

1 **SENATE FLOOR VERSION**

2 March 1, 2017

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL NO. 579

6 By: Sykes

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

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

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

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

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

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

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

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

7 B. Any person or other entity who:

8 (1) makes independent expenditures or electioneering
9 communications;

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

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

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

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

21 D. Candidates for election or retention to judicial offices who
22 are prohibited from soliciting or accepting contributions more than
23 sixty (60) days after the last election in which the candidate
24 participated under the Code of Judicial Conduct shall not be

1 required to file Reports of Contributions and Expenditures following
2 the expiration of the sixty (60) day period until such time as they
3 are permitted to solicit and accept contributions prior to the next
4 filing period under the Code of Judicial Conduct.

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

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

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

13 (2) 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 during the calendar year of the time
16 period covered by the report;

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

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

1 other funds accepted during the calendar year of the time period
2 covered by the report;

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

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

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

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

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

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1 (10) the total amount of all contributions made by the
2 committee to a candidate committee during the time period covered by
3 the report, and the aggregate total of all such contributions made
4 during the calendar year of the time period covered by the report;

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

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

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

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

1 B. (1) The name, address, occupation and employer of any
2 person other than a political action committee making a contribution
3 or contributions exceeding Fifty Dollars (\$50.00) in value in the
4 aggregate, the date and amount of any monetary or in-kind
5 contributions made during the time period covered by the report, and
6 the aggregate total of all contributions accepted from the person
7 during the calendar year of the time period covered by the report;

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

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

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

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

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

1 expenditures were made by the committee. Expenditures made by using
2 a credit card shall be reported by itemizing each individual
3 expenditure of more than Two Hundred Dollars (\$200.00).

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

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

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

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1 (2) the total amount of all contributions made by the committee
2 to an Oklahoma state candidate committee during the time period
3 covered by the report, and the aggregate total of all such
4 contributions made during the calendar year of the time period
5 covered by the report;

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

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

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

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

1 Rule 2.107. (A) Any person ~~other than an individual~~, including
2 a political action committee, that makes an independent expenditure
3 of Five Thousand Dollars (\$5,000.00) or more in the aggregate at
4 least fifteen (15) days prior to any election shall be required to
5 file a report with the Commission at the same time that candidate
6 committees are required to file pre-election reports for the
7 applicable election.

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

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

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

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

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

1 calendar year and the amount of any such contribution or
2 contributions that have not been previously reported, together with
3 a cumulative total of all contributions made by each person since
4 the first report was filed for the election for which the
5 independent expenditure is being made.

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

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

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

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

24

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

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

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

19 (E) If the person making the electioneering communication,
20 other than a political action committee, received funds from any
21 other person for the purpose of making an electioneering
22 communication or communications, the report shall include the name,
23 address and principal business activity of each person contributing
24 funds in excess of Fifty Dollars (\$50.00) in the aggregate and the

1 amount of any such contribution or contributions that have not been
2 previously reported, together with a cumulative total of all
3 contributions made by each person since the first report was filed
4 for the election for which the electioneering communication is being
5 made. As used in this section, "for the purpose of" means that the
6 funds are either: (1) received by an organization or corporation in
7 response to a solicitation specifically requesting funds to pay for
8 an electioneering communication or independent expenditure or (2)
9 specifically designated for electioneering communications or
10 independent expenditures by the donor.

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

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1 (G) Reports required by this section shall not relieve the
2 person making the report from filing other reports required by these
3 Rules.

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

10 SECTION 5. This act shall become effective in accordance with
11 the provisions of Section 58 of Article V of the Oklahoma
12 Constitution.

13 COMMITTEE REPORT BY: COMMITTEE ON RULES
14 March 1, 2017 - DO PASS AS AMENDED
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