

Stricken language would be deleted from present law. Underlined language would be added to present law.

1 State of Arkansas  
2 81st General Assembly  
3 Regular Session, 1997  
4

As Engrossed: H1/22/97 S2/12/97 S2/17/97 S2/26/97

## A Bill

HOUSE BILL 1093

5 By: Representatives Jones, Hogue, Broadway, Cunningham, Curran, Flanagin, George, Johnson, McGinnis, Maddox, Northcutt,  
6 Schexnayder, Wagner, Wren, and Young  
7  
8

### For An Act To Be Entitled

9  
10 "AN ACT TO AMEND ARKANSAS CODE 7-6-201 AND 7-6-203 (j) AND  
11 (i) CONCERNING CARRYOVER FUNDS AND SURPLUS CAMPAIGN FUNDS;  
12 AND FOR OTHER PURPOSES."  
13

### Subtitle

14  
15 "AN ACT CONCERNING CARRYOVER FUNDS AND  
16 SURPLUS CAMPAIGN FUNDS."  
17

18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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20 SECTION 1. Arkansas Code 7-6-201, concerning the definitions on  
21 campaign financing, is amended to add the following new subdivisions:

22 §(15) ☺Carryover funds means the amount of campaign funds retained  
23 from the last election by the candidate for future use but not to exceed the  
24 annual salary, excluding expense allowances, set by Arkansas law for the  
25 office sought.

26 (16) ☺Surplus campaign funds means any balance of campaign funds over  
27 expenses incurred as of the day of the election except for:

28 (A) Carryover funds; and

29 (B) Any funds required to reimburse the candidate for personal  
30 funds contributed to the campaign or to repay loans made by financial  
31 institutions to the candidate and applied to the campaign.  
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33 SECTION 2. Arkansas Code 7-6-203 (j) is amended to read as follows:

34 §(j)(1) Within thirty (30) days following a the end of the month in  
35 which the general election is held, a candidate shall turn over surplus  
36 campaign funds to either:

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

3 (B) An organized political party as defined in § 7-1-101  
4 (1) or a political party caucus of the Arkansas General Assembly, the Senate,  
5 or House of Representatives;

6 (C) A nonprofit organization which is exempt from taxation  
7 under Section 501(c) (3) of the Internal Revenue Code; or

8 (D) The contributors to the candidate's campaign;  
9 ~~any balance of campaign funds over expenses incurred as of the day of the~~  
10 ~~election except for:~~

11 ~~\_\_\_\_\_ (i) An amount equal to the yearly salary, excluding expense~~  
12 ~~allowances, set by Arkansas law for the office sought; and~~

13 ~~\_\_\_\_\_ (ii) Any funds required to reimburse the candidate for~~  
14 ~~personal funds contributed to the campaign or to repay loans made by financial~~  
15 ~~institutions to the candidate and applied to the campaign.~~

16 (2) If an unopposed candidate agrees not to solicit further  
17 campaign contributions by filing an affidavit with the Secretary of State  
18 declaring such agreement, the candidate may dispose of any surplus of campaign  
19 funds prior to a general election after the time has passed to declare an  
20 intent to be a write-in candidate pursuant to § 7-5-205.

21 (3)(A) ~~Campaign funds retained by the candidate under subdivision~~  
22 ~~(j)(1)(D)(i) of this section~~ Carryover funds may be expended at any time for  
23 any purpose not prohibited by this chapter and may be used as campaign funds  
24 for seeking any public office. Nothing shall prohibit a person at any time  
25 from disposing of all or any portion of his or her carryover funds in the same  
26 manner as for surplus campaign funds. However, the candidate shall not take  
27 the funds as personal income or as income for his or her spouse or dependent  
28 children.

29 (B)(i) When a person having carryover funds becomes a  
30 candidate for public office his or her carryover funds shall be transferred to  
31 the person's active campaign fund. Once transferred the funds will no longer  
32 be treated as carryover funds.

33 (ii) This subdivision (B) shall not apply to  
34 carryover funds from an election held prior to July 1, 1997.

35 (iii) This subdivision (B) shall not apply to a  
36 campaign debt.

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2 (C)(i) If carryover funds are expended prior to transferring the funds  
3 to an active campaign fund, the expenditures shall be reported pursuant to  
4 this subdivision. A person shall file an expenditure report concerning  
5 carryover funds if, since the last report concerning the carryover funds, the  
6 person has expended in excess of five hundred dollars (\$500). The report  
7 shall be filed not later than fifteen (15) days after a calendar quarter in  
8 which a report becomes required. No report is required in any calendar  
9 quarter in which the cumulative expenditure limit has not been exceeded since  
10 the person's last report.

11 (ii) The person shall also file an expenditure report for the  
12 calendar quarter in which he or she transfers the carryover funds to an active  
13 campaign fund, unless the person has not expended any carryover funds since  
14 his or her last report.

15 (iii) A person who retains carryover funds shall file an annual report  
16 outlining the status of the carryover fund account as of December 31 unless  
17 the person has made a quarterly report during the calendar year pursuant to  
18 subdivision (j)(3)(C)(i) and (ii) of this section. The annual report shall be  
19 filed with the Secretary of State and shall be due by January 31 of each year.

20 (D) Carryover funds may be retained by a person for not  
21 more than ten (10) years after the last election at which he or she was a  
22 candidate and any remaining carryover funds shall be disposed of in the same  
23 manner as for surplus campaign funds. The officer with whom the person last  
24 filed a final campaign report shall provide the person timely notice of the  
25 requirements of this subdivision prior to the expiration of the ten (10) year  
26 period. However, failure to provide the notice does not relieve the person of  
27 his or her obligation under this subsection.

28 (4) After the date of an election at which the person is a candidate  
29 for nomination or election, the person shall not accept campaign contributions  
30 for the past election, except for the sole purpose of raising funds to retire  
31 a previous campaign debt.

32 (5) Surplus campaign funds or carryover funds given to a political  
33 party caucus shall be segregated in an account separated from other caucus  
34 funds and shall not be used:

35 (A) by the political party caucus to make a campaign  
36 contribution; or

1 (B) to provide any personal income to any candidate who donated  
2 surplus campaign funds or carryover funds.

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4 SECTION 3. Arkansas Code 7-6-203(i)(1), concerning campaign funds, is  
5 amended to read as follows:

6 (1) A candidate shall not take any campaign funds as personal income.  
7 This subdivision (i)(1) shall not apply to campaign funds that were:

8 (A) accumulated prior to the passage of Initiated Act 1 of 1990  
9 or;

10 (B) disposed of prior to the effective date of this subdivision,  
11 July 28, 1995.

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13 SECTION 4. All provisions of this act of a general and permanent nature  
14 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
15 Revision Commission shall incorporate the same in the Code.

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17 SECTION 5. If any provision of this act or the application thereof to  
18 any person or circumstance is held invalid, such invalidity shall not affect  
19 other provisions or applications of the act which can be given effect without  
20 the invalid provision or application, and to this end the provisions of this  
21 act are declared to be severable.

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23 SECTION 6. All laws and parts of laws in conflict with this act are  
24 hereby repealed.

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26 /s/Rep. Jones et al

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