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Proposed Rulemaking

Title

Promulgated by:
Arkansas Ethics Commission

Title 7. Elections

Chapter I. Arkansas Ethics Commission

Subchapter A. Generally

Part 5. Rules on Political Committees

Subpart 1. Generally

7 CAR § 5-101. Definitions.

As used in this part:

(1)(A) "Approved political action committee" means any person who:

(i) Receives contributions from one (1) or more persons in order to make contributions to:

(a) Candidates;

(b) Campaign committees;

(c) Ballot question committees;

(d) Legislative question committees;

(e) Political parties;

(f) County political party committees; or

(g) Other political action committees;

(ii) Does not accept any contribution or cumulative contributions in excess of ten thousand dollars ($10,000) from any person in any calendar year; and

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

(B) An approved political action committee shall not include:

(i) An organized political party as defined in Arkansas Code § 7-1-101;

(ii) A county political party committee;

(iii) The candidate's own campaign committee;

(iv) An exploratory committee;

(v) A ballot question committee; or

(vi) A legislative question committee;

(2)(A) "Contribution" means, whether direct or indirect, advances, deposits, or transfers of funds, contracts, or obligations, whether or not legally enforceable, payments, gifts, subscriptions, assessments, payment for services, dues, advancements, forbearance, loans, or pledges or promises of money or anything of value, whether or not legally enforceable, to a candidate, committee, or holder of elective office, made for the purpose of influencing the nomination or election of any candidate or in support of or opposition to a ballot or legislative question.

(B) "Contribution" shall include membership dues paid to a committee but not filing fees paid to a committee by candidates.

(C)(i) "Contribution" includes:

(*a*) The purchase of tickets for events such as dinners, luncheons, rallies, and similar fundraising events;

(*b*) The granting of discounts or rebates by television and radio stations and newspapers not extended on an equal basis to all candidates for the same office; and

(*c*) Any payments for the services of any person serving as an agent of a candidate or committee by a person other than the candidate or committee or persons whose expenditures the candidates or committee must report under Arkansas Code § 7-6-201 et seq.

(ii) The term "contribution" further includes any transfer of anything of value received by a committee from another committee.

(iii) "Contribution" shall not include noncompensated, nonreimbursed, volunteer personal services or travel.

(D) "Contribution and expenditure" shall not include activity sponsored and funded by a political party that meets the definition of "political party" under Arkansas Code § 7-1-101 or the requirements of Arkansas Code § 7-7-205 to promote its candidates or nominees through events such as dinners, luncheons, rallies, or similar gatherings and shall not include nonpartisan activity designed to encourage individuals to register to vote or to vote or any communication by any membership organization to its members or stockholders if the membership organization or corporation is not organized primarily for the purpose of influencing the nomination for election or election of any candidate;

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

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

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

(C) Receives contributions from one (1) or more persons in order to make contributions to:

(i) Candidates;

(ii) Campaign committees;

(iii) Ballot question committees;

(iv) Legislative question committees;

(v) Political parties;

(vi) Political action committees; or

(vii) Other county political party committees;

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

(E) Registers pursuant to Arkansas Code § 7-6-226 prior to making contributions;

(4)(A) "Legislative caucus committee" means a person that:

(i) Is composed exclusively of members of the General Assembly;

(ii) Elects or appoints officers and recognizes identified legislators as members of the organization; and

(iii) Exists for research and other support of policy development and interests that the membership hold in common.

(B) A "legislative caucus committee" includes, but is not limited to, a political party caucus of the:

(i) General Assembly;

(ii) Senate; or

(iii) House of Representatives.

(C) An organization whose only nonlegislator member is the Lieutenant Governor or the Governor is a "legislative caucus committee" for purposes of this part;

(5)(A) "Person" means any:

(i) Individual;

(ii) Proprietorship;

(iii) Firm;

(iv) Partnership;

(v) Joint venture;

(vi) Syndicate;

(vii) Labor union;

(viii) Business trust;

(ix) Company;

(x) Corporation;

(xi) Association;

(xii) Committee; or

(xiii) Any other organization or group of persons acting in concert.

(B) It shall also include:

(i) A political party that meets the definition of "political party" under Arkansas Code § 7-1-101 or the requirements of Arkansas Code § 7-7-205;

(ii) County political party committees; and

(iii) Legislative caucus committees;

(6)(A) "Printed campaign materials" means:

(i) Literature mailed to an elector that is intended to or calculated to influence the vote of an elector in an election in this state, including without limitation:

(a) Signs;

(b) Banners;

(c) Flyers; and

(d) Pamphlets; and

(ii) Yard signs and push cards intended to or calculated to influence the vote of an elector in an election in this state.

(B) "Printed campaign materials" does not mean political paraphernalia, including without limitation:

(i) Stickers;

(ii) Buttons;

(iii) Pens;

(iv) T-shirts;

(v) Nail files; or

(vi) Other similar trinkets;

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

(B) A prohibited political action committee shall not include:

(i) A political party that meets the definition of "political party" under Arkansas Code § 7-1-101 or the requirements of Arkansas Code § 7-7-205;

(ii) The candidate's own campaign committee;

(iii) A county political party committee;

(iv) An exploratory committee; or

(v) A ballot or legislative question committee; and

(8)(A) "Remaining campaign funds" means any balance of campaign funds over expenses incurred as of the day of the election except for remaining campaign funds and any funds required to repay loans made by the candidate from his or her personal funds to the campaign or to repay loans made by financial institutions to the candidate and applied to the campaign.

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

(i) Purchased by the campaign;

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

(iii) Retained for use in a future campaign by the same candidate.

7 CAR § 5-102. Registration by political action committees.

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

(B) Registration for a political action committee shall be active unless the committee has requested a termination of its registration.

(C) Except as provided in subdivision (a)(1)(D) of this section, registration shall be on forms provided by the Secretary of State, and the contents therein shall be verified by an affidavit of an officer of the committee.

(D)(i)*(a)* Registration with the Secretary of State under this part may be filed in electronic form through the official website of the Secretary of State if electronic filing is offered by the Secretary of State.

(b) An electronic registration shall be verified by an officer of the committee.

(ii) The Arkansas Ethics Commission shall approve a format used by the Secretary of State for registering as a committee to ensure that all required information is requested.

(iii) A format used by the Secretary of State for registering as a committee in electronic form shall provide that a registration filed in electronic form be rejected by that office if it omits the name, street address, or telephone number of an individual designated as the resident agent for the committee.

(iv) The official website of the Secretary of State shall allow for searches of committee registration information filed in electronic form.

(2)(A) The committee shall designate a resident agent who shall be an individual who resides in the State of Arkansas.

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

(3)(A) No approved political action committee shall accept a contribution from a prohibited political action committee as defined in 7 CAR § 5-101(7) of this part.

(B) It shall be unlawful for a prohibited political action committee as defined in 7 CAR § 5-101(7) of this part to make a contribution to:

(i) A ballot question committee;

(ii) A legislative question committee;

(iii) A political party;

(iv) A county political party committee;

(v) An approved political action committee; or

(vi) A prohibited political action committee.

(4)(A) An out-of-state committee, including a federal committee, shall be required to comply with the registration and reporting provisions of this part if the committee contributes more than five hundred dollars ($500) in a calendar year to candidates, campaign committees, ballot question committees, legislative question committees, political parties, county political party committees, or other political action committees within the State of Arkansas.

(B) This section shall not apply to:

(i) The national committee of any political party that is registered with the Federal Election Commission;

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

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

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

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

(1)(A) The name, address, and, where available, phone number of the committee and the name, address, phone number, and place of employment of each of its officers.

(B) If the committee's name is an acronym, then both it and the words forming the acronym shall be disclosed;

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

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

(4) The name, street address, and telephone number of the individual designated as the resident agent for the committee and, if the registration form is filed in paper form, a written acceptance of designation as a resident agent;

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

(6) A clause submitting the committee to the jurisdiction of the State of Arkansas for all purposes related to compliance with the provisions of Arkansas Code § 7-6-201 et seq.

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

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

(d) Registration with the Secretary of State under this section may be filed in paper form if:

(1) The political action committee does not have access to the technology necessary to submit registration in electronic form;

(2) Submitting registration in electronic form would constitute a substantial hardship for the political action committee; and

(3) The political action committee submits a notarized affidavit that complies with Arkansas Code § 7-6-231.

7 CAR § 5-103. Reporting by political action committees.

(a) Within fifteen (15) calendar days after the end of each calendar quarter, approved political action committees are required to file a quarterly report with the Secretary of State, including the following information:

(1) The total amount of contributions received and the total amount of contributions made during the filing (i.e., reporting) period and the cumulative amount of those totals;

(2) The current balance of committee funds;

(3) The name and address of each person that made a contribution or contributions to the committee that exceeded two hundred dollars ($200) in the aggregate during the calendar year, the contributor's place of business, employer, occupation, the date of the contribution, the amount contributed, and the total contributed for the year;

(4) The name and address of each candidate, campaign committee, ballot question committee, legislative question committee, political party, county political party committee, or other political action committee, if any, to whom or which the committee made a contribution or contributions that exceeded two hundred dollars ($200) in the aggregate during the filing period, with the amount contributed and the election for which the contribution was made;

(5) The name and address of each candidate, campaign committee, ballot question committee, legislative question committee, political party, county political party committee, or other political action committee, if any, to whom or which the committee contributed a nonmoney item, together with:

(A) A description of the item;

(B) The date the item was contributed; and

(C) The value of the item; and

(6) The total amount of expenditures made for administrative expenses and for each single expenditure that exceeds one hundred dollars ($100), an itemization including the:

(A) Amount of the expenditure;

(B) Name and address of the person to which the expenditure was made; and

(C) Date the expenditure was made.

(b) The reports may be filed in electronic form through the official website of the Secretary of State if electronic filing is offered by the Secretary of State.

(c) The information required in subdivisions (a)(1) – (6) of this section may be provided in the form of schedules attached to a report filed in paper form.

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

(e)(1) A report is timely filed if it is filed in electronic form through the official website of the Secretary of State on or before the date that the report is due if the Secretary of State offers electronic filing of committee reports.

(2)(A) The Secretary of State shall receive reports in a readable electronic format that is acceptable to the Secretary of State and approved by the Arkansas Ethics Commission.

(B) The commission shall approve the format used by the Secretary of State for the filing of political action committee reports in electronic form to ensure that all required information is requested.

(C) The official website of the Secretary of State shall allow for searches of committee report information filed in electronic form.

(f)(1) A person required to file reports or register in electronic form under Arkansas Code § 7-6-215 may file reports or register in paper form under this section if:

(A) The person does not have access to the technology necessary to submit reports or registration in electronic form; and

(B) Submitting reports or registration in electronic form would constitute a substantial hardship for the person.

(2) A person filing reports or registration in paper form under subdivision (f)(1) of this section shall submit with its first report or registration a notarized affidavit on a form prepared by the Secretary of State declaring that:

(A) The person does not have access to the technology necessary to submit reports or registration in electronic form;

(B) Submitting reports or registration in electronic form would constitute a substantial hardship for the person; and

(C) The person agrees to file all other reports in paper form for the duration of the period of registration.

(g) The Secretary of State shall:

(1) Not accept a report or registration in paper form under subdivision (f)(1) of this section if a notarized affidavit was not submitted with the:

(A) Registration of a political action committee; or

(B) First report of a person or independent expenditure committee;

(2) Provide written notice to the political action committee within five (5) business days if the registration in paper form was not filed or accepted;

(3) Provide written notice to a political action committee, person, or independent expenditure committee within five (5) business days if a report in paper form was not filed or accepted; and

(4) Provide the reason the registration or report in paper form was not filed or accepted.

(h) The Secretary of State shall make available to persons wishing to file reports in paper form under this section:

(1) Information on the deadlines for filing required reports; and

(2)(A) Appropriate forms and instructions for complying with the deadlines.

(B) The commission shall approve the forms and instructions used by the Secretary of State under this section to ensure that all required information is requested.

(i) Reports shall be filed on the forms furnished by the Secretary of State, except that computer-generated contribution and expenditure reports shall be accepted by the Secretary of State and the commission provided that all of the requisite elements are included.

(j)(1)(A) A report submitted in paper form under this section other than a preelection report is timely filed if it is either hand delivered or mailed to the Secretary of State, properly addressed, and postage prepaid, bearing a postmark indicating that it was received by the post office or common carrier on or before the date that the report is due.

(B) A preelection report submitted in paper form under this section is timely filed if it is received by the Secretary of State no later than seven (7) days before the election for which it is filed.

(2) The Secretary of State shall accept a report via facsimile, provided the original is received by the Secretary of State within ten (10) days of the date of facsimile transmission.

(k)(1) The Secretary of State shall make available reports submitted in paper form on a portion of the official website of the Secretary of State.

(2) The Secretary of State shall comply with the requirements of Arkansas Code § 7-6-214(c) regarding the "paper filer" designation and publication requirements for all reports submitted in paper form.

(l)(1) ~~A committee shall indicate on its quarterly report for the fourth quarter of each calendar year whether or not it intends to terminate its registration for the next calendar year.~~

~~(2) If a fourth quarter report is filed in paper form, the form utilized by the Secretary of State for filing shall require the committee to indicate whether or not it intends to terminate its registration for the next calendar year.~~

~~(3)~~ If the Secretary of State offers electronic filing of committee reports, the format used by the Secretary of State for the filing of committee reports in electronic format shall require a committee indicating that it intends to terminate its registration for the next calendar year to terminate its registration for the next calendar year before submitting its quarterly report for the fourth quarter.

~~(4)~~ (2) If a political action committee does not file any quarterly reports for a period of two (2) years, the Secretary of State shall terminate the political action committee's registration due to inactivity.

7 CAR § 5-104. Penalties for political action committees.

(a) If the Arkansas Ethics Commission finds that a person or political action committee has committed a violation of Arkansas Code § 7-6-215, then it shall do one (1) or more of the following, unless good cause be shown for the violation:

(1) Impose a fine of not less than fifty dollars ($50.00) and not more than three thousand five hundred dollars ($3,500);

(2) Issue a public letter of:

(A) Caution;

(B) Warning; or

(C) Reprimand;

(3) Order the respondent to file or amend a statutorily required disclosure form; or

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

(b) In addition, the commission may impose a late filing fee not exceeding ten dollars ($10.00) for each day a required amendment of the information contained in a registration form remains unfiled by a political action committee.

7 CAR § 5-105. Legislative caucus committees.

A legislative caucus committee is required to comply with the registration and reporting provisions of 7 CAR §§ 5-102 and 103 of this part, including the designation of a resident agent who is an individual who resides in the State of Arkansas and the establishment of an account in a financial institution, if the committee contributes more than five hundred dollars ($500) in a calendar year to:

(1) Candidates;

(2) Campaign committees;

(3) Ballot question committees;

(4) Legislative question committees;

(5) Political parties;

(6) County political party committees; or

(7) Political action committees.

7 CAR § 5-106. Out-of-state political action committees.

(a) An out-of-state political action committee, including a federal committee, is required to comply with the registration and reporting provisions of 7 CAR §§ 5-102 and 103 and is subject to the jurisdiction of the State of Arkansas for all purposes related to compliance with the provisions of Arkansas Code § 7-6-201 et seq., if the committee contributes more than five hundred dollars ($500) in a calendar year to candidates, campaign committees, ballot question committees, legislative question committees,

political parties, county political party committees, or other political action committees within the State of Arkansas.

(b) This section shall not apply to:

(1) The national committee of any political party that is registered with the Federal Election Commission;

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

(3) Funds which a subordinate committee of the national committee of any political party that is registered with the Federal Election Commission transfers to the federal account of an organized political party as defined in Arkansas Code § 7-1-101; or

(4) Funds which a political action committee that is registered with the Federal Election Commission transfers to the federal account of an organized political party as defined in Arkansas Code § 7-1-101.

7 CAR § 5-107. Paid for by disclaimer.

(a)(1)(A) All articles, statements, or communications appearing in any newspaper printed or circulated in this state intended or calculated to influence the vote of any elector in any election and for the publication of which a consideration is paid or to be paid shall clearly contain the words "Paid Political Advertisement", "Paid Political Ad", or "Paid for by" the candidate, committee, or person who paid for the message.

(B) Both the persons placing and the persons publishing the articles, statements, or communications shall be responsible for including the required disclaimer.

(2)(A) In addition, all articles, statements, or communications appearing in any radio, television, or any other electronic medium intended or calculated to influence the vote of any elector in any election and for the publication of which a consideration is paid or to be paid shall clearly contain the words "Paid Political Advertisement", "Paid Political Ad", "Paid for by", "Sponsored by", or "Furnished by" the true sponsor of the advertisement.

(B) Both the persons placing and the persons publishing the articles, statements, or communications shall be responsible for including the required disclaimer.

(b)(1) Printed campaign materials as defined in 7 CAR § 5-101(6) of this part, shall clearly contain the words "Paid for by" followed by the name of the candidate, committee, or person who paid for the:

(A) Campaign sign;

(B) Campaign literature; or

(C) Other printed campaign materials.

(2) Subdivision (b)(1) of this section applies only to campaign signs, campaign literature, and other printed campaign materials created by or sponsored by:

(A) A political candidate;

(B) The campaign of a political candidate;

(C) A political action committee; or

(D) An independent expenditure committee.

(3) When the printed campaign material is a two-sided sign, the "Paid for by" language required by this subsection shall appear on both sides of the sign.

7 CAR § 5-108. Registration by county political party committees.

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

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

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

(2)(A) The committee is required to appoint a treasurer who is a qualified elector of the State of Arkansas.

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

(3)(A) No county political party committee shall accept a contribution from a prohibited political action committee as defined in 7 CAR § 5-101(7).

(B) It shall be unlawful for a prohibited political action committee as defined in 7 CAR § 5-101(7) to make a contribution to a county political party committee.

(b) The committee is required to disclose on the registration form the following information:

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

(B) If the committee's name is an acronym, then both the acronym and the words forming the acronym shall be disclosed;

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

(3) The full name and street address, city, state, and zip code of the financial institution in the State of Arkansas that the committee designates as its official depository for the purposes of depositing all money contributions that it receives in this state and making all expenditures in this state; and

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

7 CAR § 5-109. Reporting by county political party committees.

(a) Within fifteen (15) calendar days after the end of each calendar quarter, county political party committees are required to file a quarterly report with the Secretary of State, including the following information:

(1) The total amount of contributions received and the total amount of contributions made during the filing period and the cumulative amount of these totals;

(2) The current balance of committee funds;

(3) The name and address of each person that made a contribution or contributions to the committee that exceeded two hundred dollars ($200) in the aggregate, the contributor's place of business, employer, or occupation, the date of the contribution, the amount contributed, and the total contributed for the year;

(4) The name and address of each candidate, campaign committee, ballot question committee, legislative question committee, political party, political action committee, or other county political party committee, if any, to whom or which the committee made a contribution or contributions that exceeded two hundred dollars ($200) in the aggregate during the filing period, with the amount contributed and the election for which the contribution was made;

(5) The name and address of each candidate, campaign committee, ballot question committee, legislative question committee, political party, political action committee, or other county political party committee, if any, to whom or which the committee contributed a nonmoney item, together with:

(A) A description of the item;

(B) The date the item was contributed; and

(C) The value of the item;

(6) The total amount of expenditures made for administrative expenses and for each single expenditure that exceeds one hundred dollars ($100) an itemization including the:

(A) Amount of the expenditure;

(B) Name and address of the person to which the expenditure was made; and

(C) Date the expenditure was made; and

(7) Any change in information required by this part.

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

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

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

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

7 CAR § 5-110. Penalties for county political party committees.

If the Arkansas Ethics Commission finds that a person or county political party committee has committed a violation of Arkansas Code § 7-6-226, then it shall do one (1) or more of the following, unless good cause be shown for the violation:

(1) Impose a fine of not less than fifty dollars ($50.00) and not more than three thousand five hundred dollars ($3,500);

(2) Issue a public letter of:

(A) Caution;

(B) Warning; or

(C) Reprimand;

(3) Order the respondent to file or amend a statutorily required disclosure form; or

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

7 CAR § 5-111. Records retention by political action committees and county political party committees.

(a) Each committee is required to maintain for a period of four (4) years records evidencing the name, address, and place of employment of each person who contributed to the committee, along with the amount contributed.

(b) Furthermore, each committee shall maintain for a period of four (4) years records evidencing the name and address of each candidate, campaign committee,

ballot question committee, legislative question committee, political party, county political party committee, or political action committee who or which received a contribution from the committee, along with the amount contributed.

(c) A county political party committee or a political action committee shall keep records of all contributions and expenditures in a manner sufficient to evidence compliance with Arkansas Code 7-6-201 et seq.

7 CAR § 5-112. Contribution limits.

(a) No political action committee shall accept any contribution or cumulative contributions in excess of ten thousand dollars ($10,000) from any person in any calendar year.

(b) No county political party committee shall accept any contribution or cumulative contributions in excess of five thousand dollars ($5,000) from any person in any calendar year.

(c)(1) For purposes of making contributions to candidates, each political action committee and county political party committee may contribute up to the maximum amount to a candidate's campaign for each election, whether the candidate is opposed or unopposed.

(2)(A) Pursuant to Arkansas Code § 7-6-203, the contribution limit for each election cycle shall be adjusted at the beginning of each odd-numbered year in an amount equal to the percentage certified to the Federal Election Commission by the United States Bureau of Labor Statistics under 52 U.S.C. § 30116(c) as it existed on January 1, 2015.

(B) In accordance with Rules on Campaign Finance and Disclosure, 7 CAR pt. 3, the Arkansas Ethics Commission shall announce the contribution limit in effect for each election cycle.

7 CAR § 5-113. Administrative expenses of political action committees and county political party committees.

It is permissible for a political action committee or a county political party committee to pay reasonable administrative expenses out of the contributions it has received.

7 CAR § 5-114. Receipt of campaign funds or remaining campaign funds by political party caucus.

Campaign funds or remaining campaign funds given to a political party caucus shall:

(1) Be segregated in an account separated from other caucus funds; and

(2) Not be used by the political party caucus to make a campaign contribution or to provide any personal income to any candidate who donated campaign funds or remaining campaign funds.

7 CAR § 5-115. Amendment of reports — Affirmative defense of unintentional error.

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

(b)(1) The Arkansas Ethics Commission shall not proceed with an investigation of an alleged error in a report filed under this part if the commission determines that a person would be eligible to raise the aforementioned affirmative defense.

(2) If the commission does not proceed with an investigation of an alleged error, the person shall not be considered to have committed a violation of the applicable statute.

(c) This section shall not be construed to remove the duty to file a report under this part or authorize a person to knowingly fail to file a report under this part.

State of Arkansas *As Engrossed: S3/5/25*
95th General Assembly **A Bill**
Regular Session, 2025 SENATE BILL 351

By: Senator J. Dismang
By: Representative Eaves

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING ETHICS AND CAMPAIGN FINANCE; TO AMEND PORTIONS OF INITIATED ACT 1 OF 1990; TO AMEND PORTIONS OF INITIATED ACT 1 OF 1996; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE LAW CONCERNING ETHICS AND CAMPAIGN FINANCE; TO AMEND PORTIONS OF INITIATED ACT 1 OF 1990; AND TO AMEND PORTIONS OF INITIATED ACT 1 OF 1996.

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

SECTION 1. Arkansas Code § 7-6-203(a)(1), concerning a candidate's acceptance of campaign contributions and resulting from Initiated Act 1 of 1996, is amended to add an additional subdivision to read as follows:

(C) It shall be unlawful for a prospective contributor other than those under subdivisions (a)(1)(A)(i)-(vi) of this section to make a contribution to:

(i) A candidate for public office; or

(ii) A person acting on the candidate's behalf.

SECTION 2. Arkansas Code § 7-6-203(f)(4)(A)(iii), concerning a candidate's acceptance of campaign funds as personal income and resulting from Initiated Act 1 of 1996, is amended to read as follows:

(iii) If a candidate or officeholder is assessed a fine by the Arkansas Ethics Commission under § 7-6-218(b)(4)(B) for the use

of campaign funds as personal income, a candidate or officeholder shall not use campaign funds or ~~carryover~~ remaining campaign funds to pay the fine.

SECTION 3. Arkansas Code § 7-6-203(g)(2)(E), concerning a candidate's acceptance of campaign funds as personal income and resulting from Initiated Act 1 of 1996, is amended to read as follows:

(E) If a candidate or officeholder uses campaign funds or ~~carryover~~ remaining campaign funds to pay a fine imposed by the Arkansas Ethics Commission under § 7-6-218(b)(4)(B) for the use of campaign funds as personal income, the candidate or officeholder shall be deemed to have taken campaign funds as personal income.

SECTION 4. Arkansas Code § 7-6-206(a), concerning records of contributions and expenditures for campaign finance, is amended to read as follows:

(a) A candidate, ~~a political party, or~~ a person acting in the candidate's behalf, a political party, a county political party committee, a political action committee, an independent expenditure committee, or a person making independent expenditures shall keep records of all contributions and expenditures in a manner sufficient to evidence compliance with ~~§§ 7-6-207 – 7-6-210~~ § 7-6-201 et seq.

SECTION *5*. Arkansas Code § 7-6-207(a)(1)(F), concerning records of contributions and expenditures for campaign finance and resulting from Initiated Act 1 of 1996, is amended to read as follows:

(F)(i) If a candidate keeps remaining campaign funds after an election, but does not have any activity before the end of the year, the candidate shall not be required to file a fourth quarter report.

(ii) If a candidate keeps remaining campaign funds ~~and~~ or raises campaign funds for a future campaign, or expends campaign funds for office holder expenses or a future election, the candidate shall continue filing the reports required by this subsection.

(iii) If a candidate keeps remaining campaign funds after an election, the candidate shall continue filing the reports required by this subsection.

SECTION *6*. Arkansas Code § 7-6-207(b)(2)(B), concerning records of contributions and expenditures for campaign finance and resulting from Initiated Act 1 of 1996, is amended to read as follows:

(B) If a candidate's campaign has ended and the candidate is retaining remaining campaign funds, the final report shall also indicate the amount of funds retained by the candidate ~~in accordance with § 7-6-201(3) [repealed]~~ as remaining campaign funds.

SECTION *7*. Arkansas Code § 7-6-208(b)(2)(A), concerning reports of contributions for candidates for school district, township, or municipal office and resulting from Initiated Act 1 of 1996, is amended to read as follows:

(2)(A) When the candidate's campaign has ended, the final report shall also indicate which option under § 7-6-203(g) was used to dispose of any surplus of campaign funds, the amount of funds disposed of by the candidate, and the amount of funds retained by the candidate ~~in accordance with § 7-6-201(3) [repealed]~~ as remaining campaign funds.

SECTION *8*. Arkansas Code § 7-6-209(b)(2)(A), concerning reports of contributions for candidates for county offices and resulting from Initiated Act 1 of 1996, is amended to read as follows:

(2)(A) When the candidate's campaign has ended, the final report shall also indicate which option under § 7-6-203(g) was used to dispose of any surplus of campaign funds, the amount of funds disposed of by the candidate, and the amount of funds retained by the candidate ~~in accordance with § 7-6-201(3) [repealed]~~ as remaining campaign funds.

SECTION *9*. Arkansas Code § 7-6-215(d)(6), concerning registration and reporting by approved political action committees and resulting from Initiated Act 1 of 1996, is amended to read as follows:

(6)(A) ~~A political action committee shall indicate on its quarterly report for the fourth quarter of each calendar year whether or not it intends to terminate its registration for the next calendar year.~~

~~(B) If a quarterly report for the fourth quarter is filed in paper form, the form utilized by the Secretary of State for filing shall require the political action committee to indicate whether or not it intends~~

~~to terminate its registration for the next calendar year.~~

~~(C)~~ If the Secretary of State offers electronic filing of political action committee reports, the format used by the Secretary of State for the filing of political action committee reports in electronic form shall require a political action committee indicating that it intends to terminate its registration for the next calendar year to terminate its registration for the next calendar year before submitting its quarterly report for the fourth quarter.

~~(D)~~(B) If a political action committee does not file any quarterly reports for a period of two (2) years, the Secretary of State shall terminate the political action committee's registration due to inactivity.

SECTION *10*. Arkansas Code § 7-6-216(c), concerning registration and reports by exploratory committees and resulting from Initiated Act 1 of 1990, is amended to read as follows:

(c) ~~Within thirty (30) days of the end of each month,~~ No later than twenty (20) days after the end of each month, an exploratory committee shall file a report with the appropriate filing office indicating:

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

(2) The name and address of each person who has made a contribution which, in the aggregate, exceeds two hundred dollars ($200), along with the contributor's principal place of business, employer, occupation, and the amount contributed; and

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

SECTION *11*. Arkansas Code § 7-6-220(a)(1)(B), concerning the report of independent expenditures and resulting from Initiated Act 1 of 1996, is amended to read as follows:

(B) Each subsequent report shall be filed no later than ~~fifteen (15)~~ twenty (20) days after the end of each month until the election is held, except as required in subdivision (a)(1)(C) of this section.

SECTION *12*. Arkansas Code § 7-6-227(a)(1)(A), concerning registration by an independent expenditure committee, is amended to read as follows:

(a)(1)(A) An independent expenditure committee shall register with the Secretary of State within fifteen (15) days after accepting contributions or making independent expenditures that exceed ~~five hundred dollars ($500)~~ two hundred dollars ($200) in the aggregate during a calendar year.

SECTION *13*. Arkansas Code § 7-6-228(c)(2), concerning campaign signs and campaign materials, is amended to read as follows:

(2) Subdivision (c)(1)(A) of this section applies only to campaign signs, campaign literature, and other printed campaign materials created by or sponsored by a political candidate, the campaign of a political candidate, a political action committee, ~~or~~ an independent expenditure committee, or persons making independent expenditures.

SECTION *14*. Arkansas Code § 7-9-402(2)(B), concerning the definition of "ballot question committee" as it relates to matters referred to voters, is amended to read as follows:

(B) A person other than an individual or an approved political action committee as defined in § 7-6-201, located within or outside Arkansas, also qualifies as a ballot question committee if an amount equal to two percent (2%) or more of its annual revenues, operating expenses, or funds ~~are~~ for the most recently completed year is used to make a contribution or contributions to another ballot question committee and if the contribution or contributions exceed ten thousand dollars ($10,000) in value;

SECTION *15*. Arkansas Code § 7-9-402(10)(B), concerning the definition of "legislative question committee" as it relates to matters referred to voters, is amended to read as follows:

(B) A person other than an individual or an approved political action committee as defined in § 7-6-201, located within or outside Arkansas, also qualifies as a legislative question committee if an amount equal to two percent (2%) or more of its annual revenues, operating expenses, or funds ~~are~~ for the most recently completed year is used to make a contribution or contributions to another legislative question committee and if the contribution or contributions exceed ten thousand dollars ($10,000) in

value;

SECTION *16*. Arkansas Code § 7-9-409(a)(3), concerning time for filing financial reports for matters referred to voters, is amended to read as follows:

(3)(A) ~~Furthermore, a~~ A final financial report shall be filed no later than thirty (30) days after the election.

(B) If a ballot question fails to qualify for the ballot or is disqualified, the final financial report required under subdivision (a)(3)(A) of this section shall be filed no later than thirty (30) days after the end of the month in which the ballot question fails to qualify for the ballot or is disqualified.

SECTION *17*. Arkansas Code Title 7, Chapter 9, Subchapter 4, is amended to add an additional section to read as follows:

7-9-416. Contributions and expenditures for campaign signs, campaign literature, and printed campaign materials.

(a) A ballot question committee, a legislative question committee, an individual person, or an elected official who receives contributions or makes expenditures to support or oppose a ballot question or legislative question:

(1) May reuse the campaign signs, campaign literature, and other printed campaign materials in future initiative campaigns that have been properly reported in a previous campaign by that committee, individual person, or elected official; and

(2) Is not required to list the campaign signs, campaign literature, and other printed campaign materials under subdivision (a)(1) of this section in future reports filed under this subchapter.

(b)(1) Campaign signs, campaign literature, and other printed campaign materials under subsection (a) of this section shall clearly contain the words “Paid for by” followed by the name of the committee, individual person, or elected official who paid for the campaign sign, campaign literature, or other printed campaign materials.

(2) The ballot question committee, legislative question committee, individual person, or elected official printing the campaign sign, campaign literature, or other printed campaign materials shall be responsible for including the language required under subdivision (b)(1) of this section.

SECTION *18*. Arkansas Code § 21-8-703(a), concerning the place and manner for filing a statement of financial interest, is amended to add an additional subdivision to read as follows:

(7) Executive directors of education service cooperatives required to file shall file with the county clerk.

/s/J. Dismang

APPROVED: 4/14/25