

1 State of Arkansas
2 90th General Assembly
3 Regular Session, 2015
4

As Engrossed: S3/30/15

A Bill

SENATE BILL 967

5 By: Senator J. Woods
6 By: Representatives Sabin, *Davis, Vines*
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE ETHICS LAWS OF THE STATE OF
10 ARKANSAS; TO AMEND ETHICS LAWS PERTAINING TO
11 CANDIDATES, STATE OFFICIALS, AND STATE EMPLOYEES; TO
12 AMEND ARKANSAS CONSTITUTION, ARTICLE 19, SECTION 30,
13 UNDER THE AUTHORITY GRANTED IN ARKANSAS CONSTITUTION,
14 ARTICLE 19, SECTION 30, SUBSECTION (D); TO AMEND
15 PROVISIONS OF ARKANSAS LAW RESULTING FROM INITIATED
16 ACT 1 OF 1990 AND INITIATED ACT 1 OF 1996; AND FOR
17 OTHER PURPOSES.

Subtitle

18
19
20 TO AMEND THE ETHICS LAWS OF THE STATE OF
21 ARKANSAS.
22
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24

25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
26

27 *SECTION 1. Pursuant to Arkansas Constitution, Article 19, § 30(d),*
28 *Arkansas Constitution, Article 19, § 30, is amended to read as follows:*

29 *§ 30. Gifts from lobbyists.*

30 *(a) Persons elected or appointed to the following offices shall not*
31 *knowingly or willfully solicit or accept a gift from a lobbyist, a person*
32 *acting on behalf of a lobbyist, or a person employing or contracting with a*
33 *lobbyist:*

- 34 *(1) Governor;*
- 35 *(2) Lieutenant Governor;*
- 36 *(3) Secretary of State;*



- 1 (4) *Treasurer of State;*
 2 (5) *Auditor of State;*
 3 (6) *Attorney General;*
 4 (7) *Commissioner of State Lands;*
 5 (8) *Member of the General Assembly;*
 6 (9) *Chief Justice of the Supreme Court;*
 7 (10) *Justice of the Supreme Court;*
 8 (11) *Chief Judge of the Court of Appeals;*
 9 (12) *Judge of the Court of Appeals;*
 10 (13) *Circuit court judge;*
 11 (14) *District court judge;*
 12 (15) *Prosecuting attorney;* and

13 ~~(9)~~(16) *Member of the independent citizens commission for the*
 14 *purpose of setting salaries of elected constitutional officers of the*
 15 *executive department, members of the General Assembly, justices, and judges*
 16 *under Article 19, § 31, of this Constitution.*

17 (b) *As used in this section:*

18 (1)(A) *“Administrative action” means a decision on, or proposal,*
 19 *consideration, or making of a rule, regulation, ratemaking proceeding, or*
 20 *policy action by a governmental body.*

21 (B) *“Administrative action” does not include ministerial*
 22 *action;*

23 (2)(A) *“Gift” means any payment, entertainment, advance,*
 24 *services, or anything of value, unless consideration of equal or greater*
 25 *value has been given therefor.*

26 (B) *“Gift” does not include:*

27 (i)(a) *Informational material such as books,*
 28 *reports, pamphlets, calendars, or periodicals informing a person elected or*
 29 *appointed to an office under subsection (a) of this section regarding his or*
 30 *her official duties.*

31 (b) *Payments for travel or reimbursement for*
 32 *any expenses are not informational material;*

33 (ii) *Gifts that are not used and which, within*
 34 *thirty (30) days after receipt, are returned to the donor;*

35 (iii) *Gifts from the spouse, child, parent,*
 36 *grandparent, grandchild, brother, sister, parent-in-law, brother-in-law,*

1 *sister-in-law, nephew, niece, aunt, uncle, or first cousin of a person*
2 *elected or appointed to an office under subsection (a) of this section, or*
3 *the spouse of any of these persons, unless the person is acting as an agent*
4 *or intermediary for any person not covered by this subdivision*

5 *(b)(2)(B)(iii);*

6 *(iv) Anything of value that is readily available to*
7 *the general public at no cost;*

8 *(v)(a)(1) Food or drink available at a planned*
9 *activity to which a specific governmental body is invited, including without*
10 *limitation a governmental body to which a person elected or appointed to an*
11 *office under subsection (a) of this section is not a member.*

12 *(2) If a committee of the General*
13 *Assembly is invited to a planned activity under subdivision*
14 *(b)(2)(B)(v)(a)(1) of this section, only members of the committee of the*
15 *General Assembly may accept food or drink at the planned activity.*

16 *(b)(1) As used in this subdivision*
17 *(b)(2)(B)(v), "planned activity" means an event for which a written*
18 *invitation is distributed electronically or by other means by the lobbyist,*
19 *person acting on behalf of a lobbyist, or a person employing or contracting*
20 *with a lobbyist to the members of the specific governmental body at least*
21 *twenty-four (24) hours before the event.*

22 *(2) As used in this subdivision*
23 *(b)(2)(B)(v), "planned activity" does not include food or drink available at*
24 *a meeting of a specific governmental body for which the person elected or*
25 *appointed to an office under subsection (a) of this section is entitled to*
26 *receive per diem for attendance at the meeting.*

27 *(c) A lobbyist, a person acting on behalf of a*
28 *lobbyist, or a person employing or contracting with a lobbyist shall not*
29 *offer or pay for food or drink at more than one (1) planned activity in a*
30 *seven-day period;*

31 *(vi)(a) Payments by regional or national*
32 *organizations for travel to regional or national conferences at which the*
33 *State of Arkansas is requested to be represented by a person or persons*
34 *elected or appointed to an office under subsection (a) of this section~~†.~~*

35 *(b) As used in this subdivision (b)(2)(B)(vi),*
36 *"travel" means transportation, lodging, and conference registration fees.*

1 (c) This section does not prohibit the
2 acceptance of:

3 (1) Food, drink, informational
4 materials, or other items included in the conference registration fee; and

5 (2) Food and drink at events coordinated
6 through the regional or national conference and provided to persons
7 registered to attend the regional or national conference;

8 (vii) Campaign contributions; ~~and~~

9 (viii) Any devise or inheritance;

10 (ix) Salaries, benefits, services, fees,
11 commissions, expenses, or anything of value in connection with:

12 (a) The employment or occupation of a person
13 elected or appointed to an office under subsection (a) of this section or his
14 or her spouse so long as the salary, benefit, service, fee, commission,
15 expense, or anything of value is solely connected with the person's
16 employment or occupation and is unrelated to and does not arise from the
17 duties or responsibilities of the office to which the person has been elected
18 or appointed; or

19 (b) Service as an officer, director, or board
20 member of a corporation, a firm registered to do business in the state, or
21 other organization that files a state and federal tax return or is an
22 affiliate of an organization that files a state and federal tax return by a
23 person elected or appointed to an office under subsection (a) of this section
24 or his or her spouse so long as the salary, benefit, service, fee,
25 commission, expense, or anything of value is solely connected with the
26 person's service as an officer, director, or board member and is unrelated to
27 and does not arise from the duties or responsibilities of the office to which
28 the person has been elected or appointed; and

29 (x) A personalized award, plaque, or trophy with a
30 value of one hundred fifty dollars (\$150) or less;

31 (3) "Governmental body" or "governmental bodies" means an
32 office, department, commission, council, board, committee, legislative body,
33 agency, or other establishment of the executive, judicial, or legislative
34 branch of the state, municipality, county, school district, improvement
35 district, or any political district or subdivision thereof;

36 (4)(A) "Income" means any money or anything of value received or

1 to be received as a claim for future services, whether in the form of a
2 retainer, fee, salary, expense, allowance, forbearance, forgiveness,
3 interest, dividend, royalty, rent, or any other form of recompense or any
4 combination thereof.

5 (B) "Income" includes a payment made under obligation for
6 services or other value received;

7 (5) "Legislative action" means introduction, sponsorship,
8 consideration, debate, amendment, passage, defeat, approval, veto, or any
9 other official action or nonaction on any bill, ordinance, law, resolution,
10 amendment, nomination, appointment, report, or other matter pending or
11 proposed before a committee or house of the General Assembly, a quorum court,
12 or a city council or board of directors of a municipality;

13 (6) "Legislator" means a person who is a member of the General
14 Assembly, a quorum court of a county, or the city council or board of
15 directors of a municipality;

16 (7) "Lobbying" means communicating directly or soliciting others
17 to communicate with a public servant with the purpose of influencing
18 legislative action or administrative action;

19 (8) "Lobbyist" means a person who:

20 (A) Receives income or reimbursement in a combined amount
21 of four hundred dollars (\$400) or more in a calendar quarter for lobbying one
22 (1) or more governmental bodies;

23 (B) Expends four hundred dollars (\$400) or more in a
24 calendar quarter for lobbying one (1) or more governmental bodies, excluding
25 the cost of personal travel, lodging, meals, or dues; or

26 (C) Expends four hundred dollars (\$400) or more in a
27 calendar quarter, including postage, for the express purpose of soliciting
28 others to communicate with a public servant to influence any legislative
29 action or administrative action of one (1) or more governmental bodies unless
30 the communication has been filed with the Secretary of State or the
31 communication has been published in the news media. If the communication is
32 filed with the Secretary of State, the filing shall include the approximate
33 number of recipients;

34 (9)(A) "Person" means a business, individual, union,
35 association, firm, committee, club, or other organization or group of
36 persons.

1 (B) As used in subdivision (b)(9)(A) of this section,
2 "business" includes without limitation a corporation, partnership, sole
3 proprietorship, firm, enterprise, franchise, association, organization, self-
4 employed individual, receivership, trust, or any legal entity through which
5 business is conducted;

6 (10)(A) "Public appointee" means an individual who is appointed
7 to a governmental body.

8 (B) "Public appointee" does not include an individual
9 appointed to an elective office;

10 (11)(A) "Public employee" means an individual who is employed by
11 a governmental body or who is appointed to serve a governmental body.

12 (B) "Public employee" does not include a public official
13 or a public appointee;

14 (12) "Public official" means a legislator or any other person
15 holding an elective office of any governmental body, whether elected or
16 appointed to the office, and shall include such persons during the time
17 period between the date they were elected and the date they took office; and

18 (13) "Public servant" means all public officials, public
19 employees, and public appointees.

20 (c)(1) A person who knowingly violates this section is guilty of a
21 Class B misdemeanor.

22 (2) In addition to the penalty under subdivision (c)(1) of this
23 section, the General Assembly shall provide by law for this section to be
24 under the jurisdiction of the Arkansas Ethics Commission, including without
25 limitation authorization of the following actions by the Arkansas Ethics
26 Commission:

27 (A) Promulgating reasonable rules to implement and
28 administer this section as necessary;

29 (B) Issuing advisory opinions and guidelines on the
30 requirements of this section; and

31 (C) Investigating complaints of alleged violations of this
32 section and rendering findings and disciplinary action for such complaints.

33 (3)(A) It is an affirmative defense to prosecution or
34 disciplinary action under subdivisions (c)(1) and (2) of this section that a
35 person elected or appointed to an office under subsection (a) of this section
36 takes one (1) of the following actions within thirty (30) days of discovering

1 or learning of an alleged violation of this section:

2 (i) Returns the gift to the donor; or

3 (ii) If the gift is not returnable, pays the donor
4 consideration that is equal to or greater than the value of the gift.

5 (B)(i) The Arkansas Ethics Commission shall not proceed
6 with an investigation of an alleged violation of this section if the Arkansas
7 Ethics Commission determines that a person would be eligible to raise the
8 affirmative defense under subdivision (c)(3)(A) of this section.

9 (ii) If the Arkansas Ethics Commission does not
10 proceed with an investigation of an alleged violation under subdivision
11 (c)(3)(B)(i) of this section, the person shall not be considered to have
12 committed a violation.

13 (C) This subdivision (c)(3) shall not be construed to
14 authorize a person to knowingly or willfully solicit or accept a gift in
15 violation of this section.

16 (d)(1) Except as provided in subdivision (d)(2) of this section, the
17 General Assembly, in the same manner as required for amendment of laws
18 initiated by the people, may amend this section so long as such amendments
19 are germane to this section and consistent with its policy and purposes.

20 (2) The General Assembly may amend subsection (c) of this
21 section by a majority vote of each house.

22
23 SECTION 2. Arkansas Code Title 7, Chapter 1, Subchapter 1, is amended
24 to add an additional section to read as follows:

25 7-1-114. Display of campaign literature on vehicle of candidate or
26 public official while on State Capitol grounds.

27 (a) It is unlawful for a candidate or a public official, as defined in
28 § 21-8-402, to display one (1) or more campaign banners, campaign signs, or
29 other campaign literature larger than twelve inches by twelve inches (12" X
30 12") on a car, truck, tractor, or other vehicle belonging to the candidate or
31 public official while on the State Capitol grounds.

32 (b) The Arkansas Ethics Commission shall promulgate rules concerning
33 the enforcement of this section, including without limitation providing for
34 the imposition of a fine for violations of this section that shall not exceed
35 one hundred fifty dollars (\$150).

36

1 SECTION 3. Arkansas Code § 7-6-201(3), concerning definitions relevant
2 to campaign finance, is amended to read as follows:

3 (3)(A) "Carryover funds" means the amount of campaign funds
4 retained from the last election by the candidate for future use but not to
5 exceed the annual salary, excluding expense allowances, set by Arkansas law
6 for the office sought~~+~~.

7 (B) "Carryover funds" does not include campaign signs,
8 campaign literature, and other printed campaign materials that were:

9 (i) Purchased by the campaign;

10 (ii) Reported on the appropriate contribution and
11 expenditure report for the campaign at the time of the purchase; and

12 (iii) Retained for use in a future campaign by the
13 same candidate;

14
15 SECTION 4. Arkansas Code § 7-6-201(17), concerning definitions
16 relevant to campaign finance, is amended to read as follows:

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

19 ~~(A)(i)~~ Carryover funds; and

20 ~~(B)(ii)~~ Any funds required to repay loans made by the
21 candidate from his or her personal funds to the campaign or to repay loans
22 made by financial institutions to the candidate and applied to the campaign~~+~~
23 ~~and.~~

24 (B) "Surplus campaign funds" does not include campaign
25 signs, campaign literature, and other printed campaign materials that were:

26 (i) Purchased by the campaign;

27 (ii) Reported on the appropriate contribution and
28 expenditure report for the campaign at the time of the purchase; and

29 (iii) Retained for use in a future campaign by the
30 same candidate; and

31
32 SECTION 5. Arkansas Code § 7-6-203(a) and (b), concerning campaign
33 contributions and resulting from Initiated Act No. 1 of 1990 and Initiated
34 Act No. 1 of 1996, are amended to read as follows:

35 (a)(1)(A) It shall be unlawful for any candidate for any public
36 office, ~~except the office of Governor, Lieutenant Governor, Secretary of~~

1 ~~State, Treasurer of State, Auditor of State, Attorney General, and~~
 2 ~~Commissioner of State Lands, or for any person acting on the candidate's~~
 3 ~~behalf to accept campaign contributions in excess of two thousand seven~~
 4 ~~hundred dollars ~~(\$2,000)~~(\$2,700) per election from ~~any person~~;~~

5 (i) An individual;

6 (ii) A political party that meets the definition of
 7 a political party under § 7-1-101;

8 (iii) A political party that meets the requirements
 9 of § 7-7-205;

10 (iv) A legislative caucus committee; or

11 (v) An approved political action committee.

12 (B) It shall be unlawful for a candidate for a public
 13 office or for any person acting on the candidate's behalf to accept a
 14 campaign contribution from a prospective contributor other than those under
 15 subdivisions (a)(1)(A)(i)-(v) of this section.

16 ~~(B)(2) A candidate may accept a campaign contribution or~~
 17 ~~contributions up to the maximum amount from any prospective contributor under~~
 18 ~~subdivisions (a)(1)(A)(i)-(v) of this section for each election, whether~~
 19 ~~opposed or unopposed.~~

20 ~~(2)(A) It shall be unlawful for any candidate for the office of~~
 21 ~~Governor, Lieutenant Governor, Secretary of State, Treasurer of State,~~
 22 ~~Auditor of State, Attorney General, and Commissioner of State Lands, or for~~
 23 ~~any person acting on the candidate's behalf to accept campaign contributions~~
 24 ~~in excess of two thousand dollars ~~(\$2,000)~~ per election from any person,~~

25 ~~(B) A candidate may accept a campaign contribution or~~
 26 ~~contributions up to the maximum amount from any prospective contributor for~~
 27 ~~each election, whether opposed or unopposed.~~

28 ~~(b)(1)(A) It shall be unlawful for any person permitted to make a~~
 29 ~~contribution under subdivisions (a)(1)(A)(i)-(v) of this section to make a~~
 30 ~~contribution to a candidate for any public office, ~~except the office of~~~~
 31 ~~Governor, Lieutenant Governor, Secretary of State, Treasurer of State,~~
 32 ~~Auditor of State, Attorney General, and Commissioner of State Lands, or to~~
 33 ~~any person acting on the candidate's behalf, which in the aggregate exceeds~~
 34 ~~two thousand seven hundred dollars ~~(\$2,000)~~(\$2,700) per election.~~

35 ~~(B)(2) A person permitted to make a contribution or~~
 36 ~~contributions under subdivisions (a)(1)(A)(i)-(v) of this section may make a~~

1 contribution or contributions up to the maximum amount to a candidate for
2 each election, whether opposed or unopposed.

3 ~~(2)(A) It shall be unlawful for any person to make a~~
4 ~~contribution to a candidate for the office of Governor, Lieutenant Governor,~~
5 ~~Secretary of State, Treasurer of State, Auditor of State, Attorney General,~~
6 ~~and Commissioner of State Lands, or to any person acting on the candidate's~~
7 ~~behalf, which in the aggregate exceeds two thousand dollars (\$2,000) per~~
8 ~~election.~~

9 ~~(B) A person may make a contribution or contributions up~~
10 ~~to the maximum amount to a candidate for each election, whether opposed or~~
11 ~~unopposed.~~

12
13 SECTION 6. Arkansas Code § 7-6-203(d), concerning campaign
14 contributions by organized political parties, is repealed.

15 ~~(d) However, an organized political party as defined in § 7-1-101 may~~
16 ~~contribute up to two thousand five hundred dollars (\$2,500) to each of the~~
17 ~~party's candidates per election.~~

18
19 SECTION 7. Arkansas Code § 7-6-203, resulting from Initiated Act No. 1
20 of 1990 and Initiated Act No. 1 of 1996, is amended to add an additional
21 subsection to read as follows:

22 (j)(1) The contribution limits under subdivision (a)(1)(A) and
23 subdivision (b)(1) of this section shall be adjusted at the beginning of each
24 odd-numbered year in an amount equal to the percentage certified to the
25 Federal Election Commission by the Bureau of Labor Statistics of the
26 Department of Labor under 52 U.S.C. § 30116(c) as existing on January 1,
27 2015.

28 (2) If the amount after adjustment under subdivision (j)(1) of
29 this section is not a multiple of one hundred dollars (\$100), the Arkansas
30 Ethics Commission shall round the amount to the nearest multiple of one
31 hundred dollars (\$100).

32 (3) The Arkansas Ethics Commission shall promulgate rules
33 identifying the adjusted contribution limit under subdivision (j)(1) of this
34 section.

35
36 SECTION 8. Arkansas Code § 7-6-217(g), concerning the authority of the

1 *Arkansas Ethics Commission and resulting from Initiated Act No. 1 of 1990 and*
2 *as amended by Acts 2015, No. 47, is amended to read as follows:*

3 *(g) The commission shall have the authority to:*

4 *(1) Pursuant to the Arkansas Administrative Procedure Act, § 25-*
5 *15-201 et seq., promulgate reasonable rules and regulations to implement and*
6 *administer the requirements of this subchapter, as well as § 7-9-401 et seq.,*
7 *§ 21-8-301 et seq., § 21-8-401 et seq., § 21-8-501 et seq. [repealed], § 21-*
8 *8-601 et seq., § 21-8-701 et seq., § 21-8-801 et seq., § 21-8-901 et seq.,*
9 *~~and~~ § 21-8-1001 et seq., and Sections 28, 29, and 30 of Article 19 of the*
10 *Arkansas Constitution, and to govern procedures before the commission,*
11 *matters of commission operations, and all investigative and disciplinary*
12 *procedures and proceedings;*

13 *(2) Issue advisory opinions and guidelines on the requirements*
14 *of § 7-1-103(a)(1)-(4), (6), and (7), this subchapter, § 7-9-401 et seq., §*
15 *21-8-301 et seq., § 21-8-401 et seq., § 21-8-501 et seq. [repealed], § 21-8-*
16 *601 et seq., § 21-8-701 et seq., § 21-8-801 et seq., § 21-8-901 et seq., §*
17 *21-8-1001 et seq., and Sections 28, 29, and 30 of Article 19 of the Arkansas*
18 *Constitution;*

19 *(3) After a citizen complaint has been submitted to the*
20 *commission, investigate alleged violations of § 7-1-103(a)(1)-(4), (6), and*
21 *(7), this subchapter, § 7-9-401 et seq., § 21-1-401 et seq., § 21-8-301 et*
22 *seq., § 21-8-401 et seq., § 21-8-501 et seq. [repealed], § 21-8-601 et seq.,*
23 *§ 21-8-701 et seq., § 21-8-801 et seq., § 21-8-901 et seq., ~~and~~ § 21-8-1001*
24 *et seq., and Sections 28, 29, and 30 of Article 19 of the Arkansas*
25 *Constitution and render findings and disciplinary action thereon;*

26 *(4) Pursuant to commission investigations, subpoena any person*
27 *or the books, records, or other documents being held by any person and take*
28 *sworn statements;*

29 *(5) Administer oaths for the purpose of taking sworn testimony*
30 *of witnesses and conduct hearings;*

31 *(6) Hire a staff and retain legal counsel;*

32 *(7) Approve forms prepared by the Secretary of State pursuant to*
33 *this subchapter, § 7-9-401 et seq., § 21-8-301 et seq., § 21-8-401 et seq., §*
34 *21-8-501 et seq. [repealed], § 21-8-601 et seq., § 21-8-701 et seq., § 21-8-*
35 *801 et seq., § 21-8-901 et seq., and § 21-8-1001 et seq.; and*

36 *(8)(A) File suit in the Pulaski County Circuit Court or in the*

1 circuit court of the county wherein the respondent resides or, pursuant to §
2 16-17-706, in the small claims division established in any district court in
3 the State of Arkansas, to obtain a judgment for the amount of any fine
4 imposed pursuant to § 7-6-218(b)(4)(B)(i)-(iii), or to enforce an order of
5 the commission requiring the filing or amendment of a disclosure form.

6 (B) Said action by the court shall not involve further
7 judicial review of the commission's actions.

8 (C) The fee normally charged for the filing of a suit in
9 any of the circuit courts in the State of Arkansas shall be waived on behalf
10 of the commission.

11
12 SECTION 9. Arkansas Code § 7-6-218, resulting from Initiated Act No. 1
13 of 1990, is amended to read as follows:

14 7-6-218. Citizen complaints.

15 (a)(1) Any citizen may file a complaint with the Arkansas Ethics
16 Commission against a person covered by this subchapter, by § 7-1-103(a)(1)-
17 (4), (6), or (7), § 7-9-401 et seq., § 21-1-401 et seq., or § 21-8-301 et
18 seq., § 21-8-401 et seq., § 21-8-501 et seq. [repealed], § 21-8-601 et seq.,
19 § 21-8-701 et seq., § 21-8-801 et seq., § 21-8-901 et seq., ~~and~~ § 21-8-1001
20 et seq., and Sections 28, 29, and 30 of Article 19 of the Arkansas
21 Constitution, for an alleged violation of the subchapters or sections. For
22 purposes of this subdivision (a)(1), the Arkansas Ethics Commission shall be
23 considered a citizen.

24 (2) A complaint must be filed within four (4) years after the
25 alleged violation occurred. If the alleged violation is the failure to file a
26 report or the filing of an incorrect report, the complaint must be filed
27 within four (4) years after the date the report was due.

28 (b)(1)(A) Upon a complaint stating facts constituting an alleged
29 violation signed under penalty of perjury by any person, the commission shall
30 investigate the alleged violation of this subchapter or § 7-1-103(a)(1)-(4),
31 (6), or (7), § 7-9-401 et seq., § 21-1-401 et seq., § 21-8-301 et seq., § 21-
32 8-401 et seq., § 21-8-501 et seq. [repealed], § 21-8-601 et seq., § 21-8-701
33 et seq., § 21-8-801 et seq., § 21-8-901 et seq., ~~and~~ § 21-8-1001 et seq., and
34 Sections 28, 29, and 30 of Article 19 of the Arkansas Constitution.

35 (B) The commission shall immediately notify any person
36 under investigation of the investigation and of the nature of the alleged

1 violation.

2 (C) The commission in a document shall advise the
3 complainant and the respondent of the final action taken, together with the
4 reasons for the action, and such document shall be a public record.

5 (D) Filing of a frivolous complaint shall be a violation
6 of this subchapter. For purposes of this section, "frivolous" means clearly
7 lacking any basis in fact or law. In any case in which the commission has
8 dismissed a complaint, the respondent may request in writing that the
9 commission make a finding as to whether or not the complaint filed was
10 frivolous. In the event that the commission finds that the complaint was
11 frivolous, the respondent may file a complaint seeking sanctions as provided
12 in § 7-6-218(b)(4).

13 (2) If, after the investigation, the commission finds that
14 probable cause exists for a finding of a violation, the respondent may
15 request a hearing. The hearing shall be a public hearing.

16 (3)(A) The commission shall keep a record of its investigations,
17 inquiries, and proceedings.

18 (B)(i) Except as provided in subdivision (b)(3)(B)(ii) of
19 this section, all proceedings, records, and transcripts of any investigations
20 or inquiries shall be kept confidential by the commission, unless the
21 respondent requests disclosure of documents relating to investigation of the
22 case, in case of a hearing under subdivision (b)(2) of this section, or in
23 case of judicial review of a commission decision pursuant to § 25-15-212.

24 (ii)(a) Through its members or staff, the commission
25 may disclose confidential information to proper law enforcement officials,
26 agencies, and bodies or as may be required to conduct its investigation.

27 (b) If an investigation or inquiry concerns an
28 attorney or judge, the commission may, through its members or staff, disclose
29 confidential information to the Supreme Court Committee on Professional
30 Conduct or the Judicial Discipline and Disability Commission.

31 (C) Thirty (30) days after any final adjudication in which
32 the commission makes a finding of a violation, all records relevant to the
33 investigation and upon which the commission has based its decision, except
34 working papers of the commission and its staff, shall be open to public
35 inspection.

36 (4) If the commission finds a violation of this subchapter, § 7-

1 1-103(a)(1)-(4), (6), or (7), § 21-1-401 et seq., § 21-8-301 et seq., § 21-8-
2 401 et seq., § 21-8-501 et seq. [repealed], § 21-8-601 et seq., § 21-8-701 et
3 seq., § 21-8-801 et seq., § 21-8-901 et seq., ~~and~~ § 21-8-1001 et seq., or
4 Sections 28, 29, or 30 of Article 19 of the Arkansas Constitution, then the
5 commission shall do one (1) or more of the following, unless good cause be
6 shown for the violation:

7 (A) Issue a public letter of caution or warning or
8 reprimand;

9 (B)(i) Notwithstanding the provisions of §§ 7-6-202, 7-9-
10 409, 21-8-403, and 21-8-903, impose a fine of not less than fifty dollars
11 (\$50.00) nor more than two thousand dollars (\$2,000) for negligent or
12 intentional violation of this subchapter or § 21-8-301 et seq., § 21-8-401 et
13 seq., § 21-8-601 et seq., § 21-8-701 et seq., § 21-8-801 et seq., ~~and~~ § 21-8-
14 901 et seq., or Sections 28, 29, or 30 of Article 19 of the Arkansas
15 Constitution.

16 (ii) The commission shall adopt rules governing the
17 imposition of such fines in accordance with the provisions of the Arkansas
18 Administrative Procedure Act, § 25-15-201 et seq.

19 (iii) All moneys received by the commission in
20 payment of fines shall be deposited into the State Treasury as general
21 revenues;

22 (C) Order the respondent to file or amend a statutorily
23 required disclosure form; or

24 (D)(i) Report its finding, along with such information and
25 documents as it deems appropriate, and make recommendations to the proper law
26 enforcement authorities.

27 (ii) When exercising the authority provided in this
28 subdivision (b)(4), the commission is not required to make a finding of a
29 violation of the laws under its jurisdiction.

30 (5)(A) The commission shall complete its investigation of a
31 complaint filed pursuant to this section and take final action within ~~one~~
32 ~~hundred fifty (150)~~ two hundred ten (210) days of the filing of the
33 complaint. If a hearing under subdivision (b)(2) of this section or other
34 hearing of adjudication is conducted, all action on the complaint by the
35 commission shall be completed within ~~one hundred eighty (180)~~ two hundred
36 forty (240) days.

1 (B) However, such time shall be tolled during the pendency
2 of any civil action, civil appeal, or other judicial proceeding involving
3 those particular commission proceedings.

4 (c) Any final action of the commission under this section shall
5 constitute an adjudication for purposes of judicial review under § 25-15-212.

6
7 SECTION 10. Arkansas Code Title 7, Chapter 6, Subchapter 2, is amended
8 to add additional sections to read as follows:

9 7-6-228. Campaign signs and materials.

10 (a) A candidate may retain campaign signs, campaign literature, and
11 other printed campaign materials that:

12 (1) Were purchased by the campaign;

13 (2) Were reported on the appropriate contribution and
14 expenditure report for the campaign at the time of the purchase; and

15 (3) Are retained for use in a future campaign by the same
16 candidate.

17 (b) A candidate:

18 (1) May reuse the campaign signs, campaign literature, and other
19 printed campaign materials under subsection (a) of this section in future
20 campaigns; and

21 (2) Is not required to list the campaign signs, campaign
22 literature, and other printed campaign materials under subsection (a) of
23 this section in future reports filed under this subchapter.

24
25 7-6-229. Amendment of reports - Affirmative defense.

26 (a) It is an affirmative defense to prosecution or disciplinary action
27 if a person required to file a report under this subchapter amends the report
28 within thirty (30) days of discovering or learning of an error in the report.

29 (b)(1) The commission shall not proceed with an investigation of an
30 alleged error in a report filed under this subchapter if the commission
31 determines that a person would be eligible to raise the affirmative defense
32 under subsection (a) of this section.

33 (2) If the commission does not proceed with an investigation of
34 an alleged error in a report under subdivision (b)(1) of this section, the
35 person shall not be considered to have committed a violation of the
36 applicable statute.

1 (c) This section shall not be construed to:

2 (1) Remove the duty to file a report under this subchapter; or

3 (2) Authorize a person to knowingly fail to file a report under
4 this subchapter.

5
6 SECTION 11. Arkansas Code § 21-1-402(f), concerning the period of
7 ineligibility of former members of the General Assembly to be registered as
8 lobbyists, is amended to read as follows:

9 (f)(1) A former member of the General Assembly shall not be eligible
10 to be registered as a lobbyist under § 21-8-601 et seq. until ~~one (1) year~~
11 two (2) years after the expiration of the term of office for which he or she
12 was elected.

13 (2) Subdivision (f)(1) of this section applies to all persons
14 elected to the General Assembly on or after ~~July 27, 2011~~ November 4, 2014.

15
16 SECTION 12. Arkansas Code Title 21, Chapter 8, Subchapter 3, is
17 amended to add an additional section to read as follows:

18 21-8-310. Gifts from lobbyists.

19 Persons elected or appointed to the following offices shall not
20 knowingly or willfully solicit or accept a gift in violation of Arkansas
21 Constitution, Article 19, § 30, from a lobbyist, a person acting on behalf of
22 a lobbyist, or a person employing or contracting with a lobbyist:

- 23 (1) Governor;
- 24 (2) Lieutenant Governor;
- 25 (3) Secretary of State;
- 26 (4) Treasurer of State;
- 27 (5) Auditor of State;
- 28 (6) Attorney General;
- 29 (7) Commissioner of State Lands;
- 30 (8) Member of the General Assembly;
- 31 (9) Chief Justice of the Supreme Court;
- 32 (10) Justice of the Supreme Court;
- 33 (11) Chief Judge of the Court of Appeals;
- 34 (12) Judge of the Court of Appeals;
- 35 (13) Circuit court judge;
- 36 (14) District court judge;

1 (15) Prosecuting attorney; and
2 (16) Member of the independent citizens commission for the
3 purpose of setting salaries of elected constitutional officers of the
4 executive department, members of the General Assembly, justices, and judges
5 under Arkansas Constitution, Article 19, § 31.
6

7 SECTION 13. Arkansas Code § 21-8-701, concerning the persons who are
8 required to file a written statement of financial interest, is amended to add
9 an additional subsection to read as follows:

10 (f)(1) It is an affirmative defense to prosecution or disciplinary
11 action if a person required to file a statement of financial interest under
12 this subchapter amends the statement of financial interest within thirty (30)
13 days of discovering or learning of an error in the statement of financial
14 interest.

15 (2)(A) The Arkansas Ethics Commission shall not proceed with an
16 investigation of an alleged error in a statement of financial interest filed
17 under this subchapter if the commission determines that a person would be
18 eligible to raise the affirmative defense under subdivision (f)(1) of this
19 section.

20 (B) If the commission does not proceed with an
21 investigation of an alleged error in a statement of financial interest under
22 subdivision (f)(2)(A) of this section, the person shall not be considered to
23 have committed a violation of the applicable statute.

24 (3) This section shall not be construed to:

25 (A) Remove the duty to file a statement of financial
26 interest under this subchapter; or

27 (B) Authorize a person to knowingly fail to file a
28 statement of financial interest under this subchapter.
29

30 SECTION 14. DO NOT CODIFY. (a)(1) The Legislative Council shall
31 conduct a feasibility study of requiring:

32 (1) All state and district candidates to file campaign
33 contribution and expenditure reports and carryover fund reports in electronic
34 form; and

35 (2) The implementation of systems for the review of campaign
36 contribution and expenditure reports and carryover fund reports in a manner

1 that is easily utilized by candidates and facilitates public access.

2 (b)(1) The study shall be conducted in consultation with the Secretary
3 of State and the Arkansas Ethics Commission.

4 (2) The study shall afford a reasonable opportunity for public
5 comment.

6 (c) The study shall include without limitation:

7 (1) Review of pertinent electronic filing systems utilized by
8 other states;

9 (2) A demonstration of electronic filing software systems by
10 competent vendors in the field;

11 (3) An evaluation of features that facilitate public access to
12 electronically filed reports and statements and the searching of data
13 contained therein;

14 (4) An evaluation of programs that train public officials in the
15 use of electronic filing systems;

16 (5) An analysis of the costs to purchase, install, and test
17 electronic filing systems; and

18 (6) Appropriate timelines for the implementation of electronic
19 filing systems.

20 (d)(1) The study shall be completed by January 1, 2016.

21 (2)(A) The Legislative Council shall report its findings to the
22 President Pro Tempore of the Senate and Speaker of the House of
23 Representatives.

24 (B) The findings shall include recommendations as to the
25 feasibility, cost, design, and timelines for the implementation of new or
26 improved electronic filing systems by the Secretary of State.

27
28
29 SECTION 15. The Arkansas Code Revision Commission is requested to
30 reletter the subsections in Arkansas Code § 7-6-203.

31
32 SECTION 16. EMERGENCY CLAUSE. It is found and determined by the
33 General Assembly of the State of Arkansas that the people of Arkansas adopted
34 Arkansas Constitution, Amendment 94, at the 2014 General Election, which
35 added Sections 28, 29, and 30 to Article 19 of the Arkansas Constitution;
36 that Arkansas Constitution, Amendment 94, requires the General Assembly to

1 provide by law that Arkansas Constitution, Article 19, Sections 28, 29, and
2 30 be under the jurisdiction of the Arkansas Ethics Commission; that this act
3 should become effective at the earliest opportunity to allow the commission
4 to enforce Arkansas Constitution, Article 19, Sections 28, 29, and 30 and
5 issue guidance to affected public officials; and that the additional
6 provisions of this act provide clarity to the ethics laws of the State of
7 Arkansas and should become effective at the earliest opportunity to prevent
8 confusion and avoid incorrect applications of the state's ethics laws.
9 Therefore, an emergency is declared to exist, and this act being immediately
10 necessary for the preservation of the public peace, health, and safety shall
11 become effective on:

12 (1) The date of its approval by the Governor;

13 (2) If the bill is neither approved nor vetoed by the Governor,
14 the expiration of the period of time during which the Governor may veto the
15 bill; or

16 (3) If the bill is vetoed by the Governor and the veto is
17 overridden, the date the last house overrides the veto.

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19 /s/J. Woods
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