

TO THE MISSISSIPPI SENATE:

GOVERNOR'S VETO MESSAGE FOR SENATE BILL 2632

I am returning Senate Bill 2632: "AN ACT TO ENACT THE LOCAL GOVERNMENTS DISASTER RECOVERY EMERGENCY LOAN PROGRAM ACT; TO DEFINE TERMS; TO ESTABLISH THE LOCAL GOVERNMENT DISASTER RECOVERY EMERGENCY LOAN PROGRAM TO BE ADMINISTERED BY THE MISSISSIPPI EMERGENCY MANAGEMENT AGENCY FOR THE PURPOSE OF ASSISTING LOCAL GOVERNMENTS IN RECOVERING FROM CERTAIN FEDERALLY DECLARED DISASTERS BY ISSUING LOANS TO LOCAL GOVERNMENTS; TO PROVIDE THAT NO LOAN SHALL BE ISSUED UNDER THE AUTHORITY OF THIS ACT AFTER A CERTAIN DATE; TO SET FORTH THE POWERS AND DUTIES OF THE MISSISSIPPI EMERGENCY MANAGEMENT AGENCY IN ADMINISTERING THIS ACT; TO ALLOW THE MISSISSIPPI EMERGENCY MANAGEMENT AGENCY TO AUTHORIZE AN ADMINISTRATOR TO CARRY OUT ANY OR ALL OF THE POWERS AND DUTIES ENUMERATED IN THIS ACT; TO EXEMPT THE MISSISSIPPI EMERGENCY MANAGEMENT AGENCY FROM ANY REQUIREMENT THAT THE PUBLIC PROCUREMENT REVIEW BOARD APPROVE ANY PERSONAL OR PROFESSIONAL SERVICES CONTRACTS OR PRE-APPROVE ANY SOLICITATION OF SUCH CONTRACTS FOR PURPOSES OF THIS ACT; TO CREATE A SPECIAL FUND IN THE STATE TREASURY TO BE DESIGNATED AS THE "LOCAL GOVERNMENTS DISASTER RECOVERY EMERGENCY LOAN FUND"; TO REQUIRE EACH RECIPIENT OF A LOAN UNDER THE PROGRAM TO ESTABLISH A DEDICATED SOURCE OF REVENUE FOR REPAYMENT OF THE LOAN IN THE EVENT THAT THE FEDERAL EMERGENCY MANAGEMENT AGENCY DECLINES TO REIMBURSE AN EXPENDITURE FOR WHICH LOAN PROCEEDS WERE USED; TO PROVIDE THAT THE EXECUTED LOAN AGREEMENT WILL OBLIGATE THE LOCAL GOVERNMENT TO REPAY THE PROCEEDS OF THE LOAN IMMEDIATELY UPON RECEIPT OF REIMBURSEMENTS FROM THE FEDERAL EMERGENCY MANAGEMENT AGENCY; TO PROVIDE THAT THE LOAN AGREEMENT SHALL PROVIDE FOR THE REPAYMENT OF ALL FUNDS RECEIVED FROM THE EMERGENCY FUND WITHIN NOT MORE THAN TWO YEARS FROM THE DATE THAT THE FEDERAL EMERGENCY MANAGEMENT AGENCY DECLINED TO REIMBURSE FOR AN EXPENDITURE FOR WHICH LOAN PROCEEDS WERE USED; TO REQUIRE A RECIPIENT LOCAL GOVERNMENT TO PLEDGE ITS SALES TAX REVENUE DISTRIBUTION OR ITS HOMESTEAD EXEMPTION ANNUAL TAX LOSS REIMBURSEMENT, AS THE CASE MAY BE, TO MEET THE REPAYMENT SCHEDULE CONTAINED IN THE LOAN AGREEMENT IN THE EVENT THAT THE FEDERAL EMERGENCY MANAGEMENT AGENCY DECLINES TO REIMBURSE AN EXPENDITURE FOR WHICH LOAN PROCEEDS WERE USED; TO AMEND SECTION 27-104-7, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT ANY PERSONAL OR PROFESSIONAL SERVICE CONTRACTS ENTERED INTO BY THE MISSISSIPPI EMERGENCY MANAGEMENT AGENCY UNDER THIS ACT ARE EXEMPT FROM APPROVAL BY THE PUBLIC PROCUREMENT REVIEW BOARD; AND FOR RELATED PURPOSES."

Article 4, Section 72 of the Mississippi Constitution of 1890 ("Constitution"), commonly referred to as the Presentment Clause, prescribes the exclusive method for a bill to become law. The Clause is modeled after the Presentment Clause in the United States Constitution, a clause adopted by the Framers to clearly spell out the procedures for adopting laws and prevent factions from attempting to depart from this constitutional law-making process. The Presentment Clause states: "Every Bill which shall pass both Houses shall be presented to the Governor of the state." The Clause goes on to delineate the procedures and timeframes for the Governor to approve or reject a bill lawfully presented to him.

In addition, the Constitution provides strict rules regarding the procedure for the Legislature to pass bills prior to presentment to the Governor, including the following:

Article 4 Section 59: "Introduction and passage of bills. Bills may originate in either House, and be amended or rejected in the other. . . [E]very bill shall be read in full immediately before the vote on its final passage upon the demand of any member; and every bill, having passed both Houses, shall be signed by the President of the Senate and the Speaker of the House of Representatives during the legislative session." (emphasis added)

Article 4 Section 62: "Voting on amendments; adoption of committee reports. No amendment to bills by one House shall be concurred in by the other except by a vote of the majority thereof, taken by yeas and nays and the names of those voting for and against recorded upon the journals; and reports of committees of conference shall in like manner be adopted in each house." (emphasis added)

With this Constitutional framework in mind, I turn to Senate Bill 2632, the Local Governments Disaster Recovery Emergency Loan Program ("Bill"). The Bill was introduced in the Senate and passed with amendments on February 12, 2026. The Bill was then transmitted to the House, and passed with further amendments on March 4, 2026. The Senate declined to concur in the House amendments, and the Bill was sent to conference on March 5, 2026. The conference report was filed in each chamber on March 11, 2026, and each chamber unanimously adopted the conference report the next day on March 12, 2026. The Bill was then returned to the Clerk of the Senate for enrolling, and the enrolled Bill was signed by the President of the Senate and then the

Speaker of the House on March 16, 2026. The next morning, March 17, 2026, prior to 9:00 a.m., the enrolled and signed Bill was presented to me for consideration.

After the enrolled and signed Bill was presented to me for consideration, Chairman Clay Deweese sought "unanimous consent" of the House to fix a "clerical error" on Line 1 10 of the Bill. Specifically, Chairman Deweese sought to delete the word "monthly" from the following sentence: "After such time a one percent (1 %) fixed interest rate to cover the administrative costs to service the loan." No member of the House objected to the unanimous consent motion, and the Speaker stated seeing no objection, we will follow that procedure. (See YouTube video of the House Floor on March 17, 2026, at 56:30.)

Later on the afternoon of March 17, 2026, and again after the enrolled and signed Bill was presented to me for consideration, Chairman Hob Bryan, who was not a conferee on the Bill, walked to the podium in the Senate to seek unanimous consent to "adopt a change" to correct a "typo." Like Chairman Deweese, Chairman Bwan sought to delete the word "monthly" from the Line 110 of the Bill. The acting President of the Senate put the motion to a vote, and the motion carried. (See YouTube video of the Senate Floor on March 17, 2026, at 5:07:28.) Curiously, while Chairman Deweese's motion for unanimous consent is recorded on the History of Action for Senate Bill 2632, Chairman Bryan's motion is not recorded on the History of Action.

Despite the representations of Chairmans Deweese and Bryan, the rate of interest to be charged on any loan from the fund in excess of FEMA's reimbursement was a term that my staff had specifically negotiated with both Chairman Deweese and the bill's author Senator Scott Delano prior to the adoption of the conference report. In consultation with my staff, I agreed that the interest rate should be set at 1% per month (a decrease from 2% per month that was being considered), and that agreement was communicated to Chairman Deweese and Senator Delano. Two drafts of the conference report were provided to my staff prior to it being signed by the conferees, and both drafts reflected the agreed upon 1% monthly interest rate. Additionally, the 1% monthly interest rate is reflected on line 1 10 of the conference report signed by all six conferees and adopted unanimously by both the House and Senate. These indisputable facts lay bare any assertion that the 1% monthly interest rate reflected in the conference report for Senate Bill 2632 and unanimously adopted by the Legislature was either a "clerical error" or a "typo".

Incredibly, despite the fact that SB 2632 was presented to me prior to 9:00 a.m. on the morning of March 17, 2026, before either the House or Senate gavelled into session and attempted to amend the Bill to correct the alleged "clerical error" or "typo", the enrolled and signed Bill that my Office had received already contained the deletion of the word "monthly". How is this possible that the enrolled and signed Bill already reflected the results of motions made by Chairman Deweese and Chairman Bryan hours later? Who in the Senate Clerk's Office authorized and made this change to the enrolled and signed Bill prior to the House and Senate floor action on March 17, 2026? Was the decision limited to members of the Senate Clerk's Office staff, or were members of the Senate involved? What roll (if any) did members of the House staff play in this change, or were members of the House also involved in the decision to make this change? Despite these unanswered questions, and others, what is indisputable and crystal clear is that the enrolled and signed version of Senate Bill 2632 that was presented to me on the morning of March 17, 2026, is materially different from the conference report unanimously adopted by the Legislature a full six days prior. Thus, the enrolled and signed Bill presentation to me represents an attempted departure from the law-making process enshrined in the Constitution rendering it null and void.

Let me be clear, there is no provision contained in either the Constitution or any statute that authorizes the Senate Clerk's Office (or any person or persons involved) to make a material change to the language of a conference report that has been adopted by a majority of the members of both chambers, enrolled and signed by both the President of the Senate and the Speaker of the House, and presented to me for consideration. NONE! The plainly unconstitutional (and possibly criminal) act of the person or persons that attempted to surreptitiously change a material (and negotiated) term of Senate Bill 2632 is unconscionable and calls into question the validity of every bill that I have signed into law this session. Have any other material changes been made to any other bill(s) after they have been enrolled and signed by the President of the Senate and the Speaker of the House in the hopes that I would sign them and be none the wiser? It is my sincere hope that the President of the Senate will conduct a full investigation into this matter, and that the unconscionable behavior of those involved will prove to be anomalous. Once trust is lost, it is difficult, if not impossible, to regain.

It bears repeating, members of my staff, as well as the staff of the Mississippi Emergency Management Agency, worked closely with Chairman Deweese and Senator Delano to craft legislation to stand up an emergency revolving loan program to assist the areas of the State impacted by Winter Storm Fern regain their financial footing. That legislation was reflected in the conference report for Senate Bill 2632 and unanimously adopted by both chambers of the Legislature. Legislation that I was prepared to sign into law. Unfortunately, the enrolled and signed version of Senate Bill 2632 that was presented to me contains a material change from the conference report adopted by the Legislature. Thus, the enrolled and signed version of Senate Bill 2632 presented to me plainly violates multiple provisions of the Constitution, and I am compelled to veto it at this time.

Respectfully submitted,



TATE REEVES

GOVERNOR

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MARCH 23, 202**b**
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