

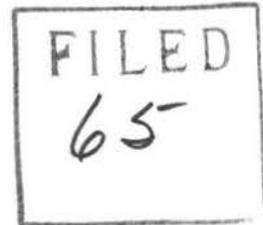
CONFLICT OF INTEREST:  
GOVERNOR:

The disclosure of assets procedure contemplated by Governor-elect Christopher S. Bond complies with the requirements of Section 105.460, RSMo, of the conflict of interest law, which permits filings disclosing substantial interests during each session of the General Assembly in lieu of separate filings of substantial personal or private interests by the Governor in any bill before passing on such bill.

OPINION NO. 65

January 5, 1973

Honorable Christopher S. Bond  
Governor-elect  
State Capitol Building  
Jefferson City, Missouri 65101



Dear Governor-elect Bond:

This opinion is in response to your question asking:

"Upon taking office as Governor, I plan to comply with the economic interest disclosure provisions of Section 105.460, RSMo 1969, by listing assets I then own.

"Subsequently, I plan to place in a 'blind trust' all of my investment assets, excluding only real estate held for the personal use of my wife and myself, automobiles and other personal property used by us, and cash held in checking or savings accounts. The trustee of this trust will be some financial institution outside the State of Missouri and not regularly subject to regulation by or engaged in financial dealings with the State of Missouri.

"Under terms of the trust, the trustee will be empowered to sell and buy assets for investment purposes, to exercise stock voting rights or other prerogatives of ownership in the assets, to make such changes generally as are necessary in the investments and will be instructed not to advise me of the

Honorable Christopher S. Bond

assets in the trust or any proposed changes in the assets in the trust.

"I will reserve the rights to receive the income from the trust, to additional cash or other assets to the trust, to direct that the trustee turn over assets in such form as it deems desirable to charities and others in dollar amounts that I designate and set general guidelines in terms of investment objectives, such as capital gains and income for the trustee.

"All taxes owed on the investments will be computed by a certified public accounting firm, and I will pay the amounts indicated without learning the identity of the assets so held.

"Each successive year after making the disclosure required under Section 105.460, RSMo 1969, I shall file a statement as required under that section listing any assets not in the 'blind trust' and that investment assets are held for me in the trust and income is received by me from the trust. Such be the case, I will further state that I have no knowledge of assets held within the trust, or if I do gain knowledge of some or all of the assets in the trust, I shall state such knowledge.

"At any time during my term of office as Governor I exercise the power to revoke the trust, I will immediately thereupon file a statement indicating such action with the authority designated to receive reports under Section 105.460, RSMo 1969.

"Your official opinion is requested: (a) as to whether the disclosure policies outlined above for succeeding years comply with both the letter and the intent of Section 105.460, RSMo 1969, and (b) as to whether the transactions described above would conflict with any other laws of the State of Missouri."

The pertinent provisions are found in Sections 105.450 and 105.460, RSMo.

Honorable Christopher S. Bond

Section 105.450, provides:

"As used in this act, unless the context clearly requires otherwise, the following terms have the meanings indicated:

(1) 'Agency', any department, office, board, commission, bureau, institution or any other agency, except the legislative and judicial branches of the state or any political subdivision thereof including counties, cities, towns, villages, school, road, drainage, sewer, levee and other special purpose districts;

(2) 'Business entity', a corporation, association, firm, partnership, proprietorship, or business entity of any kind or character;

(3) 'Regulatory agency', any agency which issues licenses, fixes rates, promulgates rules and regulations which affect more than its internal operation, holds formal hearings or makes determinations;

(4) 'Substantial interest', ownership by the individual or his spouse directly or indirectly, of ten per cent or more of any business entity, or of an interest having a value of ten thousand dollars, or more, or the receipt by an individual or his spouse of a salary, gratuity, or other compensation or remuneration of six thousand dollars or more per year from any individual, partnership, organization, or association;

(5) 'Substantial personal or private interest in any measure or bill', any interest in a measure or bill which results from the combined definitions of sub-sections (2) and (4) of this section."

Section 105.460, provides:

"The governor, lieutenant governor and any member of the general assembly who has a substantial personal or private interest in any measure or bill proposed or pending before the general assembly shall, before he passes

Honorable Christopher S. Bond

on the measure or bill, file a written report of the nature of the interest to the chief clerk of the house or the secretary of the senate and such statement shall be recorded in the journal. However, if the governor, lieutenant governor or any member of the general assembly desires, at the beginning of any regular or special session, or any time during said regular or special session, to disclose substantial interests that he or she may have at any time during the session then he or she shall thereafter be relieved from filing a written report on each measure or bill proposed or pending. Said disclosure by anyone named in this section of substantial interests shall be filed in writing with the chief clerk of the house or the secretary of the senate and shall be recorded in the journal. If during the session a person named in this section and who has filed substantial interests shall require the filing of a further substantial interest as herein defined then he may add same to his filing as herein provided and the same shall be recorded in the journal."

We understand from the first sentence of your question that the first filing that you make will list all assets that you own including those to be placed in the blind trust.

Your successive annual filings contemplate no disclosure of the unknown assets held in the blind trust but will state that assets are held for you in the trust and that income is received by you from the trust. This procedure as outlined in your above statement, in our view, meets the requirements of Section 105.460.

We know of no Missouri laws which would be violated by the procedure described by you.

#### CONCLUSION

It is the opinion of this office that the disclosure of assets procedure contemplated by Governor-elect Christopher S. Bond complies with the requirements of Section 105.460, RSMo, of the conflict of interest law, which permits filings disclosing substantial interests during each session of the General Assembly in lieu of separate filings of substantial personal or private interests by the Governor in any bill before passing on such bill.

Honorable Christopher S. Bond

The foregoing opinion, which I hereby approve, was prepared by my assistant, John C. Klaffenbach.

Very truly yours,

A handwritten signature in black ink, appearing to read "John C. Danforth". The signature is written in a cursive style with a large, prominent initial "J".

JOHN C. DANFORTH  
Attorney General