

HCS SS SB 378 -- ETHICS

SPONSOR: Rowden

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on General Laws by a vote of 12 to 0, with 4 present.

The following is a summary of the House Committee Substitute for SB 378.

#### LOBBYIST REPORTS (Section 105.473)

Currently, lobbyists are required to file with the Missouri Ethics Commission (MEC) monthly expenditure reports. This bill requires such reports to be made annually.

#### LATE FEES ON CAMPAIGN FINANCE DISCLOSURE REPORTS (Section 105.963)

Currently, the Executive Director of the Missouri Ethics Commission is required to charge late fees of \$100 per day for candidate committees and \$10 per day for continuing committees, campaign committees, and political party committees for campaign finance reports required to be filed eight days prior to an election.

This bill requires all committees to be charged \$100 per day in late fees for such reports. All other campaign finance reports will be charged a \$20 per day late fee, rather than \$10 per day as required by current law. Such fees shall be increased based on the increase in the cost of living, as provided in the bill.

#### NOTIFICATIONS SENT BY MEC (Section 105.963)

The bill additionally allows the Executive Director of the MEC to notify the candidate or treasurer of a committee by any means, rather than just registered mail, if the committee has failed to file any campaign finance report required by Missouri law.

#### DEADLINE FOR FILING CAMPAIGN FINANCE DISCLOSURE REPORTS (Sections 105.964 and 130.046)

Currently, if the last day of filing any campaign finance disclosure report falls on a Saturday, Sunday, or an official state holiday, the deadline shall be extended to 5:00 p.m. of the next day that is not a Saturday, Sunday, or official state holiday. This bill creates an exception, providing that if the document is filed electronically, the deadline shall be 11:59 p.m.

#### CONTINUING COMMITTEES (Section 130.011)

Currently, no candidate may form, control, or direct a continuing committee. This bill amends this prohibition to apply instead to candidates or elected officeholders that benefit from or receives committee expenditures for the duration of the candidate's or officeholder's candidacy or term of office.

#### INVESTMENTS IN MUTUAL FUNDS (Sections 130.021 and 130.034)

Current law limits how funds held in committees may be invested. This bill permits certain committees to invest in mutual funds.

#### PERMISSIBLE USES OF CAMPAIGN FUNDS (Section 130.034)

The bill permits contributions received by any campaign committee to be used for any reasonable legal fees incurred in defense of a legal proceeding arising out of the official duties of a holder of elective office.

#### ITEMIZED EXPENDITURE REPORTING (Section 130.041)

Currently, expenditures of \$100 or less are required to be itemized on a disclosure report filed with the MEC. This bill raises the threshold for this requirement to \$200 or less and provides for an increase based on the increase in the cost of living, as specified in the bill.

#### EXTENSION OF DEADLINES FOR FILING REPORTS WITH MEC (Section 130.046)

The Executive Director of the MEC may extend the deadline for the filing of any campaign finance report or statement to be filed with the MEC if, in the discretion of the Executive Director, there are extraordinary circumstances affecting the MEC's ability to accept electronic filings from all filers, provided that such deadline extension shall not extend more than two business days, exclusive of Saturdays, Sundays, or official state holidays beyond the established deadline. Additionally, in the event that there is a Governor-declared state of emergency, the Executive Director may extend any such deadline for a period of up to 30 days.

#### LATE FILING FEES (Section 130.056)

The bill raises the fine for filing any disclosure report late from \$10 to \$20 and provides for an increase based on the increase in the cost of living, as specified in the bill.

#### CONTRIBUTIONS BY FOREIGN LIMITED LIABILITY COMPANIES (Section 347.163)

This bill specifies that, a foreign limited liability company is not considered to be transacting business in this state by reason of making a campaign contribution to any political committee.

The following is a summary of the public testimony from the committee hearing. The testimony was based on the Senate Perfeted version of the bill.

PROPONENTS: Supporters say that this bill empowers the Ethics Commission to have more discretion and authority in dealing with extenuating circumstances around candidate timing and filing. This bill clarifies that campaign funds may be used for legal fees if a candidate is sued in his or her official capacity and also makes certain gift provisions more reasonable.

Testifying in person for the bill was Senator Rowden.

OPPONENTS: Those who oppose the bill say that the provision of the bill banning gifts from local lobbyists is too broad and improperly applies to small local boards or groups. This would effect an estimated 50,000 people in Missouri. Further, this provision on the lobbyist gift ban did not receive proper vetting. There are specific concerns with the effect on principals and city lobbyists, and the extent to which services for clients may be limited or implicated.

Testifying in person against the bill were Missouri Association of Counties; Missouri Municipal League; and the Municipal League Metro STL.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under "House Testimony on Senate Bills" on the House website.