

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 87th General Assembly  
3 Regular Session, 2009  
4

# A Bill

SENATE BILL 317

5 By: Senator Faris  
6 By: Representative Saunders  
7  
8

## For An Act To Be Entitled

9  
10 AN ACT TO AMEND PROVISIONS OF THE ARKANSAS CODE  
11 RELATING TO ETHICS; AMENDING PORTIONS OF ARKANSAS  
12 LAW RESULTING FROM INITIATED ACT 1 OF 1988,  
13 INITIATED ACT 1 OF 1990, AND INITIATED ACT 1 OF  
14 1996; AND FOR OTHER PURPOSES.  
15

## Subtitle

16  
17 AN ACT TO AMEND PROVISIONS OF THE  
18 ARKANSAS CODE RELATING TO ETHICS.  
19  
20

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

23 SECTION 1. Arkansas Code § 7-1-103(a)(2)(A), concerning miscellaneous  
24 misdemeanor offenses, is amended to read as follows:

25 (2)(A)(i) It shall be unlawful for any public servant, as  
26 defined in § 21-8-402, to devote any time or labor during usual office hours  
27 toward the campaign of any other candidate for office or for the nomination  
28 to any office.

29 (ii) Devoting any time or labor during usual office  
30 hours toward the campaign of any other candidate for office or for the  
31 nomination to any office includes without limitation the gathering of  
32 signatures for a nominating petition.  
33

34 SECTION 2. Arkansas Code § 7-6-201(12), concerning the definition of  
35 "independent expenditure committee" and resulting from Initiated Act 1 of  
36 1990 and Initiated Act 1 of 1996, is amended to read as follows:



1 (12) "Independent expenditure committee" means any person  
 2 that receives contributions from one (1) or more persons in order to make an  
 3 independent expenditure and is registered pursuant to ~~§ 7-6-215~~ § 7-6-227  
 4 prior to making expenditures;

5  
 6 SECTION 3. Arkansas Code § 7-6-203(e), concerning contributions from  
 7 prohibited political action committees and resulting from Initiated Act 1 of  
 8 1990 and Initiated Act 1 of 1996, is amended to read as follows:

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

12 (2) It shall be unlawful for any prohibited political action  
 13 committee to make a contribution to a candidate for public office in an  
 14 election.

15 (3) It shall be unlawful for any ballot question committee,  
 16 legislative question committee, political party, county political party  
 17 committee, or political action committee to accept any contribution from a  
 18 prohibited political action committee.

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

- 21 (A) Ballot question committee;
- 22 (B) Legislative question committee;
- 23 (C) Political party;
- 24 (D) County political party committee; or
- 25 (E) Political action committee.

26  
 27 SECTION 4. Arkansas Code § 7-6-203(h)(2)(D), concerning the  
 28 solicitation of campaign contributions and resulting from Initiated Act 1 of  
 29 1990 and Initiated Act 1 of 1996, is amended to read as follows:

30 (D) Unopposed candidates and defeated candidates who file  
 31 the affidavit are exempt from further reporting requirements provided that  
 32 the affidavit contains:

33 (i) All campaign activity not previously reported;  
 34 and

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

1  
 2 SECTION 5. Arkansas Code § 7-6-215(a)(3), concerning registration and  
 3 reporting by approved political action committees and resulting from  
 4 Initiated Act 1 of 1990 and Initiated Act 1 of 1996, is amended to read as  
 5 follows:

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

8 (B) No contribution shall be accepted from a political  
 9 action committee and no expenditure shall be made by a political action  
 10 committee that has not registered and does not have a ~~treasurer~~ resident  
 11 agent.

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

- 14 (i) Ballot question committee;
- 15 (ii) Legislative question committee;
- 16 (iii) Political party;
- 17 (iv) Political party committee; or
- 18 (v) Political action committee.

19  
 20 SECTION 6. Arkansas Code § 7-6-216(a), concerning registration and  
 21 reports by exploratory committees and resulting from Initiated Act 1 of 1990,  
 22 is amended to read as follows:

23 (a)(1) An exploratory committee shall register with the Secretary of  
 24 State within fifteen (15) days after receiving contributions during a  
 25 calendar year which, in the aggregate, exceed five hundred dollars (\$500).

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

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

30 (3) Registration shall be on forms provided by the Secretary of  
 31 State and the contents therein shall be verified by an affidavit of an  
 32 officer of the committee.

33  
 34 SECTION 7. Arkansas Code § 7-6-223(a), concerning reports of  
 35 contributions by political parties and resulting from Initiated Act 1 of  
 36 1996, is amended to read as follows:

1 (a) Within fifteen (15) calendar days after the end of each calendar  
 2 quarter, each ~~organized~~ political party ~~as defined~~ that meets the definition  
 3 of political party stated in § 7-1-101 or that has met the petition  
 4 requirements of § 7-7-205 shall file a quarterly report with the Secretary of  
 5 State.

6  
 7 SECTION 8. Arkansas Code § 7-6-226(a), concerning registration and  
 8 reporting by county political party committees, is amended to read as  
 9 follows:

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

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

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

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

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

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

28 (B) No contribution shall be accepted from a committee and  
 29 no expenditure shall be made by a committee that has not registered and which  
 30 does not have a treasurer.

31 (4) No county political party committee shall accept a  
 32 contribution from a prohibited political action committee as defined in § 7-  
 33 6-201.

34  
 35 SECTION 9. Arkansas Code Title 7, Chapter 6, Subchapter 2 is amended  
 36 to add an additional section to read as follows:

1       7-6-227. Registration by independent expenditure committee.

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

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

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

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

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

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

20               (B) A contribution shall not be accepted from an  
21 independent expenditure committee and an expenditure shall not be made by an  
22 independent expenditure committee that has not registered and does not have a  
23 resident agent.

24       (4) An out-of-state independent expenditure committee, including  
25 a federal Section 527 committee, shall comply with the registration and  
26 reporting provisions of this section if the committee makes an independent  
27 expenditure or independent expenditures within the State of Arkansas that in  
28 the aggregate exceed more than five hundred dollars (\$500) during a calendar  
29 year.

30       (b) The registration form of an independent expenditure committee  
31 shall contain the following information:

32               (1)(A) The name, address, and, when available, phone number of  
33 the independent expenditure committee and the name, address, phone number,  
34 and place of employment of each of its officers.

35               (B) However, if the independent expenditure committee's  
36 name is an acronym, then both it and the words forming the acronym shall be

1 disclosed;

2 (2) The full name and street address, city, state, and zip code  
 3 of each financial institution the independent expenditure committee uses for  
 4 purposes of receiving contributions or making expenditures within this state;

5 (3) A written acceptance of designation as a resident agent;

6 (4) A certification by an independent expenditure committee  
 7 officer, under penalty of false swearing, that the information provided on  
 8 the registration is correct; and

9 (5) A clause submitting the independent expenditure committee to  
 10 the jurisdiction of the State of Arkansas for all purposes related to  
 11 compliance with this subchapter.

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

15 (2) A committee failing to file an amendment shall be subject to  
 16 a late filing fee of ten dollars (\$10.00) for each day the change is not  
 17 filed.

18  
 19 SECTION 10. Arkansas Code § 7-9-402(2), concerning the definition of  
 20 ballot question committee, is amended to read as follows:

21 (2)(A) “Ballot question committee” means any person, located  
 22 within or outside Arkansas, that receives contributions for the purpose of  
 23 expressly advocating the qualification, disqualification, passage, or defeat  
 24 of any ballot question, or any person, other than an individual, located  
 25 within or outside Arkansas, that makes expenditures for the purpose of  
 26 expressly advocating the qualification, disqualification, passage, or defeat  
 27 of any ballot question.

28 (B) ~~Provided further, a~~ A person other than an individual  
 29 or an approved political action committee as defined in § 7-6-201, located  
 30 within or outside Arkansas, also qualifies as a ballot question committee if  
 31 two percent (2%) or more of its annual revenues, operating expenses, or funds  
 32 are used to make a contribution or contributions to another ballot question  
 33 committee and if ~~such~~ the contribution or contributions exceed ten thousand  
 34 dollars (\$10,000) in value;

35  
 36 SECTION 11. Arkansas Code § 7-9-402(8), concerning the definition of

1 legislative question committee, is amended to read as follows:

2 (8)(A) "Legislative question committee" means any person,  
3 located within or outside Arkansas, that receives contributions for the  
4 purpose of expressly advocating the passage or defeat of any legislative  
5 question or any person, other than an individual, located within or outside  
6 Arkansas, that makes expenditures for the purpose of expressly advocating the  
7 passage or defeat of any legislative question.

8 (B) ~~Provided further, a~~ A person other than an individual  
9 or an approved political action committee as defined in § 7-6-201, located  
10 within or outside Arkansas, also qualifies as a legislative question  
11 committee if two percent (2%) or more of its annual revenues, operating  
12 expenses, or funds are used to make a contribution or contributions to  
13 another legislative question committee and if ~~such~~ the contribution or  
14 contributions exceed ten thousand dollars (\$10,000) in value;

15  
16 SECTION 12. Arkansas Code § 7-9-405 is amended to read as follows:

17 7-9-405. Contributions and expenditures limited.

18 (a) No ballot question committee or legislative question committee  
19 shall accept any contribution in cash, meaning currency or coin, that exceeds  
20 one hundred dollars (\$100).

21 (b) No ballot question committee or legislative question committee  
22 shall accept any contribution from a prohibited political action committee as  
23 defined in § 7-6-201.

24 ~~(b)(c)~~ (c) No ballot question committee, legislative question committee,  
25 or individual shall make an expenditure in cash that exceeds fifty dollars  
26 (\$50.00) to influence the qualification, disqualification, passage, or defeat  
27 of a ballot question or the passage or defeat of a legislative question.

28 ~~(e)(d)~~ (d) No contributions shall be made, directly or indirectly, by any  
29 person in a name other than the name by which the person is identified for  
30 legal purposes.

31 ~~(d)(e)~~ (1) No person shall make an anonymous contribution totaling  
32 fifty dollars (\$50.00) or more to a ballot question committee or legislative  
33 question committee.

34 (2) Any such anonymous contribution actually received by any  
35 ballot question committee or legislative question committee shall be promptly  
36 paid by the recipient to the Arkansas Ethics Commission for deposit into the

1 State Treasury as general revenues.

2  
3 SECTION 13. Arkansas Code § 21-8-701(d)(4)(A), concerning information  
4 included in a statement of financial interest and resulting from Initiated  
5 Act 1 of 1988, is amended to read as follows:

6 (4)(A) The name and address of every business in which the  
7 public servant or candidate and his or her spouse, or any other person for  
8 the use or benefit of the public servant or candidate or his or her spouse,  
9 have an investment or holdings of over one thousand dollars (\$1,000) at fair  
10 market value as of the last day of the previous calendar year; and