

1 State of Arkansas
2 90th General Assembly
3 Regular Session, 2015
4

A Bill

SENATE BILL 163

5 By: Senator D. Sanders
6

For An Act To Be Entitled

8 AN ACT TO MAKE REVISIONS TO THE ETHICS LAWS OF
9 ARKANSAS; AND FOR OTHER PURPOSES.

Subtitle

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11
12 TO MAKE REVISIONS TO THE ETHICS LAWS OF
13 ARKANSAS.
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17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

18
19 SECTION 1. Arkansas Code § 3-8-702 is amended to read as follows:
20 3-8-702. Definitions.

21 As used in this subchapter:

22 (1)(A) "Contribution" means, whether direct or indirect,
23 advances, deposits, transfers of funds, contracts, or obligations, whether or
24 not legally enforceable, payments, gifts, subscriptions, assessments,
25 payments for services, dues, advancements, forbearance, loans, pledges, or
26 promises of money or anything of value, whether or not legally enforceable,
27 to a person for the purpose of expressly advocating the qualification,
28 disqualification, passage, or defeat of a local-option ballot question.

29 (B) "Contribution" includes the purchase of tickets for
30 events such as dinners, luncheons, rallies, and similar fundraising events
31 and the granting of discounts or rebates by television and radio stations and
32 newspapers not extended on an equal basis to all persons for the purpose of
33 expressly advocating the qualification, disqualification, passage, or defeat
34 of a local-option ballot question.

35 (C) "Contribution" does not include:

36 (i) Noncompensated, nonreimbursed volunteer personal



1 services or travel;

2 (ii) Activities designed solely to encourage
3 individuals to vote or to register to vote; or

4 (iii) Any communication by a bona fide church or
5 religious denomination to its own members or adherents for the sole purpose
6 of protecting the right to practice the religious tenets of the church or
7 religious denomination;

8 (2) "Disqualification of a local-option ballot question" means
9 any action or process, legal or otherwise, that seeks to prevent a local-
10 option ballot question from being on the ballot at an election;

11 (3) "Elected official" means any person holding an elective
12 office of any governmental body, whether elected or appointed to the office;

13 ~~(3)(A)(4)(A)~~ "Expenditure" means a purchase, payment,
14 distribution, gift, loan, or advance of money or anything of value, and a
15 contract, promise, or agreement to make an expenditure for goods, services,
16 materials, or facilities for the purpose of expressly advocating the
17 qualification, disqualification, passage, or defeat of a local-option ballot
18 question.

19 (B) "Expenditure" does not include an expenditure made for
20 communication by a person strictly with the person's paid members or
21 shareholders;

22 (5) "Governmental body" means any office, department,
23 commission, council, board, committee, legislative body, agency, or other
24 establishment of the executive, judicial, or legislative branch of the state,
25 municipality, county, school district, improvement district, or any political
26 district or subdivision thereof;

27 ~~(4)(6)~~ "Local-option ballot question" means a question in the
28 form of a local-option initiative that is submitted or intended to be
29 submitted to a popular vote at an election, whether or not it qualifies for
30 the ballot;

31 ~~(5)(A)(7)(A)~~ "Local-option ballot question committee" means any
32 person, located within or outside Arkansas, that receives contributions for
33 the purpose of expressly advocating the qualification, disqualification,
34 passage, or defeat of a local-option ballot question or any person, other
35 than ~~a public servant, a governmental body~~ an elected official expending
36 public funds, or an individual, located within or outside Arkansas, that

1 makes expenditures for the purpose of expressly advocating the qualification,
2 disqualification, passage, or defeat of a local-option ballot question.

3 (B) A person other than an individual or an approved
4 political action committee as defined in § 7-6-201, located within or outside
5 Arkansas, also qualifies as a local-option ballot question committee if two
6 percent (2%) or more of the committee's annual revenues, operating expenses,
7 or funds are used to make a contribution or contributions to another ballot
8 question committee and if the contribution or contributions exceed ten
9 thousand dollars (\$10,000) in value;

10 ~~(6)(A)~~(8)(A) "Person" means any individual, business,
11 proprietorship, firm, partnership, joint venture, syndicate, business trust,
12 labor organization, company, corporation, association, committee, or any
13 other organization or group of persons acting in concert.

14 (B) "Person" includes a public servant or governmental
15 body using public funds to expressly advocate the qualification,
16 disqualification, passage, or defeat of a local-option ballot question; and

17 ~~(7)~~(9) "Qualification of a local-option ballot question" means
18 any action or process, legal or otherwise, through which a local-option
19 ballot question obtains certification to be on the ballot at an election.

20
21 SECTION 2. Arkansas Code § 3-8-703, concerning the filing deadlines
22 for initiative proceedings, is amended to add an additional subsection to
23 read as follows:

24 (d)(1) Upon dissolution, a local-option ballot question committee
25 shall notify the commission of the dissolution in writing.

26 (2) Any remaining funds on hand at the time of dissolution shall
27 be turned over to:

28 (A) The Treasurer of State for the benefit of the General
29 Revenue Fund Account of the State Apportionment Fund;

30 (B) An organized political party as defined in § 7-1-101
31 or a political party caucus of the General Assembly, the Senate, or the House
32 of Representatives;

33 (C) A nonprofit organization that is exempt from taxation
34 under Section 501(c)(3) of the Internal Revenue Code;

35 (D) Cities of the first class, cities of the second class,
36 or incorporated towns; or

1 (E) The contributors to the local-option ballot question
 2 committee.

3
 4 SECTION 3. Arkansas Code § 3-8-705 is amended to read as follows:

5 3-8-705. Financial reports – Requirement.

6 (a) A local-option ballot question committee that either receives
 7 contributions or makes expenditures in excess of five hundred dollars (\$500)
 8 for the purpose of expressly advocating the qualification, disqualification,
 9 passage, or defeat of a local-option ballot question shall file with the
 10 Arkansas Ethics Commission a Ballot Question Committee Financial Report as
 11 required by §§ 7-9-407 – 7-9-409.

12 (b) An individual person who on his or her own behalf expends in
 13 excess of five hundred dollars (\$500), excluding contributions, for the
 14 purpose of expressly advocating the qualification, disqualification, passage,
 15 or defeat of a local-option ballot question shall file with the commission
 16 financial reports as required by §§ 7-9-407 – 7-9-409.

17 ~~(b)(c)~~ A public servant or governmental body An elected official
 18 expending public funds in excess of five hundred dollars (\$500) for the
 19 purpose of expressly advocating the qualification, disqualification, passage,
 20 or defeat of a local-option ballot question shall file with the commission
 21 financial reports as required by §§ 7-9-407 – 7-9-409.

22 ~~(e)(d)~~ Except as provided in subsection ~~(d)(e)~~ of this section, a
 23 report required by this subchapter shall be deemed timely filed if it is:

24 (1) Hand-delivered to the commission on or before the date due;
 25 (2) Mailed to the commission, properly addressed, postage
 26 prepaid, bearing a postmark indicating that it was received by the post
 27 office or common carrier on or before the date due;

28 (3) Received via facsimile by the commission on or before the
 29 date due, provided that the original is received by the commission within ten
 30 (10) days of the transmission; or

31 (4) Received by the commission in a readable electronic format
 32 that is approved by the commission.

33 ~~(d)(e)~~ Whenever a report under this subchapter becomes due on a day
 34 that is a Saturday, Sunday, or legal holiday, the report shall be due the
 35 next day that is not a Saturday, Sunday, or legal holiday.

36 ~~(e)(f)~~ A preelection report is timely filed if it is received by the

1 commission no later than seven (7) days prior to the election for which it is
2 filed.

3
4 SECTION 4. Arkansas Code § 3-8-706 is amended to read as follows:

5 3-8-706. Financial report – Information.

6 In addition to the information required under §§ 7-9-407 – 7-9-409, a
7 financial report of a local-option ballot question committee, individual
8 person, or elected official shall contain the following information:

9 (1) The name, address, and telephone number of the committee,
10 individual person, or elected official filing the report;

11 (2)(A) For a local-option ballot question committee:

12 ~~(A)(i)~~ The total amount of contributions received
13 during the period covered by the financial report;

14 ~~(B)(ii)~~ The total amount of expenditures made by the
15 committee or on behalf of the committee by an advertising agency, public
16 relations firm, or political consultant during the period covered by the
17 financial report;

18 ~~(C)(iii)~~ The cumulative amount of contributions and
19 expenditures reported under subdivision (2)(A) of this section for each
20 local-option ballot question committee;

21 ~~(D)(iv)~~ The balance of cash and cash equivalents on
22 hand at the beginning and the end of the period covered by the financial
23 report;

24 ~~(E)(v)~~ The total amount of contributions received
25 during the period covered by the financial report from persons who
26 contributed less than fifty dollars (\$50.00) and the cumulative amount of
27 that total for each local-option ballot question committee;

28 ~~(F)(vi)~~ The total amount of contributions received
29 during the period covered by the financial report from persons who
30 contributed fifty dollars (\$50.00) or more and the cumulative amount of that
31 total for each local-option ballot question committee;

32 ~~(G)(vii)~~ The name and street address of each person
33 who contributed fifty dollars (\$50.00) or more during the period covered by
34 the financial report, together with the amount contributed, the date of
35 receipt, and the cumulative amount contributed by that person for each local-
36 option ballot question committee;

1 ~~(H)~~(viii) For each person listed under subdivision
 2 (2)(A) of this section, the contributor's principal place of business,
 3 employer, occupation, the amount contributed, the date the contribution was
 4 accepted by the local-option ballot question committee, and the cumulative
 5 amount contributed for each local-option ballot question;

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

10 ~~(J)~~(x) A list of all paid canvassers, officers, and
 11 directors and the amount each person was paid;

12 ~~(K)~~(xi) A list of all expenditures by category,
 13 including without limitation the following:

14 ~~(i)~~(a) Advertising;

15 ~~(ii)~~(b) Direct mail;

16 ~~(iii)~~(c) Office supplies;

17 ~~(iv)~~(d) Travel;

18 ~~(v)~~(e) Expenses; and

19 ~~(vi)~~(f) Telephone; and

20 ~~(L)~~(xii) The total amount of nonitemized
 21 expenditures made during the period covered by the financial report; ~~and~~

22 ~~(3) The name and street address of each person to whom~~
 23 ~~reimbursement for expenditures totaling one hundred dollars (\$100) or more~~
 24 ~~was made, together with the date and amount of each separate reimbursement to~~
 25 ~~each person during the period covered by the financial report and the purpose~~
 26 ~~of each expenditure.~~

27 (B) For an individual person:

28 (i) The total amount of expenditures made by the
 29 individual person or on behalf of the individual person by an advertising
 30 agency, public relations firm, or political consultant during the period
 31 covered by the financial report; and

32 (ii) The cumulative amount of expenditures for each
 33 local-option ballot question; and

34 (C) For an elected official using public funds:

35 (i) The total amount of expenditures made by the
 36 elected official using public funds or on behalf of the elected official

1 using public funds by an advertising agency, public relations firm, or
 2 political consultant during the period covered by the financial report; and

3 (ii) The cumulative amount of expenditures for each
 4 local-option ballot question; and

5 (3) The name and street address of each person to whom
 6 expenditures totaling one hundred dollars (\$100) or more were made by the
 7 committee, individual person, or elected official using public funds or on
 8 behalf of the committee, individual person, or elected official using public
 9 funds by an advertising agency, public relations firm, or political
 10 consultant, together with the date and amount of each separate expenditure to
 11 each person during the period covered by the financial report and the purpose
 12 of each expenditure.

13
 14 SECTION 5. Arkansas Code § 3-8-708(b), concerning financial reports of
 15 local-option ballot question committees, is amended to read as follows:

16 (b) A local-option ballot question committee, ~~or~~ individual person, or
 17 elected official who files a late financial report shall be subject to a late
 18 filing fee not to exceed fifty dollars (\$50.00) for each day the report
 19 remains unfiled.

20
 21 SECTION 6. Arkansas Code § 7-9-402 is amended to read as follows:
 22 7-9-402. Definitions.

23 As used in this subchapter:

24 (1) "Ballot question" means a question in the form of a
 25 statewide, county, municipal, or school district initiative or referendum
 26 which is submitted or intended to be submitted to a popular vote at an
 27 election, whether or not it qualifies for the ballot;

28 (2)(A) "Ballot question committee" means any person, located
 29 within or outside Arkansas, that receives contributions for the purpose of
 30 expressly advocating the qualification, disqualification, passage, or defeat
 31 of any ballot question, or any person, other than ~~a public servant~~ an elected
 32 official expending public funds, ~~a governmental body expending public funds,~~
 33 or an individual, located within or outside Arkansas, who makes expenditures
 34 for the purpose of expressly advocating the qualification, disqualification,
 35 passage, or defeat of any ballot question.

36 (B) A person other than an individual or an approved

1 political action committee as defined in § 7-6-201, located within or outside
2 Arkansas, also qualifies as a ballot question committee if two percent (2%)
3 or more of its annual revenues, operating expenses, or funds are used to make
4 a contribution or contributions to another ballot question committee and if
5 the contribution or contributions exceed ten thousand dollars (\$10,000) in
6 value;

7 (3)(A) "Contribution" means, whether direct or indirect,
8 advances, deposits, transfers of funds, contracts, or obligations, whether or
9 not legally enforceable, payments, gifts, subscriptions, assessments, payment
10 for services, dues, advancements, forbearance, loans, pledges, or promises of
11 money or anything of value, whether or not legally enforceable, to a person
12 for the purpose of expressly advocating the qualification, disqualification,
13 passage, or defeat of a ballot question or the passage or defeat of a
14 legislative question.

15 (B) "Contribution" includes the purchase of tickets for
16 events such as dinners, luncheons, rallies, and similar fundraising events,
17 and the granting of discounts or rebates by television and radio stations and
18 newspapers, not extended on an equal basis to all persons seeking to
19 expressly advocate the qualification, disqualification, passage, or defeat of
20 a ballot question or the passage or defeat of a legislative question.

21 (C) "Contribution" shall not include noncompensated,
22 nonreimbursed volunteer personal services or travel;

23 (4) "Contribution and expenditure" shall not include activities
24 designed solely to encourage individuals to register to vote or to vote, or
25 any communication by a bona fide church or religious denomination to its own
26 members or adherents for the sole purpose of protecting the right to practice
27 the religious tenets of the church or religious denomination, and
28 "expenditure" shall not include one made for communication by a person
29 strictly with the person's paid members or shareholders;

30 (5) "Disqualification of a ballot question" means any action or
31 process, legal or otherwise, which seeks to prevent a ballot question from
32 being on the ballot at an election;

33 (6) "Elected official" means any person holding an elective
34 office of any governmental body, whether elected or appointed to the office;

35 ~~(6)(7)~~ "Expenditure" means a purchase, payment, distribution,
36 gift, loan, or advance of money or anything of value, and a contract,

1 promise, or agreement to make an expenditure, for goods, services, materials,
 2 or facilities for the purpose of expressly advocating the qualification,
 3 disqualification, passage, or defeat of a ballot question or the passage or
 4 defeat of a legislative question;

5 (8) "Governmental body" means any office, department,
 6 commission, council, board, committee, legislative body, agency, or other
 7 establishment of the executive, judicial, or legislative branch of the state,
 8 municipality, county, school district, improvement district, or any political
 9 district or subdivision thereof;

10 ~~(7)~~(9) "Legislative question" means a question in the form of a
 11 measure referred by the General Assembly, a quorum court, a municipality, or
 12 a school district to a popular vote at an election;

13 ~~(8)(A)~~(10)(A) "Legislative question committee" means any person,
 14 located within or outside Arkansas, that receives contributions for the
 15 purpose of expressly advocating the passage or defeat of any legislative
 16 question or any person, other than ~~a public servant expending public funds, a~~
 17 ~~governmental body~~ an elected official expending public funds, or an
 18 individual, located within or outside Arkansas, who makes expenditures for
 19 the purpose of expressly advocating the passage or defeat of any legislative
 20 question.

21 (B) A person other than an individual or an approved
 22 political action committee as defined in § 7-6-201, located within or outside
 23 Arkansas, also qualifies as a legislative question committee if two percent
 24 (2%) or more of its annual revenues, operating expenses, or funds are used to
 25 make a contribution or contributions to another legislative question
 26 committee and if the contribution or contributions exceed ten thousand
 27 dollars (\$10,000) in value;

28 ~~(9)(A)~~(11)(A) "Person" means any individual, business,
 29 proprietorship, firm, partnership, joint venture, syndicate, business trust,
 30 labor organization, company, corporation, association, committee, or any
 31 other organization or group of persons acting in concert.

32 (B) "Person" includes an elected official using public
 33 funds to expressly advocate the qualification, disqualification, passage, or
 34 defeat of any ballot question or the passage or defeat of any legislative
 35 question; and

36 ~~(10)~~(12) "Qualification of a ballot question" means any action

1 or process, legal or otherwise, through which a ballot question obtains
2 certification to be on the ballot at an election.

3
4 SECTION 7. Arkansas Code § 7-9-404(d), concerning filing deadlines for
5 ballot question committees and legislative question committees, is amended to
6 read as follows:

7 (d) Upon dissolution, a ballot question committee or a legislative
8 question committee shall so notify the commission in writing. Any remaining
9 funds on hand at the time of dissolution shall be turned over to either:

10 (1) The Treasurer of State for the benefit of the General
11 Revenue Fund Account of the State Apportionment Fund;

12 (2) An organized political party as defined in § 7-1-101 or a
13 political party caucus of the General Assembly, the Senate, or House of
14 Representatives;

15 (3) A nonprofit organization that is exempt from taxation under
16 Section 501(c)(3) of the Internal Revenue Code; ~~or~~

17 (4) Cities of the first class, cities of the second class, or
18 incorporated towns; or

19 ~~(4)(5)~~ (5) The contributors to the ballot or legislative question
20 committee.

21
22 SECTION 8. Arkansas Code § 7-9-406(g), concerning financial reports of
23 ballot question committees and legislative question committees, is amended to
24 read as follows:

25 (g) A final financial report as described in § 7-9-409(a)(3) is
26 required regardless of whether a ballot question committee, individual,
27 ~~public servant, or governmental body~~ elected official received contributions
28 or made expenditures in excess of five hundred dollars (\$500).

29
30 SECTION 9. Arkansas Code § 7-9-407 is amended to read as follows:

31 7-9-407. Financial report – Information.

32 A financial report of a ballot question committee, a legislative
33 question committee, an individual person, or an elected official, as required
34 by § 7-9-406, shall contain the following information:

35 (1) The name, address, and telephone number of the committee,
36 individual person, or elected official filing the report;

1 (2)(A) For a committee:

2 (i) The total amount of contributions received
3 during the period covered by the financial report;

4 (ii) The total amount of expenditures made by the
5 committee or on behalf of the committee by an advertising agency, public
6 relations firm, or political consultant during the period covered by the
7 financial report;

8 (iii) The cumulative amount of contributions and
9 expenditures reported under subdivisions (2)(A)(i) and (ii) of this section
10 for each ballot question or legislative question;

11 (iv) The balance of cash and cash equivalents on
12 hand at the beginning and the end of the period covered by the financial
13 report;

14 (v) The total amount of contributions received
15 during the period covered by the financial report from persons who
16 contributed less than fifty dollars (\$50.00) and the cumulative amount of
17 that total for each ballot question or legislative question;

18 (vi) The total amount of contributions received
19 during the period covered by the financial report from persons who
20 contributed fifty dollars (\$50.00) or more, and the cumulative amount of that
21 total for each ballot question or legislative question;

22 (vii) The name and street address of each person who
23 contributed fifty dollars (\$50.00) or more during the period covered by the
24 financial report, together with the amount contributed, the date of receipt,
25 and the cumulative amount contributed by that person for each ballot question
26 or legislative question;

27 (viii) For each person listed under subdivision
28 (2)(A)(vii) of this section, the contributor's principal place of business,
29 employer, occupation, the amount contributed, the date the contribution was
30 accepted by the committee, and the cumulative amount contributed for each
31 ballot question or legislative question;

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

36 (x) A list of all paid canvassers, officers, and

1 directors and the amount each person was paid;

2 (xi) A list of all expenditures by category,
3 including without limitation the following:

4 (a) Advertising;

5 (b) Direct mail;

6 (c) Office supplies;

7 (d) Travel;

8 (e) Expenses; and

9 (f) Telephone; and

10 (xii) The total amount of nonitemized expenditures
11 made during the period covered by the financial report;

12 (B) For an individual person:

13 (i) The total amount of expenditures made by the
14 individual person or on behalf of the individual person by an advertising
15 agency, public relations firm, or political consultant during the period
16 covered by the financial report; and

17 (ii) The cumulative amount of expenditures for each
18 ballot question or legislative question; and

19 (C) For a ~~public servant~~ an elected official using public
20 funds ~~or governmental body using public funds~~:

21 (i) The total amount of expenditures made by the
22 ~~public servant~~ elected official using public funds ~~or governmental body using~~
23 ~~public funds~~ or on behalf of the ~~public servant~~ elected official using public
24 funds ~~or governmental body using public funds~~ by an advertising agency,
25 public relations firm, or political consultant during the period covered by
26 the financial report; and

27 (ii) The cumulative amount of expenditures for each
28 ballot question or legislative question; and

29 (3) The name and street address of each person to whom
30 expenditures totaling one hundred dollars (\$100) or more were made by the
31 committee, individual person, ~~public servant~~ or elected official using public
32 funds, ~~or governmental body using public funds~~ or on behalf of the committee,
33 individual person, ~~public servant~~ or elected official using public funds, ~~or~~
34 ~~governmental body using public funds~~ by an advertising agency, public
35 relations firm, or political consultant, together with the date and amount of
36 each separate expenditure to each person during the period covered by the

1 financial report and the purpose of each expenditure.

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