

1 ENGROSSED SENATE
2 BILL NO. 579

By: Sykes of the Senate

3 and

4 Murphey of the House

5
6 An Act relating to Rules of the Ethics Commission;
7 amending Rules 2.100, 2.105, 2.107 and 2.108 of the
8 Rules of the Ethics Commission (74 O.S. Supp. 2016,
9 Ch. 62, App. I), which relate to campaign expenditure
10 reporting; requiring persons or other entities making
11 certain expenditures to file quarterly reports;
12 modifying information to be reported; deleting
13 exemption from filing certain reports for
14 individuals; and providing an effective date.

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

16 SECTION 1. AMENDATORY Rule 2.100 of the Rules of the
17 Ethics Commission (74 O.S. Supp. 2016, Ch. 62, App. I), is amended
18 to read as follows:

19 Rule 2.100. A. Each state political party committee, political
20 action committee ~~and~~, candidate committee shall file a quarterly
21 Report of Contributions and Expenditures:

22 (1) no earlier than January 1 nor later than January 31 for the
23 period beginning October 1 and ending December 31 of the immediately
24 preceding year;

(2) no earlier than April 1 nor later than April 30 for the
period beginning January 1 and ending March 31 of the same year;

1 (3) no earlier than July 1 nor later than July 31 for the
2 period beginning April 1 and ending June 30 of the same year and

3 (4) no earlier than October 1 nor later than October 31 for the
4 period beginning July 1 and ending September 30 of the same year.

5 B. Any person or other entity who:

6 (1) makes independent expenditures or electioneering
7 communications;

8 (2) makes expenditures for the purpose of advocating the
9 approval or defeat of a state question; or

10 (3) makes expenditures publishing or otherwise offering
11 educational information regarding a state question;

12 in excess of Five Thousand Dollars (\$5,000.00) shall file a Report
13 of Contributions and Expenditures as required in subsection A of
14 this section for any quarter for which such expenditures are made.

15 C. Except for good cause shown, any committee that files more
16 than one quarterly Report of Contributions and Expenditures after
17 the date it is due in any calendar year shall be deemed to have
18 intentionally failed to file the report in violation of these Rules.

19 D. Candidates for election or retention to judicial offices who
20 are prohibited from soliciting or accepting contributions more than
21 sixty (60) days after the last election in which the candidate
22 participated under the Code of Judicial Conduct shall not be
23 required to file Reports of Contributions and Expenditures following
24 the expiration of the sixty (60) day period until such time as they

1 are permitted to solicit and accept contributions prior to the next
2 filing period under the Code of Judicial Conduct.

3 SECTION 2. AMENDATORY Rule 2.105 of the Rules of the
4 Ethics Commission (74 O.S. Supp. 2016, Ch. 62, App. I), is amended
5 to read as follows:

6 Rule 2.105. A Report of Contributions and Expenditures by a
7 political action committee or other person or other entity shall
8 include, but not be limited to, the following information:

9 A. (1) the name of the committee, person or other entity and
10 the time period covered by the report;

11 (2) the total of all monetary contributions accepted during the
12 time period covered by the report, and the aggregate total of all
13 monetary contributions accepted during the calendar year of the time
14 period covered by the report;

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

20 (4) the total of all other funds accepted during the time
21 period covered by the report, including transfers from an associated
22 political action committee, and the aggregate total of all such
23 other funds accepted during the calendar year of the time period
24 covered by the report;

1 (5) 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 during the calendar year of the time period covered by the report;

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

9 (7) the total of all expenditures (other than contributions to
10 candidate committees, independent expenditures or electioneering
11 communications) made during the time period covered by the report,
12 and the aggregate total of all such expenditures made during the
13 calendar year of the time period covered by the report;

14 (8) the total of all refunds made during the time period
15 covered by the report, and the aggregate total of all refunds made
16 during the calendar year of the time period covered by the report;

17 (9) the total of all transfers made to or received from an
18 associated political action committee during the time period covered
19 by the report and the date of each transfer, and the aggregate total
20 of all such transfers made during the calendar year of the time
21 period covered by the report;

22 (10) the total amount of all contributions made by the
23 committee to a candidate committee during the time period covered by
24

1 the report, and the aggregate total of all such contributions made
2 during the calendar year of the time period covered by the report;

3 (11) the total amount of all independent expenditures made by
4 the committee during the time period covered by the report, and the
5 aggregate total of all such independent expenditures made during the
6 calendar year of the time period covered by the report;

7 (12) the total amount of funds spent on electioneering
8 communications made by the committee during the time period covered
9 by the report, and the aggregate total of funds spent on
10 electioneering communications made during the calendar year of the
11 time period covered by the report;

12 (13) the beginning balance of the committee account for the
13 reporting period, and the closing balance of the committee account
14 at the end of the reporting period;

15 (14) for limited committees affiliated with a corporation or
16 labor union, the total amount of funds spent by the corporation or
17 labor union during the time period covered by the report for the
18 costs of establishment of, administration of and solicitation of
19 contributions to the committee; and the aggregate total of funds
20 spent on the costs of establishment of, administration of and
21 solicitation of contributions to the committee made during the
22 calendar year.

23 B. (1) The name, address, occupation and employer of any
24 person other than a political action committee making a contribution

1 or contributions exceeding Fifty Dollars (\$50.00) in value in the
2 aggregate, the date and amount of any monetary or in-kind
3 contributions made during the time period covered by the report, and
4 the aggregate total of all contributions accepted from the person
5 during the calendar year of the time period covered by the report;

6 (2) the total of all contributions accepted during the time
7 period covered by the report from contributors making contributions
8 of no more than Fifty Dollars (\$50.00) in the aggregate, and the
9 aggregate total of all such contributions during the calendar year
10 of the time period covered by the report;

11 (3) the name and Commission identification number of a
12 political action committee making a contribution or contributions,
13 the date and amount of any monetary or in-kind contributions made
14 during the time period covered by the report, and the aggregate
15 total of all contributions accepted from the political action
16 committee during the calendar year of the time period covered by the
17 report;

18 (4) the name, address, occupation and employer, if applicable,
19 of a contributor to whom a refund was made during the time period
20 covered by the report, the date and amount of the refund, and the
21 aggregate total of all contributions refunded to the contributor
22 during the calendar year of the time period covered by the report;

23 (5) loans made to the committee during the time period covered
24 by the report, including loans by commercial financial institutions;

1 the name, address and, if applicable, occupation and employer, of
2 the person making the loan; the amount of the loan, the date the
3 loan was made, the interest rate for the loan, the repayment terms
4 for the loan and the total of all loans made to the committee; any
5 payments on loans during the time period covered by the report, the
6 amount of the payment, the date the payment was made and the
7 remaining balance of the loan following the payment; and the total
8 of all payments made on all loans to the committee and the remaining
9 balance on all loans to the committee during the calendar year of
10 the time period covered by the report;

11 (6) the name and address of any person or entity to whom an
12 expenditure of more than Two Hundred Dollars (\$200.00) in the
13 aggregate was made during the time period covered by the report, a
14 description of the goods or services purchased with the expenditure,
15 and the aggregate total of all expenditures made to the person or
16 entity during the calendar year of the time period covered by the
17 report. Split purchasing for the purpose of evading reporting an
18 expenditure shall be prohibited. Expenditures made to compensate
19 political consultants and similar consultants shall be reported by
20 identifying the type of services provided to the campaign by the
21 consultants. Expenditures made by political consultants and other
22 third parties on behalf of the committee shall be reported as if the
23 expenditures were made by the committee. Expenditures made by using

24

1 a credit card shall be reported by itemizing each individual
2 expenditure of more than Two Hundred Dollars (\$200.00).

3 Contributions accepted from a limited liability company shall be
4 reported as contributions from the individual members of the limited
5 liability company in proportions equal to their ownership interest
6 in the limited liability company. Contributions accepted from a
7 partnership shall be reported as contributions from the individual
8 partners of the partnership in proportions equal to their ownership
9 interest in the partnership. As used in this section, "associated
10 political action committee" shall mean a political action committee
11 registered with the Federal Election Commission when the connected
12 or affiliated entities of the two committees share a formal business
13 relationship such as the national and state organizations of a
14 professional or business organization or labor union. Transfers
15 between a political action committee and an associated political
16 action committee shall not be considered as contributions or
17 expenditures.

18 C. The Report of Contributions and Expenditures for Non-
19 Oklahoma Committees shall include, but not be limited to, the
20 following information:

21 (1) the name of the committee and the time period covered by
22 the report;

23 (2) the total amount of all contributions made by the committee
24 to an Oklahoma state candidate committee during the time period

1 covered by the report, and the aggregate total of all such
2 contributions made during the calendar year of the time period
3 covered by the report;

4 (3) the total amount of all independent expenditures made by
5 the committee during the time period covered by the report, and the
6 aggregate total of all such independent expenditures made during the
7 calendar year of the time period covered by the report;

8 (4) the total amount of funds spent on electioneering
9 communications made by the committee during the time period covered
10 by the report, and the aggregate total of funds spent on
11 electioneering communications made during the calendar year of the
12 time period covered by the report;

13 (5) The name, address, occupation and employer of any Oklahoma
14 resident making a contribution or contributions exceeding Fifty
15 Dollars (\$50.00) in value in the aggregate, the date and amount of
16 any monetary or in-kind contributions made during the time period
17 covered by the report, and the aggregate total of all contributions
18 accepted from the person during the calendar year of the time period
19 covered by the report.

20 SECTION 3. AMENDATORY Rule 2.107 of the Rules of the
21 Ethics Commission (74 O.S. Supp. 2016, Ch. 62, App. I), is amended
22 to read as follows:

23 Rule 2.107. (A) Any person ~~other than an individual~~, including
24 a political action committee, that makes an independent expenditure

1 of Five Thousand Dollars (\$5,000.00) or more in the aggregate at
2 least fifteen (15) days prior to any election shall be required to
3 file a report with the Commission at the same time that candidate
4 committees are required to file pre-election reports for the
5 applicable election.

6 (B) Any person ~~other than an individual~~, including a political
7 action committee, that makes an independent expenditure of Five
8 Thousand Dollars (\$5,000.00) or more in the aggregate during the
9 period beginning no more than fourteen (14) days prior to any
10 election and ending on the day of the election shall make a report
11 to the Commission no later than the business day following the day
12 the expenditure is made.

13 (C) Each report filed by a person other than a political action
14 committee shall include the name and address of the person making
15 the independent expenditure and the name, street address, telephone
16 number, and office or title of the individual filing the report.

17 (D) Each report filed shall include the name of the political
18 action committee or the person making the independent expenditure;
19 the amount, date and a brief description or statement of each
20 independent expenditure; and the name and office of the candidate
21 supported or opposed, indicating whether the candidate was supported
22 or opposed.

23 (E) If the person making the independent expenditure, other
24 than a political action committee, received funds from any other

1 person for the purpose of making an independent expenditure or
2 expenditures, the report shall include the name, address and
3 principal business activity of each person contributing funds in
4 excess of Fifty Dollars (\$50.00) in the aggregate and the amount of
5 any such contribution or contributions that have not been previously
6 reported, together with a cumulative total of all contributions made
7 by each person since the first report was filed for the election for
8 which the independent expenditure is being made. As used in this
9 section, "for the purpose of" means that the funds are either (1)
10 received by an organization or corporation in response to a
11 solicitation specifically requesting funds to pay for an independent
12 expenditure or electioneering communication or (2) specifically
13 designated for independent expenditures or electioneering
14 communications by the donor.

15 (F) If the person making the independent expenditure is a non-
16 profit corporation that has not been officially approved by the
17 United States Internal Revenue Service for tax exempt status under
18 Section 501(c) of Title 26 of the United States Code as it currently
19 exists or as it may be amended, the report shall include the name,
20 address and principal business activity of each person contributing
21 funds in excess of Fifty Dollars (\$50.00) in the aggregate to the
22 corporation during the current calendar year and the preceding
23 calendar year and the amount of any such contribution or
24 contributions that have not been previously reported, together with

1 a cumulative total of all contributions made by each person since
2 the first report was filed for the election for which the
3 independent expenditure is being made.

4 (G) Reports required by this section shall not relieve the
5 person making the report from filing other reports required by these
6 Rules.

7 (H) If any person makes, or contracts to make, any expenditure
8 for an independent expenditure and such expenditure is coordinated
9 with a candidate or a candidate committee in any way, the
10 expenditure shall be considered as a contribution to the candidate
11 committee and as an expenditure by the candidate committee.

12 SECTION 4. AMENDATORY Rule 2.108 of the Rules of the
13 Ethics Commission (74 O.S. Supp. 2016, Ch. 62, App. I), is amended
14 to read as follows:

15 Rule 2.108. (A) Any person ~~other than an individual~~, including
16 a political action committee, that makes an electioneering
17 communication of Five Thousand Dollars (\$5,000.00) or more in the
18 aggregate at least fifteen (15) days prior to any election shall be
19 required to file a report with the Commission at the same time that
20 candidate committees are required to file pre-election reports for
21 the applicable election.

22 (B) Any person ~~other than an individual~~, including a political
23 action committee, that makes an electioneering communication of Five
24 Thousand Dollars (\$5,000.00) or more in the aggregate during the

1 period beginning no more than fourteen (14) days prior to any
2 election and ending on the day of the election shall make a report
3 to the Commission no later than the business day following the day
4 the electioneering communication is made.

5 (C) Each report filed by a person other than a political action
6 committee shall include the name and address of the person making
7 the electioneering communication and the name, street address,
8 telephone number, and office or title of the individual filing the
9 report.

10 (D) Each report filed shall include the name of the political
11 action committee or the person making the electioneering
12 communication; the amount, date and a brief description or statement
13 of each electioneering communication, and the name and office of the
14 candidate or candidates identified in the electioneering
15 communication.

16 (E) If the person making the electioneering communication,
17 other than a political action committee, received funds from any
18 other person for the purpose of making an electioneering
19 communication or communications, the report shall include the name,
20 address and principal business activity of each person contributing
21 funds in excess of Fifty Dollars (\$50.00) in the aggregate and the
22 amount of any such contribution or contributions that have not been
23 previously reported, together with a cumulative total of all
24 contributions made by each person since the first report was filed

1 for the election for which the electioneering communication is being
2 made. As used in this section, "for the purpose of" means that the
3 funds are either: (1) received by an organization or corporation in
4 response to a solicitation specifically requesting funds to pay for
5 an electioneering communication or independent expenditure or (2)
6 specifically designated for electioneering communications or
7 independent expenditures by the donor.

8 (F) If the person making the electioneering communication is a
9 non-profit corporation that has not been officially approved by the
10 United States Internal Revenue Service for tax exempt status under
11 Section 501(c) of Title 26 of the United States Code as it currently
12 exists or as it may be amended, the report shall include the name,
13 address and principal business activity of each person contributing
14 funds in excess of Fifty Dollars (\$50.00) in the aggregate to the
15 corporation during the current calendar year and the preceding
16 calendar year and the amount of any such contribution or
17 contributions that have not been previously reported, together with
18 a cumulative total of all contributions made by each person since
19 the first report was filed for the election for which the
20 electioneering communication is being made.

21 (G) Reports required by this section shall not relieve the
22 person making the report from filing other reports required by these
23 Rules.

24

1 (H) If any person makes, or contracts to make, any expenditure
2 for an electioneering communication and such expenditure is
3 coordinated with a candidate or a candidate committee in any way,
4 the expenditure shall be considered as a contribution to the
5 candidate committee and as an expenditure by the candidate
6 committee.

7 SECTION 5. This act shall become effective in accordance with
8 the provisions of Section 58 of Article V of the Oklahoma
9 Constitution.

10 Passed the Senate the 21st day of March, 2017.

11
12 _____
13 Presiding Officer of the Senate

14 Passed the House of Representatives the ____ day of _____,
15 2017.

16
17 _____
18 Presiding Officer of the House
19 of Representatives