

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

7  
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.

20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60  
61  
62  
63  
64  
65  
66  
67  
68  
69  
70  
71  
72  
73  
74  
75  
76  
77  
78  
79  
80  
81  
82  
83  
84  
85  
86  
87  
88  
89  
90  
91  
92  
93  
94  
95  
96  
97  
98  
99  
100  
101  
102  
103  
104  
105  
106  
107  
108  
109  
110  
111  
112  
113  
114  
115  
116  
117  
118  
119  
120  
121  
122  
123  
124  
125  
126  
127  
128  
129  
130  
131  
132  
133  
134  
135  
136  
137  
138  
139  
140  
141  
142  
143  
144  
145  
146  
147  
148  
149  
150  
151  
152  
153  
154  
155  
156  
157  
158  
159  
160  
161  
162  
163  
164  
165  
166  
167  
168  
169  
170  
171  
172  
173  
174  
175  
176  
177  
178  
179  
180  
181  
182  
183  
184  
185  
186  
187  
188  
189  
190  
191  
192  
193  
194  
195  
196  
197  
198  
199  
200  
201  
202  
203  
204  
205  
206  
207  
208  
209  
210  
211  
212  
213  
214  
215  
216  
217  
218  
219  
220  
221  
222  
223  
224  
225  
226  
227  
228  
229  
230  
231  
232  
233  
234  
235  
236  
237  
238  
239  
240  
241  
242  
243  
244  
245  
246  
247  
248  
249  
250  
251  
252  
253  
254  
255  
256  
257  
258  
259  
260  
261  
262  
263  
264  
265  
266  
267  
268  
269  
270  
271  
272  
273  
274  
275  
276  
277  
278  
279  
280  
281  
282  
283  
284  
285  
286  
287  
288  
289  
290  
291  
292  
293  
294  
295  
296  
297  
298  
299  
300  
301  
302  
303  
304  
305  
306  
307  
308  
309  
310  
311  
312  
313  
314  
315  
316  
317  
318  
319  
320  
321  
322  
323  
324  
325  
326  
327  
328  
329  
330  
331  
332  
333  
334  
335  
336  
337  
338  
339  
340  
341  
342  
343  
344  
345  
346  
347  
348  
349  
350  
351  
352  
353  
354  
355  
356  
357  
358  
359  
360  
361  
362  
363  
364  
365  
366  
367  
368  
369  
370  
371  
372  
373  
374  
375  
376  
377  
378  
379  
380  
381  
382  
383  
384  
385  
386  
387  
388  
389  
390  
391  
392  
393  
394  
395  
396  
397  
398  
399  
400  
401  
402  
403  
404  
405  
406  
407  
408  
409  
410  
411  
412  
413  
414  
415  
416  
417  
418  
419  
420  
421  
422  
423  
424  
425  
426  
427  
428  
429  
430  
431  
432  
433  
434  
435  
436  
437  
438  
439  
440  
441  
442  
443  
444  
445  
446  
447  
448  
449  
450  
451  
452  
453  
454  
455  
456  
457  
458  
459  
460  
461  
462  
463  
464  
465  
466  
467  
468  
469  
470  
471  
472  
473  
474  
475  
476  
477  
478  
479  
480  
481  
482  
483  
484  
485  
486  
487  
488  
489  
490  
491  
492  
493  
494  
495  
496  
497  
498  
499  
500  
501  
502  
503  
504  
505  
506  
507  
508  
509  
510  
511  
512  
513  
514  
515  
516  
517  
518  
519  
520  
521  
522  
523  
524  
525  
526  
527  
528  
529  
530  
531  
532  
533  
534  
535  
536  
537  
538  
539  
540  
541  
542  
543  
544  
545  
546  
547  
548  
549  
550  
551  
552  
553  
554  
555  
556  
557  
558  
559  
560  
561  
562  
563  
564  
565  
566  
567  
568  
569  
570  
571  
572  
573  
574  
575  
576  
577  
578  
579  
580  
581  
582  
583  
584  
585  
586  
587  
588  
589  
590  
591  
592  
593  
594  
595  
596  
597  
598  
599  
600  
601  
602  
603  
604  
605  
606  
607  
608  
609  
610  
611  
612  
613  
614  
615  
616  
617  
618  
619  
620  
621  
622  
623  
624  
625  
626  
627  
628  
629  
630  
631  
632  
633  
634  
635  
636  
637  
638  
639  
640  
641  
642  
643  
644  
645  
646  
647  
648  
649  
650  
651  
652  
653  
654  
655  
656  
657  
658  
659  
660  
661  
662  
663  
664  
665  
666  
667  
668  
669  
670  
671  
672  
673  
674  
675  
676  
677  
678  
679  
680  
681  
682  
683  
684  
685  
686  
687  
688  
689  
690  
691  
692  
693  
694  
695  
696  
697  
698  
699  
700  
701  
702  
703  
704  
705  
706  
707  
708  
709  
710  
711  
712  
713  
714  
715  
716  
717  
718  
719  
720  
721  
722  
723  
724  
725  
726  
727  
728  
729  
730  
731  
732  
733  
734  
735  
736  
737  
738  
739  
740  
741  
742  
743  
744  
745  
746  
747  
748  
749  
750  
751  
752  
753  
754  
755  
756  
757  
758  
759  
760  
761  
762  
763  
764  
765  
766  
767  
768  
769  
770  
771  
772  
773  
774  
775  
776  
777  
778  
779  
780  
781  
782  
783  
784  
785  
786  
787  
788  
789  
790  
791  
792  
793  
794  
795  
796  
797  
798  
799  
800  
801  
802  
803  
804  
805  
806  
807  
808  
809  
810  
811  
812  
813  
814  
815  
816  
817  
818  
819  
820  
821  
822  
823  
824  
825  
826  
827  
828  
829  
830  
831  
832  
833  
834  
835  
836  
837  
838  
839  
840  
841  
842  
843  
844  
845  
846  
847  
848  
849  
850  
851  
852  
853  
854  
855  
856  
857  
858  
859  
860  
861  
862  
863  
864  
865  
866  
867  
868  
869  
870  
871  
872  
873  
874  
875  
876  
877  
878  
879  
880  
881  
882  
883  
884  
885  
886  
887  
888  
889  
890  
891  
892  
893  
894  
895  
896  
897  
898  
899  
900  
901  
902  
903  
904  
905  
906  
907  
908  
909  
910  
911  
912  
913  
914  
915  
916  
917  
918  
919  
920  
921  
922  
923  
924  
925  
926  
927  
928  
929  
930  
931  
932  
933  
934  
935  
936  
937  
938  
939  
940  
941  
942  
943  
944  
945  
946  
947  
948  
949  
950  
951  
952  
953  
954  
955  
956  
957  
958  
959  
960  
961  
962  
963  
964  
965  
966  
967  
968  
969  
970  
971  
972  
973  
974  
975  
976  
977  
978  
979  
980  
981  
982  
983  
984  
985  
986  
987  
988  
989  
990  
991  
992  
993  
994  
995  
996  
997  
998  
999  
1000

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.

24

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;

23  
24

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.

23  
24

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.

10

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

13

14

15

16

17

18

19

20

21

22

23

24