

HB 342 -- CAMPAIGN FINANCE REFORM

SPONSOR: McManus

This bill changes the laws regarding campaign finance. In its main provisions, the bill:

(1) Prohibits any solicitation of expenditures, fund-raising activity, or fund-raising event supporting or opposing any candidate, ballot measure, political party, or political party committee on any property or in any building owned or leased by the state or any political subdivision unless the property or building is routinely used by and made available for rent or for a fee to all members of the public by the state or the political subdivision (Section 8.925, RSMo);

(2) Requires, when directed by the Missouri Ethics Commission, the Attorney General or a designated assistant, the Elections Division of the Office of the Secretary of State, and specified prosecuting attorneys to assist in any investigation by the commission. The executive director of the commission must review any records relating to the reports, statements and records, and any investigation related to misreporting or concealing contributions under Section 130.031. If an investigation fails to establish reasonable grounds to believe that a violation has occurred, the investigation must be terminated and the person under investigation must be notified of the reasons for the disposition of the investigation. The time limits for notification and specified actions are specified in the bill (Sections 27.035 - 105.961);

(3) Includes a tax exempt organization under 26 U.S.C. 501(c)(4) in the definition of "committee" for purposes of the Campaign Finance Disclosure Law. The definition of "continuing committee" is changed to "political action committee" throughout Chapter 130 and the definition of "political party committee" is revised to mean a committee of a political party which may be organized as a not-for-profit corporation under Missouri law and has the primary or incidental purpose of receiving contributions and making expenditures to influence or attempt to influence the action of voters on behalf of the political party. Political party committees must only take the form of one state party committee per political party (Section 130.011);

(4) Prohibits any individual acting as a treasurer or deputy treasurer for a committee from acting as a treasurer or deputy treasurer for any other committee at the same time (Section 130.021.1);

(5) Prohibits any individual from forming a new committee or

serving as a treasurer or deputy treasurer of any committee until he or she has filed all required campaign disclosure reports or statements of limited activity as specified in the bill. A candidate cannot form, control, or direct a political action committee (Section 130.021.3);

(6) Requires the treasurer or deputy treasurer acting on behalf of any individual, organization, or group of individuals that is a committee and any candidate who is not excluded from forming a committee in accordance with the provisions of Section 130.016 to file a statement of organization with the appropriate officer within 20 days after the individual or organization becomes a committee but no later than 30 days prior to the election for which the committee receives contributions or makes expenditures. A political action committee must file a statement of organization with the appropriate officer no later than 60 days prior to the election for which the committee receives contributions or makes expenditures (Section 130.021.5);

(7) Requires a committee to file an amended statement of organization within 24 hours of:

(a) Determining the candidates or ballot measures it will support or oppose;

(b) Receiving a contribution; or

(c) Incurring an expenditure (Section 130.021.6);

(8) Requires a campaign committee to terminate either 30 days after the general election or upon the satisfaction of all committee debt after the general election, whichever is later, except that a committee retiring debt cannot engage in any other activities in support of a measure for which the committee was formed as specified in the bill (Section 130.021.8);

(9) Prohibits a post office box from qualifying as an acceptable address for the purposes of the committee address requirement of Section 130.021. No committee except an exploratory committee for a particular candidate may have the same address as any other committee (Section 130.021.12);

(10) Prohibits any contribution from being made or accepted or any expenditure being made that conceals the identity of the actual source of the contribution or the actual recipient and purpose of the expenditure. The bill allows for a rebuttable presumption, as specified in the bill, in certain situations. For purposes of these provisions, a committee must be deemed to be primarily funded by a single person, individual, or other committee when the

committee receives more than 50% of its annual funding from that single person, individual, or other committee. The commission is required to conduct an investigation when a committee receives a contribution under specified conditions from certain individuals or committees. Any individual who receives contributions or makes expenditures for a committee must disclose to the committee's treasurer, deputy treasurer, or candidate the name and address of the recipient or expenditure payee, actual source of each contribution, and the amount and purpose of each expenditure. The bill specifies the penalty for a violation (Section 130.031.3);

(11) Prohibits any gubernatorial appointee from making any contribution to or expenditure for the Governor or the Governor's candidate committee (Section 130.031.13);

(12) Requires all committees, beginning on January 1, 2016, to file required campaign financial disclosure reports with the commission in an electronic format as prescribed by the commission (Section 130.031.14);

(13) Prohibits any committee from transferring any funds to another committee if the treasurer of the committee receiving the funds, or any other person acting as an agent for the committee in receiving contributions, making expenditures, or incurring indebtedness for the committee, is the treasurer or acts as an agent in receiving contributions, making expenditures, or incurring indebtedness for the committee transferring the funds (Section 130.031.15);

(14) Prohibits the rate of interest charged on any unsecured loan made to any committee from exceeding 10% per annum (Section 130.031.16);

(15) Establishes limits on the amount of contributions made by or accepted from any person other than the candidate in any one election. To elect an individual to the Office of Governor, Lieutenant Governor, Secretary of State, State Treasurer, State Auditor, or Attorney general, the limit is \$2,600. To elect an individual to the Missouri Senate, the limit is \$1,000. To elect an individual to the Missouri House of Representatives or to any other office, including a judicial office, the limit is \$500. The amount of aggregate contributions made by any single contributor in a calendar year to any political party committee must not exceed \$32,400. Every committee established under these provisions is subject to these limits. The bill does not limit the amount of contributions that may be accumulated by a candidate committee and used for expenditures to further the nomination or election of the candidate who controls the candidate committee. Any committee that accepts or gives contributions other than those allowed is subject

to a surcharge of \$1,000 plus an amount equal to the contribution per nonallowable contribution, to be paid to the commission (Section 130.032);

(16) Requires any committee that holds or invests moneys to only hold or invest the moneys in no- or low-risk investments, such as low-interest bearing accounts, and must not invest any moneys in moderate- to high-risk investments, such as the purchase of shares of stock in financial institutions or other entities (Section 130.039);

(17) Specifies the criteria for reporting a contribution for an individual or committee required to file disclosure reports (Section 130.041);

(18) Reduces the amount of any contribution by a single contributor that any individual or committee who is required to file disclosure reports must electronically report to the commission within 48 hours from a contribution exceeding \$5,000 to a contribution exceeding \$2,000. The bill also requires the reporting within 48 hours of any contribution exceeding \$500 to an individual currently holding office as a state representative, state senator, any candidate for one of the offices, or the individual's campaign committee that is received any time legislation from the regular legislative session awaits gubernatorial action (Section 130.044);

(19) Specifies that a candidate who knowingly made or accepted a contribution or knowingly makes or incurs any expenditure with the intent to circumvent the limitations on contributions or expenditures will be guilty of a felony. A violation will be a class D felony until December 31, 2016, and a class E felony beginning January 1, 2017 (Section 130.076); and

(20) Repeals provisions regarding prohibited acts by members of the State Highways and Transportation Commission (Section 226.033).

The bill will become effective on January 1, 2016.