

SENATE SUBSTITUTE

FOR

SENATE COMMITTEE SUBSTITUTE

FOR

HOUSE BILL NO. 2203

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 four new sections relating to the expenditure of campaign committee funds.

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BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI, AS FOLLOWS:

1 Section A. Section 130.034, RSMo, and section 130.021 as  
2 enacted by senate bill no. 485, ninety-fifth general assembly,  
3 first regular session, are repealed and four new sections enacted  
4 in lieu thereof, to be known as sections 105.453, 130.021,  
5 130.034, and 130.097, to read as follows:

6 105.453. 1. Any person who registers as a lobbyist shall  
7 dissolve his or her candidate committee. In the course of  
8 dissolving such committee, such person shall not disburse money  
9 from such committee, except for the purpose of:

10 (1) Returning contributions made to the candidate committee  
11 to the entity responsible for making the contribution to the  
12 committee;

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

16 (3) Transferring money to a candidate committee or

1 political party committee.

2 2. For the purposes of this section, the term "lobbyist"  
3 and "public official" shall have the same meaning as in section  
4 105.470 and the terms "committee", "contribution", "candidate  
5 committee", and "political party committee" shall have the same  
6 meaning as in section 130.011.

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

17 2. Every candidate for offices listed in subsection 1 of  
18 section 130.016 who has not filed a statement of exemption  
19 pursuant to that subsection and every candidate for offices  
20 listed in subsection 6 of section 130.016 who is not excluded  
21 from filing a statement of organization and disclosure reports  
22 pursuant to subsection 6 of section 130.016 shall form a  
23 candidate committee and appoint a treasurer. Thereafter, all  
24 contributions on hand and all further contributions received by  
25 such candidate and any of the candidate's own funds to be used in  
26 support of the person's candidacy shall be deposited in a  
27 candidate committee depository account established pursuant to  
28 the provisions of subsection 4 of this section, and all

1 expenditures shall be made through the candidate, treasurer or  
2 deputy treasurer of the person's candidate committee. Nothing in  
3 this chapter shall prevent a candidate from appointing himself or  
4 herself as a committee of one and serving as the person's own  
5 treasurer, maintaining the candidate's own records and filing all  
6 the reports and statements required to be filed by the treasurer  
7 of a candidate committee.

8 3. A candidate who has more than one candidate committee  
9 supporting the person's candidacy shall designate one of those  
10 candidate committees as the committee responsible for  
11 consolidating the aggregate contributions to all such committees  
12 under the candidate's control and direction as required by  
13 section 130.041.

14 4. (1) Every committee shall have a single official fund  
15 depository within this state which shall be a federally or  
16 state-chartered bank, a federally or state-chartered savings and  
17 loan association, or a federally or state-chartered credit union  
18 in which the committee shall open and thereafter maintain at  
19 least one official depository account in its own name. An  
20 "official depository account" shall be a checking account or some  
21 type of negotiable draft or negotiable order of withdrawal  
22 account, and the official fund depository shall, regarding an  
23 official depository account, be a type of financial institution  
24 which provides a record of deposits, cancelled checks or other  
25 cancelled instruments of withdrawal evidencing each transaction  
26 by maintaining copies within this state of such instruments and  
27 other transactions. All contributions which the committee  
28 receives in money, checks and other negotiable instruments shall

1 be deposited in a committee's official depository account.  
2 Contributions shall not be accepted and expenditures shall not be  
3 made by a committee except by or through an official depository  
4 account and the committee treasurer, deputy treasurer or  
5 candidate. Contributions received by a committee shall not be  
6 commingled with any funds of an agent of the committee, a  
7 candidate or any other person, except that contributions from a  
8 candidate of the candidate's own funds to the person's candidate  
9 committee shall be deposited to an official depository account of  
10 the person's candidate committee. No expenditure shall be made  
11 by a committee when the office of committee treasurer is vacant  
12 except that when the office of a candidate committee treasurer is  
13 vacant, the candidate shall be the treasurer until the candidate  
14 appoints a new treasurer.

15 (2) A committee treasurer, deputy treasurer or candidate  
16 may withdraw funds from a committee's official depository account  
17 and deposit such funds in one or more savings accounts in the  
18 committee's name in any bank, savings and loan association or  
19 credit union within this state, and may also withdraw funds from  
20 an official depository account for investment in the committee's  
21 name in any certificate of deposit, bond or security. Proceeds  
22 from interest or dividends from a savings account or other  
23 investment or proceeds from withdrawals from a savings account or  
24 from the sale of an investment shall not be expended or  
25 reinvested, except in the case of renewals of certificates of  
26 deposit, without first redepositing such proceeds in an official  
27 depository account. Investments, other than savings accounts,  
28 held outside the committee's official depository account at any

1 time during a reporting period shall be disclosed by description,  
2 amount, any identifying numbers and the name and address of any  
3 institution or person in which or through which it is held in an  
4 attachment to disclosure reports the committee is required to  
5 file. Proceeds from an investment such as interest or dividends  
6 or proceeds from its sale, shall be reported by date and amount.  
7 In the case of the sale of an investment, the names and addresses  
8 of the persons involved in the transaction shall also be stated.  
9 Funds held in savings accounts and investments, including  
10 interest earned, shall be included in the report of money on hand  
11 as required by section 130.041.

12 (3) Notwithstanding any other provision of law to the  
13 contrary, funds held in candidate committees, campaign  
14 committees, debt service committees, and exploratory committees  
15 shall be liquid such that these funds shall be readily available  
16 for the specific and limited purposes allowed by law. These  
17 funds may be invested only in short-term treasury instruments or  
18 short-term bank certificates with durations of one year or less,  
19 or that allow the removal of funds at any time without any  
20 additional financial penalty other than the loss of interest  
21 income. Continuing committees, political party committees, and  
22 other committees such as out-of-state committees not formed for  
23 the benefit of any single candidate or ballot issue shall not be  
24 subject to the provisions of this subdivision. This subdivision  
25 shall not be interpreted to restrict the placement of funds in an  
26 interest-bearing checking account.

27 5. The treasurer or deputy treasurer acting on behalf of  
28 any person or organization or group of persons which is a

1 committee by virtue of the definitions of committee in section  
2 130.011 and any candidate who is not excluded from forming a  
3 committee in accordance with the provisions of section 130.016  
4 shall file a statement of organization with the appropriate  
5 officer within twenty days after the person or organization  
6 becomes a committee but no later than the date for filing the  
7 first report required pursuant to the provisions of section  
8 130.046. The statement of organization shall contain the  
9 following information:

10 (1) The name, mailing address and telephone number, if any,  
11 of the committee filing the statement of organization. If the  
12 committee is deemed to be affiliated with a connected  
13 organization as provided in subdivision (11) of section 130.011,  
14 the name of the connected organization, or a legally registered  
15 fictitious name which reasonably identifies the connected  
16 organization, shall appear in the name of the committee. If the  
17 committee is a candidate committee, the name of the candidate  
18 shall be a part of the committee's name;

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

21 (3) The name, mailing address and telephone number of the  
22 committee treasurer, and the name, mailing address and telephone  
23 number of its deputy treasurer if the committee has named a  
24 deputy treasurer;

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

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

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

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

10          (8) In the case of the candidate committee designated in  
11 subsection 3 of this section, the full name and address of each  
12 other candidate committee which is under the control and  
13 direction of the same candidate, together with the name, address  
14 and telephone number of the treasurer of each such other  
15 committee;

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

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

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

26          7. A committee which has filed a statement of organization  
27 and has not terminated shall not be required to file another  
28 statement of organization, except that when there is a change in

1 any of the information previously reported as required by  
2 subdivisions (1) to (8) of subsection 5 of this section an  
3 amended statement of organization shall be filed within twenty  
4 days after the change occurs, but no later than the date of the  
5 filing of the next report required to be filed by that committee  
6 by section 130.046.

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

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

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

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

28 (2) The aggregate of all contributions and expenditures

1 made to support or oppose candidates and ballot measures in this  
2 state exceeds one thousand five hundred dollars in the current  
3 calendar year.

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

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

17 130.034. 1. Contributions as defined in section 130.011,  
18 received by any committee shall not be converted to any personal  
19 use.

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

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

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

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

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

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

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

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

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

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

26           4. No contributions, as defined in section 130.011,  
27 received by a candidate, former candidate or holder of elective  
28 office shall be used to make restitution payments ordered of such

1 individual by a court of law or for the payment of any fine  
2 resulting from conviction of a violation of any local, state or  
3 federal law.

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

10 6. Any moneys in the exploratory committee fund may be  
11 transferred to the candidate committee upon declaration of  
12 candidacy for the position being explored. Such funds shall be  
13 included for the purposes of reporting and limitation. In the  
14 event that candidacy is not declared for the position being  
15 explored, the remaining exploratory committee funds shall be  
16 returned to the contributors on a pro rata basis. In no event  
17 shall the amount returned exceed the amount given by each  
18 contributor nor be less than ten dollars.

19 7. Funds held in candidate committees, campaign committees,  
20 debt service committees, and exploratory committees shall be  
21 liquid such that these funds shall be readily available for the  
22 specific and limited purposes allowed by law. These funds may be  
23 invested only in short-term treasury instruments or short-term  
24 bank certificates with durations of one year or less, or that  
25 allow the removal of funds at any time without any additional  
26 financial penalty other than the loss of interest income.  
27 Continuing committees, political party committees, and other  
28 committees such as out-of-state committees not formed for the

1 benefit of any single candidate or ballot issue shall not be  
2 subject to the provisions of this subsection. This subsection  
3 shall not be interpreted to restrict the placement of funds in an  
4 interest-bearing checking account.

5 130.097. No person who transfers funds from:

6 (1) His or her candidate committee; or

7 (2) Any committee over which such person exerts control  
8 over the expenditures of such committee;

9  
10 to any other committee shall thereafter be compensated by such  
11 committee for any purpose.

12