

Federal PACs Contributing to Missouri State and Local Committees Must Register and Report Beginning August 8, 2018

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Effective August 8, 2018, new Missouri Ethics Commission regulations require federal PACs to register and report in Missouri if the aggregate of all contributions and expenditures made to support or oppose Missouri state and local candidates and ballot measures exceeds \$1,500 in the current calendar year.¹ The new regulations also require federal PACs making aggregate contributions and expenditures in connection with Missouri state and local elections of \$1,500 or less in a calendar year to file “out-of-state committee” reports. Previously, the Missouri Ethics Commission did not require federal PACs to register or report in Missouri as long as the federal PACs filed reports with the Federal Election Commission.

Federal PACs expecting to make state and local contributions in Missouri should prepare for the state’s detailed registration and reporting requirements.

First, the Missouri Ethics Commission recently clarified that only contributions and expenditures made on or after August 8, 2018 count toward the new \$1,500 registration threshold. Federal PACs may contribute to Missouri state and local candidates and committees through the August 7, 2018 primary election without triggering registration or reporting.

Second, like a handful of other states, the Missouri Ethics Commission’s new regulations require federal PACs to open and make their Missouri state and local contributions through a separate, in-state bank account that effectively operates as a “Missouri PAC.” The federal PAC may transfer unlimited funds from its primary bank

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account to its Missouri PAC bank account to finance its Missouri state and local contributions. In addition to opening a Missouri bank account, a Missouri resident must serve as the treasurer of the Missouri PAC. The words "federal committee" also must appear in the Missouri PAC's name when it files its Statement of Organization with the Missouri Ethics Commission to identify it as being associated with a federal PAC.

Third, Missouri law requires a federal PAC expecting to cross the \$1,500 registration threshold to register its "Missouri PAC" prior to making any contributions or expenditures in Missouri and no later than 60 days prior to the election for which it plans to make contributions or expenditures (i.e., September 7, 2018 for the 2018 general election). As noted above, the registration process involves opening a Missouri bank account, appointing a Missouri resident to serve as treasurer, and filing a Statement of Organization with the Missouri Ethics Commission – all of which require preparation.

Fourth, a federal PAC's associated "Missouri PAC" must comply with Missouri's extensive reporting requirements, which involve filing periodic disclosure reports and 24- and 48-hour contribution reports under certain circumstances. Fortunately, the Missouri Ethics Commission recently confirmed that a federal PAC's associated Missouri PAC only needs to report the transfers it receives from the federal PAC's primary bank account and the contributions and expenditures it makes in connection with Missouri state and local elections.

Finally, as noted above, federal PACs making aggregate contributions and expenditures in connection with Missouri state and local elections of \$1,500 or less in a calendar year must file "out-of-state committee" reports after the new regulations take effect on August 8, 2018. Although out-of-state committee reporting does not involve opening a Missouri bank account or appointing a Missouri resident to serve as treasurer, it does involve filing multiple reports on the Missouri Ethics Commission's reporting forms.

¹In addition, a federal PAC is required to register and report in Missouri if the aggregate of all contributions it received from persons domiciled in Missouri exceeds 20% of all funds raised by the federal PAC in the preceding 12 months.