

Agency # 153.00

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# RULES ON INDEPENDENT EXPENDITURES

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BUREAU OF  
LEGISLATIVE RESEARCH

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**§ 700 Definitions.**

**(a) Contribution** – As used in these rules, the term “contribution” means, whether direct or indirect, advances, deposits, or transfers of funds, contracts, or obligations, whether or not legally enforceable, payments, gifts, subscriptions, assessments, payment for services, dues, advancements, forbearance, loans, pledge or promise of money or anything of value, whether or not legally enforceable, to a candidate, committee, or holder of elective office, made for the purpose of influencing the nomination or election of any candidate.

“Contribution” includes the purchase of tickets for events such as dinners, luncheons, rallies, and similar fundraising events; the granting of discounts or rebates by television stations, radio stations, and newspapers not extended on an equal basis to all candidates for the same office; and any payments for the services of any person serving as an agent of a candidate or committee by a person other than the candidate or committee or persons whose expenditures the candidates or committee must report under these rules. The term “contribution” further includes any transfer of anything of value received by a committee from another committee. “Contribution” shall not include noncompensated, nonreimbursed, volunteer personal services or travel.

“Contribution and expenditure” shall not include activity sponsored and funded by a political party that meets the definition of “political party” under Ark. Code Ann. § 7-1-101 or the requirements of Ark. Code Ann. § 7-7-205 to promote its candidates or nominees through events such as dinners, luncheons, rallies, or similar gatherings and shall not include nonpartisan activity designed to encourage individuals to register to vote or to vote or any communication by any membership organization to its members or stockholders if the membership organization or corporation is not organized primarily for the purpose of influencing the nomination for election or election of any candidate.

**(b) Expenditure** – As used in these rules, the term “expenditure” means a purchase, payment, distribution, gift, loan, or advance of money or anything of value, and a contract, promise, or agreement to make an expenditure, made for the purpose of influencing the nomination or election of any candidate.

“Contribution and expenditure” shall not include activity sponsored and funded by a political party that meets the definition of “political party” under Ark. Code Ann. § 7-1-101 or the requirements of Ark. Code Ann. § 7-7-205 to promote its candidates or nominees through events such as dinners, luncheons, rallies, or similar gatherings and shall not include nonpartisan activity designed to encourage individuals to register to vote or to vote or any communication by any membership organization to its members or stockholders if the membership organization or corporation is not organized primarily for the purpose of influencing the nomination for election or election of any candidate.

**(c) Independent Expenditure** – As used in these rules, the term “independent expenditure” means any expenditure which is not a contribution and expressly advocates the election or defeat of a clearly identified candidate for office; is made without arrangement, cooperation, or consultation between any candidate or any authorized

committee or agent of the candidate and the person making the expenditure or any authorized agent of that person; and is not made in concert with or at the request or suggestion of any candidate or any authorized committee or agent of the candidate.

**(d) Independent Expenditure Committee** – As used in these rules, the term “independent expenditure committee” means any person who receives contributions from one (1) or more persons in order to make an independent expenditure and is registered pursuant to Ark. Code Ann. § 7-6-227 prior to making expenditures.

**(e) Person** – As used in these rules, the term “person” means any individual, proprietorship, firm, partnership, joint venture, syndicate, labor union, business trust, company, corporation, association, committee, or any other organization or group of persons acting in concert. It shall also include a political party that meets the definition of a political party under Ark. Code Ann. § 7-1-101 or a political party that meets the requirements of Ark. Code Ann. § 7-7-205, county political party committees, and legislative caucus committees.

**(f) Printed Campaign Materials** –

**(1)** “Printed campaign materials” means:

**(A)** Literature mailed to an elector that is intended to or calculated to influence the vote of an elector in an election in this state, including without limitation signs, banners, flyers, and pamphlets; and

**(B)** Yard signs and push cards intended to or calculated to influence the vote of an elector in an election in this state.

**(2)** “Printed campaign materials” does not mean political paraphernalia, including without limitation stickers, buttons, pens, T-shirts, nail files, or other similar trinkets.

**§ 701 Registration by Independent Expenditure Committees**

**(a)(1)(A)** To qualify as an independent expenditure committee, the committee is required to register with the Secretary of State within fifteen (15) days after accepting contributions during a calendar year that exceed five hundred dollars (\$500) in the aggregate.

**(B)** Registration shall be annually renewed by January 15, unless the committee has ceased to exist.

**(C)** Registration shall be on forms provided by the Secretary of State, and the contents therein shall be verified by an affidavit of an officer of the committee.

(2)(A) The committee shall designate a resident agent who shall be an individual who resides in the State of Arkansas.

(B) No contribution shall be accepted from a committee and no expenditure shall be made by a committee that has not registered and does not have a resident agent.

(3) An out-of-state committee shall be required to comply with the registration and reporting provisions of these rules if the committee makes an independent expenditure or independent expenditures within the State of Arkansas that in the aggregate exceed more than five hundred dollars (\$500) during a calendar year.

(b) The registration form of an independent expenditure committee shall contain the following information:

(1) The name, address, and, where available, phone number of the committee and the name, address, phone number, and place of employment of each of its officers, provided if the committee's name is an acronym, then both it and the words forming the acronym shall be disclosed;

(2) The full name and street address, city, state, and zip code of each financial institution the committee uses for purposes of receiving contributions or making expenditures within the State of Arkansas;

(3) A written acceptance of designation as a resident agent;

(4) A certification by a committee officer, under penalty of false swearing, that the information provided on the registration is true and correct; and

(5) A clause submitting the committee to the jurisdiction of the State of Arkansas for all purposes related to compliance with the provisions of subchapter 2 of chapter 6, Title 7 of the Arkansas Code.

(c)(1) When a committee makes a change to any of the information required in § 701(b) of these rules, an amendment is required to be filed within ten (10) days to reflect the change.

(2) A committee failing to file an amendment shall be subject to a late filing fee of ten dollars (\$10.00) for each day the change is not filed.

## § 702 Reporting of Independent Expenditures

(a) A person who or an independent expenditure committee which makes independent expenditures in an aggregate amount or value in excess of ~~five hundred dollars (\$500)~~ two hundred dollars (\$200) in a calendar year shall file reports with the Secretary of State:

(1)(A) No later than ~~thirty (30) days prior to preferential primary elections, general elections, and special elections covering the period ending thirty-five (35) days prior to such elections; fifteen (15) days following the month in which the two hundred dollar (\$200) threshold required under this section is met, the first financial report shall be filed.~~

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(B) Each subsequent report shall be filed no later than fifteen (15) days after the end of each month until the election is held, except as required in subdivision (a)(1)(C) of this section.

(C) For any month in which certain days of that month are included in a preelection financial report required under subdivision (a)(2) of this section, no monthly report for that month shall be due, but those days of that month shall be carried forward and included in the final financial report;

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(2) No later than seven (7) days prior to preferential primary elections, runoff elections, general elections, and special elections covering the period ending ten (10) days prior to such elections; and

(3) As for a final report, no later than thirty (30) days after the end of the month in which the last election is held at which the candidate seeks nomination or election.

(b) Such reports shall include:

(1) In the case of an individual making such an expenditure, the name, address, telephone number, principal place of business, employer, and occupation of the individual;

(2) In the case of a committee, the name, address, employer, and occupation of its officers;

(3) In the case of a person who is not an individual, the principal name of the entity, the address, and the name, address, employer, and occupation of its officers;

(4) The total amount of contributions received, with loans stated separately, and the total amount of expenditures made during the filing periods, and the cumulative amount of those totals;

(5) The name and address of each person who made a contribution or contributions that in the aggregate exceeded ~~fifty dollars (\$50.00)~~ two hundred dollars (\$200);

(6) The contributor's principal place of business, employer, occupation, the amount contributed, the date the contribution was accepted by the committee, and the aggregate contributed for each election;

(7) The name and address of each person who contributed a nonmoney item, together with a description of the item, the date of receipt, and the value, not including volunteer service by individuals;

(8) An itemization of all single expenditures made which exceed one hundred dollars (\$100), including the amount of the expenditure, the name and address of any person to whom the expenditure was made and the date the expenditure was made;

(9) A list of all paid workers and the amount the workers were paid;

(10) A list of all expenditures by categories, including, but not limited to:

- (A) Television, radio, print, and other advertising;
- (B) Direct mail;
- (C) Office supplies;
- (D) Rent;
- (E) Travel;
- (F) Expenses;
- (G) Entertainment; and
- (H) Telephone.

(11) The total amount of all nonitemized expenditures made during the filing period; and

(12) The current balance of committee funds.

(c) The information required in § 702(b)(4)-(10) of these rules may be provided in the form of schedules attached to the report.

(d) The report shall be verified by an affidavit of an officer of the committee stating that to the best of his or her knowledge and belief the information disclosed is a complete, true, and accurate financial statement of the committee's contributions received and made.

(e)(1) A report is timely filed if it is filed in electronic form through the official website of the Secretary of State on or before the date that the report is due.

(2)(A) The Secretary of State shall receive reports in a readable electronic format that is acceptable to the Secretary of State and approved by the Arkansas Ethics Commission.

(B) The Arkansas Ethics Commission shall approve the format used by the Secretary of State for the filing of independent expenditure reports in electronic form to ensure that all required information is requested.

(C) The official website of the Secretary of State shall allow for searches of independent expenditure report information filed in electronic form.

(3)(A) A person required to file reports or register in paper form under Ark. Code Ann. § 7-6-220 may file reports or register in paper form if:

(i) The person does not have access to the technology necessary to submit reports or registration in electronic form; and

(ii) Submitting reports or registration in electronic form would constitute a substantial hardship for the person.

(B) A person filing reports or registration in paper form under subdivision (e)(3)(A) of this rule shall submit with its first report or registration a notarized affidavit on a form prepared by the Secretary of State declaring that:

(i) The person does not have access to the technology necessary to submit reports or registration in electronic form;

(ii) Submitting reports or registration in electronic form would constitute a substantial hardship for the person; and

(iii) The person agrees to file all other reports in paper form for the duration of the period of registration.

(4) The Secretary of State shall:

(A) Not accept a report or registration in paper form under subdivision (e)(3)(A) of this rule if a notarized affidavit was not submitted with the:

(i) Registration of a political action committee; or

(ii) First report of a person or independent expenditure committee;

(B) Provide written notice to the political action committee within five (5) business days if the registration in paper form was not filed or accepted;

(C) Provide written notice to a political action committee, person, or independent expenditure committee within five (5) business days if a report in paper form was not filed or accepted; and

(D) Provide the reason the registration or report in paper form was not filed or accepted.

(5) The Secretary of State shall make available to persons wishing to file reports in paper form under Ark. Code Ann. § 7-6-231:

- (A) Information on the deadlines for filing required reports; and
- (B) (i) Appropriate forms and instructions for complying with the deadlines.

(ii) The Arkansas Ethics Commission shall approve the forms and instructions used by the Secretary of State under Ark. Code Ann. § 7-6-231 to ensure that all required information is requested.

(6) Reports shall be filed on the forms furnished by the Secretary of State, except that computer-generated contribution and expenditure reports shall be accepted by the Secretary of State and the Arkansas Ethics Commission provided that all of the requisite elements are included.

(7)(A) A report submitted in paper form under Ark. Code Ann. § 7-6-231 other than a preelection report is timely filed if it is either hand delivered or mailed to the Secretary of State, properly addressed, and postage prepaid, bearing a postmark indicating that it was received by the post office or common carrier on or before the date that the report is due.

(B) A preelection report submitted in paper form under Ark. Code Ann. § 7-6-231 is timely filed if it is received by the Secretary of State no later than seven (7) days before the election for which it is filed.

(C) The Secretary of State shall accept a report via facsimile, provided the original is received by the Secretary of State within ten (10) days of the date of facsimile transmission.

(8)(A) The Secretary of State shall make available reports submitted in paper form on a portion of the official website of the Secretary of State.

(B) The Secretary of State shall comply with the requirements of Ark. Code Ann. § 7-6-214(c) regarding the "paper filer" designation and publication requirements for all reports submitted in paper form.

### § 703 Out-of-State Independent Expenditure Committees

(a) An out-of-state independent expenditure committee is required to comply with the registration ~~and reporting~~ provisions of §§ 701-~~702~~ and is subject to the jurisdiction of the State of Arkansas for all purposes related to compliance with the registration provisions of subchapter 2 of chapter 6, Title 7 of the Arkansas Code, if the committee makes an independent expenditure or independent expenditures within the State of Arkansas that in the aggregate exceed more than five hundred dollars (\$500) during a calendar year.

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(b) An out-of-state independent expenditure committee is required to comply with the reporting provisions of § 702 and is subject to the jurisdiction of the State of Arkansas for all purposes related to compliance with the reporting provisions of subchapter 2 of chapter 6, Title 7 of the Arkansas Code, if the committee makes an independent expenditure or independent expenditures within the State of Arkansas that in the aggregate exceed more than two hundred dollars (\$200) during a calendar year.

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#### § 704 Paid For By Disclaimer

(a) All articles, statements, or communications appearing in any newspaper printed or circulated in this state intended or calculated to influence the vote of any elector in any election and for the publication of which a consideration is paid or to be paid shall clearly contain the words "paid Political Advertisement", "Paid Political Ad", or "Paid for by" the candidate, committee, or person who paid for the message. Both the persons placing and the persons publishing the articles, statements, or communications shall be responsible for including the required disclaimer. In addition, all articles, statements, or communications appearing in any radio, television, or any other electronic medium intended or calculated to influence the vote of any elector in any election and for the publication of which a consideration is paid or to be paid shall clearly contain the words "Paid Political Advertisement" or "Paid Political Ad" or "Paid for by", "Sponsored by", or "Furnished by" the true sponsor of the advertisement. Both the persons placing and the persons publishing the articles, statements, or communications shall be responsible for including the required disclaimer.

(b)(1) Printed campaign materials as defined in § 700(f) of these rules, shall clearly contain the words "Paid for by" followed by the name of the candidate, committee, or person who paid for the campaign sign, campaign literature, or other printed campaign materials.

(2) Subdivision (b)(1) of this section applies only to campaign signs, campaign literature, and other printed campaign materials created by or sponsored by a political candidate, the campaign of a political candidate, a political action committee, or an independent expenditure committee.

(3) When the printed campaign material is a two-sided sign, the "Paid for by" language required by this subsection shall appear on both sides of the sign.

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#### § 705 Penalties

(a) If the Arkansas Ethics Commission finds that a person or an independent expenditure committee has committed a violation of Ark. Code Ann. § 7-6-220, and/or Ark. Code Ann. § 7-6-227, or both, then it may do one or more of the following:

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(1) ~~impose~~ Impose a fine of not less than fifty dollars (\$50.00) and not more than three thousand, five hundred dollars (\$3,500.00); ~~and/or~~ or

(2) ~~issue~~ Issue a public letter of caution, warning, or reprimand.

(b) In addition, a committee failing to file an amendment within ten (10) days as required by § 701(c) shall be subject to a late filing fee of ten dollars (\$10.00) for each day the change is not filed.

#### § 706 Records Retention

(a) An independent expenditure committee required to comply with the registration requirements of § 701 shall maintain for a period of four (4) years records evidencing the name, address, and place of employment of each person that contributed to the independent expenditure committee, along with the amount contributed. Such a committee shall also maintain for a period of four (4) years records evidencing each independent expenditure made by the committee, along with the amount of each expenditure.

(b) A person required to comply with the reporting requirements of § 702 shall maintain for a period of four (4) years records evidencing each independent expenditure made by the person, along with the amount of each expenditure.

#### § 707 Administrative Expenses of Independent Expenditure Committees

It is permissible for an independent expenditure committee to pay reasonable administrative expenses out of the contributions it has received.

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State of Arkansas

As Engrossed: S3/1/23

94th General Assembly

# A Bill

Regular Session, 2023

SENATE BILL 280

By: Senators J. Dismang, *Hester*

By: Representative L. Fite

## For An Act To Be Entitled

TO AMEND THE LAW CONCERNING THE CREATION AND DUTIES  
OF THE ARKANSAS ETHICS COMMISSION; TO AMEND THE LAW  
CONCERNING CAMPAIGN FINANCE; TO AMEND THE LAW  
CONCERNING CAMPAIGN MATERIAL; TO AMEND THE LAW  
CONCERNING CANDIDATE CONTRIBUTIONS; TO AMEND THE LAW  
CONCERNING CITIZEN COMPLAINTS FILED WITH THE ARKANSAS  
ETHICS COMMISSION; TO AMEND THE ENFORCEMENT OF THE  
CODE OF ETHICS; TO AMEND THE LAW CONCERNING  
INDEPENDENT EXPENDITURES; TO AMEND THE LAW CONCERNING  
EXPENDITURE REPORTS; TO AMEND PORTIONS OF INITIATED  
ACT 1 OF 1990 AND INITIATED ACT 1 OF 1996; AND FOR  
OTHER PURPOSES.

## Subtitle

TO AMEND THE LAW CONCERNING THE CREATION  
AND DUTIES OF THE ARKANSAS ETHICS  
COMMISSION; AND TO AMEND PORTIONS OF  
INITIATED ACT 1 OF 1990 AND INITIATED ACT  
1 OF 1996.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 7-6-203(b)(1)(A), concerning candidate  
campaign finance contributions, limitations, acceptance or solicitation and  
distributions and resulting from Initiated Act 1 of 1990 and Initiated Act 1  
of 1996, is amended to read as follows:



1 (b)(1)(A) It shall be unlawful for any person to make a contribution  
2 to a candidate for any public office or to any person acting on the  
3 candidate's behalf, which in the ~~total~~ aggregate amount exceeds ~~two thousand~~  
4 ~~seven hundred dollars (\$2,700) per election~~ the maximum campaign contribution  
5 limit established by rule of the Arkansas Ethics Commission per election.  
6

7 SECTION 2. Arkansas Code § 7-6-217(g)(1)-(3), concerning the creation  
8 and duties of the Arkansas Ethics Commission and resulting from Initiated Act  
9 1 of 1990 and Initiated Act 1 of 1996, are amended to read as follows:

10 (1) Under the Arkansas Administrative Procedure Act, § 25-15-201  
11 et seq., promulgate reasonable rules to implement and administer the  
12 requirements of this subchapter, as well as the Disclosure Act for Public  
13 Initiatives, Referenda, and Measures Referred to Voters, § 7-1-114; § 7-9-401  
14 et seq.; § 19-11-718; § 21-8-301 et seq.; the Disclosure Act for Lobbyists  
15 and State and Local Officials, § 21-8-401 et seq., § 21-8-601 et seq., § 21-  
16 8-701 et seq., and § 21-8-801 et seq.; § 21-8-901; § 21-8-1001 et seq.; § 25-  
17 1-125; and Arkansas Constitution, Article 19, §§ 28-30; and to govern  
18 procedures before the commission, matters of commission operations, and all  
19 investigative and disciplinary procedures and proceedings;

20 (2) Issue advisory opinions and guidelines on the requirements  
21 of § 7-1-103(a)(1)-(4), (6), and (7); § 7-1-114, this subchapter~~+~~, the  
22 Disclosure Act for Public Initiatives, Referenda, and Measures Referred to  
23 Voters, § 7-9-401 et seq.; § 19-11-718; § 21-8-301 et seq.; the Disclosure  
24 Act for Lobbyists and State and Local Officials, § 21-8-401 et seq., § 21-8-  
25 601 et seq., § 21-8-701 et seq., and § 21-8-801 et seq.~~+~~, § 21-8-901 et  
26 seq.~~+~~, § 21-8-1001 et seq.; § 25-1-125, and Arkansas Constitution, Article  
27 19, §§ 28-30;

28 (3) After a citizen complaint has been submitted to the  
29 commission, investigate alleged violations of § 7-1-103(a)(1)-(4), (6), and  
30 (7); § 7-1-114, this subchapter~~+~~, the Disclosure Act for Public Initiatives,  
31 Referenda, and Measures Referred to Voters, § 7-9-401 et seq.; § 19-11-718; §  
32 21-1-401 et seq.; § 21-8-301 et seq.; the Disclosure Act for Lobbyists and  
33 State and Local Officials, § 21-8-401 et seq., § 21-8-601 et seq., § 21-8-701  
34 et seq., and § 21-8-801 et seq.; § 21-8-901; § 21-8-1001 et seq.; § 25-1-125,  
35 and Arkansas Constitution, Article 19, §§ 28-30; and render findings and  
36 disciplinary action thereon;

1  
2 SECTION 3. Arkansas Code § 7-6-218(a)(1), concerning citizen  
3 complaints filed with the Arkansas Ethics Commission and resulting from  
4 Initiated Act 1 of 1990, is amended to read as follows:

5 (a)(1) Any citizen may file a complaint with the Arkansas Ethics  
6 Commission against a person covered by this subchapter, by § 7-1-103(a)(1)-  
7 (4), (6), or (7); § 7-1-114; the Disclosure Act for Public Initiatives,  
8 Referenda, and Measures Referred to Voters, § 7-9-401 et seq.; § 21-1-401 et  
9 seq.; § 21-8-301 et seq.; the Disclosure Act for Lobbyists and State and  
10 Local Officials, § 21-8-401 et seq., § 21-8-601 et seq., § 21-8-701 et seq.,  
11 and § 21-8-801 et seq.; § 21-8-901 et seq.; § 21-8-1001 et seq.; § 25-1-125;  
12 and Arkansas Constitution, Article 19, §§ 28-30, for an alleged violation of  
13 the subchapters or sections. For purposes of this subdivision (a)(1), the  
14 Arkansas Ethics Commission shall be considered a citizen.  
15

16 SECTION 4. Arkansas Code § 7-6-218(b)(1)(A), concerning citizen  
17 complaints filed with the Arkansas Ethics Commission and resulting from  
18 Initiated Act 1 of 1990, is amended to read as follows:

19 (b)(1)(A) Upon a complaint stating facts constituting an alleged  
20 violation signed under penalty of perjury by any person, the Arkansas Ethics  
21 Commission shall investigate the alleged violation of this subchapter or § 7-  
22 1-103(a)(1)-(4), (6), or (7); § 7-1-114; the Disclosure Act for Public  
23 Initiatives, Referenda, and Measures Referred to Voters, § 7-9-401 et seq.; §  
24 21-1-401 et seq.; § 21-8-301 et seq.; the Disclosure Act for Lobbyists and  
25 State and Local Officials, § 21-8-401 et seq., § 21-8-601 et seq., § 21-8-701  
26 et seq., and § 21-8-801 et seq.; § 21-8-901 et seq.; § 21-8-1001 et seq.; §  
27 25-1-125; and Arkansas Constitution, Article 19, §§ 28-30.  
28

29 SECTION 5. Arkansas Code § 7-6-218(b)(4), concerning citizen  
30 complaints filed with the Arkansas Ethics Commission and resulting from  
31 Initiated Act 1 of 1990, is amended to read as follows:

32 (4) If the Arkansas Ethics Commission finds a violation of this  
33 subchapter; § 7-1-103(a)(1)-(4), (6), or (7); § 7-1-114; § 21-1-401 et seq.;  
34 § 21-8-301 et seq.; the Disclosure Act for Lobbyists and State and Local  
35 Officials, § 21-8-401 et seq., § 21-8-601 et seq., § 21-8-701 et seq., and §  
36 21-8-801 et seq.; § 21-8-901 et seq.; § 21-8-1001 et seq.; § 25-1-125; or

1 Arkansas Constitution, Article 19, §§ 28-30, then the Arkansas Ethics  
2 Commission shall do one (1) or more of the following, unless good cause be  
3 shown for the violation:

4 (A) Issue a public letter of caution or warning or  
5 reprimand;

6 (B)(i) Notwithstanding the provisions of §§ 7-6-202, 7-9-  
7 409, 21-8-403, and 21-8-903, impose a fine of not less than fifty dollars  
8 (\$50.00) nor more than three thousand five hundred dollars (\$3,500) for  
9 negligent or intentional violation of this subchapter; § 7-1-114; the  
10 Disclosure Act for Public Initiatives, Referenda, and Measures Referred to  
11 Voters, § 7-9-401 et seq.; § 21-8-301 et seq.; the Disclosure Act for  
12 Lobbyists and State and Local Officials, § 21-8-401 et seq., § 21-8-601 et  
13 seq., § 21-8-701 et seq., and § 21-8-801 et seq.; § 21-8-901 et seq.; § 21-8-  
14 1001 et seq.; § 25-1-125; or Arkansas Constitution, Article 19, §§ 28-30.

15 (ii) A fine for violating § 7-1-114 shall not exceed  
16 one hundred fifty dollars (\$150).

17 (iii) The Arkansas Ethics Commission shall adopt  
18 rules governing the imposition of such fines in accordance with the  
19 provisions of the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

20 ~~(iii)~~(iv) All moneys received by the Arkansas Ethics  
21 Commission in payment of fines shall be deposited into the State Treasury as  
22 general revenues;

23 (C) Order the respondent to file or amend a statutorily  
24 required disclosure form; or

25 (D)(i) Report its finding, along with such information and  
26 documents as it deems appropriate, and make recommendations to the proper law  
27 enforcement authorities.

28 (ii) When exercising the authority provided in this  
29 subdivision (b)(4), the Arkansas Ethics Commission is not required to make a  
30 finding of a violation of the laws under its jurisdiction.

31  
32 SECTION 6. Arkansas Code § 7-6-220(a)(1), concerning reporting of  
33 independent expenditures and resulting from Initiated Act 1 of 1996, is  
34 amended to read as follows:

35 (1)(A) No later than ~~thirty (30) days prior to preferential~~  
36 ~~primary elections, general elections, and special elections covering the~~

1 ~~period ending thirty five (35) days prior to such elections~~ fifteen (15) days  
2 following the month in which the five hundred dollar (\$500) threshold  
3 required under this section is met, the first financial report shall be  
4 filed.

5 (B) Each subsequent report shall be filed no later than  
6 fifteen (15) days after the end of each month until the election is held,  
7 except as required in subdivision (a)(1)(C) of this section.

8 (C) For any month in which certain days of that month are  
9 included in a preelection financial report required under subdivision (a)(2)  
10 of this section, no monthly report for that month shall be due, but those  
11 days of that month shall be carried forward and included in the final  
12 financial report;

13  
14 SECTION 7. Arkansas Code § 7-6-228(c)(1)(A), concerning campaign signs  
15 and materials, is amended to add an additional subdivision to read as  
16 follows:

17 (C) When the printed campaign material is a two-sided  
18 sign, the "Paid for by" language required by this subsection shall appear on  
19 both sides of the sign.

20  
21 SECTION 8. Arkansas Code § 21-8-303(a)(2), concerning enforcement by  
22 the Arkansas Ethics Commission of the Code of Ethics, is amended to read as  
23 follows:

24 (2)(A) However, the Arkansas Ethics Commission shall also have  
25 authority to investigate and address alleged violations of this subchapter  
26 and to render findings and disciplinary action.

27 (B) To be considered valid, a complaint alleging a  
28 violation of § 21-8-305 shall include a copy of a court record reflecting  
29 that the person has pleaded guilty or nolo contendere to or has been found  
30 guilty of a public trust crime.

31  
32 SECTION 9. DO NOT CODIFY. Effective date. Section 7 of this act  
33 shall be effective on and after November 1, 2023.

34  
35 */s/J. Dismang*

36 **APPROVED: 3/16/23**

State of Arkansas

As Engrossed: H4/3/23

94th General Assembly

# A Bill

Regular Session, 2023

HOUSE BILL 1756

By: Representatives M. Shepherd, Ray

By: Senator Hester

## For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING CAMPAIGN FINANCE;  
TO AMEND THE LAW CONCERNING CAMPAIGN CONTRIBUTIONS  
AND EXPENDITURES; TO AMEND LAW CONCERNING REPORTING  
DEADLINES; TO CREATE AN AUTOMATIC FINE FOR DELINQUENT  
REPORTING; TO REQUIRE THE PREPARATION OF A REPORTING  
CALENDAR; TO AMEND THE LAW CONCERNING THE ARKANSAS  
ETHICS COMMISSION; TO ALLOW ONLINE AND ELECTRONIC  
COMPLAINTS; TO AMEND PORTIONS OF INITIATED ACT 1 OF  
1990 AND INITIATED ACT 1 OF 1996; AND FOR OTHER  
PURPOSES.

## Subtitle

TO AMEND THE LAW CONCERNING CAMPAIGN  
FINANCE AND CAMPAIGN FINANCE REPORTS; TO  
AMEND THE LAW CONCERNING THE ARKANSAS  
ETHICS COMMISSION; AND TO AMEND PORTIONS  
OF INITIATED ACT 1 OF 1990 AND INITIATED  
ACT 1 OF 1996.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 7-6-207(a)(1)(B), concerning reports of  
contributions for candidates for state or district office, and resulting from  
Initiated Act 1 of 1990 and Initiated Act 1 of 1996, is amended to read as  
follows:

(B) Beginning with the month of January of a calendar year



1 in which a candidate may be listed on any ballot for election, a monthly  
2 report of all contributions received and expenditures made during that month.  
3 However, for any month in which certain days of that month are included in a  
4 preelection report required under subdivision (a)(1)(C) of this section or a  
5 final report required under subdivision (a)(1)(D) of this section, no monthly  
6 report for that month shall be due. In the case of a primary or runoff  
7 election, those days of the month occurring after the date of the election  
8 shall be carried forward and included in the next monthly report. The monthly  
9 report shall be filed no later than ~~fifteen (15)~~ twenty (20) days after the  
10 end of each month, except that the final report, covering the month during  
11 which an election is held, shall be filed within thirty (30) days after the  
12 end of the month in which the last election is held at which the candidate  
13 seeks nomination and after the end of the month in which the general election  
14 is held. With respect to a special election, the candidate shall file monthly  
15 reports under this section beginning with the month in which the special  
16 election candidate's total campaign contributions or expenditures exceed five  
17 hundred dollars (\$500);

18  
19 SECTION 2. Arkansas Code § 7-6-207(b)(1)(B), concerning reports of  
20 contributions for candidates for state or district office, and resulting from  
21 Initiated Act 1 of 1990 and Initiated Act 1 of 1996, is amended to read as  
22 follows:

23 (B) The name and address of each person, including the  
24 candidate, who made a contribution or contributions that in the aggregate  
25 exceeded ~~fifty dollars (\$50.00)~~ two hundred dollars (\$200);

26  
27 SECTION 3. Arkansas Code § 7-6-207(d)(1)(C), concerning reports of  
28 contributions for candidates for state or district office, and resulting from  
29 Initiated Act 1 of 1990 and Initiated Act 1 of 1996, is amended to add an  
30 additional subdivision to read as follows:

31 (iv) The electronic format used for the filing of  
32 campaign contribution and expenditure reports on the official website of the  
33 Secretary of State shall aggregate total campaign contributions by a  
34 contributor to determine if they collectively reach the limitation for lawful  
35 campaign contributions under this subchapter.

1           SECTION 4. Arkansas Code § 7-6-208(b)(1)(B), concerning reports of  
2 contributions for candidates for school district, township, or municipal  
3 office, and resulting from Initiated Act 1 of 1990 and Initiated Act 1 of  
4 1996, is amended to read as follows:

5                   (B) The name and address of each person, including the  
6 candidate, who made a contribution or contributions that in the aggregate  
7 exceeded ~~fifty dollars (\$50.00)~~ two hundred dollars (\$200);

8  
9           SECTION 5. Arkansas Code § 7-6-209(b)(1)(B), concerning reports of  
10 contributions for candidates for school district, township, or county office,  
11 and resulting from Initiated Act 1 of 1996, is amended to read as follows:

12                   (B) The name and address of each person, including the  
13 candidate, who made a contribution or contributions that in the aggregate  
14 exceeded ~~fifty dollars (\$50.00)~~ two hundred dollars (\$200);

15  
16           SECTION 6. Arkansas Code § 7-6-215(d)(1)(C), concerning reports of  
17 contributions for candidates for school district, township, or county office,  
18 and resulting from Initiated Act 1 of 1990 and Initiated Act 1 of 1996, is  
19 amended to read as follows:

20                   (C) The name and address of each person that made a  
21 contribution or contributions to the political action committee that exceeded  
22 ~~five hundred dollars (\$500)~~ two hundred dollars (\$200) in the aggregate  
23 during the calendar year, the contributor's place of business, employer,  
24 occupation, the date of the contribution, the amount contributed, and the  
25 total contributed for the year;

26  
27           SECTION 7. Arkansas Code § 7-6-215(d)(1)(D), concerning reports of  
28 contributions for candidates for school district, township, or county office,  
29 and resulting from Initiated Act 1 of 1990 and Initiated Act 1 of 1996, is  
30 amended to read as follows:

31                   (D) The name and address of each candidate, ballot  
32 question committee, legislative question committee, political party, county  
33 political party committee, or other political action committee, if any, to  
34 whom or which the political action committee made a contribution or  
35 contributions that exceeded ~~fifty dollars (\$50.00)~~ two hundred dollars (\$200)  
36 in the aggregate during the filing period, with the amount contributed and

1 the election for which the contribution was made;

2  
3 SECTION 8. Arkansas Code § 7-6-216(c)(2), concerning registration and  
4 reports by exploratory committees, and resulting from Initiated Act 1 of  
5 1990, is amended to read as follows:

6 (2) The name and address of each person who has made a  
7 contribution which, in the aggregate, exceeds ~~fifty dollars (\$50.00)~~ two  
8 hundred dollars (\$200), along with the contributor's principal place of  
9 business, employer, occupation, and the amount contributed; and

10  
11 SECTION 9. Arkansas Code § 7-6-218(a), concerning citizen complaints  
12 filed with the Arkansas Ethics Commission, and resulting from Initiated Act 1  
13 of 1990, is amended to add additional subdivisions to read as follows:

14 (3) A citizen complaint shall be timely filed if it is:

15 (A) Hand-delivered to the Arkansas Ethics Commission on or  
16 before the date that the complaint is due;

17 (B) Mailed to the Arkansas Ethics Commission, properly  
18 addressed, postage prepaid, and bearing a postmark indicating that it was  
19 received by the post office or common carrier on or before the date that the  
20 complaint is due; or

21 (C) Received via email or facsimile by the Arkansas Ethics  
22 Commission on or before the date that the complaint is due, provided the  
23 original is received by the Arkansas Ethics Commission within ten (10) days  
24 of the transmission.

25 (4) The Arkansas Ethics Commission shall prepare a citizen  
26 complaint form and make it publically available on the Arkansas Ethics  
27 Commission's website.

28 (5) The Arkansas Ethics Commission shall promulgate rules under  
29 the Arkansas Administrative Procedure Act, § 25-15-201 et seq., to develop  
30 the complaint submission process under subdivisions (a)(3) and (a)(4) of this  
31 section.

32 SECTION 10. Arkansas Code § 7-6-220(a), concerning reporting of  
33 independent expenditures, and resulting from Initiated Act 1 of 1996, is  
34 amended to read as follows:

35 (a) A person who or an independent expenditure committee which makes  
36 independent expenditures in an aggregate amount or value in excess of ~~five~~

1 ~~hundred dollars (\$500)~~ two hundred dollars (\$200) in a calendar year shall  
2 file reports with the Secretary of State:

3 (1) No later than thirty (30) days prior to preferential primary  
4 elections, general elections, and special elections covering the period  
5 ending thirty-five (35) days prior to such elections;

6 (2) No later than seven (7) days prior to preferential primary  
7 elections, runoff elections, general elections, and special elections  
8 covering the period ending ten (10) days prior to such elections; and

9 (3) As for a final report, no later than thirty (30) days after  
10 the end of the month in which the last election is held at which the  
11 candidate seeks nomination or election.  
12

13 SECTION 11. Arkansas Code § 7-6-223(b)(2), concerning reports of  
14 contributions by political parties, and resulting from Initiated Act 1 of  
15 1996, is amended to read as follows:

16 (2) An itemization, including the name, address, employer, and  
17 occupation of each person who made a contribution or contributions to the  
18 political party which, in the aggregate, exceeded ~~fifty dollars (\$50.00)~~ two  
19 hundred dollars (\$200) in the preceding calendar quarter, as well as the  
20 amount received and date of receipt;  
21

22 SECTION 12. Arkansas Code § 7-6-226(c)(1)(C) and (D), concerning  
23 registration and reporting by county political committees, are amended to  
24 read as follows:

25 (C) The name and address of each person who made a  
26 contribution or contributions to the committee that exceeded ~~five hundred~~  
27 ~~dollars (\$500)~~ two hundred dollars (\$200) in the aggregate, the contributor's  
28 place of business, employer, or occupation, the date of the contribution, the  
29 amount contributed, and the total contributed for the year;

30 (D) The name and address of each candidate or committee,  
31 if any, to whom or which the committee made a contribution or contributions  
32 that exceeded ~~fifty dollars (\$50.00)~~ two hundred dollars (\$200) in the  
33 aggregate during the filing period, with the amount contributed and the  
34 election for which the contribution was made;  
35

36 SECTION 13. Arkansas Code Title 7, Chapter 6, Subchapter 2, is amended

1 to add additional sections to read as follows:

2  
3 7-6-232. Delinquent reports.

4 (a) The Arkansas Ethics Commission shall review the timeliness of  
5 reports filed with the Secretary of State by all candidates for state or  
6 district office pursuant to § 7-6-207.

7 (b)(1) If a candidate for state or district office has failed to file  
8 a required report, the commission shall notify the candidate in writing that  
9 the report is delinquent and request that the report be filed within thirty  
10 (30) days of the report's original due date.

11 (2) The notice under subdivision (b)(1) of this section shall be  
12 sent by regular mail to the candidate.

13 (c)(1) The third and subsequent time during an election cycle that a  
14 candidate is sent written notice of a delinquent report and fails to file the  
15 report within thirty (30) days of the report's original due date, the  
16 commission shall bring a complaint against the candidate and, if a violation  
17 is found, impose a fine of one thousand dollars (\$1,000) unless good cause be  
18 shown for the violation.

19 (2) In addition to imposing a fine, the commission shall also be  
20 authorized to take one (1) or more of the following actions:

21 (A) Issue a public letter of caution, warning, or  
22 reprimand;

23 (B) Order the candidate to file one or more reports; or

24 (C) Report the matter and make recommendations to proper  
25 law enforcement authorities.

26 (d) The commission shall promulgate rules to implement and administer  
27 this section.

28  
29 7-6-233. Preparation of reporting calendar.

30 (a) The Arkansas Ethics Commission shall issue one (1) or more  
31 reporting calendars for use by candidates to identify when reports and other  
32 necessary filings are due in a calendar year.

33 (b) The commission shall issue the reporting calendar for a calendar  
34 year no later than the December 31 preceding the year of the reporting  
35 calendar.

36 (c) The commission shall prepare reporting calendars as it deems

1 necessary for candidates for office, including without limitation candidates  
2 for state, county, municipal, district, or school elections.

3  
4 SECTION 14. DO NOT CODIFY. Rules.

5 (a) When adopting the initial rules required under this act, the  
6 Arkansas Ethics Commission shall file the final rules with the Secretary of  
7 State for adoption under § 25-15-204(f):

8 (1) On or before November 1, 2023; or  
9

10  
11 */s/M. Shepherd*  
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14 **APPROVED: 4/12/23**  
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