

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.  
Act 2006 of the Regular Session

1 State of Arkansas  
2 85th General Assembly  
3 Regular Session, 2005  
4

# A Bill

SENATE BILL 1146

5 By: Senators Baker, Malone, Womack  
6 By: Representatives Lamoureux, J. Martin  
7  
8

## For An Act To Be Entitled

9 AN ACT TO CLARIFY CERTAIN SECTIONS OF THE  
10 ARKANSAS CODE CONCERNING POLITICAL ACTION  
11 COMMITTEES, WHICH RESULT FROM INITIATED ACT 1 OF  
12 1990 AND INITIATED ACT 1 OF 1996; AND FOR OTHER  
13 PURPOSES.  
14

## Subtitle

15 AN ACT TO CLARIFY CERTAIN SECTIONS OF  
16 THE ARKANSAS CODE PERTAINING TO  
17 POLITICAL ACTION COMMITTEES.  
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21

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
23

24 SECTION 1. Arkansas Code § 7-6-201, resulting from Initiated Act 1 of  
25 1990, is amended to read as follows:

26 7-6-201. Definitions.

27 As used in this subchapter, unless the context otherwise requires:

28 (1)(A) "Approved political action committee" means any person  
29 who:

30 (i) Receives contributions from one (1) or more  
31 persons in order to make contributions to candidates, ballot question  
32 committees, legislative question committees, political parties, county  
33 political party committees, or other political action committees;

34 (ii) Does not accept any contribution or cumulative  
35 contributions in excess of five thousand dollars (\$5,000) from any person in



1 any calendar year; and

2 (iii) ~~Has been registered~~ Registers pursuant to § 7-  
3 6-215 ~~for at least four (4) continuous months~~ prior to making contributions  
4 ~~to candidates.~~

5 (B) "Approved political action committee" shall not  
6 include an organized political party as defined in § 7-1-101~~(16)~~, a county  
7 political party committee, the candidate's own campaign committee, ~~or an~~  
8 exploratory committee, or a ballot or legislative question committee as  
9 defined in § 7-9-402;

10 (2) "Candidate" means any ~~person~~ individual who has knowingly  
11 and willingly taken affirmative action, including solicitation of funds, for  
12 the purpose of seeking nomination for or election to any public office;

13 (3) "Carryover funds" means the amount of campaign funds  
14 retained from the last election by the candidate for future use but not to  
15 exceed the annual salary, excluding expense allowances, set by Arkansas law  
16 for the office sought;

17 (4)(A) "Contribution" means, whether direct or indirect,  
18 advances, deposits, or transfers of funds, contracts, or obligations, whether  
19 or not legally enforceable, payments, gifts, subscriptions, assessments,  
20 payment for services, dues, advancements, forbearance, loans, pledge or  
21 promise of money or anything of value, whether or not legally enforceable, to  
22 a candidate, committee, or holder of elective office, made for the purpose of  
23 influencing the nomination or election of any candidate, ~~and.~~

24 (B) "Contribution" includes the purchase of tickets for  
25 events such as dinners, luncheons, rallies, and similar fundraising events;  
26 the granting of discounts or rebates by television and radio stations and  
27 newspapers not extended on an equal basis to all candidates for the same  
28 office; and any payments for the services of any person serving as an agent  
29 of a candidate or committee by a person other than the candidate or committee  
30 or persons whose expenditures the candidates or committee must report under  
31 this subchapter. The term "contribution" further includes any transfer of  
32 anything of value received by a committee from another committee.

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

35 (5) "Contribution and expenditure" shall not include activity  
36 sponsored and funded by organized political parties as defined in § 7-1-

1 101~~(16)~~ to promote their candidates or nominees through events such as  
 2 dinners, luncheons, rallies, or similar gatherings and shall not include  
 3 nonpartisan activity designed to encourage individuals to register to vote,  
 4 or to vote, or any communication by any membership organization to its  
 5 members or stockholders if the membership organization or corporation is not  
 6 organized primarily for the purpose of influencing the nomination for  
 7 election, or election, of any candidate;

8 (6) "County political party committee" means a person that:

9 (A) Is organized at the county level for the purpose of  
 10 supporting its affiliate party and making contributions;

11 (B) Is recognized by an organized political party, as  
 12 defined in § 7-1-101, as being affiliated with that political party;

13 (C) Receives contributions from one (1) or more persons in  
 14 order to make contributions to candidates, ballot question committees,  
 15 legislative question committees, political parties, political action  
 16 committees, or other county political party committees;

17 (D) Does not accept any contribution or cumulative  
 18 contributions in excess of five thousand dollars (\$5,000) from any person in  
 19 any calendar year; and

20 (E) Registers pursuant to § 7-6-226 prior to making  
 21 contributions;

22 ~~(6)~~(7) "Election" means each election held to nominate or elect  
 23 a candidate to any public office, including school elections. For the  
 24 purposes of this subchapter, a preferential primary, a general primary, a  
 25 special election, and a general election shall each constitute a separate  
 26 election;

27 ~~(7)~~(8) "Expenditure" means a purchase, payment, distribution,  
 28 gift, loan, or advance of money or anything of value, and a contract,  
 29 promise, or agreement to make an expenditure, made for the purpose of  
 30 influencing the nomination or election of any candidate;

31 ~~(8)~~(9) "Exploratory committee" means a person who receives  
 32 contributions which are held to be transferred to the campaign of a single  
 33 candidate in an election. "Exploratory committee" shall not include an  
 34 organized political party as defined in § 7-1-101~~(16)~~ or the candidate's own  
 35 campaign committee;

36 ~~(9)~~(10) "Financial institution" means any commercial bank,

1 savings and loan, mutual savings bank or savings bank, insurance company  
 2 brokerage house, or any corporation that is in the business of lending money  
 3 and that is subject to state or federal regulation;

4 ~~(10)~~(11) An "independent expenditure" is any expenditure which  
 5 is not a contribution and:

6 (A) Expressly advocates the election or defeat of a  
 7 clearly identified candidate for office;

8 (B) Is made without arrangement, cooperation, or  
 9 consultation between any candidate or any authorized committee or agent of  
 10 the candidate and the person making the expenditure or any authorized agent  
 11 of that person; and

12 (C) Is not made in concert with or at the request or  
 13 suggestion of any candidate or any authorized committee or agent of the  
 14 candidate;

15 ~~(11)~~(12) "Independent expenditure committee" means any person  
 16 who receives contributions from one (1) or more persons in order to make an  
 17 independent expenditure and is registered pursuant to § 7-6-215 prior to  
 18 making expenditures;

19 (13)(A) "Legislative caucus committee" means a person that is  
 20 composed exclusively of members of the General Assembly, that elects or  
 21 appoints officers and recognizes identified legislators as members of the  
 22 organization, and that exists for research and other support of policy  
 23 development and interests that the membership hold in common.

24 (B) "Legislative caucus committee" includes, but is not  
 25 limited to, a political party caucus of the General Assembly, the Senate, or  
 26 the House of Representatives.

27 (C) An organization whose only nonlegislator members are  
 28 the Lieutenant Governor or the Governor is a "legislative caucus committee"  
 29 for the purposes of this subchapter;

30 ~~(12)~~(14) "Person" means any individual, proprietorship, firm,  
 31 partnership, joint venture, syndicate, labor union, business trust, company,  
 32 corporation, association, committee, or any other organization or group of  
 33 persons acting in concert. It shall also include organized political parties  
 34 as defined in § 7-1-101~~(16)~~, county political party committees, and  
 35 legislative caucus committees;

36 ~~(13)~~(15)(A) "Prohibited political action committee" means any

1 person who receives contributions from one (1) or more persons in order to  
 2 make contributions to candidates but who does not meet the requirements of an  
 3 approved political action committee ~~or a small donor political action~~  
 4 ~~committee.~~

5 (B) "Prohibited political action committee" shall not  
 6 include an organized political party as defined in § 7-1-101~~(16)~~, the  
 7 candidate's own campaign committee, a county political party committee, ~~or an~~  
 8 exploratory committee, or a ballot or legislative question committee;

9 ~~(14)~~(16) "Public office" means any office created by or under  
 10 authority of the laws of the State of Arkansas, or of a subdivision thereof,  
 11 that is filled by the voters, except a federal office; and

12 ~~(15)~~ ~~A "small donor political action committee" means any person~~  
 13 ~~who:~~

14 ~~(A) Receives contributions from one (1) or more~~  
 15 ~~individuals in order to make contributions to candidates;~~

16 ~~(B) Does not accept any contribution or cumulative~~  
 17 ~~contributions in excess of twenty five dollars (\$25) from any individual in~~  
 18 ~~any calendar year; and~~

19 ~~(C) Is registered pursuant to § 7-6-215 prior to making~~  
 20 ~~contributions to candidates. "Small donor political action committee" shall~~  
 21 ~~not include an organized political party, the candidate's own campaign~~  
 22 ~~committee, or an exploratory committee; and~~

23 ~~(16)~~(17) "Surplus campaign funds" means any balance of campaign  
 24 funds over expenses incurred as of the day of the election except for:

25 (A) Carryover funds; and

26 (B) Any funds required to reimburse the candidate for  
 27 personal funds contributed to the campaign or to repay loans made by  
 28 financial institutions to the candidate and applied to the campaign.

29  
 30 SECTION 2. Arkansas Code § 7-6-215, resulting from Initiated Act 1 of  
 31 1990 and Initiated Act 1 of 1996, is amended to read as follows:

32 7-6-215. Registration and reporting by approved political action  
 33 committees.

34 (a)(1)(A) To qualify as an approved political action committee, the  
 35 committee shall register with the Secretary of State within fifteen (15) days  
 36 after accepting contributions during a calendar year which, in the aggregate,

1 exceed five hundred dollars (\$500).

2 (B) Such registration shall be annually renewed by January  
3 15, unless the committee has ceased to exist.

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

7 (2)(A) The committee shall maintain for a period of four (4)  
8 years records evidencing the name, address, and place of employment of each  
9 person who contributed to the committee, along with the amount contributed.

10 (B) Furthermore, the committee shall maintain for a period  
11 of four (4) years records evidencing the name and address of each candidate  
12 who received a contribution from the committee, along with the amount  
13 contributed.

14 (3)(A) The committee shall appoint a treasurer who is a  
15 qualified elector of this state.

16 (B) No contribution shall be accepted from a committee and  
17 no expenditure shall be made by a committee which has not registered and  
18 which does not have a treasurer.

19 (4) An out-of-state committee shall be required to comply with  
20 the registration and reporting provisions of this section, including the  
21 appointment of a treasurer who is a qualified elector of this state and the  
22 establishment of an account in a depository within this state, if the  
23 committee contributes more than five hundred dollars (\$500) in a calendar  
24 year to candidates, ballot question committees, legislative question  
25 committees, political parties, county political party committees, or other  
26 political action committees.

27 (b) The approved political action committee shall disclose on the  
28 registration form the following information:

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

33 (2) The professional, business, trade, labor, or other interests  
34 represented by the committee, including any individual business,  
35 organization, association, corporation, labor organization, or other group or  
36 firm whose interests will be represented by the committee-;

1 (3) [Repealed.]

2 (4) The full name and street address, city, state, and zip code  
3 of the financial institution in this state that the committee shall designate  
4 as its official depository for the purposes of depositing all money  
5 contributions which it receives in this state and making all expenditures in  
6 this state; and

7 (5) A written acceptance of appointment by the treasurer.

8 ~~(e) A small donor political action committee shall comply with all~~  
9 ~~provisions of this section.~~

10 ~~(d)~~(c)(1) Within fifteen (15) calendar days after the end of each  
11 calendar quarter, political action committees shall file a quarterly report  
12 with the Secretary of State, including the following information:

13 (A) The total amount of contributions received and the  
14 total amount of contributions made during the filing period and the  
15 cumulative amount of those totals;

16 (B) The current balance of committee funds;

17 (C) The name and address of each person who made a  
18 contribution, or contributions, to the committee which, in the aggregate,  
19 exceeded five hundred dollars (\$500), the contributor's place of business,  
20 employer, occupation, the date of the contribution, the amount contributed  
21 and the total contributed for the year;

22 (D) The name and address of each candidate or committee,  
23 if any, to whom or which the committee made a contribution or contributions  
24 which, in the aggregate, exceeded fifty dollars (\$50.00) during the filing  
25 period, with the amount contributed and the ~~office sought for each candidate~~  
26 election for which the contribution was made;

27 (E) The total amount of expenditures made for  
28 administrative expenses and, for each single expenditure which exceeds one  
29 hundred dollars (\$100), an itemization including the amount of the  
30 expenditure, the name and address of the person to whom the expenditure was  
31 made, and the date the expenditure was made; and

32 (F) Any change in information required in subsection (b).

33 (2) The reports shall be verified by an affidavit of an officer  
34 of the committee stating that to the best of his knowledge and belief the  
35 information so disclosed is a complete, true, and accurate financial  
36 statement of the committee's contributions received and made.

1           (3)(A) A report is timely filed if it is either hand delivered  
2 or mailed to the Secretary of State, properly addressed, postage prepaid,  
3 bearing a postmark indicating that it was received by the post office or  
4 common carrier on the date that the report is due.

5           (B) The Secretary of State shall accept via facsimile any  
6 report if the original is received by the Secretary of State within ten (10)  
7 days of the date of transmission.

8           (C) The Secretary of State may receive reports in a  
9 readable electronic format which is acceptable to the Secretary of State and  
10 approved by the Arkansas Ethics Commission.

11  
12           SECTION 3. Arkansas Code Title 7, Chapter 6, Subchapter 2, pertaining  
13 to campaign finance and resulting from Initiated Act 1 of 1990 and Initiated  
14 Act 1 of 1996, is amended to add an additional section to read as follows:

15           7-6-226. Registration and reporting by county political party  
16 committees.

17           (a)(1)(A) To qualify as a county political party committee, the  
18 committee shall register with the Secretary of State within fifteen (15) days  
19 after accepting contributions during a calendar year which, in the aggregate,  
20 exceed five thousand dollars (\$5,000).

21           (B) The registration shall be annually renewed by January  
22 15, unless the committee has ceased to exist.

23           (C) Registration shall be on forms provided by the  
24 Secretary of State, and the contents of the form shall be verified by an  
25 affidavit of an officer of the committee.

26           (2)(A) The committee shall maintain for a period of four (4)  
27 years records evidencing the name, address, and place of employment of each  
28 person who contributed to the committee, along with the amount contributed.

29           (B) Furthermore, the committee shall maintain for a period  
30 of four (4) years records evidencing the name and address of each candidate  
31 who received a contribution from the committee, along with the amount  
32 contributed.

33           (3)(A) The committee shall appoint a treasurer who is a  
34 qualified elector of the State of Arkansas.

35           (B) No contribution shall be accepted from a committee and  
36 no expenditure shall be made by a committee which has not registered and



1 which does not have a treasurer.

2 (b) The county political party committee shall disclose on the  
3 registration form the following information:

4 (1) The name, address, and, when available, phone number of the  
5 committee and the name, address, phone number, and place of employment of  
6 each of its officers, however, if the committee's name is an acronym, then  
7 both the acronym and the words forming the acronym shall be disclosed;

8 (2) The political party with which the county political party  
9 committee is affiliated;

10 (3) The full name and street address, city, state, and zip code  
11 of the financial institution in this state that the committee shall designate  
12 as its official depository for the purposes of depositing all money  
13 contributions that it receives in this state and making all expenditures in  
14 this state; and

15 (4) A written acceptance of appointment by the treasurer.

16 (c)(1) Within fifteen (15) calendar days after the end of each  
17 calendar quarter, county political party committees shall file a quarterly  
18 report with the Secretary of State, including the following information:

19 (A) The total amount of contributions received and the  
20 total amount of contributions made during the filing period and the  
21 cumulative amount of those totals;

22 (B) The current balance of committee funds;

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

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

33 (E) The total amount of expenditures made for  
34 administrative expenses and, for each single expenditure which exceeds one  
35 hundred dollars (\$100), an itemization including the amount of the  
36 expenditure, the name and address of the person to whom the expenditure was

1 made, and the date the expenditure was made; and

2 (F) Any change in the information required by subsection  
 3 (b) of this section.

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

8 (3)(A) A report is timely filed if it is either hand delivered  
 9 or mailed to the Secretary of State, properly addressed, postage prepaid,  
 10 bearing a postmark indicating that it was received by the post office or  
 11 common carrier on the date that the report is due.

12 (B) The Secretary of State shall accept via facsimile any  
 13 report if the original is received by the Secretary of State within ten (10)  
 14 days of the date of transmission.

15 (C) The Secretary of State may receive reports in a  
 16 readable electronic format which is acceptable to the Secretary of State and  
 17 approved by the Ethics Commission.

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 20 **APPROVED: 04/11/2005**  
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