

SECOND REGULAR SESSION  
SENATE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 2203**  
98TH GENERAL ASSEMBLY

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

5856S.03C

ADRIANE D. CROUSE, Secretary.

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**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.

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*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3 repealed and three new sections enacted in lieu thereof, to be known as sections  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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