

SECOND REGULAR SESSION

HOUSE BILL NO. 2203

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE BARNES.

5856H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 130.034, RSMo, and section 130.021 as enacted by senate bill no. 485, ninety-fifth general assembly, first regular session, and to enact in lieu thereof two new sections relating solely to investment of campaign funds.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 130.034, RSMo, and section 130.021 as enacted by senate bill no. 485, ninety-fifth general assembly, first regular session, are repealed and two new sections enacted in lieu thereof, to be known as sections 130.021 and 130.034, to read as follows:

130.021. 1. Every committee shall have a treasurer who, except as provided in subsection 10 of this section, shall be a resident of this state and reside in the district or county in which the committee sits. A committee may also have a deputy treasurer who, except as provided in subsection 10 of this section, shall be a resident of this state and reside in the district or county in which the committee sits, to serve in the capacity of committee treasurer in the event the committee treasurer is unable for any reason to perform the treasurer's duties.

2. Every candidate for offices listed in subsection 1 of section 130.016 who has not filed a statement of exemption pursuant to that subsection and every candidate for offices listed in subsection 6 of section 130.016 who is not excluded from filing a statement of organization and disclosure reports pursuant to subsection 6 of section 130.016 shall form a candidate committee and appoint a treasurer. Thereafter, all contributions on hand and all further contributions received by such candidate and any of the candidate's own funds to be used in support of the person's candidacy shall be deposited in a candidate committee depository account established pursuant to the provisions of subsection 4 of this section, and all expenditures shall be made through the candidate, treasurer or deputy treasurer of the person's candidate committee. Nothing

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

16 in this chapter shall prevent a candidate from appointing himself or herself as a committee of one
17 and serving as the person's own treasurer, maintaining the candidate's own records and filing all
18 the reports and statements required to be filed by the treasurer of a candidate committee.

19 3. A candidate who has more than one candidate committee supporting the person's
20 candidacy shall designate one of those candidate committees as the committee responsible for
21 consolidating the aggregate contributions to all such committees under the candidate's control
22 and direction as required by section 130.041.

23 4. (1) Every committee shall have a single official fund depository within this state
24 which shall be a federally or state-chartered bank, a federally or state-chartered savings and loan
25 association, or a federally or state-chartered credit union in which the committee shall open and
26 thereafter maintain at least one official depository account in its own name. An "official
27 depository account" shall be a checking account or some type of negotiable draft or negotiable
28 order of withdrawal account, and the official fund depository shall, regarding an official
29 depository account, be a type of financial institution which provides a record of deposits,
30 cancelled checks or other cancelled instruments of withdrawal evidencing each transaction by
31 maintaining copies within this state of such instruments and other transactions. All contributions
32 which the committee receives in money, checks and other negotiable instruments shall be
33 deposited in a committee's official depository account. Contributions shall not be accepted and
34 expenditures shall not be made by a committee except by or through an official depository
35 account and the committee treasurer, deputy treasurer or candidate. Contributions received by
36 a committee shall not be commingled with any funds of an agent of the committee, a candidate
37 or any other person, except that contributions from a candidate of the candidate's own funds to
38 the person's candidate committee shall be deposited to an official depository account of the
39 person's candidate committee. No expenditure shall be made by a committee when the office
40 of committee treasurer is vacant except that when the office of a candidate committee treasurer
41 is vacant, the candidate shall be the treasurer until the candidate appoints a new treasurer.

42 (2) A committee treasurer, deputy treasurer or candidate may withdraw funds from a
43 committee's official depository account and deposit such funds in one or more savings accounts
44 in the committee's name in any bank, savings and loan association or credit union within this
45 state, and may also withdraw funds from an official depository account for investment in the
46 committee's name in any certificate of deposit, bond or security. Proceeds from interest or
47 dividends from a savings account or other investment or proceeds from withdrawals from a
48 savings account or from the sale of an investment shall not be expended or reinvested, except
49 in the case of renewals of certificates of deposit, without first redepositing such proceeds in an
50 official depository account. Investments, other than savings accounts, held outside the
51 committee's official depository account at any time during a reporting period shall be disclosed

52 by description, amount, any identifying numbers and the name and address of any institution or
53 person in which or through which it is held in an attachment to disclosure reports the committee
54 is required to file. Proceeds from an investment such as interest or dividends or proceeds from
55 its sale, shall be reported by date and amount. In the case of the sale of an investment, the
56 names and addresses of the persons involved in the transaction shall also be stated. Funds held
57 in savings accounts and investments, including interest earned, shall be included in the report of
58 money on hand as required by section 130.041.

59 **(3) Notwithstanding any other provision of law to the contrary, funds held in**
60 **candidate committees, campaign committees, debt service committees, and exploratory**
61 **committees shall be liquid such that these funds shall be readily available for the specific**
62 **and limited purposes allowed by law. These funds may be invested only in short-term**
63 **treasury instruments or short-term bank certificates with durations of six months or less,**
64 **or that allow the removal of funds at any time without any additional financial penalty**
65 **other than the loss of interest income. Continuing committees, political party committees,**
66 **and other committees such as out-of-state committees not formed for the benefit of any**
67 **single candidate or ballot issue shall not be subject to the provisions of this subdivision.**

68 5. The treasurer or deputy treasurer acting on behalf of any person or organization or
69 group of persons which is a committee by virtue of the definitions of committee in section
70 130.011 and any candidate who is not excluded from forming a committee in accordance with
71 the provisions of section 130.016 shall file a statement of organization with the appropriate
72 officer within twenty days after the person or organization becomes a committee but no later than
73 the date for filing the first report required pursuant to the provisions of section 130.046. The
74 statement of organization shall contain the following information:

75 (1) The name, mailing address and telephone number, if any, of the committee filing the
76 statement of organization. If the committee is deemed to be affiliated with a connected
77 organization as provided in subdivision (11) of section 130.011, the name of the connected
78 organization, or a legally registered fictitious name which reasonably identifies the connected
79 organization, shall appear in the name of the committee. If the committee is a candidate
80 committee, the name of the candidate shall be a part of the committee's name;

81 (2) The name, mailing address and telephone number of the candidate;

82 (3) The name, mailing address and telephone number of the committee treasurer, and the
83 name, mailing address and telephone number of its deputy treasurer if the committee has named
84 a deputy treasurer;

85 (4) The names, mailing addresses and titles of its officers, if any;

86 (5) The name and mailing address of any connected organizations with which the
87 committee is affiliated;

88 (6) The name and mailing address of its depository, and the name and account number
89 of each account the committee has in the depository. The account number of each account shall
90 be redacted prior to disclosing the statement to the public;

91 (7) Identification of the major nature of the committee such as a candidate committee,
92 campaign committee, continuing committee, political party committee, incumbent committee,
93 or any other committee according to the definition of committee in section 130.011;

94 (8) In the case of the candidate committee designated in subsection 3 of this section, the
95 full name and address of each other candidate committee which is under the control and direction
96 of the same candidate, together with the name, address and telephone number of the treasurer of
97 each such other committee;

98 (9) The name and office sought of each candidate supported or opposed by the
99 committee;

100 (10) The ballot measure concerned, if any, and whether the committee is in favor of or
101 opposed to such measure.

102 6. A committee may omit the information required in subdivisions (9) and (10) of
103 subsection 5 of this section if, on the date on which it is required to file a statement of
104 organization, the committee has not yet determined the particular candidates or particular ballot
105 measures it will support or oppose.

106 7. A committee which has filed a statement of organization and has not terminated shall
107 not be required to file another statement of organization, except that when there is a change in
108 any of the information previously reported as required by subdivisions (1) to (8) of subsection
109 5 of this section an amended statement of organization shall be filed within twenty days after the
110 change occurs, but no later than the date of the filing of the next report required to be filed by
111 that committee by section 130.046.

112 8. Upon termination of a committee, a termination statement indicating dissolution shall
113 be filed not later than ten days after the date of dissolution with the appropriate officer or officers
114 with whom the committee's statement of organization was filed. The termination statement shall
115 include:

116 the distribution made of any remaining surplus funds and the disposition of any deficits; and the
117 name, mailing address and telephone number of the individual responsible for preserving the
118 committee's records and accounts as required in section 130.036.

119 9. Any statement required by this section shall be signed and attested by the committee
120 treasurer or deputy treasurer, and by the candidate in the case of a candidate committee.

121 10. A committee domiciled outside this state shall be required to file a statement of
122 organization and appoint a treasurer residing in this state and open an account in a depository
123 within this state; provided that either of the following conditions prevails:

(1) The aggregate of all contributions received from persons domiciled in this state exceeds twenty percent in total dollar amount of all funds received by the committee in the preceding twelve months; or

(2) The aggregate of all contributions and expenditures made to support or oppose candidates and ballot measures in this state exceeds one thousand five hundred dollars in the current calendar year.

11. If a committee domiciled in this state receives a contribution of one thousand five hundred dollars or more from any committee domiciled outside of this state, the committee domiciled in this state shall file a disclosure report with the commission. The report shall disclose the full name, mailing address, telephone numbers and domicile of the contributing committee and the date and amount of the contribution. The report shall be filed within forty-eight hours of the receipt of such contribution if the contribution is received after the last reporting date before the election.

12. Each legislative and senatorial district committee shall retain only one address in the district it sits for the purpose of receiving contributions.

130.034. 1. Contributions as defined in section 130.011, received by any committee shall not be converted to any personal use.

2. Contributions may be used for any purpose allowed by law including, but not limited to:

(1) Any ordinary expenses incurred relating to a campaign;

(2) Any ordinary and necessary expenses incurred in connection with the duties of a holder of elective office;

(3) Any expenses associated with the duties of candidacy or of elective office pertaining to the entertaining of or providing social courtesies to constituents, professional associations, or other holders of elective office;

(4) The return of any contribution to the person who made the contribution to the candidate or holder of elective office;

(5) To contribute to a political organization or candidate committee as allowed by law;

(6) To establish a new committee as defined by this chapter;

(7) To make an unconditional gift which is fully vested to any charitable, fraternal or civic organizations or other associations formed to provide for some good in the order of benevolence, if such candidate, former candidate or holder of elective office or such person's immediate family gain no direct financial benefit from the unconditional gift;

(8) Except when such candidate, former candidate or holder of elective office dies while the committee remains in existence, the committee may make an unconditional gift to a fund

21 established for the benefit of the spouse and children of the candidate, former candidate or holder
22 of elective office. The provisions of this subdivision shall expire October 1, 1997.

23 3. Upon the death of the candidate, former candidate or holder of elective office who
24 received such contributions, all contributions shall be disposed of according to this section and
25 any funds remaining after final settlement of the candidate's decedent's estate, or if no estate is
26 opened, then twelve months after the candidate's death, will escheat to the state of Missouri to
27 be deposited in the general revenue fund.

28 4. No contributions, as defined in section 130.011, received by a candidate, former
29 candidate or holder of elective office shall be used to make restitution payments ordered of such
30 individual by a court of law or for the payment of any fine resulting from conviction of a
31 violation of any local, state or federal law.

32 5. Committees described in subdivision (17) of section 130.011 shall make expenditures
33 only for the purpose of determining whether an individual will be a candidate. Such
34 expenditures include polling information, mailings, personal appearances, telephone expenses,
35 office and travel expenses but may not include contributions to other candidate committees.

36 6. Any moneys in the exploratory committee fund may be transferred to the candidate
37 committee upon declaration of candidacy for the position being explored. Such funds shall be
38 included for the purposes of reporting and limitation. In the event that candidacy is not declared
39 for the position being explored, the remaining exploratory committee funds shall be returned to
40 the contributors on a pro rata basis. In no event shall the amount returned exceed the amount
41 given by each contributor nor be less than ten dollars.

42 **7. Funds held in candidate committees, campaign committees, debt service**
43 **committees, and exploratory committees shall be liquid such that these funds shall be**
44 **readily available for the specific and limited purposes allowed by law. These funds may**
45 **be invested only in short-term treasury instruments or short-term bank certificates with**
46 **durations of six months or less, or that allow the removal of funds at any time without any**
47 **additional financial penalty other than the loss of interest income. Continuing committees,**
48 **political party committees, and other committees such as out-of-state committees not**
49 **formed for the benefit of any single candidate or ballot issue shall not be subject to the**
50 **provisions of this subsection.**

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