

May 28, 2004

TO THE MISSISSIPPI HOUSE OF REPRESENTATIVES

GOVERNOR'S VETO MESSAGE FOR HOUSE BILL 1244

I am returning House Bill Number 1244: "AN ACT TO CREATE NEW SECTION 23-15-802, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT CONTRIBUTIONS TO NAMED CANDIDATE MADE TO A POLITICAL COMMITTEE AUTHORIZED BY THE CANDIDATE TO ACCEPT CONTRIBUTIONS SHALL BE CONSIDERED CONTRIBUTIONS TO THE CANDIDATE; TO PROVIDE THAT EXPENDITURES MADE BY ANY PERSON IN CONCERT WITH A CANDIDATE SHALL BE CONSIDERED TO BE A CONTRIBUTION MADE TO THE CANDIDATE; TO PROVIDE THAT THE FINANCE OF THE DISSEMINATION OF CAMPAIGN MATERIALS SHALL BE CONSIDERED TO BE AN EXPENDITURE FOR, AND A CONTRIBUTION TO THE CANDIDATE; TO PROVIDE THAT DISBURSEMENTS FOR ELECTIONEERING COMMUNICATIONS THAT ARE COORDINATED WITH A CANDIDATE SHALL BE CONSIDERED A CONTRIBUTION TO THE CANDIDATE; TO CREATE NEW SECTION 23-15-808, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT PERSONS WHO MAKE DISBURSEMENT FOR THE DIRECT COST OF PRODUCING AND AIRING ELECTIONEERING COMMUNICATIONS IN AN AGGREGATE AMOUNT IN EXCESS OF \$1,000.00 SHALL FILE A STATEMENT REGARDING SUCH DISBURSEMENT WITHIN 48 HOURS OF THE DISCLOSURE DATE AND TO PROVIDE FOR THE INFORMATION THAT MUST BE INCLUDED IN THE STATEMENT; TO AMEND SECTIONS 23-15-801, 23-15-805, 23-15-807, 23-15-809, 23-15-811 AND 23-15-813, MISSISSIPPI CODE OF 1972, TO DEFINE THE TERMS "ELECTIONEERING COMMUNICATION" AND "DISCLOSURE DATE" AND REVISE THE DEFINITION OF CERTAIN TERMS IN THE CAMPAIGN FINANCE DISCLOSURE LAWS; TO REQUIRE, FROM AND AFTER JANUARY 1, 2007, CERTAIN CANDIDATES TO FILE THE REPORTS REQUIRED TO BE FILED WITH THE OFFICE OF THE SECRETARY OF STATE BY ELECTRONIC FORMAT; TO CLARIFY THE INFORMATION REQUIRED TO BE INCLUDED IN CERTAIN CAMPAIGN FINANCE REPORTS; TO PROVIDE THAT CAMPAIGN FINANCE REPORTS SHALL INCLUDE CERTAIN INFORMATION REGARDING LOANS OR OTHER EXTENSIONS OF CREDIT MADE TO A CANDIDATE FOR USE IN SUCH CANDIDATE'S CAMPAIGN; TO REQUIRE STATEMENTS REGARDING CERTAIN INDEPENDENT CAMPAIGN EXPENDITURES TO BE FILED WITHIN 48 HOURS AND TO REVISE THE INFORMATION REQUIRED TO BE INCLUDED IN SUCH STATEMENTS; TO REVISE THE ELEMENTS NECESSARY FOR A CONVICTION OF A VIOLATION OF THE CAMPAIGN FINANCE LAWS; TO CLARIFY UPON WHOM ADMINISTRATIVE PENALTIES UNDER THE CAMPAIGN FINANCE LAW MAY APPLY; TO AMEND SECTION 97-13-15, MISSISSIPPI CODE OF 1972, TO INCREASE TO \$2,000.00 THE AMOUNT THAT CORPORATIONS MAY CONTRIBUTE TO POLITICAL CAMPAIGNS IN A CALENDAR YEAR AND TO PLACE TRUSTS, INCORPORATED ASSOCIATIONS, LIMITED PARTNERSHIPS, LIMITED LIABILITY PARTNERSHIPS OR MANAGER-MANAGED LIMITED LIABILITY COMPANIES UNDER SUCH RESTRICTION; TO AMEND SECTION 23-15-817, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; TO REPEAL SECTION 23-15-1023, MISSISSIPPI CODE OF 1972, WHICH PROVIDES THAT JUDICIAL CANDIDATES SHALL DISCLOSE CERTAIN INFORMATION ABOUT CERTAIN LOANS; TO AMEND SECTION 97-13-17, MISSISSIPPI CODE OF 1972, TO REVISE PENALTIES FOR VIOLATIONS OF THE PRECEDING SECTIONS; AND FOR RELATED PURPOSES" without my approval, and assign the following reasons for my veto.

After full consideration, I am vetoing House Bill 1244. From before its introduction early in the 2004 Regular Session of the Legislature, the publicly -declared intent of the bill was to increase disclosure of political activities, but not to limit participation in the political process. I support increased disclosure requirements of loans to political candidates. I support electronic reporting to increase ease of disclosure of donations to political candidates. I support increased disclosure of independent expenditure activities. Indeed, I intended to proudly sign this bill until I learned that during the conference committee negotiations, language was inserted in Section 9 of the bill which would criminalize a long standing, acceptable way for businesses to participate in the political process. I cannot allow a bill to become law that chills open, publicly disclosed political participation.

According to the long title of the bill, which is used to express legislative intent, the purpose of Section 9 was to "Amend Section 97-13-15, Mississippi Code of 1972, to increase to \$2,000 the amount that corporations may contribute to political campaigns in a calendar year and to place trusts, incorporated associations, limited partnerships, limited liability partnerships or manager-managed limited liability companies under such restriction." This description is echoed in the section-by-section summary of the bill, distributed by the principal advocates of the legislation, which describes the purpose of this section as follows:

"The \$1000 annual corporate contribution limit is being expanded in this proposal to \$2000 (much like the McCain/Feingold law expanded its individual contribution limits from \$1000-\$2000). In addition, we are clarifying that this limit applies to corporations AND those other corporate-like business entities that have come into being since this statute was originally passed some years ago...In this way, we are keeping the original intent of the corporate limit law intact and preventing its perversion by requiring other almost identical types of entities to be subjected to this same limit."

The bills which passed the House of Representatives and the Senate reflected the goals set forth by the long title and in the public summary by merely updating the contribution limit and modifying the definition of a corporation. However, the conference report changed the effect of the bill from one of disclosure to limitation of political activity. Current practice limits corporate donations to political candidates and political parties. The new Section 9 adds political action committees to this list. Without any public notice, this would change the original intent of the corporate limit law and would contradict the purpose set forth by the bill's authors.

For years, Mississippi businesses have made contributions to legal political action committees across the political spectrum. Under this last minute change, businesses would be limited in what they could give to political action committees as diverse as the Sierra Club or a right to life organization. We should encourage open political activity, not discourage it.

I urge the members to sustain the veto and reject House Bill Number 1244.

Respectfully submitted,

HALEY BARBOUR
GOVERNOR