

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.

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

## For An Act To Be Entitled

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

## Subtitle

16 AN ACT TO CLARIFY CERTAIN SECTIONS OF  
17 THE ARKANSAS CODE PERTAINING TO  
18 POLITICAL ACTION COMMITTEES.  
19  
20  
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  
36 any calendar year; and



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

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

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

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

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

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

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

34 (5) "Contribution and expenditure" shall not include activity  
35 sponsored and funded by organized political parties as defined in § 7-1-  
36 101(16) to promote their candidates or nominees through events such as

1 dinners, luncheons, rallies, or similar gatherings and shall not include  
 2 nonpartisan activity designed to encourage individuals to register to vote,  
 3 or to vote, or any communication by any membership organization to its  
 4 members or stockholders if the membership organization or corporation is not  
 5 organized primarily for the purpose of influencing the nomination for  
 6 election, or election, of any candidate;

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

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

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

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

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

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

21 ~~(6)~~(7) "Election" means each election held to nominate or elect  
 22 a candidate to any public office, including school elections. For the  
 23 purposes of this subchapter, a preferential primary, a general primary, a  
 24 special election, and a general election shall each constitute a separate  
 25 election;

26 ~~(7)~~(8) "Expenditure" means a purchase, payment, distribution,  
 27 gift, loan, or advance of money or anything of value, and a contract,  
 28 promise, or agreement to make an expenditure, made for the purpose of  
 29 influencing the nomination or election of any candidate;

30 ~~(8)~~(9) "Exploratory committee" means a person who receives  
 31 contributions which are held to be transferred to the campaign of a single  
 32 candidate in an election. "Exploratory committee" shall not include an  
 33 organized political party as defined in § 7-1-101~~(16)~~ or the candidate's own  
 34 campaign committee;

35 ~~(9)~~(10) "Financial institution" means any commercial bank,  
 36 savings and loan, mutual savings bank or savings bank, insurance company

1 brokerage house, or any corporation that is in the business of lending money  
2 and that is subject to state or federal regulation;

3 ~~(10)~~(11) An "independent expenditure" is any expenditure which  
4 is not a contribution and:

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

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

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

14 ~~(11)~~(12) "Independent expenditure committee" means any person  
15 who receives contributions from one (1) or more persons in order to make an  
16 independent expenditure and is registered pursuant to § 7-6-215 prior to  
17 making expenditures;

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

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

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

29 ~~(12)~~(14) "Person" means any individual, proprietorship, firm,  
30 partnership, joint venture, syndicate, labor union, business trust, company,  
31 corporation, association, committee, or any other organization or group of  
32 persons acting in concert. It shall also include organized political parties  
33 as defined in § 7-1-101~~(16)~~, county political party committees, and  
34 legislative caucus committees;

35 ~~(13)~~(15)(A) "Prohibited political action committee" means any  
36 person who receives contributions from one (1) or more persons in order to

1 make contributions to candidates but who does not meet the requirements of an  
 2 approved political action committee ~~or a small donor political action~~  
 3 ~~committee.~~

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

8 ~~(14)~~(16) "Public office" means any office created by or under  
 9 authority of the laws of the State of Arkansas, or of a subdivision thereof,  
 10 that is filled by the voters, except a federal office; and

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

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

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

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

22 ~~(16)~~(17) "Surplus campaign funds" means any balance of campaign  
 23 funds over expenses incurred as of the day of the election except for:

24 (A) Carryover funds; and

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

28  
 29 SECTION 2. Arkansas Code § 7-6-215, resulting from Initiated Act 1 of  
 30 1990 and Initiated Act 1 of 1996, is amended to read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

36 (3) [Repealed.]

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

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

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

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

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

15                   (B) The current balance of committee funds;

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

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

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

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

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

36           (3)(A) A report is timely filed if it is either hand delivered

1 or mailed to the Secretary of State, properly addressed, postage prepaid,  
2 bearing a postmark indicating that it was received by the post office or  
3 common carrier on the date that the report is due.

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

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

10  
11 SECTION 3. Arkansas Code Title 7, Chapter 6, Subchapter 2, pertaining  
12 to campaign finance and resulting from Initiated Act 1 of 1990 and Initiated  
13 Act 1 of 1996, is amended to add an additional section to read as follows:

14 7-6-226. Registration and reporting by county political party  
15 committees.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21           (B) The current balance of committee funds;

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

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

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

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

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

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

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

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

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