

CONFERENCE COMMITTEE SUBSTITUTE NO. 2

FOR

SENATE SUBSTITUTE

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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 five new sections relating to campaign finance.

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RSMo, and section 130.021 as enacted by senate bill no. 485, ninety-fifth general assembly, first regular session, are repealed and five new sections enacted in lieu thereof, to be known as sections 105.465, 130.021, 130.034, 130.097, and 1, to read as follows:

105.465. 1. Any person who registers as a lobbyist shall dissolve his or her candidate committee. In the course of dissolving such committee, such person shall not disburse moneys from such committee, except for the purpose of:

(1) Returning a contribution made to the candidate committee to the entity responsible for making the contribution to the committee;

(2) Donating moneys to a nonprofit entity qualified as exempt from federal taxation under Section 501(c)(3) of the

1 Internal Revenue Code of 1986, as amended; or

2 (3) Transferring moneys to a political party committee.

3 2. For purposes of this section, the term "lobbyist" shall
4 have the same meaning given to such term under section 105.470,
5 and the terms "committee", "candidate committee", "contribution",
6 and "political party committee" shall have the same meanings
7 given to such terms under section 130.011.

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

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

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

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

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

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

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

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

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

28 5. The treasurer or deputy treasurer acting on behalf of

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

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

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

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

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

28 (5) The name and mailing address of any connected

1 organizations with which the committee is affiliated;

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

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

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

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

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

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

27 7. A committee which has filed a statement of organization
28 and has not terminated shall not be required to file another

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

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

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

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

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

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

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

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

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

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

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

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

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

1 other holders of elective office;

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

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

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

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

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

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

27 4. No contributions, as defined in section 130.011,
28 received by a candidate, former candidate or holder of elective

1 office shall be used to make restitution payments ordered of such
2 individual by a court of law or for the payment of any fine
3 resulting from conviction of a violation of any local, state or
4 federal law.

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

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

20 7. Funds held in candidate committees, campaign committees,
21 debt service committees, and exploratory committees shall be
22 liquid such that these funds shall be readily available for the
23 specific and limited purposes allowed by law. These funds may be
24 invested only in short-term treasury instruments or short-term
25 bank certificates with durations of one year or less, or that
26 allow the removal of funds at any time without any additional
27 financial penalty other than the loss of interest income.
28 Continuing committees, political party committees, and other

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

6 130.097. 1. No person who transfers funds from:

7 (1) His or her candidate committee; or

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

10
11 to any other committee shall thereafter be compensated, for any
12 purpose, by the committee that received such funds.

13 2. No person who registers as a lobbyist, as defined under
14 section 105.470, shall transfer funds from any candidate
15 committee, exploratory committee, debt service committee, or
16 continuing committee under his or her control to any such
17 committee controlled by a candidate or public official, as
18 defined under section 105.470.

19 Section 1. If any provision of this act or the application
20 thereof to anyone or to any circumstance is held invalid, the
21 remainder of those sections and the application of such
22 provisions to others or other circumstances shall not be affected
23 thereby.

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Jay Barnes

Mike Kehoe