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4

As Engrossed: S2/21/11 H3/15/11

A Bill

SENATE BILL 290

5 By: Senators G. Baker, R. Thompson, J. Key, D. Johnson
6

For An Act To Be Entitled

8 AN ACT TO CLARIFY ARKANSAS ETHICS LAWS; AMENDING
9 PORTIONS OF ARKANSAS LAW RESULTING FROM INITIATED ACT
10 1 OF 1990 AND INITIATED ACT 1 OF 1996; AND FOR OTHER
11 PURPOSES.
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13

Subtitle

14 TO CLARIFY ARKANSAS ETHICS LAWS.
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18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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20 SECTION 1. Arkansas Code § 7-1-103(a)(7)(A)(i), concerning articles,
21 statements, or communications intended to influence an elector's vote, is
22 amended to read as follows:

23 (7)(A)(i) All articles, statements, or communications
24 appearing in any newspaper printed or circulated in this state intended or
25 calculated to influence the vote of any elector in any election and for the
26 publication of which a consideration is paid or to be paid shall clearly
27 contain the words "Paid Political Advertisement", ~~or~~ "Paid Political Ad", or
28 "Paid for by" the candidate, committee, or person who paid for the message.
29

30 SECTION 2. Arkansas Code § 7-6-201, resulting from Initiated Act 1 of
31 1990 and Initiated Act 1 of 1996, is amended to read as follows:

32 7-6-201. Definitions.

33 As used in this subchapter:

34 (1)(A) "Approved political action committee" means any person
35 that:

36 (i) Receives contributions from one (1) or more



1 persons in order to make contributions to candidates, ballot question
2 committees, legislative question committees, political parties, county
3 political party committees, or other political action committees;

4 (ii) Does not accept any contribution or cumulative
5 contributions in excess of five thousand dollars (\$5,000) from any person in
6 any calendar year; and

7 (iii) Registers pursuant to § 7-6-215 prior to
8 making contributions.

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

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

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

21 (4)(A) "Contribution" means, whether direct or indirect,
22 advances, deposits, or transfers of funds, contracts, or obligations, whether
23 or not legally enforceable, payments, gifts, subscriptions, assessments,
24 payment for services, dues, advancements, forbearance, loans, or pledges or
25 promises of money or anything of value, whether or not legally enforceable,
26 to a candidate, committee, or holder of elective office made for the purpose
27 of influencing the nomination or election of any candidate.

28 (B)(i) "Contribution" includes the purchase of tickets for
29 events such as dinners, luncheons, rallies, and similar fundraising events;
30 the granting of discounts or rebates by television and radio stations and
31 newspapers not extended on an equal basis to all candidates for the same
32 office; and any payments for the services of any person serving as an agent
33 of a candidate or committee by a person other than the candidate or committee
34 or persons whose expenditures the candidates or committee must report under
35 this subchapter.

36 (ii) "Contribution" further includes any transfer of

1 anything of value received by a committee from another committee.

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

4 (5) "Contribution and expenditure" shall not include activity
5 sponsored and funded by ~~organized political parties as defined in § 7-1-101 a~~
6 political party that meets the definition of a political party under § 7-1-
7 101 or a political party that meets the requirements of § 7-7-205 to promote
8 their candidates or nominees through events such as dinners, luncheons,
9 rallies, or similar gatherings and shall not include nonpartisan activity
10 designed to encourage individuals to register to vote or to vote or any
11 communication by any membership organization to its members or stockholders
12 if the membership organization or corporation is not organized primarily for
13 the purpose of influencing the nomination for election or election of any
14 candidate;

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

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

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

20 (C) Receives contributions from one (1) or more persons in
21 order to make contributions to candidates, ballot question committees,
22 legislative question committees, political parties, political action
23 committees, or other county political party committees;

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

27 (E) Registers pursuant to § 7-6-226 prior to making
28 contributions;

29 (7) "Election" means each election held to nominate or elect a
30 candidate to any public office, including school elections. For the purposes
31 of this subchapter, a preferential primary, a general primary, a special
32 election, and a general election shall each constitute a separate election;

33 (8) "Expenditure" means a purchase, payment, distribution, gift,
34 loan, or advance of money or anything of value, and a contract, promise, or
35 agreement to make an expenditure, made for the purpose of influencing the
36 nomination or election of any candidate;

1 (9)(A) "Exploratory committee" means a person that receives
2 contributions which are held to be transferred to the campaign of a single
3 candidate in an election.

4 (B) "Exploratory committee" shall not include ~~an~~
5 ~~organized political party as defined in § 7-1-101;~~

6 (i) A political party:

7 (a) That meets the definition of a political
8 party under § 7-1-101; or

9 (b) A political party that meets the
10 requirements of § 7-7-205; or

11 (ii) ~~the~~ The candidate's own campaign committee;

12 (10) "Financial institution" means any commercial bank, savings
13 and loan, mutual savings bank or savings bank, insurance company brokerage
14 house, or any corporation that is in the business of lending money and that
15 is subject to state or federal regulation;

16 (11) An "independent expenditure" is any expenditure which is
17 not a contribution and:

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

20 (B) Is made without arrangement, cooperation, or
21 consultation between any candidate or any authorized committee or agent of
22 the candidate and the person making the expenditure or any authorized agent
23 of that person; and

24 (C) Is not made in concert with or at the request or
25 suggestion of any candidate or any authorized committee or agent of the
26 candidate;

27 (12) "Independent expenditure committee" means any person that
28 receives contributions from one (1) or more persons in order to make an
29 independent expenditure and is registered pursuant to § 7-6-227 prior to
30 making expenditures;

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

36 (B) "Legislative caucus committee" includes, but is not

1 limited to, a political party caucus of the General Assembly, the Senate, or
2 the House of Representatives.

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

6 (14)(A) "Person" means any individual, proprietorship, firm,
7 partnership, joint venture, syndicate, labor union, business trust, company,
8 corporation, association, committee, or any other organization or group of
9 persons acting in concert.

10 (B) ~~It~~ "Person" shall also include ~~organized political~~
11 ~~parties as defined in § 7-1-101;~~

12 (i) A political party that meets the definition of a
13 political party under § 7-1-101 or a political party that meets the
14 requirements of § 7-7-205;

15 (ii) ~~county~~ County political party committees; and

16 (iii) ~~legislative~~ Legislative caucus committees;

17 (15)(A) "Prohibited political action committee" means any person
18 that receives contributions from one (1) or more persons in order to make
19 contributions to candidates, ballot question committees, legislative question
20 committees, political parties, county political party committees, or other
21 political action committees but that does not meet the requirements of an
22 approved political action committee.

23 (B) "Prohibited political action committee" shall not
24 include ~~an organized political party as defined in § 7-1-101;~~

25 (i) A political party that meets the definition of a
26 political party under § 7-1-101 or a political party that meets the
27 requirements of § 7-7-205;

28 (ii) ~~the~~ The candidate's own campaign committee; and

29 (iii) ~~a~~ A county political party committee; and

30 (iv) ~~an~~ An exploratory committee; or

31 (v) ~~a~~ A ballot or legislative question committee;

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

35 (17) "Surplus campaign funds" means any balance of campaign
36 funds over expenses incurred as of the day of the election except for:

1 (A) Carryover funds; and

2 (B) Any funds required to repay loans made by the
3 candidate from his or her personal funds to the campaign or to repay loans
4 made by financial institutions to the candidate and applied to the campaign;
5 and

6 (18)(A) "Written instrument" means a check on which the
7 contributor is directly liable or which is written on a personal account,
8 trust account, partnership account, business account, or other account that
9 contains the contributor's funds.

10 (B) As used in § 7-6-204 in the case of a contribution by
11 credit card or debit card, "written instrument" includes without limitation:

12 (i) A paper record signed by the cardholder,
13 provided that the paper record contains the following information for the
14 cardholder at the time of making the contribution:

15 (a) Valid name;

16 (b) Complete address;

17 (c) Place of business;

18 (d) Employer; and

19 (e) Occupation; or

20 (ii) In the case of a contribution made through the
21 Internet, an electronic record created and transmitted by the cardholder,
22 provided that the electronic record contains the following information for
23 the cardholder at the time of making the contribution:

24 (a) Valid name;

25 (b) Complete address;

26 (c) Place of business;

27 (d) Employer; and

28 (e) Occupation.

29

30 SECTION 3. Arkansas Code § 7-6-203(e), concerning contributions from a
31 prohibited political action committee and resulting from Initiated Act 1 of
32 1990 and Initiated Act 1 of 1996, is amended to read as follows:

33 (e)(1) It shall be unlawful for any candidate for any public office or
34 any person acting in the candidate's behalf to accept any contribution from a
35 prohibited political action committee for any election.

36 (2) It shall be unlawful for any prohibited political action

1 committee to make a contribution to a candidate for public office in an
2 election.

3 (3) It shall be unlawful for any ballot question committee,
4 legislative question committee, political party, county political party
5 committee, or approved political action committee to accept any contribution
6 from a prohibited political action committee.

7 (4) It shall be unlawful for any prohibited political action
8 committee to make a contribution to a:

- 9 (A) ~~Ballot~~ A ballot question committee;
- 10 (B) ~~Legislative~~ A legislative question committee;
- 11 (C) ~~Political~~ A political party;
- 12 (D) ~~County~~ A county political party committee; or
- 13 (E) ~~Political~~ An approved political action committee.

14

15 SECTION 4. Arkansas Code § 7-6-203(h), concerning surplus campaign
16 funds and resulting from Initiated Act 1 of 1990 and Initiated Act 1 of 1996,
17 is amended to read as follows:

18 (h)(1) Within thirty (30) days following the end of the month in
19 which ~~the general~~ an election is held or a candidate has withdrawn, a
20 candidate shall turn over surplus campaign funds to either:

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

23 (B) A political party as defined in § 7-1-101 or a
24 political party caucus of the General Assembly, the Senate, or the House of
25 Representatives;

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

28 (D) Cities of the first class, cities of the second class,
29 or incorporated towns; or

30 (E) The contributors to the candidate's campaign.

31 (2) If the candidate's campaign has not ended, disposal of
32 surplus campaign funds shall not be required and the candidate may carry
33 forward any remaining funds to the general primary election, general
34 election, or general runoff election for that same office.

35 ~~(2)(3)~~(A) If an unopposed candidate agrees not to solicit
36 further campaign contributions by filing an affidavit declaring such an

1 agreement, the candidate may dispose of any surplus campaign funds prior to a
2 general election as soon as the time has passed to declare an intent to be a
3 write-in candidate pursuant to § 7-5-205.

4 (B) For unopposed candidates for nonpartisan judicial
5 office, the affidavit may be filed after the deadlines have passed to declare
6 as a filing fee candidate, petition candidate, or write-in candidate under §
7 7-10-103.

8 (C) The affidavit shall be filed in the office in which
9 the candidate is required to file reports of contributions received and
10 expenditures made.

11 (D) Unopposed candidates and defeated candidates who file
12 the affidavit are exempt from further reporting requirements provided that
13 the affidavit contains:

14 (i) All campaign activity not previously reported;
15 and

16 (ii) A statement that the candidate's campaign fund
17 has a zero (\$0.00) balance.

18 ~~(3)(4)~~(A) Carryover funds may be expended at any time for any
19 purpose not prohibited by this chapter and may be used as campaign funds for
20 seeking any public office. Nothing shall prohibit a person at any time from
21 disposing of all or any portion of his or her carryover funds in the same
22 manner as for surplus campaign funds. However, the candidate shall not take
23 the funds as personal income or as income for his or her spouse or dependent
24 children.

25 (B)(i) When a person having carryover funds files as a
26 candidate for public office, his or her carryover funds shall be transferred
27 to the person's active campaign fund. Once transferred, the funds will no
28 longer be treated as carryover funds.

29 (ii) This subdivision ~~(h)(3)(B)~~ (h)(4)(B) shall not
30 apply to carryover funds from an election held prior to July 1, 1997.

31 (iii) This subdivision ~~(h)(3)(B)~~ (h)(4)(B) shall not
32 apply to a campaign debt.

33 (C)(i) If carryover funds are expended prior to
34 transferring the funds to an active campaign fund, the expenditures shall be
35 reported pursuant to this subdivision ~~(h)(3)(C)~~ (h)(4)(C). A person shall
36 file an expenditure report concerning carryover funds if since the last

1 report concerning the carryover funds, the person has expended in excess of
2 five hundred dollars (\$500). The report shall be filed at the office in which
3 the candidate was required to file his or her campaign contribution and
4 expenditure reports for the previous campaign not later than fifteen (15)
5 days after a calendar quarter in which a report becomes required. No report
6 is required in any calendar quarter in which the cumulative expenditure limit
7 has not been exceeded since the person's last report.

8 (ii) The person shall also file an expenditure
9 report for the calendar quarter in which he or she transfers the carryover
10 funds to an active campaign fund.

11 (iii) A person who retains carryover funds shall
12 file an annual report outlining the status of the carryover fund account as
13 of December 31 unless the person has filed a quarterly report during the
14 calendar year pursuant to subdivisions ~~(h)(3)(C)(i) and (ii)~~ (h)(4)(C)(i) and
15 (ii) of this section. The annual report shall be due by January 31 of each
16 year.

17 (iv) The carryover fund reports of a candidate for
18 school district, township, municipal, or county office shall be filed with
19 the county clerk of the county in which the election was held.

20 (v) The carryover fund reports of a candidate for
21 state or district office shall be filed with the Secretary of State.

22 (D)(i) Carryover funds may be retained by a person for not
23 more than ten (10) years after the last election at which he or she was a
24 candidate, or if applicable, not more than ten (10) years after the last day
25 that the person held office, and any remaining carryover funds shall be
26 disposed of in the same manner as for surplus campaign funds.

27 (ii)(a) The officer with whom the person last filed
28 a final campaign report shall provide the person timely notice of the
29 requirements of this subdivision ~~(h)(3)(D)~~ (h)(4)(D) prior to the expiration
30 of the ten-year period.

31 (b) However, failure to provide the notice
32 does not relieve the person of his or her obligation under this subsection.

33 ~~(4)(5)~~ After the date of an election at which the person is a
34 candidate for nomination or election, the person shall not accept campaign
35 contributions for that election except for the sole purpose of raising funds
36 to retire campaign debt.

1 ~~(5)~~(6) Surplus campaign funds or carryover funds given to a
2 political party caucus shall be segregated in an account separated from other
3 caucus funds and shall not be used:

4 (A) By the political party caucus to make a campaign
5 contribution; or

6 (B) To provide any personal income to any candidate who
7 donated surplus campaign funds or carryover funds. A candidate may maintain
8 his or her campaign funds in one (1) or more campaign accounts. Campaign
9 funds shall not be placed in an account containing personal or business
10 funds.

11
12 SECTION 5. Arkansas Code § 7-6-204 is amended as follows:

13 7-6-204. Restriction on cash contributions or expenditures –
14 Exception.

15 (a) No campaign contribution in excess of one hundred dollars (\$100)
16 or expenditure in excess of fifty dollars (\$50.00) shall be made or received
17 in cash.

18 (b) All contributions or expenditures in behalf of a campaign
19 activity, other than in-kind contributions and expenditures, in excess of the
20 amounts mentioned in subsection (a) of this section shall be made:

21 (1) ~~by~~ By a written instrument containing the name of the donor
22 and the name of the payee;

23 (2) By credit card or debit card where the transaction results
24 in a paper record signed by the cardholder, provided that the paper record
25 contains the following information for the cardholder at the time of making
26 the contribution:

27 (a) Valid name;

28 (b) Complete address;

29 (c) Place of business;

30 (d) Employer; and

31 (e) Occupation; or

32 (3) By transaction that results in an electronic record created
33 or transmitted by the cardholder where a contribution or expenditure is made
34 through the Internet, provided that the electronic record contains the
35 following information for the cardholder at the time of making the
36 contribution:

- 1 (a) Valid name;
 2 (b) Complete address;
 3 (c) Place of business;
 4 (d) Employer; and
 5 (e) Occupation.

6 (c) The payment of filing fees may be in cash even though the amount
 7 exceeds fifty dollars (\$50.00). The candidate shall obtain a receipt for the
 8 payment and shall report it as a campaign expenditure.

9

10 SECTION 6. Arkansas Code § 7-6-207(b), concerning the contents of
 11 contribution and expenditure reports and resulting from Initiated Act 1 of
 12 1990 and Initiated Act 1 of 1996, is amended to read as follows:

13 (b) Contents of Reports.

14 (1) The contribution and expenditure reports required by
 15 subsection (a) of this section shall indicate:

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

19 (B) The name and address of each person, including the
 20 candidate, who made a contribution or contributions that in the aggregate
 21 exceeded fifty dollars (\$50.00), ~~the contributor's place of business,~~
 22 ~~employer, occupation, and date of the contribution and the amount~~
 23 ~~contributed;~~

24 (C) The contributor's principal place of business,
 25 employer, occupation, the amount contributed, the date the contribution was
 26 accepted by the candidate, and the aggregate contributed for each election;

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

31 (E) An itemization of all single expenditures made ~~which~~
 32 ~~that~~ exceed one hundred dollars (\$100), including the:

- 33 ~~i amount~~ Amount of the expenditures; ~~i~~
 34 ~~ii the name~~ Name and address of any person,
 35 including the candidate, to whom the expenditure was made; ~~i~~ and
 36 ~~iii the date~~ Date the expenditure was made;

1 (F) A list of all paid campaign workers and the amount the
2 workers were paid;

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

5 (i)(a) Television;

6 (b) Radio;

7 (c) Print; and

8 (d) Other advertising;

9 (ii) Direct mail;

10 (iii) Office supplies;

11 (iv) Rent;

12 (v) Travel;

13 (vi) Expenses;

14 (vii) Entertainment; and

15 (viii) Telephone;

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

18 (I) The current balance of campaign funds.

19 (2)(A) When the candidate's campaign has ended, the final report
20 shall also indicate which option under § 7-6-203(h) was used to dispose of
21 any surplus of campaign funds, the amount of funds disposed of by the
22 candidate, and the amount of funds retained by the candidate in accordance
23 with ~~§ 7-6-203(h)~~ § 7-6-201(3).

24 (B) If the candidate's campaign has not ended, disposal of
25 campaign funds shall not be required and the candidate may carry forward any
26 remaining campaign funds to the general primary election, general election,
27 or general runoff election for that same office.

28
29 SECTION 7. Arkansas Code § 7-6-208, resulting from Initiated Act 1 of
30 1996, is amended to read as follows:

31 7-6-208. Reports of contributions – Candidates for school district,
32 township, or municipal office.

33 (a) Reports Required. Except as provided in subsection (d) of this
34 section, each candidate for school district, township, or municipal office,
35 or a person acting in the candidate's behalf shall:

36 (1) No later than seven (7) days prior to any preferential

1 primary election, runoff election, general election, school election, or
2 special election in which the candidate's name appears on the ballot, file a
3 preelection report of all contributions received and expenditures made
4 between the period covered by the previous report, if any, and the period ten
5 (10) days before the election. In case of a runoff election, the report shall
6 cover all contributions received and expenditures made during that period of
7 time that begins after the date of the election from which the runoff arose
8 and ends ten (10) days before the runoff election;

9 (2) No later than thirty (30) days after the end of the month in
10 which the candidate's name has appeared on the ballot in any preferential
11 primary election, runoff election, general election, school election, or
12 special election ~~in which the candidate's name has appeared on the ballot,~~
13 file a final report of all contributions received and expenditures made that
14 have not been disclosed on reports previously required to be filed. A final
15 report is required regardless of whether a candidate has received
16 contributions or made expenditures in excess of five hundred dollars (\$500);

17 (3) File supplemental reports of all contributions received and
18 expenditures made after the date of preparation of the final report. The
19 supplemental reports shall be filed within thirty (30) days after the receipt
20 of a contribution or the making of an expenditure; and

21 (4)(A) No later than thirty (30) days after the end of the month
22 in which the candidate has withdrawn, file a final report of all
23 contributions received and expenditures made that have not been disclosed on
24 reports previously required to be filed.

25 (B) If a candidate withdraws from the campaign, the
26 candidate shall notify the county clerk in writing of the withdrawal.

27 (b) Contents of Reports.

28 (1) The contribution and expenditure reports required by
29 subsection (a) of this section shall indicate:

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

33 (B) The name and address of each person, including the
34 candidate, who made a contribution or contributions that in the aggregate
35 exceeded fifty dollars (\$50.00), ~~the contributor's place of business,~~
36 ~~employer, occupation, and date of the contribution and the amount~~

1 ~~contributed;~~

2 (C) The contributor's principal place of business,
3 employer, occupation, the amount contributed, the date the contribution was
4 accepted by the candidate and the aggregate contributed for each election;

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

9 (E) An itemization of all single expenditures made that
10 exceeded one hundred dollars (\$100), including the amount of the expenditure,
11 the name and address of any person, including the candidate, to whom the
12 expenditure was made, and the date the expenditure was made;

13 (F) A list of all paid campaign workers and the amount the
14 workers were paid;

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

- 17 (i)(a) Television;
18 (b) Radio;
19 (c) Print; and
20 (d) Other advertising;
21 (ii) Direct mail;
22 (iii) Office supplies;
23 (iv) Rent;
24 (v) Travel;
25 (vi) Expenses;
26 (vii) Entertainment; and
27 (viii) Telephone;

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

30 (I) The current balance of campaign funds.

31 (2)(A) When the candidate's campaign has ended, the final report
32 shall also indicate which option under § 7-6-203(h) was used to dispose of
33 any surplus of campaign funds, the amount of funds disposed of by the
34 candidate, and the amount of funds retained by the candidate in accordance
35 with ~~§ 7-6-203(h)~~ § 7-6-201(3).

36 (B) If the candidate's campaign has not ended, disposal of

1 campaign funds is not required and the candidate may carry forward any
2 remaining campaign funds to the general primary election, general election,
3 or general runoff election for that same office.

4 (3)(A) Not later than fourteen (14) days after the deadline for
5 filing for office, the county clerk shall notify each candidate in person or
6 by mail of the deadlines for filing the ten-day preelection and final reports
7 required by subsection (a) of this section and, at that time, furnish each
8 candidate with the appropriate forms and instructions for complying with the
9 deadlines.

10 (B) If notice is sent by mail, then the notice shall be
11 postmarked within fourteen (14) days after the deadline for filing for
12 office.

13 (c) Filing of Reports. The reports required by this section shall be
14 filed with the county clerk in the county in which the election is held.
15 Reports shall be filed on the appropriate forms furnished by the Secretary of
16 State.

17 (d) Reports Not Required.

18 (1) A candidate who has not received contributions or made
19 expenditures in excess of five hundred dollars (\$500) shall not be required
20 to file any preelection reports required under subdivision (a)(1) of this
21 section. In calculating the amount of contributions received or expenditures
22 made for purposes of this exception, the payment of the filing fee from the
23 candidate's personal funds shall not be considered as either a contribution
24 or an expenditure.

25 (2) The preelection reports referenced in subdivision (a)(1) of
26 this section are required only for candidates with opponents in those
27 elections.

28
29 SECTION 8. Arkansas Code § 7-6-209, resulting from Initiated Act 1 of
30 1996, is amended to read as follows:

31 7-6-209. Reports of contributions – Candidates for county office.

32 (a) Reports Required. Except as provided in subsection (d) of this
33 section, each candidate for county office or a person acting in the
34 candidate's behalf shall:

35 (1) No later than seven (7) days prior to any preferential
36 primary election, runoff election, general election, or special election in

1 which the candidate's name appears on the ballot, file a preelection report
2 of all contributions received and expenditures made between the period
3 covered by the previous report, if any, and the period ten (10) days before
4 the election. In case of a runoff election, the report shall cover all
5 contributions received and expenditures made during that period of time that
6 begins after the date of the election from which the runoff arose and ends
7 ten (10) days before the runoff election;

8 (2) No later than thirty (30) days after the end of the month in
9 which the candidate's name has appeared on the ballot in any preferential
10 primary election, runoff election, general election, or special election ~~in~~
11 ~~which the candidate's name has appeared on the ballot~~, file a final report of
12 all contributions received and expenditures made that have not been disclosed
13 on reports previously required to be filed. A final report is required
14 regardless of whether a candidate has received contributions or made
15 expenditures in excess of five hundred dollars (\$500);

16 (3) File supplemental reports of all contributions received and
17 expenditures made after the date of preparation of the final report, and the
18 supplemental reports shall be filed within thirty (30) days after the receipt
19 of a contribution or the making of an expenditure; and

20 (4)(A) No later than thirty (30) days after the end of the month
21 in which the candidate has withdrawn, a final report of all contributions
22 received and expenditures made that have not been disclosed on reports
23 previously required to be filed.

24 (B) If a candidate withdraws from the campaign, the
25 candidate shall notify the county clerk in writing of the withdrawal.

26 (b) Contents of Reports.

27 (1) The contribution and expenditure reports required by
28 subsection (a) of this section shall indicate:

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

32 (B) The name and address of each person, including the
33 candidate, who made a contribution or contributions that in the aggregate
34 exceeded fifty dollars (\$50.00), ~~the contributor's place of business,~~
35 ~~employer, occupation, and date of the contribution and the amount~~
36 ~~contributed;~~

1 (C) The contributor's principal place of business,
2 employer, occupation, the amount contributed, the date the contribution was
3 accepted by the candidate, and the aggregate contributed for each election;

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

8 (E) An itemization of all single expenditures made that
9 exceeded one hundred dollars (\$100), including the amount of the expenditure,
10 the name and address of any person, including the candidate, to whom the
11 expenditure was made, and the date the expenditure was made;

12 (F) A list of all paid campaign workers and the amount the
13 workers were paid;

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

16 (i)(a) Television;

17 (b) Radio;

18 (c) Print; and

19 (d) Other advertising;

20 (ii) Direct mail;

21 (iii) Office supplies;

22 (iv) Rent;

23 (v) Travel;

24 (vi) Expenses;

25 (vii) Entertainment; and

26 (viii) Telephone;

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

29 (I) The current balance of campaign funds.

30 (2)(A) When the candidate's campaign has ended, the final report
31 shall also indicate which option under § 7-6-203(h) was used to dispose of
32 any surplus of campaign funds, the amount of funds disposed of by the
33 candidate, and the amount of funds retained by the candidate in accordance
34 with ~~§ 7-6-203(h)~~ § 7-6-201(3).

35 (B) If the candidate's campaign has not ended, disposal of
36 campaign funds is not required and the candidate may carry forward any

1 remaining funds in the campaign to the general primary election, general
2 election, or general runoff election for that same office.

3 (3)(A) Not later than fourteen (14) days after the deadline for
4 filing for office, the county clerk shall notify each candidate in person or
5 by mail of the deadlines for filing the ten-day preelection and final reports
6 required by subsection (a) of this section and, at that time, furnish each
7 candidate with the appropriate forms and instructions for complying with the
8 deadlines.

9 (B) If notice is sent by mail, then the notice shall be
10 postmarked within fourteen (14) days after the deadline for filing for
11 office.

12 (c) Filing of Reports. The reports required by this section shall be
13 filed with the county clerk in the county in which the election is held.
14 Reports shall be filed on the appropriate forms furnished by the Secretary of
15 State.

16 (d) Reports Not Required.

17 (1) A candidate who has not received contributions or made
18 expenditures in excess of five hundred dollars (\$500) shall not be required
19 to file any preelection reports required under subdivision (a)(1) of this
20 section. In calculating the amount of contributions received or expenditures
21 made for purposes of this exception, the payment of the filing fee from the
22 candidate's personal funds shall not be considered as either a contribution
23 or an expenditure.

24 (2) The preelection reports referenced in subdivision (a)(1) of
25 this section are required only for candidates with opponents in those
26 elections.

27
28 SECTION 9. Arkansas Code § 7-6-215, resulting from Initiated Act 1 of
29 1990 and Initiated Act 1 of 1996, is amended to read as follows:

30 7-6-215. Registration and reporting by approved political action
31 committees.

32 (a)(1)(A) To qualify as an approved political action committee, the
33 political action committee shall register with the Secretary of State within
34 fifteen (15) days after accepting contributions during a calendar year that
35 exceed five hundred dollars (\$500) in the aggregate.

36 (B) Registration shall be annually renewed by January 15,

1 unless the political action committee has ceased to exist.

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

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

9 (B) Furthermore, the political action committee shall
10 maintain for a period of four (4) years records evidencing the name and
11 address of each candidate, ballot question committee, legislative question
12 committee, political party, county political party committee, or other
13 political action committee ~~who~~ that received a contribution from the
14 political action committee, along with the amount contributed.

15 (3)(A) The political action committee shall designate a resident
16 agent who shall be an individual who resides in this state.

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

20 (C) It shall be unlawful for a prohibited political action
21 committee as defined in § 7-6-201 to make a contribution to a:

- 22 (i) Ballot question committee;
23 (ii) Legislative question committee;
24 (iii) Political party;
25 (iv) Political party committee; or
26 (v) Political action committee.

27 (4)(A) An out-of-state political action committee, including a
28 federal political action committee, shall be required to comply with the
29 registration and reporting provisions of this section if the committee
30 contributes more than five hundred dollars (\$500) in a calendar year to
31 candidates, ballot question committees, legislative question committees,
32 political parties, county political party committees, ~~independent expenditure~~
33 ~~committees,~~ or other political action committees within this state.

34 (B) Subdivision (a)(4)(A) of this section shall not apply
35 to:

- 36 (i) The national committee of any political party

1 that is registered with the Federal Election Commission;

2 (ii) Any federal candidate committee that is
3 registered with the Federal Election Commission;

4 (iii) Funds which a subordinate committee of the
5 national committee of any political party that is registered with the Federal
6 Election Commission transfers to the federal account of an organized
7 political party as defined under § 7-1-101; or

8 (iv) Funds which a political action committee that
9 is registered with the Federal Election Commission transfers to the federal
10 account of an organized political party as defined under § 7-1-101.

11 (b) The registration form of an approved political action committee
12 shall contain the following information:

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

18 (2) The professional, business, trade, labor, or other interests
19 represented by the political action committee, including any individual
20 business, organization, association, corporation, labor organization, or
21 other group or firm whose interests will be represented by the political
22 action committee;

23 (3) The full name and street address, city, state, and zip code
24 of each financial institution the political action committee uses for
25 purposes of receiving contributions or making expenditures within this state;

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

27 (5) A certification by a political action committee officer,
28 under penalty of false swearing, that the information provided on the
29 registration is true and correct; and

30 (6) A clause submitting the political action committee to the
31 jurisdiction of the State of Arkansas for all purposes related to compliance
32 with the provisions of this subchapter.

33 (c)(1) When a committee makes a change to any information required in
34 subsection (b) of this section, an amendment shall be filed within ten (10)
35 days to reflect the change.

36 (2) A committee failing to file an amendment shall be subject to

1 a late filing fee of ten dollars (\$10.00) for each day the change is not
2 filed.

3 (d)(1) Within fifteen (15) calendar days after the end of each
4 calendar quarter, political action committees shall file a quarterly report
5 with the Secretary of State, including the following information:

6 (A) The total amount of contributions received and the
7 total amount of contributions made during the filing period and the
8 cumulative amount of those totals;

9 (B) The current balance of political action committee
10 funds;

11 (C) The name and address of each person that made a
12 contribution or contributions to the political action committee that exceeded
13 five hundred dollars (\$500) in the aggregate during the calendar year, the
14 contributor's place of business, employer, occupation, the date of the
15 contribution, the amount contributed, and the total contributed for the year;

16 (D) The name and address of each candidate, ballot
17 question committee, legislative question committee, political party, county
18 political party committee, or other political action committee, if any, to
19 whom or which the political action committee made a contribution or
20 contributions that exceeded fifty dollars (\$50.00) in the aggregate during
21 the filing period, with the amount contributed and the election for which the
22 contribution was made;

23 (E) The name and address of each candidate, ballot
24 question committee, legislative question committee, political party, county
25 political party committee, or other political action committee, if any, to
26 whom or which the political action committee contributed a nonmonetary item,
27 together with a description of the item, the date the item was contributed,
28 and the value of the item; and

29 (F) The total amount of expenditures made for
30 administrative expenses and for each single expenditure that exceeded one
31 hundred dollars (\$100), an itemization including the amount of the
32 expenditure, the name and address of the person to whom the expenditure was
33 made, and the date the expenditure was made.

34 (2) The information required in subdivision (d)(1)(C)-(F) of
35 this section may be provided in the form of schedules attached to the report.

36 (3) The reports shall be verified by an affidavit of an officer

1 of the political action committee stating that to the best of his or her
2 knowledge and belief the information so disclosed is a complete, true, and
3 accurate financial statement of the political action committee's
4 contributions received and made.

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

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

12 (C) The Secretary of State may receive reports in a
13 readable electronic format that is acceptable to the Secretary of State and
14 approved by the Arkansas Ethics Commission.

15

16 SECTION 10. Arkansas Code § 7-6-216, resulting from Initiated Act 1 of
17 1990, is amended to read as follows:

18 7-6-216. Registration and reports by exploratory committees.

19 (a)(1) An exploratory committee shall register with the ~~Secretary of~~
20 ~~State~~ appropriate filing office within fifteen (15) days after receiving
21 contributions during a calendar year which, in the aggregate, exceed five
22 hundred dollars (\$500).

23 (2)(A) For a state or district office, the place of filing shall
24 be the Secretary of State's office.

25 (B) For a county, municipal, township, or school district
26 office, the place of filing shall be the county clerk's office.

27 (3) Registration shall be on forms provided by the Secretary of
28 State and the contents therein shall be verified by an affidavit of an
29 officer of the committee.

30 (b) An exploratory committee shall disclose on the registration form
31 the name, address, and, where available, phone number of the committee and
32 each of its officers. It shall also disclose the individual person who, upon
33 becoming a candidate, is intended to receive campaign contributions from the
34 committee.

35 (c) Within thirty (30) days of the end of each month, an exploratory
36 committee shall file a report with the ~~Secretary of State~~ appropriate filing

1 office indicating:

2 (1) The total amount of contributions received during the filing
3 period;

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

8 (3) The total amount of expenditures made and for each single
9 expenditure which exceeds one hundred dollars (\$100) an itemization including
10 the amount of the expenditure, the name and address of the person to whom the
11 expenditure was made, and the date the expenditure was made.

12 (d)(1) The first report shall be filed for the month in which the
13 committee files its registration. The final report shall be filed within
14 thirty (30) days after the end of the month in which the committee either
15 transfers its contributions to a candidate's campaign or no longer accepts
16 contributions.

17 (2) The committee shall not accept contributions after the
18 filing of a final report.

19

20 SECTION 11. Arkansas Code § 7-6-220, resulting from Initiated Act 1 of
21 1996, is amended to read as follows:

22 7-6-220. Reporting of independent expenditures.

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

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

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

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

36 (b) Such reports shall include:

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

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

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

9 (4) The same information required of candidates for office other
10 than school district, township, municipal, or county office as set forth in §
11 7-6-207(b)(1)(A)-(I).

12 (c) The information required in § 7-6-207(b)(1)(A)-(I) may be provided
13 in the form of a schedule or schedules attached to the report.

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

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

22 (2) The Secretary of State shall accept via facsimile any report
23 if the original is received by the Secretary of State within ten (10) days of
24 the date of transmission.

25 (3) The Secretary of State may receive reports in a readable
26 electronic format that is acceptable to the Secretary of State and approved
27 by the Arkansas Ethics Commission.

28
29 SECTION 12. Arkansas Code § 7-6-227(a), concerning registration by
30 independent expenditure committees, is amended to read as follows:

31 (a)(1)(A) An independent expenditure committee shall register with the
32 Secretary of State within fifteen (15) days after accepting contributions
33 that exceed five hundred dollars (\$500) in the aggregate during a calendar
34 year.

35 (B) Registration shall be annually renewed by January 15
36 unless the independent expenditure committee has ceased to exist.

1 (C) Registration shall be on a form provided by the
2 Secretary of State, and the contents of the form shall be verified by an
3 affidavit of an officer of the independent expenditure committee.

4 (2)(A) The independent expenditure committee shall maintain for
5 a period of four (4) years records evidencing the name, address, and place of
6 employment of each person that contributed to the ~~political action~~
7 independent expenditure committee, along with the amount contributed.

8 (B) The independent expenditure committee shall maintain
9 for a period of four (4) years records evidencing each independent
10 expenditure made by the committee, along with the amount of each expenditure.

11 (3)(A) The ~~political action~~ independent expenditure committee
12 shall designate a resident agent who shall be an individual who resides in
13 this state.

14 (B) A contribution shall not be accepted from an
15 independent expenditure committee and an expenditure shall not be made by an
16 independent expenditure committee that has not registered and does not have a
17 resident agent.

18 (4) An out-of-state independent expenditure committee shall
19 comply with the registration and reporting provisions of this section if the
20 committee makes an independent expenditure or independent expenditures within
21 the State of Arkansas that in the aggregate exceed more than five hundred
22 dollars (\$500) during a calendar year.

23
24 SECTION 13. Arkansas Code § 7-9-402 is amended to read as follows:

25 7-9-402. Definitions.

26 As used in this subchapter:

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

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

1 advocating the qualification, disqualification, passage, or defeat of any
2 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 ballot question committee if two percent (2%)
6 or more of its annual revenues, operating expenses, or funds are used to make
7 a contribution or contributions to another ballot question committee and if
8 the contribution or contributions exceed ten thousand dollars (\$10,000) in
9 value;

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

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

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

26 (4) "Contribution and expenditure" shall not include activities
27 designed solely to encourage individuals to register to vote or to vote, or
28 any communication by a bona fide church or religious denomination to its own
29 members or adherents for the sole purpose of protecting the right to practice
30 the religious tenets of the church or religious denomination, and
31 "expenditure" shall not include one ~~(1)~~ made for communication by a person
32 strictly with the person's paid members or shareholders;

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

36 (6) "Expenditure" means a purchase, payment, distribution, gift,

1 loan, or advance of money or anything of value, and a contract, promise, or
2 agreement to make an expenditure, for goods, services, materials, or
3 facilities for the purpose of expressly advocating the qualification,
4 disqualification, passage, or defeat of a ballot question or the passage or
5 defeat of a legislative question;

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

9 (8)(A) "Legislative question committee" means any person,
10 located within or outside Arkansas, that receives contributions for the
11 purpose of expressly advocating the passage or defeat of any legislative
12 question or any person, other than a public servant, a governmental body
13 expending public funds, or an individual, located within or outside Arkansas,
14 that makes expenditures for the purpose of expressly advocating the passage
15 or defeat of any legislative question.

16 (B) A person other than an individual or an approved
17 political action committee as defined in § 7-6-201, located within or outside
18 Arkansas, also qualifies as a legislative question committee if two percent
19 (2%) or more of its annual revenues, operating expenses, or funds are used to
20 make a contribution or contributions to another legislative question
21 committee and if the contribution or contributions exceed ten thousand
22 dollars (\$10,000) in value;

23 (9)(A) "Person" means any individual, business, proprietorship,
24 firm, partnership, joint venture, syndicate, business trust, labor
25 organization, company, corporation, association, committee, or any other
26 organization or group of persons acting in concert.

27 (B) "Person" includes a public servant or governmental
28 body using public funds to expressly advocate the qualification,
29 disqualification, passage, or defeat of any ballot question or the passage or
30 defeat of any legislative question; and

31 (10) "Qualification of a ballot question" means any action or
32 process, legal or otherwise, through which a ballot question obtains
33 certification to be on the ballot at an election.

34

35 SECTION 14. Arkansas Code § 21-8-301 is amended to read as follows:

36 21-8-301. Definitions.

1 As used in this subchapter, ~~“state employee” means all employees of the~~
2 ~~State of Arkansas employed on a full time or part time basis.:~~

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

8 (2)(A) “Public appointee” means an individual who is appointed
9 to a governmental body.

10 (B) “Public appointee” does not include an individual
11 appointed to an elective office;

12 (3)(A) “Public employee” means an individual who is employed by
13 a governmental body or who is appointed to serve a governmental body.

14 (B) “Public employee” does not include a public official
15 or a public appointee;

16 (4)(A) “Public official” means a person holding an elective
17 office of any governmental body, whether elected or appointed to the office.

18 (B) “Public official” includes a person holding an
19 elective office of any governmental body, whether elected or appointed to the
20 office, during the time period between the date he or she is elected or
21 appointed and the date he or she takes office; and

22 (5) “Public servant” means a:

23 (A) Public official;

24 (B) Public employee; or

25 (C) Public appointee.

26
27 SECTION 15. Arkansas Code § 21-8-304 is amended to read as follows:

28 21-8-304. Prohibited activities.

29 (a) No public ~~official or state employee~~ servant shall use or attempt
30 to use his or her official position to secure special privileges or
31 exemptions for himself or herself or his or her spouse, child, parents, or
32 other persons standing in the first degree of relationship, or for those with
33 whom he or she has a substantial financial relationship that are not
34 available to others except as may be otherwise provided by law.

35 (b) No public ~~official or state employee~~ servant shall accept
36 employment or engage in any public or professional activity while serving as

1 a public official which he or she might reasonably expect would require or
2 induce him or her to disclose any information acquired by him or her by
3 reason of his or her official position which is declared by law or regulation
4 to be confidential.

5 (c) No public ~~official or state employee~~ servant shall disclose any
6 such information gained by reason of his or her position, nor shall he or she
7 otherwise use such information for his or her personal gain or benefit.

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/s/G. Baker

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