

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                                   STATE OF OKLAHOMA

3                                   1st Session of the 56th Legislature (2017)

4 COMMITTEE SUBSTITUTE  
5 FOR  
6 HOUSE BILL NO. 1417

By: Russ

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8                                   COMMITTEE SUBSTITUTE

9                   An Act relating to state government; amending Rules  
10                   2.33, 2.34, 2.106, 6.10 and 6.12 of the Rules of the  
11                   Ethics Commission (74 O.S. Supp. 2016, Chapter 62,  
12                   App. 1), which relate to Rules of the Ethics  
13                   Commission; modifying contributions to and by certain  
14                   committees; providing for opportunity to amend  
15                   certain reports; providing for time limit before  
16                   Commission takes certain actions; providing for use  
17                   of attorneys employed by Ethics Commission; making  
18                   each party responsible for legal fees and costs; and  
19                   providing an effective date.

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BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1.           AMENDATORY           Rule 2.33 of the Rules of the  
Ethics Commission (74 O.S. Supp. 2016, Chapter 62, App. 1), is  
amended to read as follows:

Rule 2.33 (A) No person shall make, and no limited committee  
shall accept, a contribution to any limited committee in excess of  
Five Thousand Dollars (\$5,000.00) in any calendar year, except as  
otherwise permitted by law or these Rules. A contribution to a

1 limited committee that is designated directly or indirectly to be  
2 used for the benefit of a particular candidate or candidates shall  
3 be considered a contribution by the contributor to the candidate or  
4 candidates.

5 (B) No limited committee shall make, and no political party  
6 committee shall accept, a contribution to the political party  
7 committee in excess of Ten Thousand Dollars (\$10,000.00) in any  
8 calendar year.

9 (C) No limited committee shall make, and no other limited  
10 committee shall accept, a contribution to another limited committee  
11 in excess of Five Thousand Dollars (\$5,000.00) in any calendar year.

12 (D) No limited committee shall make, and no candidate committee  
13 shall accept, a contribution to any candidate committee in excess of  
14 Five Thousand Dollars (\$5,000.00) prior to a primary election.

15 (E) No limited committee shall make, and no candidate committee  
16 shall accept, a contribution to any candidate committee of a  
17 candidate whose name will appear on the ballot for a runoff primary  
18 election in excess of Five Thousand Dollars (\$5,000.00) prior to a  
19 runoff primary election. Provided, however, after the primary  
20 election a limited committee that has made a contribution of Five  
21 Thousand Dollars (\$5,000.00) or less to the candidate committee  
22 prior to the primary election may make an additional contribution of  
23 no more than Five Thousand Dollars (\$5,000.00) to the candidate  
24 committee prior to the runoff primary election.

1 (F) No limited committee shall make, and no candidate committee  
2 shall accept, a contribution to any candidate committee prior to a  
3 general election in excess of Five Thousand Dollars (\$5,000.00).  
4 Provided, however, after the primary election or runoff primary  
5 election, whichever is the last for determining a political party's  
6 nominee, a limited committee that has made a contribution of Five  
7 Thousand Dollars (\$5,000.00) or less to the candidate committee  
8 prior to the primary election or runoff primary election, or both,  
9 may make an additional contribution of no more than Five Thousand  
10 Dollars (\$5,000.00) to the candidate committee prior to the general  
11 election.

12 (G) After the general election, a limited committee that has  
13 made no contribution to a candidate or a contribution of less than  
14 Five Thousand Dollars (\$5,000.00) in the aggregate under the  
15 provisions of ~~subsections~~ subsection (D), (E) or (F) may make ~~a~~ an  
16 additional contribution or contributions in an amount or amounts  
17 that, aggregated with any prior contributions, do not exceed ~~of no~~  
18 ~~more than~~ Five Thousand Dollars (\$5,000.00) to that candidate  
19 committee.

20 (H) No limited committee shall make a total contribution to a  
21 candidate in excess of the aggregate contribution limits of  
22 subsections (D), (E) and (F) or in excess of Five Thousand Dollars  
23 (\$5,000.00) to the candidate committee of a candidate who is  
24 unopposed for election.

1 (I) For purposes of this section, "contribution" shall include  
2 multiple contributions, the amounts of which shall be aggregated.

3 (J) A limited committee may make contributions to candidates  
4 for county, municipal or school district office as permitted by law.

5 SECTION 2. AMENDATORY Rule 2.34 of the Rules of the  
6 Ethics Commission (74 O.S. Supp. 2016, Chapter 62, App. 1), is  
7 amended to read as follows:

8 Rule 2.34 (A) No limited committee that has been registered  
9 with the Commission for less than a year prior to a primary election  
10 or that has fewer than twenty-five (25) contributors shall make, and  
11 no political party committee shall accept, a contribution to the  
12 political party committee in excess of Five Thousand Dollars  
13 (\$5,000.00) in any calendar year.

14 (B) No limited committee that has been registered with the  
15 Commission for less than a year prior to a primary election or that  
16 has fewer than twenty-five (25) contributors shall make a  
17 contribution to another limited committee.

18 (C) No limited committee that has been registered with the  
19 Commission for less than a year prior to a primary election or that  
20 has fewer than twenty-five (25) contributors shall make, and no  
21 candidate committee shall accept, a contribution to any candidate  
22 committee in excess of Two Thousand Five Hundred Dollars (\$2,500.00)  
23 prior to a primary election.

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1 (D) No limited committee that has been registered with the  
2 Commission for less than a year prior to a primary election or that  
3 has fewer than twenty-five (25) contributors shall make, and no  
4 candidate committee shall accept, a contribution to any candidate  
5 committee of a candidate whose name will appear on the ballot for a  
6 runoff primary election in excess of Two Thousand Five Hundred  
7 Dollars (\$2,500.00) prior to a runoff primary election. Provided,  
8 however, after the primary election a limited committee that has  
9 been registered with the Commission for less than a year prior to a  
10 primary election or that has fewer than twenty-five (25)  
11 contributors that has made a contribution of Two Thousand Five  
12 Hundred Dollars (\$2,500.00) or less to the candidate committee prior  
13 to the primary election may make an additional contribution of no  
14 more than Two Thousand Five Hundred Dollars (\$2,500.00) to the  
15 candidate committee prior to the runoff primary election.

16 (E) No limited committee that has been registered with the  
17 Commission for less than a year prior to a primary election or that  
18 has fewer than twenty-five (25) contributors shall make, and no  
19 candidate committee shall accept, a contribution to any candidate  
20 committee prior to a general election in excess of Two Thousand Five  
21 Hundred Dollars (\$2,500.00). Provided, however, after the primary  
22 election or runoff primary election, whichever is the last for  
23 determining a political party's nominee, a limited committee that  
24 has been registered with the Commission for less than a year prior

1 to a primary election or that has fewer than twenty-five (25)  
2 contributors that has made a contribution of Two Thousand Five  
3 Hundred Dollars (\$2,500.00) or less to the candidate committee prior  
4 to the primary election or runoff primary election, or both, may  
5 make an additional contribution of no more than Two Thousand Five  
6 Hundred Dollars (\$2,500.00) to the candidate committee prior to the  
7 general election.

8 (F) After the general election, a limited committee that has  
9 been registered with the Commission for less than a year prior to a  
10 primary election or that has fewer than twenty-five (25)  
11 contributors that has made no contribution to a candidate committee  
12 or a contribution of less than Two Thousand Five Hundred Dollars  
13 (\$2,500.00) in the aggregate under the provisions of ~~subsections~~  
14 subsection (C), (D) or (E) may make a an additional contribution or  
15 contributions in an amount or amounts that, aggregated with any  
16 prior contributions, do not exceed ~~of no more than~~ Two Thousand Five  
17 Hundred Dollars (\$2,500.00) to that candidate committee.

18 (G) No limited committee that has been registered with the  
19 Commission for less than a year prior to a primary election or that  
20 has fewer than twenty-five (25) contributors shall make a total  
21 contribution to a candidate in excess of the aggregate contribution  
22 limits of subsections (C), (D) and (E) or in excess of Two Thousand  
23 Five Hundred Dollars (\$2,500.00) to the candidate committee of a  
24 candidate who is unopposed for election.

1 (H) For purposes of this section, "contribution" shall include  
2 multiple contributions, the amounts of which shall be aggregated.

3 SECTION 3. AMENDATORY Rule 2.106 of the Rules of the  
4 Ethics Commission (74 O.S. Supp. 2016, Chapter 62, App. 1), is  
5 amended to read as follows:

6 Rule 2.106 A Report of Contributions and Expenditures by a  
7 candidate committee shall include, but not be limited to, the  
8 following information:

9 A. (1) the candidate's name, the name of the committee and the  
10 time period covered by the report;

11 (2) the total of any surplus funds transferred from a candidate  
12 committee for a previous campaign of the same candidate;

13 (3) the total of all monetary contributions accepted during the  
14 time period covered by the report, and the aggregate total of all  
15 monetary contributions accepted;

16 (4) the total of all monetary contributions from political  
17 action committees accepted during the time period covered by the  
18 report, and the aggregate total of all monetary contributions from  
19 political action committees accepted;

20 (5) the total of all other funds accepted during the time  
21 period covered by the report, and the aggregate total of all other  
22 funds accepted;

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1 (6) the total of all monetary contributions or funds accepted  
2 from any source during the time period covered by the report, and  
3 the aggregate total of all monetary contributions or funds accepted;

4 (7) the total value of all in-kind contributions accepted  
5 during the time period covered by the report, and the aggregate  
6 total value of all in-kind contributions accepted;

7 (8) the total of all expenditures made during the time period  
8 covered by the report, and the aggregate total of all expenditures  
9 made;

10 (9) the total of all refunds made during the time period  
11 covered by the report, and the aggregate total of all refunds made;

12 (10) the beginning balance of the campaign account for the  
13 reporting period, and the closing balance of the campaign account at  
14 the end of the reporting period.

15 B. (1) The name, address, occupation and employer of any  
16 person other than a political action committee making a contribution  
17 or contributions exceeding Fifty Dollars (\$50.00) in value in the  
18 aggregate, the date and amount of any monetary or in-kind  
19 contributions made during the time period covered by the report, and  
20 the aggregate total of all contributions accepted from the person;

21 (2) the total of all contributions accepted during the time  
22 period covered by the report from contributors making contributions  
23 of no more than Fifty Dollars (\$50.00) in the aggregate, and the  
24 aggregate total of all such contributions;



1 (3) the name and Commission identification number of a  
2 political action committee or candidate committee making a  
3 contribution or contributions, the date and amount of any monetary  
4 or in-kind contributions made during the time period covered by the  
5 report, and the aggregate total of all contributions accepted from  
6 the political action committee;

7 (4) the name, address, occupation and employer, if applicable,  
8 of a contributor to whom a refund was made during the time period  
9 covered by the report, the date and amount of the refund, and the  
10 aggregate total of all contributions refunded to the contributor;

11 (5) loans made to the committee during the time period covered  
12 by the report, including loans by the candidate and by commercial  
13 financial institutions; the name, address and, if applicable,  
14 occupation and employer, of the person making the loan; the amount  
15 of the loan, the date the loan was made, the interest rate for the  
16 loan, the repayment terms for the loan and the total of all loans  
17 made to the committee; any payments on loans during the time period  
18 covered by the report, the amount of the payment, the date the  
19 payment was made and the remaining balance of the loan following the  
20 payment, and the total of all payments made on all loans to the  
21 committee and the remaining balance on all loans to the committee;

22 (6) the name and address of any person or entity to whom an  
23 expenditure of more than Two Hundred Dollars (\$200.00) in the  
24 aggregate was made during the time period covered by the report, a

1 description of the goods or services purchased with the expenditure,  
2 and the aggregate total of all expenditures made to the person or  
3 entity. Split purchasing for the purpose of evading reporting an  
4 expenditure shall be prohibited. Expenditures made to compensate  
5 consultants and similar individuals or organizations shall be  
6 reported by identifying the type of services provided to the  
7 campaign by the consultants. Expenditures made by political  
8 consultants and other third parties on behalf of the committee shall  
9 be reported as if the expenditures were made by the committee.  
10 Expenditures made by using a credit card shall be reported by  
11 itemizing each individual expenditure of more than Two Hundred  
12 Dollars (\$200.00).

13 Contributions accepted from a limited liability company shall be  
14 reported as contributions from the individual members of the limited  
15 liability company in proportions equal to their ownership interest  
16 in the limited liability company. Contributions accepted from a  
17 partnership shall be reported as contributions from the individual  
18 partners of the partnership in proportions equal to their ownership  
19 interest in the partnership.

20 C. A filer shall be afforded the opportunity to amend a Report  
21 of Contributions and Expenditures by a candidate committee at any  
22 time to correct an oversight or error.

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1 SECTION 4. AMENDATORY Rule 6.10 of the Rules of the  
2 Ethics Commission (74 O.S. Supp. 2016, Chapter 62, App. 1), is  
3 amended to read as follows:

4 Rule 6.10 ~~At any time during~~ After one hundred twenty (120)  
5 days from the start of a formal investigation or at the conclusion  
6 of a formal investigation, the Commission may:

7 (1) Terminate the investigation and take no further action;

8 (2) Authorize the Executive Director to cause the individual or  
9 individuals or entity alleged to have violated these Rules to be  
10 prosecuted in the District Court of the county where the violation  
11 of these Rules is alleged to have occurred by filing a civil  
12 petition as provided by the Constitution and laws of the State of  
13 Oklahoma; or

14 (3) Offer a settlement agreement as provided by Article XXIX,  
15 Section 4 of the Constitution of the State of Oklahoma. Should a  
16 settlement agreement not be consummated, the Commission may  
17 authorize a prosecution to be commenced as provided in Subsection  
18 (2) of this Rule.

19 If a prosecution or a settlement agreement is authorized prior  
20 to conclusion of a formal investigation, the Commission may continue  
21 the investigation. Termination of a formal investigation as  
22 provided in Subsection (1) of this Rule shall not bar reopening the  
23 same investigation based upon newly discovered evidence or other  
24 good cause. In no event shall the Commission authorize the

1 prosecution of a civil lawsuit in the District Court until any  
2 person who is alleged to have violated these Rules has had an  
3 opportunity to respond in writing to allegations of any violation.  
4 Such person shall be given notice of the allegations in writing and  
5 shall have ~~twenty (20)~~ thirty (30) days in which to file a written  
6 response. Upon application, such person shall be granted no more  
7 than one extension of ~~twenty (20)~~ thirty (30) additional days in  
8 which to file a response. Any additional response shall be granted  
9 at the exclusive discretion of the Commission. Failure to respond  
10 shall be deemed an admission of the allegations. Such person and/or  
11 an attorney representing such person also shall be granted an  
12 opportunity to personally appear before the Commission to make an  
13 oral response, provided such response is within the time frame  
14 provided for a written response.

15 SECTION 5. AMENDATORY Rule 6.12 of the Rules of the  
16 Ethics Commission (74 O.S. 2016, Chapter 62, App. 1) is amended to  
17 read as follows:

18 Rule 6.12 A. If authorized by the Commission as provided in  
19 Rule 6.10(2) of these Rules, a civil lawsuit shall be filed in the  
20 District Court no more than ~~four (4)~~ three (3) years after the date  
21 the violation of these Rules is alleged to have occurred. Provided,  
22 however, that a civil lawsuit shall be filed in the District Court  
23 no more than ~~four (4)~~ three (3) years from the date any document  
24 required to be filed with the Commission was required or the date

1 the document was in fact filed, whichever period expires later.  
2 Provided further, there shall be no time limitation if fraud or  
3 concealment prevents discovery of the alleged violation.

4 B. The Commission shall utilize attorneys currently employed by  
5 the Commission, to the extent reasonably possible, in a civil  
6 lawsuit provided for in this section.

7 C. The parties shall be responsible for their own legal fees  
8 and costs in any civil lawsuit provided for in this section.

9 SECTION 6. This act shall become effective November 1, 2017.

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11 COMMITTEE REPORT BY: COMMITTEE ON ELECTIONS AND ETHICS, dated  
12 03/02/2017 - DO PASS, As Amended.

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