| 1 | State of Arkansas | |
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| 2 | 95th General Assembly A Bill | |
| 3 | Regular Session, 2025 SENATE BII | LL 351 |
| 4 | | |
| 5 | By: Senator J. Dismang | |
| 6 | By: Representative Eaves | |
| 7 | | |
| 8 | For An Act To Be Entitled | |
| 9 | AN ACT TO AMEND THE LAW CONCERNING ETHICS AND | |
| 10 | CAMPAIGN FINANCE; TO AMEND PORTIONS OF INITIATED ACT | |
| 11 | 1 OF 1990; TO AMEND PORTIONS OF INITIATED ACT 1 OF | |
| 12 | 1996; AND FOR OTHER PURPOSES. | |
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| 15 | Subtitle | |
| 16 | TO AMEND THE LAW CONCERNING ETHICS AND | |
| 17 | CAMPAIGN FINANCE; TO AMEND PORTIONS OF | |
| 18 | INITIATED ACT 1 OF 1990; AND TO AMEND | |
| 19 | PORTIONS OF INITIATED ACT 1 OF 1996. | |
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| 21 | BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS: | |
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| 23 | SECTION 1. Arkansas Code § 7-6-203(a)(1), concerning a candidate' | s |
| 24 | acceptance of campaign contributions and resulting from Initiated Act 1 | of |
| 25 | 1996, is amended to add an additional subdivision to read as follows: | |
| 26 | (C) It shall be unlawful for a prospective contributo | <u>r</u> |
| 27 | other than those under subdivisions (a)(l)(A)(i)-(vi) of this section to | make |
| 28 | a contribution to: | |
| 29 | (i) A candidate for public office; or | |
| 30 | (ii) A person acting on the candidate's behalf. | |
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| 32 | SECTION 2. Arkansas Code § 7-6-203(f)(4)(A)(iii), concerning a | |
| 33 | candidate's acceptance of campaign funds as personal income and resulting | g |
| 34 | from Initiated Act 1 of 1996, is amended to read as follows: | |
| 35 | (iii) If a candidate or officeholder is assessed | d a |
| 36 | fine by the Arkansas Ethics Commission under § 7-6-218(b)(4)(B) for the | use |

| 1 | of campaign funds as personal income, a candidate or officeholder shall not |
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| 2 | use campaign funds or earryover remaining campaign funds to pay the fine. |
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| 4 | SECTION 3. Arkansas Code § 7-6-203(g)(2)(E), concerning a candidate's |
| 5 | acceptance of campaign funds as personal income and resulting from Initiated |
| 6 | Act 1 of 1996, is amended to read as follows: |
| 7 | (E) If a candidate or officeholder uses campaign funds or |
| 8 | carryover remaining campaign funds to pay a fine imposed by the Arkansas |
| 9 | Ethics Commission under § 7-6-218(b)(4)(B) for the use of campaign funds as |
| 10 | personal income, the candidate or officeholder shall be deemed to have taken |
| 11 | campaign funds as personal income. |
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| 13 | SECTION 4. Arkansas Code § 7-6-206(a), concerning records of |
| 14 | contributions and expenditures for campaign finance, is amended to read as |
| 15 | follows: |
| 16 | (a) A candidate, a political party, or a person acting in the |
| 17 | candidate's behalf, a political party, a county political party committee, a |
| 18 | political action committee, an independent expenditure committee, or a person |
| 19 | making independent expenditures shall keep records of all contributions and |
| 20 | expenditures in a manner sufficient to evidence compliance with $\$\$$ 7-6-207 - |
| 21 | 7-6-210 § 7-6-201 et seq. |
| 22 | |
| 23 | SECTION 5. Arkansas Code § 7-6-207(a)(1)(B), concerning records of |
| 24 | contributions and expenditures for campaign finance and resulting from |
| 25 | Initiated Act 1 of 1996, is amended to read as follows: |
| 26 | (B)(i) Beginning with the month of January of a calendar |
| 27 | year in which a candidate may be listed on any ballot for election, a monthly |
| 28 | report of all contributions received and expenditures made during that month. |
| 29 | (ii) However, for any month in which certain days of |
| 30 | that month are included in a preelection report required under subdivision |
| 31 | (a)(1)(C) of this section or a final report required under subdivision |
| 32 | (a)(1)(D) of this section, no monthly report for that month shall be due. |
| 33 | (iii) In the case of a primary or runoff election, |
| 34 | those days of the month occurring after the date of the election shall be |
| 35 | carried forward and included in the next monthly report. |
| 36 | (iv) The monthly report shall be filed no later than |

- 1 twenty (20) days after the end of each month, except that the final report,
- 2 covering the month during which an election is held, shall be filed within
- 3 thirty (30) days no later than the last day of the month after the end of the
- 4 month in which the last election is held at which the candidate seeks
- 5 nomination and after the end of the month in which the general election is
- 6 held.
- 7 (v) With respect to a special election, the
- 8 candidate shall file monthly reports under this section beginning with the
- 9 month in which the special election candidate's total campaign contributions
- or expenditures exceed five hundred dollars (\$500);

- SECTION 6. Arkansas Code § 7-6-207(a)(1)(F), concerning records of
- 13 contributions and expenditures for campaign finance and resulting from
- 14 Initiated Act 1 of 1996, is amended to read as follows:
- 15 (F)(i) If a candidate keeps remaining campaign funds after
- 16 an election, but does not have any activity before the end of the year, the
- 17 candidate shall not be required to file a fourth quarter report.
- 18 (ii) If a candidate keeps remaining campaign funds
- 19 and or raises campaign funds for a future campaign, or expends campaign funds
- 20 for office holder expenses or a future election, the candidate shall continue
- 21 filing the reports required by this subsection.
- 22 <u>(iii) If a candidate keeps remaining campaign funds</u>
- 23 after an election, the candidate shall continue filing the reports required
- 24 by this subsection.

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- SECTION 7. Arkansas Code § 7-6-207(b)(2)(B), concerning records of
- 27 contributions and expenditures for campaign finance and resulting from
- 28 Initiated Act 1 of 1996, is amended to read as follows:
- 29 (B) If a candidate's campaign has ended and the candidate
- 30 is retaining remaining campaign funds, the final report shall also indicate
- 31 the amount of funds retained by the candidate in accordance with § 7-6-201(3)
- 32 [repealed] as remaining campaign funds.

- 34 SECTION 8. Arkansas Code § 7-6-208(b)(2)(A), concerning reports of
- 35 contributions for candidates for school district, township, or municipal
- 36 office and resulting from Initiated Act 1 of 1996, is amended to read as

| 1 | follows: |
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| 2 | (2)(A) When the candidate's campaign has ended, the final report |
| 3 | shall also indicate which option under § 7-6-203(g) was used to dispose of |
| 4 | any surplus of campaign funds, the amount of funds disposed of by the |
| 5 | candidate, and the amount of funds retained by the candidate in accordance |
| 6 | with § 7-6-201(3) [repealed] as remaining campaign funds. |
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| 8 | SECTION 9. Arkansas Code § 7-6-209(b)(2)(A), concerning reports of |
| 9 | contributions for candidates for county offices and resulting from Initiated |
| 10 | Act 1 of 1996, is amended to read as follows: |
| 11 | (2)(A) When the candidate's campaign has ended, the final report |
| 12 | shall also indicate which option under § 7-6-203(g) was used to dispose of |
| 13 | any surplus of campaign funds, the amount of funds disposed of by the |
| 14 | candidate, and the amount of funds retained by the candidate in accordance |
| 15 | with § 7-6-201(3) [repealed] as remaining campaign funds. |
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| 17 | SECTION 10. Arkansas Code § 7-6-215(d)(6), concerning registration and |
| 18 | reporting by approved political action committees and resulting from |
| 19 | Initiated Act 1 of 1996, is amended to read as follows: |
| 20 | (6)(A) A political action committee shall indicate on its |
| 21 | quarterly report for the fourth quarter of each calendar year whether or not |
| 22 | it intends to terminate its registration for the next calendar year. |
| 23 | (B) If a quarterly report for the fourth quarter is filed |
| 24 | in paper form, the form utilized by the Secretary of State for filing shall |
| 25 | require the political action committee to indicate whether or not it intends |
| 26 | to terminate its registration for the next calendar year. |
| 27 | (C) If the Secretary of State offers electronic filing of |
| 28 | political action committee reports, the format used by the Secretary of State |
| 29 | for the filing of political action committee reports in electronic form shall |
| 30 | require a political action committee indicating that it intends to terminate |
| 31 | its registration for the next calendar year to terminate its registration for |
| 32 | the next calendar year before submitting its quarterly report for the fourth |
| 33 | quarter. |
| 34 | (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.

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- SECTION 11. 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:
- 8 (1) The total amount of contributions received during the filing 9 period;
- 10 (2) The name and address of each person who has made a
 11 contribution which, in the aggregate, exceeds two hundred dollars (\$200),
 12 along with the contributor's principal place of business, employer,
 13 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 12. Arkansas Code § 7-6-216(d)(1)(A), concerning registration and reports by exploratory committees and resulting from Initiated Act 1 of 1990, is amended to read as follows:
- $(d)(1)(A)(\underline{i})$ The first report shall be filed for the month in which the committee files its registration.
- (ii) The final report shall be filed within thirty (30) days after the end of the month no later than the last day of the month in which the committee either transfers its contributions to a candidate's campaign or no longer accepts contributions.

- SECTION 13. 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 14. Arkansas Code § 7-6-220(a)(3), concerning the report of

1 independent expenditures and resulting from Initiated Act 1 of 1996, is 2 amended to read as follows: 3 (3) As for a final report, no later than thirty (30) days the 4 last day of the month after the end of the month in which the last election 5 is held at which the candidate seeks nomination or election. 6 7 SECTION 15. Arkansas Code § 7-6-227(a)(1)(A), concerning registration 8 by an independent expenditure committee, is amended to read as follows: 9 (a)(1)(A) An independent expenditure committee shall register with the 10 Secretary of State within fifteen (15) days after accepting contributions or making independent expenditures that exceed five hundred dollars (\$500) two 11 12 hundred dollars (\$200) in the aggregate during a calendar year. 13 14 SECTION 16. Arkansas Code § 7-6-228(c)(2), concerning campaign signs 15 and campaign materials, is amended to read as follows: 16 (2) Subdivision (c)(1)(A) of this section applies only to 17 campaign signs, campaign literature, and other printed campaign materials created by or sponsored by a political candidate, the campaign of a political 18 19 candidate, a political action committee, or an independent expenditure 20 committee, or persons making independent expenditures. 21 22 SECTION 17. Arkansas Code § 7-9-402(2)(B), concerning the definition 23 of "ballot question committee" as it relates to matters referred to voters, 24 is amended to read as follows: 25 (B) A person other than an individual or an approved political action committee as defined in § 7-6-201, located within or outside 26 27 Arkansas, also qualifies as a ballot question committee if an amount equal to 28 two percent (2%) or more of its annual revenues, operating expenses, or funds 29 are for the most recently completed year is used to make a contribution or 30 contributions to another ballot question committee and if the contribution or 31 contributions exceed ten thousand dollars (\$10,000) in value; 32

of "legislative question committee" as it relates to matters referred to voters, is amended to read as follows:

36 (B) A person other than an ind

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(B) A person other than an individual or an approved

SECTION 18. Arkansas Code § 7-9-402(10)(B), concerning the definition

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

- 9 SECTION 19. Arkansas Code § 7-9-409(a)(3), concerning time for filing
- 10 financial reports for matters referred to voters, is amended to read as
- 11 follows:
- 12 (3) (A) Furthermore, a \underline{A} final financial report shall be filed no
- 13 later than thirty (30) days after the election.
- 14 (B) If a ballot question fails to qualify for the ballot
- 15 or is disqualified, the final financial report required under subdivision
- 16 (a)(3)(A) of this section shall be filed no later than thirty (30) days after
- 17 the end of the month in which the ballot question fails to qualify for the
- 18 <u>ballot or is disqualified.</u>

- 20 SECTION 20. Arkansas Code Title 7, Chapter 9, Subchapter 4, is amended
- 21 to add an additional section to read as follows:
- 22 <u>7-9-416. Contributions and expenditures for campaign signs, campaign</u>
- 23 <u>literature</u>, and printed campaign materials.
- 24 (a) A ballot question committee, a legislative question committee, an
- 25 <u>individual person</u>, or an elected official who receives contributions or makes
- 26 <u>expenditures to support or oppose a ballot question or legislative question:</u>
- 27 (1) May reuse the campaign signs, campaign literature, and other
- 28 <u>printed campaign materials in future initiative campaigns that have been</u>
- 29 properly reported in a previous campaign by that committee, individual
- 30 person, or elected official; and
- 31 (2) Is not required to list the campaign signs, campaign
- 32 <u>literature</u>, and other printed campaign materials under subdivision (a)(1) of
- 33 this section in future reports filed under this subchapter.
- 34 (b)(1) Campaign signs, campaign literature, and other printed campaign
- 35 materials under subsection (a) of this section shall clearly contain the
- 36 words "Paid for by" followed by the name of the committee, individual person,

| 1 | or elected official who paid for the campaign sign, campaign literature, or |
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| 2 | other printed campaign materials. |
| 3 | (2) The ballot question committee, legislative question |
| 4 | committee, individual person, or elected official printing the campaign sign, |
| 5 | campaign literature, or other printed campaign materials shall be responsible |
| 6 | for including the language required under subdivision (b)(1) of this section. |
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| 8 | SECTION 21. Arkansas Code § 21-8-703(a), concerning the place and |
| 9 | manner for filing a statement of financial interest, is amended to add an |
| 10 | additional subdivision to read as follows: |
| 11 | (7) Executive directors of education service cooperatives |
| 12 | required to file shall file with the county clerk. |
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