

SECOND REGULAR SESSION

# SENATE BILL NO. 729

89TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR DePASCO.

Read 1st time January 14, 1998, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

S3251.011

## AN ACT

To repeal sections 130.021, 130.046, 130.047, 130.050 and 130.057, RSMo Supp. 1997, relating to the filing of reports with the Missouri ethics commission, and to enact in lieu thereof seven new sections relating to the same subject, with an emergency clause for certain sections and with penalty provisions.

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

Section A. Sections 130.021, 130.046, 130.047, 130.050 and 130.057, RSMo Supp. 1997, are repealed and seven new sections enacted in lieu thereof, to be known as sections 105.964, 130.021, 130.046, 130.047, 130.050, 130.057 and 130.059, to read as follows:

**105.964. 1. When the last day of filing any report, statement or other document required to be filed with the commission pursuant to the provisions of chapter 105 or chapter 130, RSMo, falls on a Saturday or Sunday or on an official state holiday, the deadline for filing is extended to 5:00 p.m. on the next day which is not a Saturday or Sunday or official holiday.**

**2. The provisions of subsection 1 of this section shall not apply to any report or disclosure required to be filed pursuant to the provisions of:**

- (1) Subdivision (2) of subsection 3 of section 130.046, RSMo;**
- (2) Section 130.047, RSMo, if the report is required to be filed no later than forty-eight hours after the date of the expenditure;**
- (3) Subsection 3 of section 130.050, RSMo;**
- (4) Any other report or disclosure required to be filed less than seven days prior to an election when such report or disclosure contains information relating to such election.**

**EXPLANATION--Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

**3. The provisions of this section shall also apply to any report, statement or other document required to be filed with an appropriate officer, other than the ethics commission, as indicated pursuant to the provisions of section 130.026, RSMo.**

130.021. 1. Every committee shall have a treasurer who, except as provided in subsection 10 of this section, shall be a resident of this state. A committee may also have a deputy treasurer who, except as provided in subsection 10 of this section, shall be a resident of this state, to serve in the capacity of committee treasurer in the event the committee treasurer is unable for any reason to perform the treasurer's duties.

2. Every candidate for offices listed in subsection 1 of section 130.016 who has not filed a statement of exemption pursuant to that subsection and every candidate for offices listed in subsection 6 of section 130.016 who is not excluded from filing a statement of organization and disclosure reports pursuant to subsection 6 shall form a candidate committee and appoint a treasurer. Thereafter, all contributions on hand and all further contributions received by such candidate and any of the candidate's own funds to be used in support of the person's candidacy shall be deposited in a candidate committee depository account established pursuant to the provisions of subsection 4 of this section, and all expenditures shall be made through the candidate, treasurer or deputy treasurer of the person's candidate committee. Nothing in this chapter shall prevent a candidate from appointing himself or herself as a committee of one and serving as the person's own treasurer, maintaining the candidate's own records and filing all the reports and statements required to be filed by the treasurer of a candidate committee.

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

4. (1) Every committee shall have a single official fund depository within this state which shall be a federally or state-chartered bank, a federally or state-chartered savings and loan association, or a federally or state-chartered credit union in which the committee shall open and thereafter maintain at least one official depository account in its own name. An "official depository account" shall be a checking account or some type of negotiable draft or negotiable order of withdrawal account, and the official fund depository shall, regarding an official depository account, be a type of financial institution which provides a record of deposits, canceled checks or other canceled instruments of withdrawal evidencing each transaction by maintaining copies within this state of such instruments and other transactions. All contributions which the committee receives in money, checks and other negotiable instruments shall be deposited in a committee's official depository account. Contributions shall not be accepted and expenditures shall not be made by a committee except by or through an official depository account and the committee treasurer, deputy treasurer or candidate. Contributions received by a committee shall not be commingled

with any funds of an agent of the committee, a candidate or any other person, except that contributions from a candidate of the candidate's own funds to the person's candidate committee shall be deposited to an official depository account of the person's candidate committee. No expenditure shall be made by a committee when the office of committee treasurer is vacant except that when the office of a candidate committee treasurer is vacant, the candidate shall be the treasurer until the candidate appoints a new treasurer.

(2) A committee treasurer, deputy treasurer or candidate may withdraw funds from a committee's official depository account and deposit such funds in one or more savings accounts in the committee's name in any bank, savings and loan association or credit union within this state, and may also withdraw funds from an official depository account for investment in the committee's name in any certificate of deposit, bond or security. Proceeds from interest or dividends from a savings account or other investment or proceeds from withdrawals from a savings account or from the sale of an investment shall not be expended or reinvested, except in the case of renewals of certificates of deposit, without first redepositing such proceeds in an official depository account. Investments, other than savings accounts, held outside the committee's official depository account at any time during a reporting period shall be disclosed by description, amount, any identifying numbers and the name and address of any institution or person in which or through which it is held in an attachment to disclosure reports the committee is required to file. Proceeds from an investment such as interest or dividends or proceeds from its sale, shall be reported by date and amount. In the case of the sale of an investment, the names and addresses of the persons involved in the transaction shall also be stated. Funds held in savings accounts and investments, including interest earned, shall be included in the report of money on hand as required by section 130.041.

5. The treasurer or deputy treasurer acting on behalf of any person or organization or group of persons which is a committee by virtue of the definitions of "committee" in section 130.011 and any candidate who is not excluded from forming a committee in accordance with the provisions of section 130.016 shall file a statement of organization with the appropriate officer within twenty days after the person or organization becomes a committee but no later than the date for filing the first report required pursuant to the provisions of section 130.046. The statement of organization shall contain the following information:

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

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

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

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

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

(6) The name and mailing address of its depository, and the name and account number of each account the committee has in the depository;

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

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

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

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

6. A committee may omit the information required in subdivisions (9) and (10) of subsection 5 of this section if, on the date on which it is required to file a statement of organization, the committee has not yet determined the particular candidates or particular ballot measures it will support or oppose. Any contribution received over the allowable contribution limits described in section 130.032 shall be returned to the contributor by the committee within five business days of the declaration of candidacy or position on a candidate or a particular ballot measure of the committee.

7. A committee which has filed a statement of organization and has not terminated shall not be required to file another statement of organization, except that when there is a change in any of the information previously reported as required by subdivisions (1) to (8) of subsection 5 of this section an amended statement of organization shall be filed within twenty days after the change occurs, but no later than the date of the filing of the next report required to be filed by that committee by section 130.046.

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

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

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

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

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

11. If a committee domiciled in this state receives a contribution of one thousand five hundred dollars or more from any committee domiciled outside of this state, the committee domiciled in this state shall file a disclosure report with the commission. The report shall disclose the full name, mailing address, telephone numbers and domicile of the contributing committee and the date and amount of the contribution. The report shall be filed within forty-eight hours of the receipt of such contribution if the contribution is received after the last reporting date before the election **and the provisions of subsection 1 of section 105.964, RSMo, shall not apply.**

130.046. 1. The disclosure reports required by section 130.041, for all committees shall be filed at the following times and for the following periods:

(1) Not later than the seventh day before an election for the period closing on the twelfth day before the election if the committee has made any contribution or expenditure either in support or opposition to any candidate or ballot measure;

(2) Not later than the thirtieth day after an election for a period closing on the twenty-fifth day after the election, if the committee has made any contribution or expenditure either in support **of** or opposition to any candidate or ballot measure; except that, a successful candidate who takes office prior to the twenty-fifth day after the election shall have complied with the report requirement of this subdivision if a disclosure report is filed by such candidate and any candidate committee under the candidate's control before such candidate takes office, and such report shall be for the period closing on the day before taking office; and

(3) Not later than the seventh day following the close of each calendar quarter.

2. In the case of a ballot measure to be qualified to be on the ballot by initiative petition or referendum petition, or a recall petition seeking to remove an incumbent from office, disclosure reports relating to the time for filing such petitions shall be made as follows:

(1) In addition to the disclosure reports required to be filed pursuant to subsection 1 of this section the treasurer of a committee, other than a continuing committee, supporting or opposing a petition effort to qualify a measure to appear on the ballot or to remove an incumbent from office

shall file an initial disclosure report fifteen days after the committee begins the process of raising or spending money. After such initial report, the committee shall file quarterly disclosure reports as required by subdivision (3) of subsection 1 of this section until such time as the reports required by subdivisions (1) and (2) of subsection 1 of this section are to be filed. In addition the committee shall file a second disclosure report no later than the fifteenth day after the deadline date for submitting such petition. The period covered in the initial report shall begin on the day the committee first accepted contributions or made expenditures to support or oppose the petition effort for qualification of the measure and shall close on the fifth day prior to the date of the report;

(2) If the measure has qualified to be on the ballot in an election and if a committee subject to the requirements of subdivision (1) of this subsection is also required to file a preelection disclosure report for such election any time within thirty days after the date on which disclosure reports are required to be filed in accordance with subdivision (1) of this subsection, the treasurer of such committee shall not be required to file the report required by subdivision (1) of this subsection, but shall include in the committee's preelection report all information which would otherwise have been required by subdivision (1) of this subsection.

3. The candidate, if applicable, treasurer or deputy treasurer of a committee shall file disclosure reports pursuant to this section, except for any calendar quarter in which the contributions received by the committee or the expenditures or contributions made by the committee do not exceed five hundred dollars. The reporting dates and periods covered for such quarterly reports shall not be later than the seventh day of January, April, July and October for periods closing on the thirty-first day of December, the thirty-first day of March, the thirtieth day of June and the thirtieth day of September. Each report by such committee shall be cumulative from the date of the last report. In the case of the continuing committee's first report, the report shall be cumulative from the date of the continuing committee's organization. Every candidate, treasurer or deputy treasurer shall file, at a minimum, the campaign disclosure reports covering the quarter immediately preceding the date of the election and those required by subdivisions (1) and (2) of subsection 1 of this section. A continuing committee shall submit additional reports if it makes aggregate expenditures, other than contributions to a committee, of five hundred dollars or more, within the reporting period at the following times for the following periods:

(1) Not later than the seventh day before an election for the period closing on the twelfth day before the election;

(2) Not later than forty-eight hours after aggregate expenditures of five hundred dollars or more are made after the twelfth day before the election **and the provisions of subsection 1 of section 105.964, RSMo, shall not apply**; and

(3) Not later than the thirtieth day after an election for a period closing on the twenty-fifth day after the election.

4. The reports required to be filed no later than the thirtieth day after an election and any subsequently required report shall be cumulative so as to reflect the total receipts and disbursements of the reporting committee for the entire election campaign in question. The period covered by each disclosure report shall begin on the day after the closing date of the most recent disclosure report filed and end on the closing date for the period covered. If the committee has not previously filed a disclosure report, the period covered begins on the date the committee was formed; except that in the case of a candidate committee, the period covered begins on the date the candidate became a candidate according to the definition of the term candidate in section 130.011.

5. Notwithstanding any other provisions of this chapter to the contrary:

(1) Certain disclosure reports pertaining to any candidate who receives nomination in a primary election and thereby seeks election in the immediately succeeding general election shall not be required in the following cases:

(a) If there are less than fifty days between a primary election and the immediately succeeding general election, the disclosure report required to be filed quarterly; provided that, any other report required to be filed prior to the primary election and all other reports required to be filed not later than the seventh day before the general election are filed no later than the final dates for filing such reports;

(b) If there are less than eighty-five days between a primary election and the immediately succeeding general election, the disclosure report required to be filed not later than the thirtieth day after the primary election need not be filed; provided that any report required to be filed prior to the primary election and any other report required to be filed prior to the general election are filed no later than the final dates for filing such reports; and

(2) No disclosure report needs to be filed for any reporting period if during that reporting period the committee has neither received contributions aggregating more than five hundred dollars nor made expenditure aggregating more than five hundred dollars and has not received contributions aggregating more than two hundred fifty dollars from any single contributor. Any contributions received or expenditures made which are not reported because of this statement is filed in lieu of a disclosure report shall be included in the next disclosure report filed by the committee. A report shall be filed for two or more consecutive disclosure quarters if either the contributions received or expenditures made in the aggregate during those reporting periods exceed five hundred dollars and a report shall be filed not later than the thirtieth day after an election if that report would show a deficit of more than one thousand dollars.

6. (1) If the disclosure report required to be filed by a committee not later than the thirtieth day after an election shows a deficit of unpaid loans and other outstanding obligations in excess of five thousand dollars, semiannual supplemental disclosure reports shall be filed with the appropriate officer for each succeeding semiannual period until the deficit is reported in a disclosure report as being reduced to five thousand dollars or less; except that, a supplemental

semiannual report shall not be required for any semiannual period which includes the closing date for the reporting period covered in any regular disclosure report which the committee is required to file in connection with an election. The reporting dates and periods covered for semiannual reports shall be not later than the fifteenth day of January and July for periods closing on the thirty-first day of December and the thirtieth day of June;

(2) Committees required to file reports pursuant to subsection 2 or 3 of this section which are not otherwise required to file disclosure reports for an election shall file semiannual reports as required by this subsection if their last required disclosure report shows a total of unpaid loans and other outstanding obligations in excess of five thousand dollars.

7. In the case of a committee which disbands and is required to file a termination statement pursuant to the provisions of section 130.021 with the appropriate officer not later than the tenth day after the committee was dissolved, the candidate, committee treasurer or deputy treasurer shall attach to the termination statement a complete disclosure report for the period closing on the date of dissolution. A committee shall not utilize the provisions of subsection 8 of section 130.021 or the provisions of this subsection to circumvent or otherwise avoid the reporting requirements of subsection 6 or 7 of this section.

8. Disclosure reports shall be filed with the appropriate officer not later than 5:00 p.m. prevailing local time of the day designated for the filing of the report and a report postmarked not later than midnight of the day previous to the day designated for filing the report shall be deemed to have been filed in a timely manner. The appropriate officer may establish a policy whereby disclosure reports may be filed by facsimile transmission.

130.047. Any person who is not a defined committee who makes an expenditure or expenditures aggregating five hundred dollars or more in support of, or opposition to, one or more candidates or in support of, or in opposition to, the qualification or passage of one or more ballot measures, other than a contribution made directly to a candidate or committee, shall file a report signed by the person making the expenditures, or that person's authorized agent. The report shall include the name and address of the person making the expenditure, the date and amount of the expenditure or expenditures, the name and address of the payee, and a description of the nature and purpose of each expenditure. Such report shall be filed with the appropriate officer having jurisdiction over the election of the candidate or ballot measure in question as set forth in section 130.026 no later than fourteen days after the date of making an expenditure which by itself or when added to all other such expenditures during the same campaign equals five hundred dollars or more. If, after filing such report, additional expenditures are made, a further report shall be filed no later than fourteen days after the date of making the additional expenditures; except that, if any such expenditure is made within fourteen days prior to an election, the report shall be filed no later than forty-eight hours after the date of such expenditure **and the provisions of subsection 1 of section 105.964, RSMo, shall not apply.** The provisions of this subsection



shall not apply to a person who uses only the person's funds or resources to make an expenditure or expenditures in support of or in coordination or consultation with a candidate or committee; provided that, any such expenditure is recorded as a contribution to such candidate or committee and so reported by the candidate or committee being supported by the expenditure or expenditures.

130.050. 1. An out-of-state committee which, according to the provisions of subsection 10 of section 130.021, [which] is not required to file a statement of organization and is not required to file the full disclosure reports required by section 130.041 shall file reports with the Missouri ethics commission according to the provisions of this subsection if the committee makes contributions or expenditures in support of or in opposition to candidates or ballot measures in this state in any election covered by this chapter or makes contributions to any committee domiciled in this state. An initial report shall be filed on or within fourteen days prior to the date such out-of-state committee first makes a contribution or expenditure in this state, and thereafter reports shall be filed at the times and for the reporting periods prescribed in subsection 1 of section 130.046. Each report shall contain:

(1) The full name, address and domicile of the committee making the report and the name, residential and business addresses, domicile and telephone numbers of the committee's treasurer;

(2) The name and address of any entity such as a labor union, trade or business or professional association, club or other organization or any business entity with which the committee is affiliated;

(3) A statement of the total dollar amount of all funds received by the committee in the current calendar year and a statement of the total contributions in the same period from persons domiciled in this state and a list by name, address, date and amount of each Missouri resident who contributed an aggregate of more than two hundred dollars in the current calendar year;

(4) A list by name, address, date and amount regarding any contributor to the out-of-state committee, regardless of state of residency, who made a contribution during the reporting period which was restricted or designated in whole or in part for use in supporting or opposing a candidate, ballot measure or committee in this state or was restricted for use in this state at the committee's discretion, or a statement that no such contributions were received;

(5) A statement as to whether the committee is required to file reports with the Federal Election Commission, and a listing of agencies in other states with which the committee files reports, if any;

(6) A separate listing showing contributions made in support of or opposition to each candidate or ballot measure in this state, together with the date and amount of each contribution;

(7) A separate listing showing contributions made to any committee domiciled in this state with the date and amount of each contribution.

2. In the case of a political party committee's selection of an individual to be the party's

nominee for public office in an election covered by this chapter, any individual who seeks such nomination and who is a candidate according to the definition of the term candidate in section 130.011 shall be required to comply with all requirements of this chapter; except that, for the purposes of this subsection, the reporting dates and reporting periods in section 130.046 shall not apply, and the first reporting date shall be no later than the fifteenth day after the date on which a nomination covered by this subsection was made and for the period beginning on the date the individual became a candidate, as the term candidate is defined in section 130.011, and closing on the tenth day after the date the nomination was made, with subsequent reports being made as closely as practicable to the times required in section 130.046.

3. The receipt of any late contribution or loan of no more than the limits described in section 130.032 by a candidate committee supporting a candidate for statewide office or by any other committee shall be reported to the appropriate officer no later than forty-eight hours after receipt **and the provisions of subsection 1 of section 105.964, RSMo, shall not apply.** For purposes of this subsection the term "late contribution or loan" means a contribution or loan received after the closing date of the last disclosure report required to be filed before an election but received prior to the date of the election itself. The disclosure report of a late contribution may be made by any written means of communication, setting forth the name and address of the contributor or lender and the amount of the contribution or loan and need not contain the signatures and certification required for a full disclosure report described in section 130.041. A late contribution or loan shall be included in subsequent disclosure reports without regard to any special reports filed pursuant to this subsection.

130.057. 1. In order for candidates for election and public officials to more easily file reports required by law and to access information contained in such reports, and for the Missouri ethics commission to receive and store reports in an efficient and economical method, and for the general public and news media to access information contained in such reports, the commission shall establish and maintain an electronic reporting system pursuant to this section.

2. The ethics commission [may establish for elections in 1996 and] shall establish for elections and all required reporting beginning in 1998 and maintain thereafter a state campaign finance and financial interest disclosure electronic reporting system pursuant to this section for all candidates required to file. The system may be used for the collection, filing and dissemination of all reports, including monthly lobbying reports filed by law, and all reports filed with the commission pursuant to this chapter and chapter 105, RSMo. The system may be established and used for all reports required to be filed for the primary and general elections [in 1996 and all elections thereafter, except that the system may require maintenance of a paper backup system for the primary and general elections in 1996]. The reports shall be maintained and secured in the electronic format by the commission.

3. Beginning with the primary and general elections in [1996] **1998**, candidates and [other

persons may] **all other committees shall** file reports [in an] **by using either the** electronic format [as] prescribed by the commission or [may file a paper copy and all reports filed with the commission by any continuing committee shall be filed in electronic format as prescribed by the commission.] **paper forms provided by the commission for that purpose.** The commission shall supply a computer program which shall be used for filing by modem or by a common magnetic media chosen by the commission. In the event that filings are performed electronically, the candidate shall file a signed original written copy within five working days; except that, if a means becomes available which will allow a verifiable electronic signature, the commission may also accept this in lieu of a written statement.

4. A copy of all reports filed in the state campaign finance electronic reporting system shall be placed on a public electronic access system so that the general public may have open access to the reports filed pursuant to this section. The access system shall be organized and maintained in such a manner to allow an individual to obtain information concerning all contributions made to or on behalf of, and all expenditures made on behalf of, any public official described in subsection 2 of this section in formats that will include both written and electronically readable formats.

5. All records that are in electronic format, not otherwise closed by law, shall be available in electronic format to the public. The commission shall maintain and provide for public inspection, a listing of all reports with a complete description for each field contained on the report, that has been used to extract information from their database files. The commission shall develop a report or reports which contain every field in each database.

6. Annually, the commission shall provide, without cost, a system-wide dump of information contained in the commission's electronic database files to the general assembly. The information is to be copied onto a medium specified by the general assembly. Such information shall not contain records otherwise closed by law. It is the intent of the general assembly to provide open access to the commission's records. The commission shall make every reasonable effort to comply with requests for information and shall take a liberal interpretation when considering such requests.

**130.059. 1. The commission shall not impose any monetary or other penalty on any candidate, person or committee for failure to supply electronic reports as required by subsections 2 and 3 of section 130.057, as truly agreed to and finally passed by the first regular session of the eighty-ninth general assembly in senate bill no. 16, and as such senate bill no. 16 was signed by the governor on July 7, 1997, and became effective August 28, 1997:**

**(1) Until the beginning of the first calendar quarter after the commission has established an electronic reporting system which is readily accessible by the public, and by candidates and committees for electronic filing purposes; and**

**(2) After notification by mail of each person required to use such system, and after notification by press release and by notice published in the Missouri Register.**

**2. The commission shall pay the costs of the candidate, person or committee, including attorney fees, associated with any litigation or administrative action initiated between August 28, 1997 and the effective date of this section.**

Section B. Because immediate action is necessary to permit the orderly conduct of campaigns, sections 130.057 and 130.059 of this act are deemed necessary for the immediate preservation of the public health, welfare, peace and safety, and is hereby declared to be an emergency act within the meaning of the constitution, and sections 130.057 and 130.059 of this act shall be in full force and effect upon its passage and approval.

Unofficial

Bill

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