense of any political party or any candidate,
30 representative or committee of any political party or candidate
31 for nomination by any political party, or any committee or other
32 person acting on behalf of such candidate. The limit of One
33 Thousand Dollars (\$1,000.00) for contributions to political
34 parties, candidates and committees or other persons acting on
35 behalf of such candidates shall be an annual limitation applicable
36 to each calendar year.

37 (2) Any candidate committee, or political party which
38 accepts contributions from any corporation, incorporated company
39 or incorporated association, or agent, officer or employee
40 violating any of the provisions of this section, shall return the
41 contribution as soon as it is realized the contribution was
42 accepted in violation of this statute. If the Secretary of State
43 sees a contribution in excess of One Thousand Dollars (\$1,000.00)
44 by a corporation filed on a candidate, candidate's committee or
45 political committee's report, the Secretary of State shall
46 immediately notify the entity. If the contribution cannot be
47 returned, the amount in excess of the One-Thousand-Dollar limit



shall be paid by the receiving entity to the Election Support Fund through the Secretary of State's Office.

(3) The candidate, candidate committee or political party shall not expend any contribution in excess of One Thousand Dollars (\$1,000.00) if received in violation of this section.

SECTION 2. Section 1 shall be codified in Title 23, Chapter 15, Mississippi Code of 1972.

SECTION 3. Sections 97-13-15 and 97-13-17, Mississippi Code of 1972, which prohibited political contributions by corporations and penalized illegal corporate contributions, are repealed.

SECTION 4. Section 79-29-105, Mississippi Code of 1972, is amended as follows:

79-29-105. As used in this chapter, unless the context otherwise requires:

(a) "Bankruptcy" means an event that causes a member to cease to be a member as provided in Section 79-29-313 of this chapter.

(b) "Certificate of formation" means the certificate referred to in Section 79-29-201, the certificate as amended or restated, and the certificate of merger. In the case of a foreign limited liability company, the term includes all documents serving a similar function that are required to be filed to form the limited liability company in the state or other jurisdiction where it is organized.



72 (c) "Contribution" means any cash, property, services
73 rendered, or a promissory note or other obligation to contribute
74 cash or property or to perform services, which a person
75 contributes to a limited liability company in the person's
76 capacity as a member.

77 (d) "Deliver" or "delivery" means any method of
78 delivery used in conventional commercial practice, including
79 delivery by hand, mail, commercial delivery and electronic
80 transmission. If delivery is to the Secretary of State, delivery
81 may be made by electronic transmission, if, to the extent, and in
82 the manner permitted by the Secretary of State.

83 (e) "Derivative proceeding" means a civil suit in the
84 right of a limited liability company or, to the extent provided in
85 Article 10 of this chapter, in the right of a foreign limited
86 liability company.

87 (f) "Electronic transmission" or "electronically
88 transmitted" means any process of communication not directly
89 involving the physical transfer of paper that is suitable for the
90 retention, retrieval and reproduction of information by the
91 recipient.

92 (g) "Entity" means any association or legal entity
93 organized to conduct business, whether domestic or foreign,
94 including, without limitation, for-profit and nonprofit
95 corporations, limited partnerships, general partnerships, limited
96 liability partnerships, limited liability companies, joint



ventures, joint-stock companies, business trusts and estates; and states, the United States, foreign governments, governmental subdivisions or governmental agencies.

(h) "Financial interests" and "financial rights" means (i) rights to share in profits and losses as provided in Section 79-29-505; (ii) rights to share in distributions as provided in Section 79-29-507; (iii) rights to receive interim distributions as provided in Section 79-29-601; (iv) rights to receive distributions upon withdrawal as provided in Section 79-29-603; (v) rights to receive allocations of income, loss, deduction, credit or similar items; (vi) appraisal rights as provided in Section 79-29-231; and (vii) any other rights granted in the certificate of formation or the operating agreement that are in addition to the above and are designated as "financial interests" or "financial rights" by the limited liability company. Financial interests may be owned by members of a limited liability company and may be owned by persons who are not members of a limited liability company. Financial interests are assignable in whole or in part, except as otherwise provided by a limited liability company's certificate of formation or operating agreement.

(i) "Foreign," with reference to any entity, means such entity that is formed or organized under laws other than the laws of this state or under the laws of any foreign country or other foreign jurisdiction and denominated as such under the laws of such state or foreign country or other foreign jurisdiction.



122 (j) "Formation document" means the document that
123 creates an entity which document is duly executed and delivered to
124 a public official or office in the state or other foreign
125 jurisdiction of the entity's formation pursuant to the laws under
126 which the entity is organized or formed.

127 (k) "Governance interests" or "governance rights" means
128 all of a member's rights as a member in the limited liability
129 company other than financial rights and the right to assign
130 financial rights, including, without limitation: (i) the rights
131 to participate in the management of the limited liability company;
132 (ii) rights to bind the limited liability company as provided in
133 Sections 79-29-307 and 79-29-811; (iii) the right to vote for or
134 consent to matters requiring the vote of or consent of the
135 members, as specified in this chapter or in the certificate of
136 formation or operating agreement; and, unless the context
137 otherwise requires; and (iv) rights to enjoy any privileges
138 bestowed on members of the limited liability company. Only
139 members shall have governance rights or own governance interests
140 in a limited liability company.

141 (l) "Individual" means a natural person.

142 (m) "Interests" means the proprietary interests in an
143 entity and, with respect to a member of a limited liability
144 company, "interests" or "membership interests" are used
145 interchangeably and shall each mean all of the governance



interests and financial interests in the limited liability company held by such member or members.

(n) "Knowledge" means a person's actual knowledge, rather than the person's constructive knowledge.

(o) "Limited liability company" or "domestic limited liability company" means an entity having one or more members that is an unincorporated company or unincorporated association formed and existing under this chapter and is not subject to Section * * * 1 of this act.

(p) "Manager" or "managers" means a person or persons who are named in or selected or designated pursuant to, the certificate of formation or operating agreement as a manager to manage the limited liability company to the extent and as provided in the certificate of formation or operating agreement. A limited liability company whose management is vested in a manager or managers is referred to in this chapter as a manager-managed limited liability company.

(q) "Member" means a person who has been admitted to a limited liability company as provided in Section 79-29-301 or, in the case of a foreign limited liability company, in accordance with the laws under which the foreign limited liability company is organized. A member includes a member of a limited liability company who does not own a financial interest or who does not have an obligation to contribute capital to the limited liability company. A member may or may not have governance interests,



including voting rights. A member may have other rights, powers or privileges as prescribed by the certificate of formation or the operating agreement. A limited liability company whose management is vested in the members is referred to in this chapter as a member-managed limited liability company.

(r) "Merger" means a business combination pursuant to Section 79-29-221.

(s) "Officer" means an individual who is named in or selected or designated pursuant to, the certificate of formation or operating agreement as an officer to manage the limited liability company to the extent and as provided in the certificate of formation or operating agreement.

(t) "Operating agreement" or "limited liability company agreement" means any agreement, whether referred to as a limited liability company agreement or otherwise, written, oral or implied, of the member or members as to the affairs of a limited liability company and the conduct of its business. A member or manager of a limited liability company or an assignee of a financial interest is bound by the operating agreement whether or not the member or manager or assignee executes the operating agreement. A limited liability company is not required to execute its operating agreement. A limited liability company is bound by its operating agreement whether or not the limited liability company executes the operating agreement. An operating agreement of a limited liability company having only one (1) member shall



not be unenforceable by reason of there being only one (1) person who is a party to the operating agreement. An operating agreement may provide rights to any person, including a person who is not a party to the operating agreement, to the extent set forth therein. A written operating agreement or another written agreement or writing:

(i) May provide that a person shall be admitted as a member of a limited liability company, or shall become an assignee of a financial interest or of other rights or powers of a member to the extent assigned:

1. If the person, or a representative authorized by the person orally, in writing or by other action such as payment for a financial interest, executes the operating agreement or any other writing evidencing the intent of the person to become a member or assignee; or

2. Without such execution, if such person, or a representative authorized by such person orally, in writing or by other action such as payment for a financial interest, complies with the conditions for becoming a member or assignee as set forth in the operating agreement or any other writing; and

(ii) Shall not be unenforceable by reason of its not having been signed by a person being admitted as a member or becoming an assignee as provided in paragraph (t)(i) of this ***** section**, or by reason of its having been signed by a representative as provided in this chapter.



221 (u) "Organizational documents" means the document or
222 documents that create, or determine the internal governance of, an
223 entity. The organizational documents of a limited liability
224 company are the certificate of formation and the operating
225 agreement, if any.

226 (v) "Person" means an individual, entity, trust, or any
227 other legal or commercial nominee or any personal representative.

228 (w) "Personal representative" means, as to an
229 individual, the executor, administrator, guardian, conservator or
230 other legal representative thereof or the successor of such
231 executor, administrator, guardian, conservator or legal
232 representative; and, as to a person other than an individual, the
233 legal representative or the successor of the legal representative.
234 The legal representative of a member which has been placed in
235 bankruptcy shall be the bankruptcy trustee or other representative
236 designated in accordance with the bankruptcy code.

237 (x) "Professional limited liability company" is a
238 limited liability company formed and existing under Article 9 of
239 this chapter.

240 (y) "Sign" or "signature" includes any manual,
241 facsimile, conformed or electronic signature.

242 (z) "State" means the District of Columbia or the
243 Commonwealth of Puerto Rico or any state, territory, possession or
244 other jurisdiction of the United States.



(aa) "Survivor" of a merger means the entity into which one or more entities are merged. A survivor of a merger may preexist the merger or be created by the merger.

(bb) "Withdraw" or "withdrawal" means, with respect to a member of a limited liability company, any voluntary act by which, pursuant to the certificate of formation or written operating agreement, a member ceases to be a member of the limited liability company and ceases to have any governance rights. Withdrawal shall include retirement, resignation or withdrawal, but shall not include the death or expulsion of a member, any event described in Section 79-29-313, or the assignment of the member's entire interest as provided in Section 79-29-703. Any use of the term "resignation" or "retirement" in an operating agreement or certificate of formation, with respect to a member which is not defined in such document, shall mean the withdrawal of the member from the limited liability company for purposes of this chapter.

SECTION 5. This act shall take effect and be in force from and after July 1, 2025.

