SECOND REGULAR SESSION SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 577

95TH GENERAL ASSEMBLY

Reported from the Committee on Rules, Joint Rules, Resolutions and Ethics, February 2, 2010, with recommendation that the Senate Committee Substitute do pass.

3568S.02C

TERRY L. SPIELER, Secretary.

AN ACT

To repeal sections 105.470, 105.483, 105.485, and 130.044, RSMo, and to enact in lieu thereof six new sections relating to ethics, with penalty provisions.

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

Section A. Sections 105.470, 105.483, 105.485, and 130.044, RSMo, are 2 repealed and six new sections enacted in lieu thereof, to be known as sections 3 21.033, 105.470, 105.483, 105.485, 105.960, and 130.044, to read as follows:

21.033. Any individual currently holding office as a state representative or state senator shall not contract with or solicit any other current senator or representative for the purposes of securing services for political fund raising, campaigning, or consulting that in any way relates to the election of any state or federal office. Any individual found in violation of this section shall be guilty of a class D misdemeanor.

105.470. As used in section 105.473, unless the context requires otherwise,2 the following words and terms mean:

3 (1) "Elected local government official lobbyist", any natural person
4 employed specifically for the purpose of attempting to influence any action by a
5 local government official elected in a county, city, town, or village with an annual
6 operating budget of over ten million dollars;

7 (2) "Executive lobbyist", any natural person who acts for the purpose of 8 attempting to influence any action by the executive branch of government or by 9 any elected or appointed official, employee, department, division, agency or board 10 or commission thereof and in connection with such activity, meets the 11 requirements of any one or more of the following:

12 (a) Is acting in the ordinary course of employment on behalf of or for the13 benefit of such person's employer; or

(b) Is engaged for pay or for any valuable consideration for the purposeof performing such activity; or

16 (c) Is designated to act as a lobbyist by any person, business entity,
17 governmental entity, religious organization, nonprofit corporation, association or
18 other entity; or

(d) Makes total expenditures of fifty dollars or more during the twelve-month period beginning January first and ending December thirty-first for the benefit of one or more public officials or one or more employees of the executive branch of state government in connection with such activity. An "executive lobbyist" shall not include a member of the general assembly, an elected state official, or any other person solely due to such person's participation in any of the following activities:

a. Appearing or inquiring in regard to a complaint, citation, summons,
adversary proceeding, or contested case before a state board, commission,
department, division or agency of the executive branch of government or any
elected or appointed officer or employee thereof;

b. Preparing, filing or inquiring, or responding to any audit, regarding any
tax return, any public document, permit or contract, any application for any
permit or license or certificate, or any document required or requested to be filed
with the state or a political subdivision;

c. Selling of goods or services to be paid for by public funds, provided that
such person is attempting to influence only the person authorized to authorize or
enter into a contract to purchase the goods or services being offered for sale;

d. Participating in public hearings or public proceedings on rules, grants,or other matters;

e. Responding to any request for information made by any public officialor employee of the executive branch of government;

f. Preparing or publication of an editorial, a newsletter, newspaper,
magazine, radio or television broadcast, or similar news medium, whether print
or electronic;

g. Acting within the scope of employment by the general assembly, or
acting within the scope of employment by the executive branch of government
when acting with respect to the department, division, board, commission, agency

47 or elected state officer by which such person is employed, or with respect to any
48 duty or authority imposed by law to perform any action in conjunction with any
49 other public official or state employee; or

h. Testifying as a witness before a state board, commission or agency ofthe executive branch;

52(3) "Expenditure", any payment made or charge, expense, cost, debt or bill 53incurred; any gift, honorarium or item of value bestowed including any food or beverage; any price, charge or fee which is waived, forgiven, reduced or 5455indefinitely delayed; any loan or debt which is canceled, reduced or otherwise forgiven; the transfer of any item with a reasonably discernible cost or fair 56market value from one person to another or provision of any service or granting 57of any opportunity for which a charge is customarily made, without charge or for 58a reduced charge; except that the term "expenditure" shall not include the 5960 following:

(a) Any item, service or thing of value transferred to any person within
the third degree of consanguinity of the transferor which is unrelated to any
activity of the transferor as a lobbyist;

(b) Informational material such as books, reports, pamphlets, calendars
or periodicals informing a public official regarding such person's official duties,
or souvenirs or mementos valued at less than ten dollars;

67 (c) Contributions to the public official's campaign committee or candidate68 committee which are reported pursuant to the provisions of chapter 130, RSMo;

69 (d) Any loan made or other credit accommodations granted or other 70 payments made by any person or entity which extends credit or makes loan 71 accommodations or such payments in the regular ordinary scope and course of 72 business, provided that such are extended, made or granted in the ordinary 73 course of such person's or entity's business to persons who are not public officials;

(e) Any item, service or thing of de minimis value offered to the general public, whether or not the recipient is a public official or a staff member, employee, spouse or dependent child of a public official, and only if the grant of the item, service or thing of de minimis value is not motivated in any way by the recipient's status as a public official or staff member, employee, spouse or dependent child of a public official;

80 (f) The transfer of any item, provision of any service or granting of any 81 opportunity with a reasonably discernible cost or fair market value when such 82 item, service or opportunity is necessary for a public official or employee to SCS SB 577

perform his or her duty in his or her official capacity, including but not limited
to entrance fees to any sporting event, museum, or other venue when the official
or employee is participating in a ceremony, public presentation or official meeting
therein;

(g) Any payment, gift, compensation, fee, expenditure or anything of value
which is bestowed upon or given to any public official or a staff member,
employee, spouse or dependent child of a public official when it is compensation
for employment or given as an employment benefit and when such employment
is in addition to their employment as a public official;

92 (4) "Judicial lobbyist", any natural person who acts for the purpose of 93 attempting to influence any purchasing decision by the judicial branch of 94 government or by any elected or appointed official or any employee thereof and 95 in connection with such activity, meets the requirements of any one or more of the 96 following:

97 (a) Is acting in the ordinary course of employment which primary purpose 98 is to influence the judiciary in its purchasing decisions on a regular basis on 99 behalf of or for the benefit of such person's employer, except that this shall not 100 apply to any person who engages in lobbying on an occasional basis only and not 101 as a regular pattern of conduct; or

(b) Is engaged for pay or for any valuable consideration for the purposeof performing such activity; or

(c) Is designated to act as a lobbyist by any person, business entity,
governmental entity, religious organization, nonprofit corporation or association;
or

107 (d) Makes total expenditures of fifty dollars or more during the 108 twelve-month period beginning January first and ending December thirty-first for 109 the benefit of one or more public officials or one or more employees of the judicial 110 branch of state government in connection with attempting to influence such 111 purchasing decisions by the judiciary. A "judicial lobbyist" shall not include a 112 member of the general assembly, an elected state official, or any other person 113 solely due to such person's participation in any of the following activities:

a. Appearing or inquiring in regard to a complaint, citation, summons,adversary proceeding, or contested case before a state court;

b. Participating in public hearings or public proceedings on rules, grants,or other matters;

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c. Responding to any request for information made by any judge or

119 employee of the judicial branch of government;

d. Preparing, distributing or publication of an editorial, a newsletter,
newspaper, magazine, radio or television broadcast, or similar news medium,
whether print or electronic; or

e. Acting within the scope of employment by the general assembly, or acting within the scope of employment by the executive branch of government when acting with respect to the department, division, board, commission, agency or elected state officer by which such person is employed, or with respect to any duty or authority imposed by law to perform any action in conjunction with any other public official or state employee;

(5) "Legislative lobbyist", any natural person who acts for the purpose of attempting to influence the taking, passage, amendment, delay or defeat of any official action on any bill, resolution, amendment, nomination, appointment, report or any other action or any other matter pending or proposed in a legislative committee in either house of the general assembly, or in any matter which may be the subject of action by the general assembly and in connection with such activity, meets the requirements of any one or more of the following:

(a) Is acting in the ordinary course of employment, [which primary]
whose purpose is to influence legislation on a regular basis, on behalf of or for
the benefit of such person's employer[, except that this shall not apply to any
person who engages in lobbying on an occasional basis only and not as a regular
pattern of conduct]; or

(b) Is engaged for pay or for any valuable consideration for the purposeof performing such activity; or

(c) Is designated to act as a lobbyist by any person, business entity,
governmental entity, religious organization, nonprofit corporation, association or
other entity; or

(d) Makes total expenditures of fifty dollars or more during the 146147twelve-month period beginning January first and ending December thirty-first for 148the benefit of one or more public officials or one or more employees of the legislative branch of state government in connection with such activity. A 149150"legislative lobbyist" shall include an attorney at law engaged in activities on 151behalf of any person unless excluded by any of the following exceptions. A 152"legislative lobbyist" shall not include any member of the general assembly, an elected state official, or any other person solely due to such person's participation 153154in any of the following activities:

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a. Responding to any request for information made by any public officialor employee of the legislative branch of government;

b. Preparing or publication of an editorial, a newsletter, newspaper,
magazine, radio or television broadcast, or similar news medium, whether print
or electronic;

160 c. Acting within the scope of employment of the legislative branch of
161 government when acting with respect to the general assembly or any member
162 thereof;

163 d. Testifying as a witness before the general assembly or any committee164 thereof;

165 (6) "Lobbyist", any natural person defined as an executive lobbyist,
166 judicial lobbyist, elected local government official lobbyist, or a legislative
167 lobbyist;

168 (7) "Lobbyist principal", any person, business entity, governmental entity,
169 religious organization, nonprofit corporation or association who employs, contracts
170 for pay or otherwise compensates a lobbyist;

(8) "Public official", any member or member-elect of the general assembly, judge or judicial officer, or any other person holding an elective office of state government or any agency head, department director or division director of state government or any member of any state board or commission and any designated decision-making public servant designated by persons described in this subdivision.

105.483. Each of the following persons shall be required to file a financial 2 interest statement:

3 (1) Associate circuit judges, circuit court judges, judges of the courts of
4 appeals and of the supreme court, and candidates for any such office;

5 (2) Persons holding an elective office of the state, whether by election or 6 appointment, and candidates for such elective office, except those running for or 7 serving as county committee members for a political party pursuant to section 8 115.609, RSMo, or section 115.611, RSMo;

9 (3) The principal administrative or deputy officers or assistants serving 10 the governor, lieutenant governor, secretary of state, state treasurer, state 11 auditor and attorney general, which officers shall be designated by the respective 12 elected state official;

13 (4) The members of each board or commission and the chief executive14 officer of each public entity created pursuant to the constitution or interstate

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15 compact or agreement and the members of each board of regents or curators and16 the chancellor or president of each state institution of higher education;

17 (5) The director and each assistant deputy director and the general
18 counsel and the chief purchasing officer of each department, division and agency
19 of state government;

20 (6) Any official or employee of the state authorized by law to promulgate
21 rules and regulations or authorized by law to vote on the adoption of rules and
22 regulations;

(7) Any member of a board or commission created by interstate compact
or agreement, including the executive director and any Missouri resident who is
a member of the bi-state development agency created pursuant to sections 70.370
to 70.440, RSMo;

27 (8) Any board member of a metropolitan sewer district authorized under
28 section 30(a) of article VI of the state constitution;

(9) Any member of a commission appointed or operating pursuant to
sections 64.650 to 64.950, RSMo, sections 67.650 to 67.658, RSMo, or sections
70.840 to 70.859, RSMo;

(10) The members, the chief executive officer and the chief purchasing
officer of each board or commission which enters into or approves contracts for
the expenditure of state funds;

35(11) Each elected official, candidate for elective office, the chief 36 administrative officer, the chief purchasing officer and the general counsel, if 37employed full time, of each political subdivision with an annual operating budget in excess of one million dollars, and each official or employee of a political 38subdivision who is authorized by the governing body of the political subdivision 39 to promulgate rules and regulations with the force of law or to vote on the 40 adoption of rules and regulations with the force of law; unless the political 41 42subdivision adopts an ordinance, order or resolution pursuant to subsection 4 of section 105.485; 43

44 (12) Any person who is designated as a decision-making public servant by
45 any of the officials or entities listed in subdivision (6) of section 105.450;

46 (13) All employees and staff of the general assembly including
47 employees of the majority and minority caucuses of the house of
48 representatives and the senate.

105.485. 1. Each financial interest statement required by sections 2 105.483 to 105.492 shall be on a form prescribed by the commission and shall be 3 signed and verified by a written declaration that it is made under penalties of
4 perjury; provided, however, the form shall not seek information which is not
5 specifically required by sections 105.483 to 105.492.

6 2. Each person required to file a financial interest statement pursuant to subdivisions (1) to (12) of section 105.483 shall file the following information for 7 8 himself, his spouse and dependent children at any time during the period covered 9 by the statement, whether singularly or collectively; provided, however, that said 10 person, if he does not know and his spouse will not divulge any information 11 required to be reported by this section concerning the financial interest of his spouse, shall state on his financial interest statement that he has disclosed that 12information known to him and that his spouse has refused or failed to provide 13other information upon his bona fide request, and such statement shall be 14deemed to satisfy the requirements of this section for such financial interest of 15his spouse; and provided further if the spouse of any person required to file a 16financial interest statement is also required by section 105.483 to file a financial 17interest statement, the financial interest statement filed by each need not disclose 18the financial interest of the other, provided that each financial interest statement 19shall state that the spouse of the person has filed a separate financial interest 20statement and the name under which the statement was filed: 21

(1) The name and address of each of the employers of such person from
whom income of one thousand dollars or more was received during the year
covered by the statement;

25(2) The name and address of each sole proprietorship which he owned; the name, address and the general nature of the business conducted of each general 26partnership and joint venture in which he was a partner or participant; the name 27and address of each partner or coparticipant for each partnership or joint venture 28unless such names and addresses are filed by the partnership or joint venture 29with the secretary of state; the name, address and general nature of the business 30 conducted of any closely held corporation or limited partnership in which the 3132person owned ten percent or more of any class of the outstanding stock or limited 33partners' units; and the name of any publicly traded corporation or limited 34partnership which is listed on a regulated stock exchange or automated quotation 35system in which the person owned two percent or more of any class of outstanding 36stock, limited partnership units or other equity interests;

37 (3) The name and address of any other source not reported pursuant to 38 subdivisions (1) and (2) and subdivisions (4) to (9) of this subsection from which 39 such person received one thousand dollars or more of income during the year 40 covered by the statement, including, but not limited to, any income otherwise 41 required to be reported on any tax return such person is required by law to file; 42 except that only the name of any publicly traded corporation or limited 43 partnership which is listed on a regulated stock exchange or automated quotation 44 system need be reported pursuant to this subdivision;

45(4) The location by county, the subclassification for property tax assessment purposes, the approximate size and a description of the major 46 47improvements and use for each parcel of real property in the state, other than the individual's personal residence, having a fair market value of ten thousand 4849dollars or more in which such person held a vested interest including a leasehold 50for a term of ten years or longer, and, if the property was transferred during the year covered by the statement, the name and address of the persons furnishing 5152or receiving consideration for such transfer;

(5) The name and address of each entity in which such person owned 53stock, bonds or other equity interest with a value in excess of ten thousand 54dollars; except that, if the entity is a corporation listed on a regulated stock 55exchange, only the name of the corporation need be listed; and provided that any 56member of any board or commission of the state or any political subdivision who 5758does not receive any compensation for his services to the state or political 59subdivision other than reimbursement for his actual expenses or a per diem 60 allowance as prescribed by law for each day of such service need not report 61interests in publicly traded corporations or limited partnerships which are listed 62on a regulated stock exchange or automated quotation system pursuant to this subdivision; and provided further that the provisions of this subdivision shall not 63 require reporting of any interest in any qualified plan or annuity pursuant to the 64 Employees' Retirement Income Security Act; 65

66 (6) The name and address of each corporation for which such person67 served in the capacity of a director, officer or receiver;

68 (7) The name and address of each not-for-profit corporation and each 69 association, organization, or union, whether incorporated or not, except 70 not-for-profit corporations formed to provide church services, fraternal 71 organizations or service clubs from which the officer or employee draws no 72 remuneration, in which such person was an officer, director, employee or trustee 73 at any time during the year covered by the statement, and for each such 74 organization, a general description of the nature and purpose of the organization; 75(8) The name and address of each source from which such person received 76a gift or gifts, or honorarium or honoraria in excess of two hundred dollars in value per source during the year covered by the statement other than gifts from 7778persons within the third degree of consanguinity or affinity of the person filing the financial interest statement. For the purposes of this section, a "gift" shall 7980 not be construed to mean political contributions otherwise required to be reported by law or hospitality such as food, beverages or admissions to social, art, or 81 82sporting events or the like, or informational material. For the purposes of this 83 section, a "gift" shall include gifts to or by creditors of the individual for the purpose of canceling, reducing or otherwise forgiving the indebtedness of the 84 individual to that creditor; 85

(9) The lodging and travel expenses provided by any third person for
expenses incurred outside the state of Missouri whether by gift or in relation to
the duties of office of such official, except that such statement shall not include
travel or lodging expenses:

90 (a) Paid in the ordinary course of business for businesses described in 91 subdivisions (1), (2), (5) and (6) of this subsection which are related to the duties 92 of office of such official; or

93 (b) For which the official may be reimbursed as provided by law; or

94 (c) Paid by persons related by the third degree of consanguinity or affinity95 to the person filing the statement; or

96 (d) Expenses which are reported by the campaign committee or candidate
97 committee of the person filing the statement pursuant to the provisions of chapter
98 130, RSMo; or

(e) Paid for purely personal purposes which are not related to the person's official duties by a third person who is not a lobbyist, a lobbyist principal or member, or officer or director of a member, of any association or entity which employs a lobbyist. The statement shall include the name and address of such person who paid the expenses, the date such expenses were incurred, the amount incurred, the location of the travel and lodging, and the nature of the services rendered or reason for the expenses;

106 (10) The assets in any revocable trust of which the individual is the 107 settlor if such assets would otherwise be required to be reported under this 108 section;

109 (11) The name, position and relationship of any relative within the first110 degree of consanguinity or affinity to any other person who:

(a) Is employed by the state of Missouri, by a political subdivision of the
state or special district, as defined in section 115.013, RSMo, of the state of
Missouri;

114 (b) Is a lobbyist; or

115 (c) Is a fee agent of the department of revenue;

(12) The name and address of each campaign committee, political committee, candidate committee, or continuing committee for which such person or any corporation listed on such person's financial interest statement received payment; and

120 (13) For members of the general assembly or any statewide elected public 121 official, their spouses, and their dependent children, whether any state tax credits 122 were claimed on the member's, spouse's, or dependent child's most recent state 123 income tax return.

3. For individuals described in subdivision (13) of section 125 105.483, the statement shall consist only of all sources of income, apart 126 from income earned from the state, of five thousand dollars or more, 127 received during the year covered by the statement, and the general 128 nature of the business conducted in connection with such income. The 129 actual monetary amount of such income shall not be provided.

130 4. For the purposes of subdivisions (1), (2) and (3) of subsection 2 of this section and subsection 3 of this section, an individual shall be deemed to 131have received a salary from his employer or income from any source at the time 132133 when he shall receive a negotiable instrument whether or not payable at a later 134date and at the time when under the practice of his employer or the terms of an 135agreement he has earned or is entitled to anything of actual value whether or not 136 delivery of the value is deferred or right to it has vested. The term income as 137 used in this section shall have the same meaning as provided in the Internal 138Revenue Code of 1986, and amendments thereto, as the same may be or becomes 139effective, at any time or from time to time for the taxable year, provided that 140 income shall not be considered received or earned for purposes of this section from a partnership or sole proprietorship until such income is converted from 141142business to personal use.

[4.] 5. Each official, officer or employee or candidate of any political
subdivision described in subdivision (11) of section 105.483 shall be required to
file a financial interest statement as required by subsection 2 of this section,
unless the political subdivision biennially adopts an ordinance, order or

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resolution at an open meeting by September fifteenth of the preceding year, which 147148establishes and makes public its own method of disclosing potential conflicts of interest and substantial interests and therefore excludes the political subdivision 149150or district and its officers and employees from the requirements of subsection 2 of this section. A certified copy of the ordinance, order or resolution shall be sent 151152to the commission within ten days of its adoption. The commission shall assist 153any political subdivision in developing forms to complete the requirements of this subsection. The ordinance, order or resolution shall contain, at a minimum, the 154155following requirements with respect to disclosure of substantial interests:

156 (1) Disclosure in writing of the following described transactions, if any157 such transactions were engaged in during the calendar year:

(a) For such person, and all persons within the first degree of consanguinity or affinity of such person, the date and the identities of the parties to each transaction with a total value in excess of five hundred dollars, if any, that such person had with the political subdivision, other than compensation received as an employee or payment of any tax, fee or penalty due to the political subdivision, and other than transfers for no consideration to the political subdivision;

(b) The date and the identities of the parties to each transaction known to the person with a total value in excess of five hundred dollars, if any, that any business entity in which such person had a substantial interest, had with the political subdivision, other than payment of any tax, fee or penalty due to the political subdivision or transactions involving payment for providing utility service to the political subdivision, and other than transfers for no consideration to the political subdivision;

(2) The chief administrative officer and chief purchasing officer of such
political subdivision shall disclose in writing the information described in
subdivisions (1), (2) and (6) of subsection 2 of this section;

(3) Disclosure of such other financial interests applicable to officials,
officers and employees of the political subdivision, as may be required by the
ordinance or resolution;

(4) Duplicate disclosure reports made pursuant to this subsection shall be
filed with the commission and the governing body of the political
subdivision. The clerk of such governing body shall maintain such disclosure
reports available for public inspection and copying during normal business hours.

105.960. 1. There is hereby created within the ethics commission,

2 the office of independent investigation which shall operate
3 independently of the commission to investigate potential violations of
4 the provisions of:

5 (1) The requirements imposed on lobbyists by sections 105.470 to
6 105.478;

7 (2) The financial interest disclosure requirements contained in
8 sections 105.483 to 105.492;

9 (3) The campaign finance disclosure requirements contained in
10 chapter 130;

(4) Any code of conduct promulgated by any department,
division, or agency of state government, or by state institutions of
higher education, or by executive order;

14 (5) The conflict of interest laws contained in sections 105.450 to
15 105.468 and section 171.181; and

(6) The provisions of the constitution or state statute or order,
ordinance, or resolution of any political subdivision relating to the
official conduct of officials or employees of the state and political
subdivisions.

20 2. Any representative of the office may initiate and file a 21 complaint with the commission in the same manner other persons are 22 required to file complaints pursuant to section 105.957.

3. All other provisions in this chapter relating to ethics
complaints filed pursuant to section 105.957 shall apply to complaints
filed pursuant to this section.

130.044. 1. All individuals and committees required to file disclosure 2 reports under section 130.041 shall electronically report any contribution by any 3 single contributor which exceeds five thousand dollars to the Missouri ethics 4 commission within forty-eight hours of receiving the contribution. [Such]

5 2. Any individual currently holding office as a state 6 representative or state senator or such individual's campaign 7 committee shall report any contribution exceeding two hundred fifty 8 dollars made by any contributor to his or her campaign committee 9 during the regular legislative session of the general assembly within 10 forty-eight hours of receiving the contribution.

3. Reports required under this section shall contain the same content
 required under section 130.041 and shall be filed in accordance with the
 standards established by the commission for electronic filing and other rules the

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14 commission may deem necessary to promulgate for the effective administration15 of this section.

[2.] 4. Any rule or portion of a rule, as that term is defined in section 16536.010, RSMo, that is created under the authority delegated in this section shall 17become effective only if it complies with and is subject to all of the provisions of 18chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and 19chapter 536, RSMo, are nonseverable and if any of the powers vested with the 20general assembly pursuant to chapter 536, RSMo, to review, to delay the effective 2122date, or to disapprove and annul a rule are subsequently held unconstitutional, 23then the grant of rulemaking authority and any rule proposed or adopted after 24August 28, 2008, shall be invalid and void.

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