

SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR

HOUSE BILL NO. 2203

98TH GENERAL ASSEMBLY

Reported from the Committee on Rules, Joint Rules, Resolutions and Ethics, February 11, 2016, with recommendation that the Senate Committee Substitute do pass.

ADRIANE D. CROUSE, Secretary.

5856S.03C

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 three new sections relating to the expenditure of campaign committee 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
2 senate bill no. 485, ninety-fifth general assembly, first regular session, are
3 repealed and three new sections enacted in lieu thereof, to be known as sections
4 105.453, 130.021, and 130.034, to read as follows:

**105.453. 1. Any person who is currently or was formerly a public
2 official who registers as a lobbyist shall dissolve his or her candidate
3 committee and any other committee over which he or she has control.
4 In the course of dissolving any committee as required by this section,
5 such officials shall not disburse money from any such committee over
6 which he or she has control, except for the purpose of:**

7 **(1) Returning contributions made to the candidate committee to
8 the entity responsible for making the contribution to the committee;**

9 **(2) Donating money to a nonprofit entity qualified as exempt
10 from federal taxation under Section 501(c)(3) of the Internal Revenue
11 Code of 1986, as amended;**

12 **(3) Transferring money to a candidate or political party
13 committee.**

14 **2. For the purposes of this section, the terms "lobbyist" and
15 "public official" shall have the same meaning as in section 105.470 and
16 the terms "committee", "contribution", and "candidate committee" shall**

17 **have the same meaning as in section 130.011.**

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

9 2. Every candidate for offices listed in subsection 1 of section 130.016 who
10 has not filed a statement of exemption pursuant to that subsection and every
11 candidate for offices listed in subsection 6 of section 130.016 who is not excluded
12 from filing a statement of organization and disclosure reports pursuant to
13 subsection 6 of section 130.016 shall form a candidate committee and appoint a
14 treasurer. Thereafter, all contributions on hand and all further contributions
15 received by such candidate and any of the candidate's own funds to be used in
16 support of the person's candidacy shall be deposited in a candidate committee
17 depository account established pursuant to the provisions of subsection 4 of this
18 section, and all expenditures shall be made through the candidate, treasurer or
19 deputy treasurer of the person's candidate committee. Nothing in this chapter
20 shall prevent a candidate from appointing himself or herself as a committee of
21 one and serving as the person's own treasurer, maintaining the candidate's own
22 records and filing all the reports and statements required to be filed by the
23 treasurer of a candidate committee.

24 3. A candidate who has more than one candidate committee supporting
25 the person's candidacy shall designate one of those candidate committees as the
26 committee responsible for consolidating the aggregate contributions to all such
27 committees under the candidate's control and direction as required by section
28 130.041.

29 4. (1) Every committee shall have a single official fund depository within
30 this state which shall be a federally or state-chartered bank, a federally or
31 state-chartered savings and loan association, or a federally or state-chartered
32 credit union in which the committee shall open and thereafter maintain at least
33 one official depository account in its own name. An "official depository account"
34 shall be a checking account or some type of negotiable draft or negotiable order
35 of withdrawal account, and the official fund depository shall, regarding an official

36 depository account, be a type of financial institution which provides a record of
37 deposits, cancelled checks or other cancelled instruments of withdrawal
38 evidencing each transaction by maintaining copies within this state of such
39 instruments and other transactions. All contributions which the committee
40 receives in money, checks and other negotiable instruments shall be deposited in
41 a committee's official depository account. Contributions shall not be accepted and
42 expenditures shall not be made by a committee except by or through an official
43 depository account and the committee treasurer, deputy treasurer or
44 candidate. Contributions received by a committee shall not be commingled with
45 any funds of an agent of the committee, a candidate or any other person, except
46 that contributions from a candidate of the candidate's own funds to the person's
47 candidate committee shall be deposited to an official depository account of the
48 person's candidate committee. No expenditure shall be made by a committee
49 when the office of committee treasurer is vacant except that when the office of a
50 candidate committee treasurer is vacant, the candidate shall be the treasurer
51 until the candidate appoints a new treasurer.

52 (2) A committee treasurer, deputy treasurer or candidate may withdraw
53 funds from a committee's official depository account and deposit such funds in one
54 or more savings accounts in the committee's name in any bank, savings and loan
55 association or credit union within this state, and may also withdraw funds from
56 an official depository account for investment in the committee's name in any
57 certificate of deposit, bond or security. Proceeds from interest or dividends from
58 a savings account or other investment or proceeds from withdrawals from a
59 savings account or from the sale of an investment shall not be expended or
60 reinvested, except in the case of renewals of certificates of deposit, without first
61 redepositing such proceeds in an official depository account. Investments, other
62 than savings accounts, held outside the committee's official depository account at
63 any time during a reporting period shall be disclosed by description, amount, any
64 identifying numbers and the name and address of any institution or person in
65 which or through which it is held in an attachment to disclosure reports the
66 committee is required to file. Proceeds from an investment such as interest or
67 dividends or proceeds from its sale, shall be reported by date and amount. In the
68 case of the sale of an investment, the names and addresses of the persons
69 involved in the transaction shall also be stated. Funds held in savings accounts
70 and investments, including interest earned, shall be included in the report of
71 money on hand as required by section 130.041.

72 **(3) Notwithstanding any other provision of law to the contrary,**
73 **funds held in candidate committees, campaign committees, debt service**
74 **committees, and exploratory committees shall be liquid such that these**
75 **funds shall be readily available for the specific and limited purposes**
76 **allowed by law. These funds may be invested only in short-term**
77 **treasury instruments or short-term bank certificates with durations of**
78 **one year or less, or that allow the removal of funds at any time without**
79 **any additional financial penalty other than the loss of interest**
80 **income. Continuing committees, political party committees, and other**
81 **committees such as out-of-state committees not formed for the benefit**
82 **of any single candidate or ballot issue shall not be subject to the**
83 **provisions of this subdivision. This subdivision shall not be interpreted**
84 **to restrict the placement of funds in an interest-bearing checking**
85 **account.**

86 5. The treasurer or deputy treasurer acting on behalf of any person or
87 organization or group of persons which is a committee by virtue of the definitions
88 of committee in section 130.011 and any candidate who is not excluded from
89 forming a committee in accordance with the provisions of section 130.016 shall
90 file a statement of organization with the appropriate officer within twenty days
91 after the person or organization becomes a committee but no later than the date
92 for filing the first report required pursuant to the provisions of section
93 130.046. The statement of organization shall contain the following information:

94 (1) The name, mailing address and telephone number, if any, of the
95 committee filing the statement of organization. If the committee is deemed to be
96 affiliated with a connected organization as provided in subdivision (11) of section
97 130.011, the name of the connected organization, or a legally registered fictitious
98 name which reasonably identifies the connected organization, shall appear in the
99 name of the committee. If the committee is a candidate committee, the name of
100 the candidate shall be a part of the committee's name;

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

102 (3) The name, mailing address and telephone number of the committee
103 treasurer, and the name, mailing address and telephone number of its deputy
104 treasurer if the committee has named a deputy treasurer;

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

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

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

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

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

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

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

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

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

135 8. Upon termination of a committee, a termination statement indicating
136 dissolution shall be filed not later than ten days after the date of dissolution with
137 the appropriate officer or officers with whom the committee's statement of
138 organization was filed. The termination statement shall include: the distribution
139 made of any remaining surplus funds and the disposition of any deficits; and the
140 name, mailing address and telephone number of the individual responsible for
141 preserving the committee's records and accounts as required in section 130.036.

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

144 a candidate committee.

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

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

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

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

163 12. Each legislative and senatorial district committee shall retain only one
164 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
2 committee shall not be converted to any personal use.

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

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

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

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

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

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

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

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

21 (8) Except when such candidate, former candidate or holder of elective
22 office dies while the committee remains in existence, the committee may make an
23 unconditional gift to a fund established for the benefit of the spouse and children
24 of the candidate, former candidate or holder of elective office. The provisions of
25 this subdivision shall expire October 1, 1997.

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

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

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

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

48 **7. Funds held in candidate committees, campaign committees,**
49 **debt service committees, and exploratory committees shall be liquid**
50 **such that these funds shall be readily available for the specific and**
51 **limited purposes allowed by law. These funds may be invested only in**

52 short-term treasury instruments or short-term bank certificates with
53 durations of one year or less, or that allow the removal of funds at any
54 time without any additional financial penalty other than the loss of
55 interest income. Continuing committees, political party committees,
56 and other committees such as out-of-state committees not formed for
57 the benefit of any single candidate or ballot issue shall not be subject
58 to the provisions of this subsection. This subsection shall not be
59 interpreted to restrict the placement of funds in an interest-bearing
60 checking account.

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