



M U L T I S T A T E

## **New Missouri Law Requires LLCs to Register Before Making Political Contributions** (Missouri)

On August 28, 2022, a [new Missouri statute](#) governing political contributions by limited liability companies (LLC) will take effect. Missouri law currently permits individuals to make campaign contributions to candidates but bars corporations from doing so, although corporations may make unlimited contributions to Political Action Committees (PAC).

Previously, the Missouri Ethics Commission (MEC) had issued guidance on whether an LLC is a corporation for purposes for campaign contribution laws. Under that guidance, an LLC was not a corporation unless registered as such with the IRS. Thus, under MEC guidance, an LLC could contribute directly to candidates (with applicable limits) and to PACs (in unlimited amounts).

Effective August 28, section 130.029.4, RSMo will now require LLCs to register with the MEC before they can make political contributions. The MEC has created an online [LLC Campaign Finance Registration System](#) that LLCs must use to register. An LLC may authorize any individual to register the LLC with the MEC, but only a member or manager may attest to the required information.

To make political contributions, an LLC must meet the following criteria in addition to registering with MEC:

- Be registered with the Missouri Secretary of State
- Not be classified as a corporation with the IRS
- Have existed for at least one year prior to making a contribution
- Be a legitimate business with a legitimate business interest and not be created for the sole purpose of making campaign contributions

If an LLC meets all of these requirements and registers with the MEC, the LLC may make contributions directly to candidates and to PACs.

**[Term limit proposal opponent group broke campaign finance law, complaint says](#)**  
(Michigan)

The League of Women Voters has filed a Michigan campaign finance complaint against an opposition group for Proposal 1, saying the group should have gone through the legal process to file as an official opponent.

Prop 1 would amend term limits for state lawmakers, allowing them to serve a maximum 12 years among the House and Senate instead a maximum eight years in the Senate and six years in the House.

The proposal, whose wording was [approved](#) this month for the November ballot, would also require state elected officials – like the governor and legislators – to file annual financial disclosures that include income, assets and positions they hold outside government.

The League of Women Voters, which supports Prop 1, argues in its complaint to the Michigan Department of State that U.S. Term Limits broke the law because it is not registered as a ballot question committee despite advocating against the proposal, nor does the group include a “paid for by” disclosure on its materials.

“Our democracy only works if those participating in it follow the rules,” said Christina Schlitt, co-president of the LWV of Michigan.

U.S. Term Limits maintains a website criticizing Prop 1 that includes videos, articles, podcast episodes and a mailing list signup. This site, [MichiganScam.com](#), has also been featured on a large “Trojan Horse” figure brought to Board of State Canvassers meetings.

But Scott Tillman, national field director for the Washington-based group that advocates for term limits in Congress and state legislatures, says U.S. Term Limits is not raising money against Prop 1.

“It seems that they’re saying somehow you should have to file with the state if you talk about a political issue on your podcast? That seems a little bit ridiculous to me,” he said.

The opposition group that is raising money, of which Tillman is the treasurer, is No More Time for Career Politicians. That group has been registered with the state since April, and its website – [Proposal1Facts.com](#) – has a “paid for by” statement at the bottom.

“I’m sure once U.S. Term Limits has qualified and needs to file that they will,” he said. “Although, I would expect that they would probably do an in-kind contribution or something rather than filing as a ballot question committee.”

LWV’s complaint argues the Trojan Horse, which has a sign on it that calls Prop 1 a “trap” and includes the U.S. Term Limits logo and “[MichiganScam.com](http://MichiganScam.com),” needs a “paid for by” disclosure.

But Tillman said he built the horse in 2011 and has used it for multiple campaigns over the years. He argues the horse does not say “vote yes or vote no, so there’s no reason to have a disclosure thing on there.”

State law defines a ballot committee has a group that “makes expenditures” of at least \$500 in a year “to influence the action of voters for or against” a ballot proposal. It also says promotional materials need to have the name and address of the funder, including “paid for by” or “with regulated funds.”

Penalties for not registering include possible late filing fees and criminal liability, while penalties for not disclosing the funder are a \$1,000 fine and/or 93 days in prison.

Prop 1’s main advocate is Voters for Transparency and Term Limits, whose [endorsements](#) include several trade groups, unions and political organizations.

LWV is a nonprofit, nonpartisan advocate for participating in elections. The organization also supports some progressive policy initiatives.

### **[Arizona campaign finance initiative certified for the November ballot](#)** (Arizona)

This November, Arizonans will decide on a ballot initiative that would require donors to political campaigns to disclose the original source of the money, if the donation goes above a certain threshold. There are ten statewide ballot measures on the Arizona ballot.

The campaign finance initiative, if approved by voters, would require that anyone making independent expenditures of more than \$50,000 on a statewide campaign or \$25,000 on a local campaign disclose the names of the money’s original sources. The original source would be defined as the person or business who earned the money that was contributed, either through personal funds, business income, or any other form of income.

Certification of the initiative followed a legal challenge before the Arizona Supreme Court. The legal challenge dealt with the affidavit requirements of signature gatherers, as well as whether or

not the petitioner's registration must include the full address, including the unit number of an apartment or hotel. On Aug. 25, the Arizona Supreme Court rejected the arguments cited in the lawsuit.

Two other Arizona citizen initiatives were also subject to legal challenges. While one initiative to limit interest rates on debt from healthcare services was certified for the ballot last week, an elections and voting policies initiative was removed from the ballot.

To qualify for the ballot, proponents needed to collect at least 237,645 valid signatures. Signatures were verified through a random sampling process. On July 7, the Voter's Right to Know campaign submitted 393,490 signatures. On Aug. 26, the secretary of state found that a projected 285,144 signatures were valid after county review.

There are nine other certified measures on the ballot in Arizona. They are:

- Proposition 308 would allow in-state tuition for certain non-citizen residents
- Proposition 309 would require date of birth and voter identification number for mail-in ballots and eliminate the two-document alternative to photo ID for in-person voting
- Proposition 310 would create a sales tax to fund Arizona's fire districts
- Proposition 128 would allow the legislature to amend or repeal voter-approved ballot measures that contain provisions ruled unconstitutional or invalid by the state or federal supreme court
- Proposition 129 would require citizen-initiated ballot measures to embrace a single subject
- Proposition 130 would allow the legislature to set certain property tax exemption amounts and qualifications rather than determining details in the constitution
- Proposition 131 would create the office of lieutenant governor
- Proposition 132 would require a three-fifths supermajority vote to pass ballot initiatives and legislatively referred amendments that would approve taxes
- An initiative to limit interest rates for debt from healthcare services and increase the value of certain property and earnings exempt from debt collections processes

