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Proposed Rulemaking

Title

Promulgated by:
Arkansas Ethics Commission

Title 7. Elections

Chapter I. Arkansas Ethics Commission

Subchapter A. Generally

Part 7. Rules on Ballot and Legislative Question Committees

Subpart 1. Generally

7 CAR § 7-101. 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; or

(v) A ballot question committee or legislative question committee;

(2) "Ballot question" means a question in the form of a statewide, county, municipal, or school district initiative or referendum which is submitted or intended to be submitted to a popular vote at an election, whether or not it qualifies for the ballot;

(3)(A) "Ballot question committee" means:

(i) Any person, located within or outside Arkansas, that receives contributions for the purpose of expressly advocating the qualification, disqualification, passage, or defeat of any ballot question; or

(ii) Any person, other than an elected official expending public funds, or an individual, located within or outside Arkansas, who makes expenditures for the purpose of expressly advocating the qualification, disqualification, passage, or defeat of any ballot question.

(B) A person other than an individual or an approved political action committee as defined in subdivision (1) of this section, located within or outside Arkansas, also qualifies as a ballot question committee if:

(i) An amount equal to ~~Two~~ 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

(ii) The contribution or contributions exceed ten thousand dollars ($10,000) in value;

(4)(A) "Contribution" means, whether direct or indirect, advances, deposits, transfers of funds, contracts, or obligations, whether or not legally enforceable, payments, gifts, subscriptions, assessments, payment for services, dues, advancements, forbearance, loans, pledges or promises of money or anything of value,

whether or not legally enforceable, to a person receiving same for the purpose of expressly advocating the:

(i) Qualification, disqualification, passage, or defeat of a ballot question; or

(ii) Passage or defeat of a legislative question.

(B) "Contribution" includes the purchase of tickets for events, such as dinners, luncheons, rallies, and similar fundraising events, and the granting of discounts or rebates by television and radio stations and newspapers, not extended on an equal basis to all persons seeking to expressly advocate the:

(i) Qualification, disqualification, passage, or defeat of a ballot question; or

(ii) Passage or defeat of a legislative question.

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

(5)(A) "Contribution and expenditure" shall not include:

(i) Activities designed solely to encourage individuals to register to vote or to vote; or

(ii) Any communication by a bona fide church or religious denomination to its own members or adherents for the sole purpose of protecting the right to practice the religious tenets of the church or religious denomination.

(B) "Expenditure" shall not include one ~~(1)~~ made for communication by a person strictly with the person's paid members or shareholders;

(6) "Directly or indirectly" means acting either alone or jointly with, through, or on behalf of any other:

(A) Ballot question committee;

(B) Legislative question committee;

(C) Political action committee;

(D) Organization;

(E) Person; or

(F) Other entity;

~~(6)~~ (7) "Disqualification of a ballot question" means any action or process, legal or otherwise, which seeks to prevent a ballot question from being on the ballot at an election;

~~(7)~~ (8) "Elected official" means any person holding an elective office of any governmental body, whether elected or appointed to the office;

~~(8)~~ (9) "Expenditure" means a purchase, payment, distribution, gift, loan, or advance of money or anything of value, and a contract, promise, or agreement to make an expenditure, for goods, services, materials, or facilities for the purpose of expressly advocating the:

(A) Qualification, disqualification, passage, or defeat of a ballot question; or

(B) Passage or defeat of a legislative question;

(10) "Foreign national" means:

(A) An individual who is not a citizen or lawful permanent resident of the United States;

(B) A government or subdivision of a foreign country;

(C) A foreign political party;

(D) An entity, including without limitation a partnership, association, corporation, organization, or other combination of persons, that is organized under the laws of, or has its principal place of business in, a foreign country; or

(E) A partnership, association, corporation, or organization, which is wholly or majority owned by a foreign national, unless:

(i) A contribution or expenditure the entity makes derives entirely from funds generated by the entity's operations; and

(ii) All decisions concerning the contribution or expenditure are made by individuals who are United States citizens or permanent residents, except for setting overall budget amounts;

~~(9)~~ (11) "Governmental body" means any office, department, commission, council, board, committee, legislative body, agency, or other establishment of the

executive, judicial, or legislative branch of the state, municipality, county, school district, improvement district, or any political district or subdivision thereof;

(12) "Independent expenditure" means the same as defined in Arkansas Code § 7-6-201, in that it is an expenditure which is not a contribution and:

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

(B) Is made without arrangement, cooperation, or consultation between a candidate or an authorized committee or agent of the candidate and the person making the expenditure or an authorized agent of that person; and

(C) Is not made in concert with or at the request or suggestion of a candidate or an authorized committee or agent of the candidate.

~~(10)~~ (13) (A) "In-kind contribution" means a contribution of goods, services, or any other thing of value, or its use, other than money and includes an agreement made or other obligation incurred, whether legally enforceable or not, to make such a contribution in the future.

(B) A person makes an "in-kind contribution" whenever, in conjunction with the qualification, disqualification, passage, or defeat of a ballot question or the passage or defeat of a legislative question, such person purchases, sells, or leases an item, or provides a service to or on behalf of a ballot or legislative question committee without charge or for a charge which is less than the fair market value of the item or service provided.

(C) The difference between the fair market value and the charge shall be the value of the in-kind contribution;

~~(11)~~ (14) "Legislative question" means a question in the form of a measure referred by the General Assembly, a quorum court, a municipality, or a school district to a popular vote at an election;

~~(12)~~ (15) (A) "Legislative question committee" means:

(i) Any person, located within or outside Arkansas, that receives contributions for the purpose of expressly advocating the passage or defeat of any

legislative question or any person, other than an elected official expending public funds; or

(ii) An individual, located within or outside Arkansas, who makes expenditures for the purpose of expressly advocating the passage or defeat of any legislative question.

(B) A person other than an individual or an approved political action committee as defined in subdivision (1) of this section, located within or outside Arkansas, also qualifies as a legislative question committee if:

(i) An amount equal to two ~~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

(ii) The contribution or contributions exceed ten thousand dollars ($10,000) in value;

~~(13)~~ (16)(A) "Person" means any:

(i) Individual;

(ii) Business;

(iii) Proprietorship;

(iv) Firm;

(v) Partnership;

(vi) Joint venture;

(vii) Syndicate;

(viii) Business trust;

(ix) Labor organization;

(x) Company;

(xi) Corporation;

(xii) Association;

(xiii) Committee; or

(xiv) Other organization or group of persons acting in concert.

(B) "Person" includes an elected official using public funds to expressly advocate the:

(i) Qualification, disqualification, passage, or defeat of any ballot question; or

(ii) Passage or defeat of any legislative question;

~~(14)~~ (17) (A) "Political party" means any group of voters which:

(i) At the last preceding general election, polled for its candidate for Governor in the state or nominees for presidential electors at least three percent (3%) of the entire vote cast for the office; or

(ii) Has filed a petition with the Secretary of State containing at the time of filing the signatures of at least ten thousand (10,000) registered voters in the State of Arkansas, declaring the intention of organizing a political party, the name of which shall be stated in the declaration, and of participating in the next general election, and which has been declared a new political party by the Secretary of State.

(B) When any political party fails to obtain three percent (3%) of the total votes cast at an election for the office of Governor or nominees for presidential electors, it shall cease to be a political party;

(18) "Preliminary activity" includes:

(A) Conducting a poll;

(B) Drafting ballot question language;

(C) Drafting legislative question language;

(D) Conducting a focus group;

(E) Conducting telephone calls; or

(F) Traveling in connection with a ballot question or legislative question activity;

~~(15)~~ (19) (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 who does not meet the requirements of an approved political action committee.

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

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

(ii) A political party that meets the requirements of Arkansas Code § 7-7-205;

(iii) The candidate's own campaign committee;

(iv) A county political party committee;

(v) An exploratory committee; or

(vi) A ballot or legislative question committee;

(20) "Prohibited sources" includes:

(A) A prohibited political action committee as defined in Arkansas Code § 7-6-201;

(B) A political action committee that accepts one (1) or more contributions from a foreign national;

(C) An organization that is funded by a political action committee that accepts one (1) or more contributions from a foreign national;

(D) Contributions from or expenditures by a foreign national; and

(E) Contributions or expenditures that violate state or federal law;

~~(16)~~ (21) (A) "Public appointee" means an individual who is appointed to a governmental body.

(B) It does not include an individual appointed to an elective office;

~~(17)~~ (22) (A) "Public employee" means an individual who is employed by a governmental body or who is appointed to serve a governmental body.

(B) It does not include public officials or public appointees;

~~(18)~~ (23) (A) "Public official" means a legislator or any other person holding an elective office of any governmental body, whether elected or appointed to the office, and shall include such persons during the time period between the date they were elected and the date they took office.

(B) "Public official" includes without limitation a member of a school district board of directors;

~~(19)~~(24) "Public servant" means all:

(A) Public officials;

(B) Public employees; and

(C) Public appointees~~; and~~.

~~(20)~~ (25) "Qualification of a ballot question" means any action or process, legal or otherwise, through which a ballot question obtains certification to be on the ballot at an election~~.~~; and

(26)(A) "Tax-exempt organization" means an organization that qualifies as exempt from federal income tax under § 501(c) of the Internal Revenue Code of 1986, as it existed on January 1, 2025.

(B) This subpart shall not be construed to treat a political organization under Section 527 of the Internal Revenue Code of 1986, as it existed on January 1, 2025, as a tax-exempt organization for purposes of this subpart.

7 CAR § 7-102. Contributions and expenditures — Limits.

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

(b)(1) No ballot question committee or legislative question committee shall accept any contribution from a prohibited political action committee as defined in 7 CAR § 7-101~~(15)~~(19).

(2) It shall be unlawful for a prohibited political action committee as defined in 7 CAR § 7-101~~(15)~~ (19) to make a contribution to a ballot question committee or a legislative question committee.

(c) No ballot question committee, legislative question committee, or individual shall make an expenditure in cash which exceeds fifty dollars ($50.00) in conjunction with expressly advocating the:

(1) Qualification, disqualification, passage, or defeat of a ballot question; or

(2) Passage or defeat of a legislative question.

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

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

(2) Any such anonymous contribution actually received by any ballot question committee or legislative question committee shall be promptly paid by the recipient to the Arkansas Ethics Commission for deposit into the State Treasury as general revenues.

(f)(1) Upon registering as a ballot question committee or legislative question committee, the treasurer of the committee shall file an accompanying certification that no preliminary activity was directly funded by prohibited sources, whether directly or indirectly.

(2) After the ballot question committee or legislative question committee has been registered, the committee shall not knowingly or willfully receive, solicit, or accept contributions or expenditures from a prohibited source, whether directly or indirectly.

(3) A person who makes an independent expenditure in support of or in opposition to a ballot question committee or legislative question committee in excess of ten thousand dollars ($10,000) in the aggregate shall keep records of any contribution or expenditure and retain such records as prescribed under § 7-9-410 from the date of receipt of the contribution or expenditure.

7 CAR § 7-103. Contributions — Date received.

A contribution to a ballot or legislative question committee shall be deemed to have been "received" or "accepted" when it has been delivered to a committee and not returned to the contributor within five (5) business days.

7 CAR § 7-104. In-kind contributions — Reporting and value.

(a) In addition to monetary contributions, committees are required to report the receipt of any "in-kind contributions" as defined in 7 CAR § 7-101~~(10)~~(13).

(b)(1) For reporting purposes, the value of an in-kind contribution shall be its fair market value if it had been purchased, sold, or leased in the ordinary course of business.

(2) An in-kind contribution constitutes a contribution.

(3) Those transactions which are specifically excluded from the definition of "contribution" are likewise excluded from the definition of "in-kind contribution".

(c)(1) A person making an in-kind contribution shall place the value on such contribution when given.

(2) The committee may question the value set by the donor if it appears unreasonable and shall revalue the in-kind contribution to a reasonable value.

(3) The value of an in-kind contribution is a factual determination which shall be made by the Arkansas Ethics Commission.

(d) The costs associated with any news story, commentary, or editorial distributed in the ordinary course of business by a broadcasting station, newspaper, or other periodical publication do not constitute an in-kind contribution.

7 CAR § 7-105. Volunteer services — Exception to in-kind contribution.

(a)(1) In addition to the other exceptions noted in this part, the value of volunteer services provided without compensation do not constitute an in-kind contribution.

(2)(A) Accordingly, an individual may volunteer any personal service provided he or she is not compensated for the service by any other individual or person.

(B) This applies both to:

(i) Manual tasks (i.e., stuffing envelopes, answering telephones, etc.); and

(ii) Specialized services (i.e., services provided by musicians, accountants, etc.).

(3) Whether a contribution has occurred depends upon whether the work performed is considered "volunteer services".

(4)(A) Whether time is spent on a volunteer basis depends upon whether the services are rendered during time that is the individual's own time to spend as he or she sees fit.

(B) If services are rendered after working hours, they will typically be viewed as exempted volunteer services.

(b)(1) In accordance with subsection (a) of this section, certain professional services, such as legal and accounting services, which typically have fees associated with them, may be provided to a committee on a volunteer basis, provided the need for the services arises from the committee.

(2) For example, accounting or bookkeeping services involved with handling the committee's contributions and expenditures may be provided to a committee on a volunteer basis and will not count as an "in-kind" contribution even if no fees are charged.

7 CAR § 7-106. Expenditures — Date made.

(a) The date of an expenditure is the date the amount is readily ascertainable by the person making the expenditure, except as provided in subsection (b) of this section.

(b)(1) If, under normal business practices, the amount of an expenditure is not known or readily ascertainable until receipt of a periodic bill, the date of the expenditure is the date the bill is received.

(2) Examples of expenditures to which this subsection is applicable are expenditures for utilities and telephone bills.

(c) An expenditure by credit card or in other ways charged to an account must be included in the report for the period during which the charge was made, not in the report for the period during which the statement from the credit card company or charge account was received.

7 CAR § 7-107. Statement of organization.

(a)(1)(A) A ballot question committee or a legislative question committee shall file a statement of organization with the Arkansas Ethics Commission within five (5) days of receiving contributions or making expenditures in excess of five hundred dollars ($500) for the purpose of expressly advocating the:

(i) Qualification, disqualification, passage, or defeat of a ballot question; or

(ii) Passage or defeat of a legislative question.

(B) The commission shall maintain the statement of organization until notified of the committee's dissolution.

(2) A ballot question committee or legislative question committee failing to file a statement of organization required by this section shall be subject to a late filing fee not exceeding fifty dollars ($50.00) for each day the statement remains not filed.

(b) The statement of organization for a ballot question committee as defined in 7 CAR § 7-101(3)(A) or a legislative question committee as defined in 7 CAR § 7-101~~(12)(A)~~ (15) shall include the following information:

(1)(A) The name, street address, and where available, the telephone number of the committee.

(B) A committee address and telephone number may be that of the residence of an officer or director of the committee;

(2) The name, street address, and if available, the telephone number of the treasurer and other principal officers and directors of the committee;

(3) The name and address of each financial institution in which the committee deposits money or anything else of monetary value;

(4)(A) The name of each person who is a member of the committee.

(B) A person that is not an individual may be listed by its name without also listing its own members, if any; and

(5) A brief statement identifying:

(A) The substance of each:

(i) Ballot or legislative question, the qualification, disqualification, passage, or defeat of which the committee seeks to influence; or

(ii) Legislative question, the passage or defeat of which the committee seeks to influence; and

(B) If known, the date each ballot or legislative question shall be presented to a popular vote at an election.

(c) The statement of organization for a ballot question committee as defined in 7 CAR § 7-101(3)(B) or a legislative question committee as defined in 7 CAR § 7-101~~(12)(B)~~ (15)(B) shall include:

(1)(A) The name, the street address, and if available, the telephone number of the committee.

(B) The address and telephone number of a committee in subdivision (c)(1)(A) of this section may be that of the residence of an officer or a director of the committee;

(2) The name, street address, and if available, the telephone number of the treasurer and the other principal officers and directors of the committee;

(3) The name and address of each financial institution in which the committee deposits money or anything else of monetary value;

(4)(A) The name of each person who is a member of the committee.

(B) A person that is not an individual may be listed by its name without also listing its own members, if any; and

(5) A brief statement identifying:

(A) The substance of each ballot or legislative question, the qualification, disqualification, passage, or defeat of which the committee seeks to influence; and

(B) If known, the date each ballot or legislative question shall be presented to a popular vote at an election.

(d)(1) When any of the information required in a statement of organization is changed, an amendment shall be filed within ten (10) days to reflect the change, except that changes in individual membership may be filed when the next financial report is required.

(2) A committee failing to file a change as required shall be subject to a late filing fee not exceeding twenty-five dollars ($25.00) for each day the change remains not filed.

7 CAR § 7-108. Filing of financial reports.

(a) A ballot question committee or a legislative question committee which either receives contributions or makes expenditures in excess of five hundred dollars ($500) for the purpose of expressly advocating the qualification, disqualification, passage, or defeat of a ballot question or the passage or defeat of a legislative question shall file

with the Arkansas Ethics Commission financial reports as required by 7 CAR §§ 7-109 – 7-111.

(b) An individual person who on his or her own behalf expends in excess of five hundred dollars ($500), excluding contributions, for the purpose of expressly advocating the qualification, disqualification, passage, or defeat of a ballot question or the passage or defeat of a legislative question shall file with the commission financial reports as required by 7 CAR §§ 7-109 – 7-111.

(c) An elected official expending public funds in excess of five hundred dollars ($500) for the purpose of expressly advocating the qualification, disqualification, passage, or defeat of a ballot question or the passage or defeat of a legislative question shall file with the commission financial reports as required by 7 CAR §§ 7-109 – 7-111.

(d) Except as provided in subsection (f) of this section, any report required by this part shall be deemed timely filed if it is:

(1) Hand delivered to the commission on or before the date due;

(2) Mailed to the commission, properly addressed, postage prepaid, bearing a postmark indicating that it was received by the post office or common carrier on or before the date due;

(3) Received via facsimile by the commission on or before the date due, provided that the original is received by the commission within ten (10) days of the transmission; or

(4) Received by the commission in a readable electronic format which is approved by the commission.

(e) Whenever a report under this part becomes due on a day which is a Saturday, Sunday, or legal holiday, the report shall be due the next day which is not a Saturday, Sunday, or legal holiday.

(f) A preelection report is timely filed if it is received by the commission no later than seven (7) days prior to the election for which it is filed.

(g) A final financial report as described in 7 CAR § 7-111(a)(3) is required regardless of whether a ballot question committee, legislative question committee,

individual, or elected official received contributions or made expenditures in excess of five hundred dollars ($500).

7 CAR § 7-109. Contents of financial reports.

A financial report of a ballot question committee, a legislative question committee, an individual person, or an elected official, as required by 7 CAR § 7-108, shall contain the following information:

(1) The name, address, and telephone number of the committee, individual person, or elected official filing the report;

(2)(A) For a ballot question committee as defined in 7 CAR § 7-101(3)(A) or legislative question committee as defined in 7 CAR § 7-101(12)(A):

(i) The total amount of contributions received during the period covered by the financial report;

(ii) The total amount of expenditures made by the committee or on behalf of the committee by an advertising agency, public relations firm, or political consultant during the period covered by the financial report;

(iii) The cumulative amount of contributions and expenditures reported under subdivisions (2)(A)(i) and (ii) of this section for each ballot question or legislative question;

(iv) The balance of cash and cash equivalents on hand at the beginning and the end of the period covered by the financial report;

(v) The total amount of contributions received during the period covered by the financial report from persons who contributed less than fifty dollars ($50.00), and the cumulative amount of that total for each ballot question or legislative question;

(vi) The total amount of contributions received during the period covered by the financial report from persons who contributed fifty dollars ($50.00) or more, and the cumulative amount of that total for each ballot question or legislative question;

(vii) The name and street address of each person who contributed fifty dollars ($50.00) or more during the period covered by the financial report, together with the amount contributed, the date of receipt, and the cumulative amount contributed by that person for each ballot question or legislative question;

(viii) For each person listed under subdivision (2)(A)(vii) of this section, the:

(a) Contributor's principal place of business, employer, and occupation;

(b) Amount contributed;

(c) Date the contribution was accepted by the committee; and

(d) Cumulative amount contributed for each ballot question or legislative question;

(ix) The name and address of each person who contributed a nonmoney item, together with a description of the item, the date of receipt, and the value, not including volunteer service by individuals;

(x) A list of all expenditures by category, including without limitation the following:

(a) Advertising;

(b) Direct mail;

(c) Office supplies;

(d) Travel;

(e) Expenses; and

(f) Telephone; and

(xi) The total amount of nonitemized expenditures made during the period covered by the financial report.

(B) For a ballot question committee as defined in 7 CAR § 7-101(3)(B) or a legislative question committee as defined in 7 CAR § 7-101(~~12)(B)~~ (15)(B):

(i) The total amount of contributions made by the committee to another ballot or legislative question committee during the period covered by the financial report; and

(ii) The cumulative amount of contributions under subdivision (2)(B)(i) of this section.

(C) For an individual person:

(i) The total amount of expenditures made by the individual person or on behalf of the individual person by an advertising agency, public relations firm, or political consultant during the period covered by the financial report; and

(ii) The cumulative amount of expenditures for each ballot question or legislative question.

(D) For an elected official using public funds:

(i) The total amount of expenditures made by the elected official using public funds or on behalf of the elected official using public funds by an advertising agency, public relations firm, or political consultant during the period covered by the financial report; and

(ii) The cumulative amount of expenditures for each ballot question or legislative question; and

(E) For a ballot question committee as defined under 7 CAR § 7-101 (3) or a legislative question committee as defined in 7 CAR § 7 101 (15):

(i) An affirmation that the ballot question committee or legislative question committee has not knowingly or willfully received, solicited, or accepted contributions or expenditures from a prohibited source; and

(ii) An affirmation by the treasurer of the ballot question committee or legislative question committee that to the best of the treasurer's knowledge the donor associated with each contribution is not a foreign national and has not knowingly or willfully received, solicited, or accepted, whether directly or indirectly, contributions or expenditures from one (1) or more prohibited sources in excess of ten thousand dollars ($10,000) in the aggregate within the four-year period immediately preceding the date of the contribution.

(3) The name and street address of each person to whom expenditures totaling one hundred dollars ($100) or more were made by the committee, individual person, or elected official using public funds, or on behalf of the committee, individual person, or

elected official using public funds by an advertising agency, public relations firm, or political consultant, together with the date and amount of each separate expenditure to each person during the period covered by the financial report and the purpose of each expenditure.

7 CAR § 7-110. Verification of financial reports.

(a) All financial reports filed by committees, individuals, public servants, or governmental bodies shall be verified by affidavit.

(b) This affidavit shall state that, to the best of the filer's knowledge and belief, the information so disclosed is a complete, true, and accurate financial statement of contributions and expenditures.

7 CAR § 7-111. Time to file financial reports — Late fee.

(a)(1)(A) The first financial reports shall be filed no later than fifteen (15) days following the month in which the five hundred dollar ($500) threshold of 7 CAR § 7-108 is met and thereafter no later than fifteen (15) days after the end of each month until the election is held.

(B) Provided, however, for any month in which certain days of that month are included in a preelection financial report required under subdivision (a)(2) of this section, no monthly report for that month shall be due, but those days of that month shall be carried forward and included in the final financial report.

(2) Additionally, a preelection financial report shall be filed no fewer than seven (7) days prior to any election on the ballot question or legislative question, such statement to have a closing date of ten (10) days prior to the election.

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

(4) If a ballot question fails to qualify for the ballot or is disqualified, the final financial report required under subdivision (3) 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.

(b) A ballot question committee, legislative question committee, or individual person who files a late financial report shall be subject to a late filing fee not exceeding fifty dollars ($50.00) for each day the report remains unfiled.

7 CAR § 7-112. Dissolution and disposition of funds.

(a) Upon dissolution, a ballot question committee or a legislative question committee shall so notify the Arkansas Ethics Commission in writing.

(b) Any remaining funds on hand at the time of dissolution shall be turned over to either:

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

(2) A political party as defined in 7 CAR § 7-101~~(14)~~(17);

(3) A political party caucus of the:

(A) General Assembly;

(B) Senate; or

(C) House of Representatives;

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

(5) Cities of the first class, cities of the second class, or incorporated towns; or

(6) The contributors to the ballot question committee or legislative question committee.

7 CAR § 7-113. Inspection of reports and retention of records.

(a) All statements of organization and financial reports required by this part shall be open to public inspection at the office of the Arkansas Ethics Commission during regular office hours.

(b) All records supporting the reports filed under this part shall be:

(1) Made available to the commission; and

(2) Retained by the filer for a period of four (4) years after the date of filing the report.

7 CAR § 7-114. Prohibition against public servants circulating an initiative or referendum petition.

It shall be unlawful for any public servant, as defined in 7 CAR § 7-101~~(19)~~ (24), to circulate an initiative or referendum petition or to solicit signatures on an initiative or referendum petition in any public office of the state, county, or municipal governments of Arkansas or during the usual office hours or while on duty for any state agency or any county or municipal government in Arkansas.

7 CAR § 7-115. Prohibition against use of public office/room or personal property provided with public funds.

(a) It shall be unlawful for any public servant, as defined in 7 CAR § 7-101~~(19)~~ (24), to use any office or room furnished at public expense to distribute any letters, circulars, or other campaign materials unless such office or room is regularly used by members of the public for such purposes without regard to political affiliation.

(b) It shall further be unlawful for any public servant to use for campaign purposes any item of personal property provided with public funds.

(c) As used herein, "campaign materials" and "campaign purposes" refer to:

(1) The campaign of a candidate for public office; and

(2) Efforts to support or oppose a ballot measure, except as provided in Arkansas Code § 7-1-111.

7 CAR § 7-116. Scope.

Nothing in this part is intended to limit, waive, or abrogate the scope of any statutory or common law privilege, including, but not limited to:

(1) The work product doctrine; and

(2) Attorney-client privilege.

7 CAR § 7-117. Donor certification of no affiliation with prohibited sources.

(a) Upon receipt of a contribution in excess of ten thousand dollars ($10,000) to a ballot question committee or legislative question committee, the treasurer of the ballot question committee or legislative question committee shall obtain from the donor associated with a contribution in excess of ten thousand dollars ($10,000) in the aggregate an affirmation that the donor:

(1) Is not a foreign national; and

(2) Has not knowingly or willfully accepted donations in excess of ten thousand dollars ($10,000) in the aggregate from one (1) or more prohibited sources within the four-year period immediately preceding the date the contribution is made.

(b) An individual, committee, or entity making one (1) or more independent expenditures in excess of ten thousand dollars ($10,000) supporting or opposing a ballot question or legislative question shall certify to the Attorney General that the individual, committee, or entity has not knowingly or willfully accepted donations in excess of ten thousand dollars ($10,000) in the aggregate from one (1) or more prohibited sources within the four-year period immediately preceding the date the independent expenditure is made and that it will not do so through the remainder of the calendar year in which the ballot question or legislative question will appear on the ballot.

7 CAR § 7-118. Prohibited influence by a foreign national.

(a) A foreign national shall not direct, dictate, control, or directly or indirectly participate in the decision-making process of any person with regard to that person's activities to influence a ballot question or legislative question, including without limitation decisions concerning the making of contributions or expenditures to influence a ballot question or legislative question.

(b) A foreign national shall not solicit, directly or indirectly, the making of a donation, contribution, or expenditure by another person to influence a ballot question or legislative question.

(c) Nothing in this subpart shall create or eliminate any existing donor disclosure rights or duties beyond those specifically stated in Arkansas Code §§ 7-9-416 – 7-9-420.

7 CAR § 7-119. Enforcement for violations of ban on foreign funding for ballot questions and legislative questions.

(a)(1) The Attorney General may bring a civil action to enforce Arkansas Code §§ 7-9-416 – 7-9-420.

(2) An individual, committee, or entity alleged to have violated any provision under Arkansas Code §§ 7-9-416 – 7-9-420 shall be provided a full opportunity of notice, discovery, and an opportunity to be heard before being found liable for a violation of any provision under Arkansas Code §§ 7-9-416 – 7-9-420.

(b) If the Attorney General prevails in an action brought under Arkansas Code § 7-9-419(a), the court shall award:

(1) Injunctive relief sufficient to prevent the defendant from violating this subpart or engaging in acts that aid or abet violations of any provision under Arkansas Code §§ 7-9-416 – 7-9-420; and

(2) Statutory damages up to twice the amount of the prohibited contribution or expenditure.

(c) In addition to the penalties in this section and any other remedies provided by law, if the court finds the defendant knowingly or willfully violated any provision under Arkansas Code §§ 7-9-416 – 7-9-420, the court may assess a penalty of up to three (3) times the statutory damages.

7 CAR § 7-120. Restrictions on collection and release of donor information.

(a)(1) A lawful donor to a tax-exempt organization possesses a right of privacy in the lawful donor's donations.

(2) An investigation of an alleged violation of any provision under Arkansas Code §§ 7-9-416 – 7-9-420 or a lawful court order in an action brought under Arkansas Code § 7-9-419(a) shall occur in a manner that shields the identity of lawful donors to the extent possible.

(3) A governmental body shall not collect or require the submission of information on the identity of any donor to a tax-exempt organization other than those directly related to an alleged violation of Arkansas Code §§ 7-9-416 – 7-9-420.

(4) Any collection or required submission of information by any governmental body regarding the identity of any donor to a tax-exempt organization beyond that permitted by any provision under Arkansas Code §§ 7-9-416 – 7-9-420 shall be deemed a violation of the Personal Information Protection Act, Arkansas Code § 4-110-101 et seq.

(b)(1) A governmental body shall not disclose to the public or another government official not directly involved in the investigation, information revealing the identity of any donor to a tax-exempt organization, unless the information is regarding the identity of a donor that engaged in conduct prohibited by any provision under Arkansas Code §§ 7-9-416 – 7-9-420 after a final determination has been made that the donor violated any provision under Arkansas Code §§ 7-9-416 – 7-9-420 or if the tax-exempt organization has triggered registration and reporting as a ballot question committee or a legislative question committee under this subpart.

(2) Knowing or willful violations of this subsection shall be punishable under the Personal Information Protection Act.

(3) Any public disclosure of information revealing the identity of any donor to a tax-exempt organization by a governmental body incident to this section is a violation of the Personal Information Protection Act, unless the information is regarding the identity of a donor that engaged in conduct prohibited by any provision under Arkansas Code §§ 7-9-416 – 7-9-420 after a final determination has been made that the donor violated any provision under Arkansas Code §§ 7-9-416 – 7-9-420.

7 CAR § 7-421. 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 subpart.

(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.

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

State of Arkansas *As Engrossed: H4/3/25 S4/9/25*
95th General Assembly **A Bill**
Regular Session, 2025 HOUSE BILL 1837

By: Representative McAlindon
By: Senator K. Hammer

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING DISCLOSURE FOR MATTERS REFERRED TO VOTERS; TO BAN FOREIGN FUNDING FOR BALLOT MEASURES; TO AMEND PORTIONS OF THE ARKANSAS CODE THAT RESULTED FROM INITIATED ACT 1 OF 1996; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE LAW CONCERNING DISCLOSURE FOR MATTERS REFERRED TO VOTERS; AND TO BAN FOREIGN FUNDING FOR BALLOT MEASURES; TO AMEND PORTIONS OF THE ARKANSAS CODE THAT RESULTED FROM INITIATED ACT 1 OF 1996.

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

SECTION 1. DO NOT CODIFY. Legislative findings and intent.

The General Assembly finds that:

(1) It is vital to the operation of an effective democracy for the people to have full and complete confidence in their elections;

(2) It is crucial that those elections be free of unwanted foreign influence; and

(3) It is the intent of the General Assembly to prevent foreign contributions from influencing the outcome of Arkansas elections.

SECTION 2. Arkansas Code § 7-6-201, concerning definitions for campaign financing, resulting from Initiated Act 1 of 1996, is amended to add

an additional subdivision to read as follows:

(19) "Prohibited sources" means the same as defined in § 7-9-402.

SECTION 3. Arkansas Code § 7-6-220(b), concerning contents of the report for independent expenditures in campaign financing and resulting from Initiated Act 1 of 1996, is amended to add an additional subdivision to read as follows:

(5) An affirmation by the individual, committee, or entity making the independent expenditure that the individual, committee, or entity has not knowingly or willfully accepted *donations* in excess of ten thousand dollars ($10,000) in the aggregate from one (1) or more prohibited sources within the four-year period immediately preceding the date the independent expenditure was made.

SECTION 4. Arkansas Code § 7-9-402, concerning definitions for disclosure matters referred to voters, is amended to add additional subdivisions to read as follows:

(13) "Directly or indirectly" means acting either alone or jointly with, through, or on behalf of any other:

(A) Ballot question committee;

(B) Legislative question committee;

(C) Political action committee;

(D) Organization;

(E) Person; or

(F) Other entity;

(14) "Foreign national" means:

(A) An individual who is not a citizen or lawful permanent resident of the United States;

(B) A government or subdivision of a foreign country; or

(C) A foreign political party;

(D) An entity, including without limitation a partnership, association, corporation, organization, or other combination of persons, that is organized under the laws of, or has its principal place of business in, a foreign country; or

(E) A partnership, association, corporation, or

organization, which is wholly or majority owned by a foreign national, unless:

(i) A contribution or expenditure the entity makes derives entirely from funds generated by the entity's operations; and

(ii) All decisions concerning the contribution or expenditure are made by individuals who are United States citizens or permanent residents, except for setting overall budget amounts;

(15) "Independent expenditure" means the same as defined in § 7-6-201;

(16) "Preliminary activity" includes:

(A) Conducting a poll;

(B) Drafting ballot question language;

(C) Drafting legislative question language;

(D) Conducting a focus group;

(E) Conducting telephone calls; or

(F) Traveling in connection with a ballot question or legislative question activity;

(17) "Prohibited sources" includes:

(A) A prohibited political action committee as defined in § 7-6-201;

(B) A political action committee that accepts one (1) or more contributions from a foreign national;

(C) An organization that is funded by a political action committee that accepts one (1) or more contributions from a foreign national;

(D) Contributions from or expenditures by a foreign national; and

(E) Contributions or expenditures that violate state or federal law; and

(18)(A) "Tax-exempt organization" means an organization that qualifies as exempt from federal income tax under § 501(c) of the Internal Revenue Code of 1986, as it existed on January 1, 2025.

(B) This subchapter shall not be construed to treat a political organization under § 527 of the Internal Revenue Code of 1986, as it existed on January 1, 2025, as a tax-exempt organization for purposes of this subchapter.

SECTION 5. Arkansas Code § 7-9-407(2), concerning the information contained in financial reports submitted by a ballot question committee or a legislative question committee, is amended to add an additional subdivision to read as follows:

(E) For a ballot question committee as defined under § 7-9-402(2) or a legislative question committee as defined in § 7-9-402(10):

(i) An affirmation that the ballot question committee or legislative question committee has not knowingly or willfully received, solicited, or accepted contributions or expenditures from a prohibited source; and

(ii) An affirmation by the treasurer of the ballot question committee or legislative question committee that *to the best of the treasurer's knowledge the donor* associated with each contribution is not a foreign national and has not knowingly or willfully received, solicited, or accepted, whether directly or indirectly, contributions or expenditures from one (1) or more prohibited sources in excess of ten thousand dollars ($10,000) in the aggregate within the four-year period immediately preceding the date of the contribution;

SECTION 6. Arkansas Code Title 7, Chapter 9, Subchapter 4, is amended to add additional sections to read as follows:

7-9-416. Prohibited sources of funding.

(a) Upon registering as a ballot question committee or legislative question committee, the treasurer of the committee shall file an accompanying certification that no preliminary activity was directly funded by prohibited sources, whether directly or indirectly.

(b) After the ballot question committee or legislative question committee has been registered, the committee shall not knowingly or willfully receive, solicit, or accept contributions or expenditures from a prohibited source, whether directly or indirectly.

(c) A person who makes an independent expenditure in support of or in opposition to a ballot question committee or legislative question committee in excess of ten thousand dollars ($10,000) in the aggregate shall keep records of any contribution or expenditure and retain such records as prescribed under § 7-9-410 from the date of receipt of the contribution or expenditure.

7-9-417. Donor certification of no affiliation with prohibited sources.

(a) Upon receipt of a contribution in excess of ten thousand dollars ($10,000) to a ballot question committee or legislative question committee, the treasurer of the ballot question committee or legislative question committee shall obtain from the donor associated with a contribution in excess of ten thousand dollars ($10,000) in the aggregate an affirmation that the donor:

(1) Is not a foreign national; and

(2) Has not knowingly or willfully accepted *donations* in excess of ten thousand dollars ($10,000) in the aggregate from one (1) or more prohibited sources within the four-year period immediately preceding the date the contribution is made.

(b) An individual, committee, or entity making one (1) or more independent *expenditures in excess of ten thousand dollars ($10,000)* supporting or opposing a ballot question or legislative question shall certify to the Attorney General that the individual, committee, or entity has not knowingly or willfully accepted *donations* in excess of ten thousand dollars ($10,000) in the aggregate from one (1) or more prohibited sources within the four-year period immediately preceding the date the independent expenditure is made and that it will not do so through the remainder of the calendar year in which the ballot question or legislative question will appear on the ballot.

7-9-418. Prohibited influence by a foreign national.

(a) A foreign national shall not direct, dictate, control, or directly or indirectly participate in the decision-making process of any person with regard to that person's activities to influence a ballot question or legislative question, including without limitation decisions concerning the making of contributions or expenditures to influence a ballot question or legislative question.

(b) A foreign national shall not solicit, directly or indirectly, the making of a donation, contribution, or expenditure by another person to influence a ballot question or legislative question.

(c) Nothing in this subchapter shall create or eliminate any existing

donor disclosure rights or duties beyond those specifically stated in §§ 7-9-416 — 7-9-420.

7-9-419. Enforcement for violations of ban on foreign funding for ballot questions and legislative questions.

(a)(1) The Attorney General may bring a civil action to enforce §§ 7-9-416 — 7-9-420.

(2) An individual, committee, or entity alleged to have violated any provision under §§ 7-9-416 — 7-9-420 shall be provided a full opportunity of notice, discovery, and an opportunity to be heard before being found liable for a violation of any provision under §§ 7-9-416 — 7-9-420.

(b) If the Attorney General prevails in an action brought under § 7-9-419(a), the court shall award:

(1) Injunctive relief sufficient to prevent the defendant from violating this subchapter or engaging in acts that aid or abet violations of any provision under §§ 7-9-416 — 7-9-420; and

(2) Statutory damages up to twice the amount of the prohibited contribution or expenditure.

(c) In addition to the penalties in this section and any other remedies provided by law, if the court finds the defendant knowingly or willfully violated any provision under §§ 7-9-416 — 7-9-420, the court may assess a penalty of up to three (3) times the statutory damages.

7-9-420. Restrictions on collection and release of donor information.

(a)(1) A lawful donor to a tax-exempt organization possesses a right of privacy in the lawful donor's donations.

(2) An investigation of an alleged violation of any provision under §§ 7-9-416 — 7-9-420 or a lawful court order in an action brought under § 7-9-419(a) shall occur in a manner that shields the identity of lawful donors to the extent possible.

(3) A governmental body shall not collect or require the submission of information on the identity of any donor to a tax-exempt organization other than those directly related to an alleged violation of §§ 7-9-416 — 7-9-420.

(4) Any collection or required submission of information by any governmental body regarding the identity of any donor to a tax-exempt

organization beyond that permitted by any provision under §§ 7-9-416 — 7-9-420 shall be deemed a violation of the Personal Information Protection Act, § 4-110-101 et seq.

(b)(1) A governmental body shall not disclose to the public or another government official not directly involved in the investigation, information revealing the identity of any donor to a tax-exempt organization, unless the information is regarding the identity of a donor that engaged in conduct prohibited by any provision under §§ 7-9-416 — 7-9-420 after a final determination has been made that the donor violated any provision under §§ 7-9-416 — *7-9-420 or if the tax-exempt organization has triggered registration and reporting as a ballot question committee or a legislative question committee under this subchapter.*

(2) Knowing or willful violations of this subsection shall be punishable under the Personal Information Protection Act, § 4-110-101 et seq.

(3) Any public disclosure of information revealing the identity of any donor to a tax-exempt organization by a governmental body incident to this section is a violation of the Personal Information Protection Act, § 4-110-101 et seq., unless the information is regarding the identity of a donor that engaged in conduct prohibited by any provision under §§ 7-9-416 — 7-9-420 after a final determination has been made that the donor violated any provision under §§ 7-9-416 — 7-9-420.

/s/McAlindon

APPROVED: 4/22/25