SECOND REGULAR SESSION

SENATE BILL NO. 1113

98TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR SCHAAF.

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ADRIANE D. CROUSE, Secretary.

AN ACT

To repeal section 130.041 as enacted by senate bill no. 844, ninety-fifth general assembly, second regular session, and section 130.041 as enacted by senate bills nos. 31 & 285, ninetieth general assembly, first regular session, RSMo, and to enact in lieu thereof one new section relating to financial disclosure under campaign finance laws.

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

Section A. Section 130.041 as enacted by senate bill no. 844, ninety-fifth 2 general assembly, second regular session, and section 130.041 as enacted by 3 senate bills nos. 31 & 285, ninetieth general assembly, first regular session, 4 RSMo, are repealed and one new section enacted in lieu thereof, to be known as 5 section 130.041, to read as follows:

[130.041. 1. Except as provided in subsection 5 of section 130.016, the candidate, if applicable, treasurer or deputy treasurer of every committee which is required to file a statement of organization, shall file a legibly printed or typed disclosure report of receipts and expenditures. The reports shall be filed with the appropriate officer designated in section 130.026 at the times and for the periods prescribed in section 130.046. Except as provided in sections 130.049 and 130.050, each report shall set forth:

(1) The full name, as required in the statement of organization pursuant to subsection 5 of section 130.021, and mailing address of the committee filing the report and the full name, mailing address and telephone number of the committee's treasurer and deputy treasurer if the committee has named a

deputy treasurer;

- (2) The amount of money, including cash on hand at the beginning of the reporting period;
 - (3) Receipts for the period, including:
- (a) Total amount of all monetary contributions received which can be identified in the committee's records by name and address of each contributor. In addition, the candidate committee shall make a reasonable effort to obtain and report the employer, or occupation if self-employed or notation of retirement, of each person from whom the committee received one or more contributions which in the aggregate total in excess of one hundred dollars and shall make a reasonable effort to obtain and report a description of any contractual relationship over five hundred dollars between the contributor and the state if the candidate is seeking election to a state office or between the contributor and any political subdivision of the state if the candidate is seeking election to another political subdivision of the state;
 - (b) Total amount of all anonymous contributions accepted;
- (c) Total amount of all monetary contributions received through fund-raising events or activities from participants whose names and addresses were not obtained with such contributions, with an attached statement or copy of the statement describing each fund-raising event as required in subsection 6 of section 130.031;
 - (d) Total dollar value of all in-kind contributions received;
- (e) A separate listing by name and address and employer, or occupation if self-employed or notation of retirement, of each person from whom the committee received contributions, in money or any other thing of value, aggregating more than one hundred dollars, together with the date and amount of each such contribution:
- (f) A listing of each loan received by name and address of the lender and date and amount of the loan. For each loan of more than one hundred dollars, a separate statement shall be attached setting forth the name and address of the lender and each person liable directly, indirectly or contingently, and the date, amount and

terms of the loan;

- (4) Expenditures for the period, including:
- (a) The total dollar amount of expenditures made by check drawn on the committee's depository;
 - (b) The total dollar amount of expenditures made in cash;
 - (c) The total dollar value of all in-kind expenditures made;
- (d) The full name and mailing address of each person to whom an expenditure of money or any other thing of value in the amount of more than one hundred dollars has been made, contracted for or incurred, together with the date, amount and purpose of each expenditure. Expenditures of one hundred dollars or less may be grouped and listed by categories of expenditure showing the total dollar amount of expenditures in each category, except that the report shall contain an itemized listing of each payment made to campaign workers by name, address, date, amount and purpose of each payment and the aggregate amount paid to each such worker;
- (e) A list of each loan made, by name and mailing address of the person receiving the loan, together with the amount, terms and date;
- (5) The total amount of cash on hand as of the closing date of the reporting period covered, including amounts in depository accounts and in petty cash fund;
- (6) The total amount of outstanding indebtedness as of the closing date of the reporting period covered;
- (7) The amount of expenditures for or against a candidate or ballot measure during the period covered and the cumulative amount of expenditures for or against that candidate or ballot measure, with each candidate being listed by name, mailing address and office sought. For the purpose of disclosure reports, expenditures made in support of more than one candidate or ballot measure or both shall be apportioned reasonably among the candidates or ballot measure or both. In apportioning expenditures to each candidate or ballot measure, political party committees and political action committees need not include expenditures for maintaining a permanent office, such as expenditures for salaries

of regular staff, office facilities and equipment or other expenditures not designed to support or oppose any particular candidates or ballot measures; however, all such expenditures shall be listed pursuant to subdivision (4) of this subsection;

- (8) A separate listing by full name and address of any committee including a candidate committee controlled by the same candidate for which a transfer of funds or a contribution in any amount has been made during the reporting period, together with the date and amount of each such transfer or contribution;
- (9) A separate listing by full name and address of any committee, including a candidate committee controlled by the same candidate from which a transfer of funds or a contribution in any amount has been received during the reporting period, together with the date and amount of each such transfer or contribution;
- (10) Each committee that receives a contribution which is restricted or designated in whole or in part by the contributor for transfer to a particular candidate, committee or other person shall include a statement of the name and address of that contributor in the next disclosure report required to be filed after receipt of such contribution, together with the date and amount of any such contribution which was so restricted or designated by that contributor, together with the name of the particular candidate or committee to whom such contribution was so designated or restricted by that contributor and the date and amount of such contribution.
- 2. For the purpose of this section and any other section in this chapter except sections 130.049 and 130.050 which requires a listing of each contributor who has contributed a specified amount, the aggregate amount shall be computed by adding all contributions received from any one person during the following periods:
- (1) In the case of a candidate committee, the period shall begin on the date on which the candidate became a candidate according to the definition of the term "candidate" in section 130.011 and end at 11:59 p.m. on the day of the primary election, if the candidate has such an election or at 11:59 p.m. on the day of

the general election. If the candidate has a general election held after a primary election, the next aggregating period shall begin at 12:00 midnight on the day after the primary election day and shall close at 11:59 p.m. on the day of the general election. Except that for contributions received during the thirty-day period immediately following a primary election, the candidate shall designate whether such contribution is received as a primary election contribution or a general election contribution;

- (2) In the case of a campaign committee, the period shall begin on the date the committee received its first contribution and end on the closing date for the period for which the report or statement is required;
- (3) In the case of a political party committee or a political action committee, the period shall begin on the first day of January of the year in which the report or statement is being filed and end on the closing date for the period for which the report or statement is required; except, if the report or statement is required to be filed prior to the first day of July in any given year, the period shall begin on the first day of July of the preceding year.
- 3. The disclosure report shall be signed and attested by the committee treasurer or deputy treasurer and by the candidate in case of a candidate committee.
- 4. The words "consulting or consulting services, fees, or expenses", or similar words, shall not be used to describe the purpose of a payment as required in this section. The reporting of any payment to such an independent contractor shall be on a form supplied by the appropriate officer, established by the ethics commission and shall include identification of the specific service or services provided including, but not limited to, public opinion polling, research on issues or opposition background, print or broadcast media production, print or broadcast media purchase, computer programming or data entry, direct mail production, postage, rent, utilities, phone solicitation, or fund raising, and the dollar amount prorated for each service.]

130.041. 1. Except as provided in subsection 5 of section 130.016, the candidate, if applicable, treasurer or deputy treasurer of every committee which

3 is required to file a statement of organization, shall file a legibly printed or typed

- 4 disclosure report of receipts and expenditures. The reports shall be filed with the
- 5 appropriate officer designated in section 130.026 at the times and for the periods
- 6 prescribed in section 130.046. Except as provided in sections 130.049 and
- 7 130.050, each report shall set forth:
- 8 (1) The full name, as required in the statement of organization pursuant
- 9 to subsection 5 of section 130.021, and mailing address of the committee filing the
- 10 report and the full name, mailing address and telephone number of the
- 11 committee's treasurer and deputy treasurer if the committee has named a deputy
- 12 treasurer;

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- 13 (2) The amount of money, including cash on hand at the beginning of the
- 14 reporting period;
 - (3) Receipts for the period, including:
- 16 (a) Total amount of all monetary contributions received which can be
- 17 identified in the committee's records by name and address of each contributor. In
- 18 addition, the candidate committee shall make a reasonable effort to obtain and
- 19 report the employer, or occupation if self-employed or notation of retirement, of
- 20 each person from whom the committee received one or more contributions which
- 21 in the aggregate total in excess of one hundred dollars and shall make a
- 22 reasonable effort to obtain and report a description of any contractual
- 23 relationship over five hundred dollars between the contributor and the state if the
- 24 candidate is seeking election to a state office or between the contributor and any
- 25 political subdivision of the state if the candidate is seeking election to another
- 26 political subdivision of the state;
 - (b) Total amount of all anonymous contributions accepted;
- 28 (c) Total amount of all monetary contributions received through
- 29 fund-raising events or activities from participants whose names and addresses
- 30 were not obtained with such contributions, with an attached statement or copy
- 31 of the statement describing each fund-raising event as required in subsection 6
- 32 of section 130.031;
- 33 (d) Total dollar value of all in-kind contributions received;
- 34 (e) A separate listing by name and address and employer, or occupation
- 35 if self-employed or notation of retirement, of each person from whom the
- 36 committee received contributions, in money or any other thing of value,
- 37 aggregating more than one hundred dollars, together with the date and amount
- 38 of each such contribution;

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39 (f) A listing of each loan received by name and address of the lender and 40 date and amount of the loan. For each loan of more than one hundred dollars, a 41 separate statement shall be attached setting forth the name and address of the 42 lender and each person liable directly, indirectly or contingently, and the date, 43 amount and terms of the loan;

- (4) Expenditures for the period, including:
- 45 (a) The total dollar amount of expenditures made by check drawn on the 46 committee's depository;
 - (b) The total dollar amount of expenditures made in cash;
 - (c) The total dollar value of all in-kind expenditures made;
 - (d) The full name and mailing address of each person to whom an expenditure of money or any other thing of value in the amount of more than one hundred dollars has been made, contracted for or incurred, together with the date, amount and purpose of each expenditure. Expenditures of one hundred dollars or less may be grouped and listed by categories of expenditure showing the total dollar amount of expenditures in each category, except that the report shall contain an itemized listing of each payment made to campaign workers by name, address, date, amount and purpose of each payment and the aggregate amount paid to each such worker;
- 58 (e) A list of each loan made, by name and mailing address of the person receiving the loan, together with the amount, terms and date;
 - (5) The total amount of cash on hand as of the closing date of the reporting period covered, including amounts in depository accounts and in petty cash fund;
 - (6) The total amount of outstanding indebtedness as of the closing date of the reporting period covered;
- (7) The amount of expenditures for or against a candidate or ballot 65 measure during the period covered and the cumulative amount of expenditures 66 for or against that candidate or ballot measure, with each candidate being listed by name, mailing address and office sought. For the purpose of disclosure 68 69 reports, expenditures made in support of more than one candidate or ballot 70 measure or both shall be apportioned reasonably among the candidates or ballot measure or both. In apportioning expenditures to each candidate or ballot 72measure, political party committees and continuing committees need not include 73 expenditures for maintaining a permanent office, such as expenditures for salaries of regular staff, office facilities and equipment or other expenditures not

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75 designed to support or oppose any particular candidates or ballot measures; however, all such expenditures shall be listed pursuant to subdivision (4) of this 76 77 subsection:

- (8) A separate listing by full name and address of any committee 79 including a candidate committee controlled by the same candidate for which a transfer of funds or a contribution in any amount has been made during the 80 reporting period, together with the date and amount of each such transfer or contribution;
 - (9) A separate listing by full name and address of any committee, including a candidate committee controlled by the same candidate from which a transfer of funds or a contribution in any amount has been received during the reporting period, together with the date and amount of each such transfer or contribution;
 - (10) Each committee that receives a contribution which is restricted or designated in whole or in part by the contributor for transfer to a particular candidate, committee or other person shall include a statement of the name and address of that contributor in the next disclosure report required to be filed after receipt of such contribution, together with the date and amount of any such contribution which was so restricted or designated by that contributor, together with the name of the particular candidate or committee to whom such contribution was so designated or restricted by that contributor and the date and amount of such contribution.
 - 2. For the purpose of this section and any other section in this chapter except sections 130.049 and 130.050 which requires a listing of each contributor who has contributed a specified amount, the aggregate amount shall be computed by adding all contributions received from any one person during the following periods:
 - (1) In the case of a candidate committee, the period shall begin on the date on which the candidate became a candidate according to the definition of the term "candidate" in section 130.011 and end at 11:59 p.m. on the day of the primary election, if the candidate has such an election or at 11:59 p.m. on the day of the general election. If the candidate has a general election held after a primary election, the next aggregating period shall begin at 12:00 midnight on the day after the primary election day and shall close at 11:59 p.m. on the day of the general election. Except that for contributions received during the thirty-day period immediately following a primary election, the candidate shall designate

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111 whether such contribution is received as a primary election contribution or a 112 general election contribution;

- 113 (2) In the case of a campaign committee, the period shall begin on the 114 date the committee received its first contribution and end on the closing date for the period for which the report or statement is required;
- (3) In the case of a political party committee or a continuing committee, 116 117 the period shall begin on the first day of January of the year in which the report 118 or statement is being filed and end on the closing date for the period for which 119 the report or statement is required; except, if the report or statement is required 120 to be filed prior to the first day of July in any given year, the period shall begin 121 on the first day of July of the preceding year.
- 122 3. The disclosure report shall be signed and attested by the committee 123 treasurer or deputy treasurer and by the candidate in case of a candidate 124 committee.
 - 4. The words "consulting or consulting services, fees, or expenses", or similar words, shall not be used to describe the purpose of a payment as required in this section. The reporting of any payment to such an independent contractor shall be on a form supplied by the appropriate officer, established by the ethics commission and shall include identification of the specific service or services provided including, but not limited to, public opinion polling, research on issues or opposition background, print or broadcast media production, print or broadcast media purchase, computer programming or data entry, direct mail production, postage, rent, utilities, phone solicitation, or fund raising, and the dollar amount prorated for each service.
 - 5. Any continuing committee, and any person who is not a committee, which has made one or more expenditures or one or more covered transfers, aggregating two thousand dollars or more since the conclusion of the most recent general election, in support of, or opposition to:
 - (1) One or more candidates; or
- (2) The qualification or passage of one or more ballot measures, 141 142 shall, in addition to the report required under subsection 1 of this section, file a report with the appropriate officer no later than fourteen 143 days after the date of making an expenditure or covered transfer 144 which, by itself or when added to all other such expenditures and 145 covered transfers made since the most recent report equals five 146

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147 hundred dollars or more. If an expenditure or covered transfer is made within thirty days prior to an election, such report shall be filed within 148 forty-eight hours after the date of making such expenditure or covered 149transfer. All reports filed under this subsection shall contain the 150 151 following information:

- (a) The name and address of the person who made the expenditure or covered transfer, the date and amount of each expenditure or covered transfer, the name and address of the recipient, and a description of the nature and purpose of each expenditure or covered transfer, including the name of any candidate or ballot measure supported or opposed. If the person making the expenditure or covered transfer is a natural person, the report shall also include that person's employer;
- (b) The name of any non-natural reporting person's owners, partners, board members, and officers, or their equivalents. In the event that a report does not otherwise include the name of a natural 163 person associated with the reporting person, the report shall include the name, address, and other contact information of at least one natural person with managerial control over the person making the expenditure or covered transfer;
- 167 (c) Each report shall include receipts for the period of two years 168 before the date on which the expenditure or covered transfer was 169 made, including:
 - a. Total amount of all monetary contributions received which can be identified in the person's records by name and address of each contributor;
 - b. Total amount of all anonymous contributions accepted;
 - c. Total amount of all monetary contributions received through fund-raising events or activities from participants whose names and addresses were not obtained with such contributions, with an attached statement or copy of the statement describing each fund-raising event as required in subsection 6 of section 130.031;
- 179 d. Total dollar value of all in-kind contributions received;
- 180 e. (i) A separate listing by name and address, and employer, if any, of each person from whom the reporting person received 181 contributions aggregating more than three hundred dollars, together 182with the date and amount of each such contribution; 183

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(ii) The names of the owners, partners, board members, and officers, or their equivalents, of any person listed as required by item 186 (1) of paragraph (e) of this subdivision;

- (iii) A separate listing by name and address of each person from whom each person listed as required by item (1) of paragraph (e) of this subdivision received contributions in the two-year period before such contributions were made, aggregating more than two thousand dollars, together with the date and amount of each such contribution;
- 192 (iv) The names of the owners, partners, board members, and 193 officers, or their equivalents, of any person listed as required by 194 paragraph (e)(iii) of this subdivision;
 - (v) A separate listing by name and address of each person from whom each person listed as required by paragraph (e)(iii) of this subdivision received contributions in the two-year period before such contributions were made, aggregating more than five thousand dollars, together with the date and amount of each such contribution;
- 200 (vi) The names of the owners, partners, board members, and 201 officers, or their equivalents, of any person listed as required by item 202 (v) of paragraph (e) of this subdivision;
- f. A listing of each loan received by name and address of the lender and date and amount of the loan. For each loan of more than one hundred dollars, a separate statement shall be attached setting forth the name and address of the lender and each person liable directly, indirectly or contingently, and the date, amount and terms of the loan.
- 209 6. (1) A report filed under subsection 5 of this section need not 210 include:
- 211 (a) Any contribution or loan received by a natural person, so 212 long as the contribution or loan does not qualify as a covered transfer 213 under this section;
- 214 (b) A contribution or loan if:
- a. The person making the contribution or loan prohibited, in writing, the use of such transfer or payment for expenditures or covered transfers; and
- b. The recipient of the contribution or loan agreed to follow the prohibition and deposited the funds in an account segregated from any account used to make expenditures or covered transfers.

221 (2) If the person filing the report has filed any previous report 222 under this subsection since the most recent general election, the 223 subsequent report need only include updated information, and need not 224 contain information identical to that provided in previous reports.

- 225 (3) Any person listing its contributors under this subsection shall 226 make reasonable efforts to identify and state the actual individuals or other persons that are the sources of the contributions made. 227
- 228 7. (1) For purposes of subsections 5 to 7 of this section, the term 229 "covered transfer" shall mean any transfer or payment of funds to another person if the person making the transfer or payment: 230
- 231 (a) Designates, requests, or suggests that the amounts be used 232 for:
- 233 a. Any expenditure; or

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- 234 b. Making a transfer to another person for the purpose of making 235 or paying for an expenditure;
- (b) Made such transfer or payment in response to a solicitation 236 237 or other request for a donation or payment for:
 - a. The making of or paying for expenditures;
- 239 b. Making a transfer to another person for the purpose of making 240 or paying for such expenditures;
- (c) Engaged in discussions with the recipient of the transfer or 241 payment regarding: 242
- a. The making of or paying for expenditures; 243
- 244 b. Donating or transferring any amount of such transfer or 245payment to another person for the purpose of making or paying for 246such expenditures;
 - (d) Made expenditures or covered transfers in an aggregate amount of ten thousand dollars or more during the two-year period ending on the date of the transfer or payment, or knew or had reason to know that the person receiving the transfer or payment made such expenditures or covered transfers in such an aggregate amount during that two-year period; or
- (e) Knew or had reason to know that the person receiving the transfer or payment would make expenditures or covered transfers in an aggregate amount of ten thousand dollars or more during the 256 two-year period beginning on the date of the transfer or payment.
- 257 (2) "Covered transfer" shall not include any of the following:

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258 (a) A transfer or payment made in a commercial transaction in 259 the ordinary course of any trade or business conducted by the covered 260 person or in the form of investments made by the covered person;

- (b) A transfer or payment if:
- a. The person making the transfer or payment prohibited, in writing, the use of such transfer or payment for expenditures or covered transfers; and
- b. The recipient of the transfer or payment agreed to follow the prohibition and deposited the funds in an account segregated from any account used to make expenditures or covered transfers;
 - (c) A transfer or payment between two entities if:
 - a. One of the entities is an affiliate of the other entity; or
- b. Each of the entities is an affiliate of the same entity, unless one of the organizations is established for the purpose of making expenditures or the recipient of the funds deposits the funds into a segregated bank account used to make expenditures;
- (d) A contribution to a campaign committee, political party committee, exploratory committee, candidate committee, or debt service committee.
 - (3) For purposes of this subsection, the following entities shall be considered to be affiliated with each other:
 - (a) A membership organization, including a trade or professional association, and the related state and local entities of that organization;
 - (b) A national or international labor organization and its state or local unions, or an organization of national or international unions and its state and local entities;
 - (c) A corporation and its wholly owned subsidiaries.
- 8. For purposes of subsection 5 of this section, "expenditure" shall not include contributions made to a committee, and does not include expenditures made in coordination or consultation with a committee, provided that any such expenditure is recorded as a contribution and so reported by the committee receiving support.
- 9. No person shall make payments or transfers to another person for the purpose of avoiding the disclosure of the identity of any person. The Missouri ethics commission shall promulgate rules to ensure that the original sources of all contributions and expenditures are disclosed. The commission may require any person to file reports

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under this section or to disclose the original source of contributions or expenditures that meet the thresholds provided in this section, regardless of whether that disclosure is otherwise required by this section.

- 299 10. Any report filed by a continuing committee pursuant to 300 subsection 5 of this section shall not contain information reported by 301 such committee pursuant to any other provision of this section.
 - 11. For purposes of this section, "base year amount" shall be the disclosure thresholds prescribed in this section on January 1, 2017. Such thresholds shall be increased on the first day of January in each even-numbered year by multiplying the base year amount by the cumulative consumer price index, as defined in section 104.010, and rounded to the nearest twenty-five-dollar amount, for all years after January 1, 2017.
- 309 12. Any rule or portion of a rule, as that term is defined in 310 section 536.010 that is created under the authority delegated in this section shall become effective only if it complies with and is subject to 311 312all of the provisions of chapter 536, and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of 313 the powers vested with the general assembly pursuant to chapter 536, 314 to review, to delay the effective date, or to disapprove and annul a rule 315316are subsequently held unconstitutional, then the grant of rulemaking 317authority and any rule proposed or adopted after August 28, 2016, shall be invalid and void. 318

