

HANDOUT 1

1 State of Arkansas
2 90th General Assembly
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4

A Bill

DRAFT JAW/JAW
HOUSE BILL

5 By: Representatives Tucker, Hillman, M. Hodges, D. Whitaker, Jett, Magie, D. Ferguson, Murdock,
6 Blake, V. Flowers, Sabin, M.J. Gray, Baltz, Nicks
7 By: Senators K. Ingram, Elliott, L. Chesterfield, Burnett, E. Cheatham
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For An Act To Be Entitled

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10 AN ACT TO REQUIRE REPORTING AND DISCLOSURE OF
11 ELECTIONEERING COMMUNICATIONS; TO RESTRICT THE AMOUNT
12 OF MONEY SPENT ON CAMPAIGN COMMUNICATIONS PRODUCED IN
13 COORDINATION WITH A CANDIDATE FOR OFFICE; TO AMEND
14 THE LAW CONCERNING CAMPAIGN FINANCE CONTRIBUTIONS;
15 AND FOR OTHER PURPOSES.
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Subtitle

18
19 TO REQUIRE REPORTING AND DISCLOSURE OF
20 ELECTIONEERING COMMUNICATIONS; AND TO
21 RESTRICT THE AMOUNT OF MONEY SPENT ON
22 CAMPAIGN COMMUNICATIONS PRODUCED IN
23 COORDINATION WITH A CANDIDATE FOR OFFICE.
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26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
27

28 SECTION 1. Arkansas Code § 7-6-201 is amended to add additional
29 subdivisions to read as follows:

30 (19)(A) "Covered transfer" means a transfer or payment of funds
31 to another person if the person making the transfer or payment:

32 (i) Designates, requests, or suggests that the
33 transfer or payment be used for:

34 (a) Contributions, independent expenditures,
35 or electioneering communications; or

36 (b) Making a transfer to another person for

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1 the purpose of making or paying for contributions, independent expenditures,
2 or electioneering communications;

3 (ii) Made the transfer or payment in response to a
4 solicitation or other request for a donation or payment for:

5 (a) Contributions, independent expenditures,
6 or electioneering communications; or

7 (b) Making a transfer to another person for
8 the purpose of making or paying for contributions, independent expenditures,
9 or electioneering communications;

10 (iii) Engaged in discussions or otherwise
11 communicated with the recipient of the transfer or payment regarding:

12 (a) Contributions, independent expenditures,
13 or electioneering communications; or

14 (b) Making a transfer to another person for
15 the purpose of making or paying for contributions, independent expenditures,
16 or electioneering communications;

17 (iv) Made one (1) or more independent expenditures,
18 expenditures for electioneering communications, or covered transfers in an
19 aggregate amount of five thousand dollars (\$5,000) or more during the two-
20 year period ending on the date of the transfer or payment or knew or had
21 reason to know that the person receiving the transfer or payment made such
22 expenditures or covered transfers in such an aggregate amount during that
23 two-year period; or

24 (v) Knew or had reason to know that the person
25 receiving the transfer or payment would make one (1) or more independent
26 expenditures, expenditures for electioneering communications, or covered
27 transfers in an aggregate amount of five thousand dollars (\$10,000) or more
28 during the two-year period beginning on the date of the transfer or payment.

29 (B) "Covered transfer" does not include:

30 (i) A transfer or payment made in a commercial
31 transaction in the ordinary course of trade or business conducted by the
32 person making the payment or transfer or in the form of investments made by
33 the person making the payment or transfer;

34 (ii) A transfer or payment made by a person who at
35 the time of the transfer or payment prohibited in writing the use of the
36 transfer or payment for contributions, independent expenditures, or

1 electioneering communications if the recipient of the transfer or payment
 2 agreed in writing to the prohibition;

3 (iii) A transfer or payment between two (2) entities
 4 if one (1) of the entities is an affiliate of the other entity or each of the
 5 entities is an affiliate of the same entity, unless:

6 (a) One (1) of the entities is established for
 7 the purpose of making contributions, independent expenditures, or
 8 electioneering communications; or

9 (b) The recipient of the funds deposits the
 10 funds into a segregated bank account used to make contributions, independent
 11 expenditures, or electioneering communications; or

12 (iv) A payment that is otherwise required to be
 13 reported as a contribution, electioneering communication, or independent
 14 expenditure under this chapter.

15 (C) As used in subdivision (19)(B) of this section, an
 16 entity is an affiliate if the entity is:

17 (i) A state or local entity associated with a
 18 membership organization or the membership organization, including without
 19 limitation a trade or professional association;

20 (ii) A national or international labor organization
 21 or a state or local union of the national or international labor
 22 organization;

23 (iii) An organization of national or international
 24 unions or a state or local entities of the organization; or

25 (iv) A corporation or a wholly owned subsidiary of
 26 the corporation;

27 (20)(A) "Electioneering communication" means any political
 28 advertisement or campaign communication:

29 (i) That is in any form, including without
 30 limitation the following medias:

31 (a) Broadcast;

32 (b) Satellite;

33 (c) Cable;

34 (d) Electronic;

35 (e) Digital;

36 (f) Written;

1 (g) Print;
2 (h) Graphic; and
3 (i) Design;
4 (ii) That is publicly distributed;
5 (iii) Except as provided in subdivision (19)(B) of
6 this section, that the person or committee making the advertisement or
7 communication pays money for the production or dissemination of the
8 advertisement or communication;
9 (iv) That refers to a clearly identified candidate
10 for public office;
11 (v) That is targeted to the relevant electorate for
12 that candidate; and
13 (vi) For which the only reasonable interpretation of
14 the advertisement or communication is that the advertisement or communication
15 is an attempt to influence a vote for or against a specific candidate or
16 specific set of candidates.
17 (B)(i) Payment of money under subdivision (19)(A)(iii) of
18 this section does not include:
19 (a) Utility payments for telephone or Internet
20 service made by the person or committee making the advertisement or
21 communication; or
22 (b) The costs of producing copies of flyers,
23 handbills, or other documents to be distributed by hand by one (1) or more
24 volunteers.
25 (ii) Payment of money under subdivision (19)(A)(iii)
26 of this section includes without limitation money paid to a person in
27 exchange for the distribution by hand of printed advertisement or printed
28 communication such as door hangers or push cards.
29 (C) In making a determination under subdivision (19)(A)(v)
30 of this section, the Arkansas Ethics Commission shall consider:
31 (i) Whether the advertisement or communication
32 offers preferential support for or criticism of a clearly identified
33 candidate for office;
34 (ii) The proximity between the date of the
35 advertisement or communication and the date of the election for the clearly
36 identified candidate for office; and

1 (iii) Any other factor the commission deems relevant
2 to its determination.

3 (D) "Electioneering communication" does not include any
4 advertisement or communication that:

5 (i) Unless the facilities are owned or controlled by
6 any political party, political committee, or candidate, appears in a news
7 story, commentary, or editorial distributed through the facilities of any:

8 (a) Broadcast, cable, satellite radio, or
9 television station; or

10 (b) Newspaper, magazine, print media, or
11 Internet media business;

12 (ii) Constitutes an independent expenditure that is
13 reported as required under this subchapter;

14 (iii) Constitutes a candidate debate or forum
15 conducted, or that solely promotes such a debate or forum and is made by or
16 on behalf of the person sponsoring the debate or forum;

17 (iv) Is disseminated as a flyer, handbill, or other
18 document distributed by hand by one (1) or more volunteers;

19 (v) Is disseminated by an organization to the
20 organization's own membership or to persons who have requested to receive
21 communications from the organization for the purpose of indicating candidates
22 whom the organization supports in an upcoming election; or

23 (vi) Is disseminated by a person or committee on the
24 official website maintained by the person or committee making the
25 advertisement or communication;

26 (21) "Refers to a clearly identified candidate" means that the
27 candidate's name, nickname, photograph, or drawing appears, or the identity
28 of the candidate is otherwise apparent through an unambiguous reference such
29 as "the Governor", "your county judge", or "the incumbent", or through an
30 unambiguous reference to his or her status as a candidate such as "the
31 Republican nominee for Governor" or "the Democratic candidate for Secretary
32 of State in the State of Arkansas"; and

33 (22) "Targeted to the relevant electorate" means:

34 (A) If the advertisement or communication is publicly
35 distributed by a broadcast, cable, satellite radio, or television station or
36 by a newspaper, magazine, or other print media, the advertisement or

1 communication can be seen, heard, or read:

2 (i) By at least twenty-five thousand (25,000)
3 viewers, listeners, or readers in the state, in the case of a candidate for
4 statewide office;

5 (ii) By at least ten percent (10%) of a county,
6 municipality, or district population, in the case of a candidate for a county
7 office, municipal office, school district board of directors, or other
8 district office that is not the Senate or the House of Representatives; or

9 (iii) By at least two thousand five hundred (2,500)
10 viewers, listeners, or readers in the district, in the case of a candidate
11 for the Senate or the House of Representatives;

12 (B) If the advertisement or communication is publicly
13 distributed by direct mail, electronic mail, telephone, or by hand by a
14 person who has been paid to distribute the advertisement or communication,
15 the advertisement or communication is sent to or distributed to:

16 (i) At least two thousand five hundred (2,500)
17 individuals in the state, in the case of a candidate for statewide office;

18 (ii) At least one percent (1%) of a county,
19 municipality, or district population, in the case of a candidate for a county
20 office, municipal office, school district board of directors, or other
21 district office that is not the Senate or the House of Representatives; or

22 (iii) At least two hundred and fifty (250)
23 individuals, in the case of a candidate for the Senate or the House of
24 Representatives; or

25 (C) If the advertisement or communication is publicly
26 distributed by Internet website, the advertisement or communication is
27 intended to be viewed by:

28 (i) At least two thousand five hundred (2,500)
29 individuals in the state, in the case of a candidate for statewide office;

30 (ii) At least one percent (1%) of a county,
31 municipality, or district population, in the case of a candidate for a county
32 office, municipal office, school district board of directors, or other
33 district office that is not the Senate or the House of Representatives; or

34 (iii) At least two hundred and fifty (250)
35 individuals, in the case of a candidate for the Senate or the House of
36 Representatives.

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SECTION 2. Arkansas Code § 7-6-214 is amended to read as follows:

7-6-214. Publication of reports.

(a)(1) Upon proper filing, the information required in §§ 7-6-203 and, 7-6-207 – 7-6-210, 7-6-230, and 7-6-232 shall constitute a public record and shall be available within twenty-four (24) hours of the reporting deadline to all interested persons and the news media.

(2) The Secretary of State is the official custodian of the records that are required to be:

(A) Filed with the Secretary of State; and

(B) Maintained under §§ 7-6-203 and, 7-6-207, 7-6-230, and 7-6-232.

(b) The Secretary of State shall post reports of contributions required in §§ 7-6-203 and, 7-6-207, 7-6-230, and 7-6-232 on his or her official website.

SECTION 3. Arkansas Code Title 7, Chapter 6, Subchapter 2, is amended to add additional sections to read as follows:

7-6-230. Disclosure statement for electioneering communications.

(a)(1) A person shall file a disclosure statement with the Secretary of State if:

(A) The person has made one (1) or more electioneering communications in an aggregate amount exceeding one thousand dollars (\$1,000) in one (1) calendar year; and

(B) The electioneering communications under subdivision (a)(1)(A) of this section concern the candidacy for the same public office.

(2)(A) The first disclosure statement filed under this section shall be filed within three (3) days of the first date of public distribution of the electioneering communication that met the one-thousand-dollar-threshold amount but no later than the close of business on the day before the preferential primary election, general primary election, general election, runoff election, or special election.

(B) Subsequent disclosure statements under this section shall:

(i) Be filed:

(a) No later than two (2) weeks after the

1 filing of the most recent disclosure statement under this section for any
2 two-week period in which one (1) or more electioneering communications are
3 made but no later than the close of business on the day before the
4 preferential primary election, general primary election, general election,
5 runoff election, or special election; or

6 (b) If more than two (2) weeks has passed
7 since the most recent disclosure statement was filed under this section,
8 within three (3) days of the first date of public distribution of the
9 subsequent electioneering communication but no later than the close of
10 business on the day before the preferential primary election, general primary
11 election, general election, runoff election, or special election; and

12 (ii) Not include disclosure of electioneering
13 communications that have been previously reported under this section.

14 (b)(1) The statement shall disclose the following:

15 (A) The name and address of the person who made the
16 disbursement or who executed a contract to make a disbursement, or if the
17 person is not an individual, the name and address of the person's principal
18 place of business;

19 (B) The name and address of any person sharing or
20 exercising direction or control over the activities of the person who made
21 the disbursement or who executed a contract to make a disbursement;

22 (C) The name and address of the custodian of the books and
23 accounts from which the disbursement was made;

24 (D) An itemization of each expenditure made, disbursement
25 made, or amount agreed to be paid by contract to make a disbursement, that
26 amounts to two hundred fifty dollars (\$250) or more and is made or agreed to
27 during the period covered by the statement, which shall include:

28 (i) The amount of the expenditure, disbursement, or
29 amount agreed to be paid;

30 (ii) The date the disbursement or expenditure was
31 made, or in the case of an amount agreed to be paid, the date the contract to
32 make a disbursement was executed; and

33 (iii) The name and address of the person to whom the
34 expenditure or disbursement was made or, in the case of an amount agreed to
35 be paid, the person with whom the contract to make a disbursement was
36 executed;

1 (E) A list of all employees and independent contractors
2 and the amounts the employees and independent contractors were paid during
3 the period covered by the statement;

4 (F) A list of all expenditures required to be disclosed
5 under this section by category, including without limitation the following
6 categories:

7 (i) Television;

8 (ii) Radio;

9 (iii) Direct mail;

10 (iv) Internet website that is not the official
11 website maintained by the person or committee making the communication;

12 (v) Electronic mail;

13 (vi) Telephone; and

14 (vii) Newspaper, magazine, or other print media;

15 (G) The aggregate amount of all expenditures made,
16 disbursements made, or amounts agreed to be paid by contract to make a
17 disbursement that:

18 (i) Is not disclosed under subdivision (b)(1)(D) of
19 this section; and

20 (ii) Was made during the period covered by the
21 statement;

22 (H) All clearly identified candidates referred to in the
23 electioneering communication and the elections in which they are candidates;

24 (I) The disclosure date;

25 (J) Except as provided in subsection (f) of this section,
26 if the disbursements were paid exclusively from a segregated bank account
27 established to pay for electioneering communications or other communications
28 required to be reported under this subchapter, including without limitation
29 independent expenditures, a list of the contributions made in an aggregate
30 amount of one hundred dollars (\$100) or more to the segregated bank account
31 aggregating since the first day of the preceding calendar year that includes:

32 (i) If the person making the qualifying
33 contributions is an individual, the name and address of the individual making
34 the qualifying contributions;

35 (ii) If the person making the qualifying
36 contributions is not an individual;

1 (a) The name and address of the entity; and
2 (b) A list of each person sharing or
3 exercising direction or control over the entity, including at least one (1)
4 individual;

5 (iii) If the person making the qualifying
6 contributions is doing so with funds contributed by another person, a
7 separate list titled "Second Degree Contributors (Segregated Account)" that
8 indicates:

9 (a) The name and address of each person from
10 whom each person listed as a contributor under subdivisions (b)(1)(J)(i) and
11 (ii) of this section received contributions since the first day of the
12 preceding calendar year, aggregating more than five hundred dollars (\$500),
13 together with the date and amount of each contribution;

14 (b) The name of any person sharing or
15 exercising direction or control of any person listed under subdivision
16 (b)(1)(J)(iii)(a) of this section, including at least one (1) individual;

17 (c) If the person making the contribution
18 listed under subdivision (b)(1)(J)(iii)(a) of this section is doing so with
19 funds contributed by another person, a separate list titled "Third Degree
20 Contributors (Segregated Account)" that indicates:

21 (1) The name and address of each person
22 from whom each person identified as a contributor on the list titled "Second
23 Degree Contributors (Segregated Account)" under subdivision (b)(1)(J)(iii)(a)
24 received contributions since the first day of the preceding calendar year,
25 aggregating more than one thousand dollars (\$1,000), together with the date
26 and amount of each contribution; and

27 (2) The name of any person sharing or
28 exercising direction or control of any person listed under subdivision
29 (b)(1)(J)(iii)(c)(1) of this section, including at least one (1) individual;

30 (iv) The dates of the qualifying contributions;

31 (v) The amount of each contribution; and

32 (vi) The total aggregate amount contributed;

33 (K) Except as provided in subsection (f) of this section,
34 if the disbursements were not paid exclusively from a segregated bank account
35 established to pay for electioneering communications or other communications
36 required to be reported under this subchapter, including without limitation

1 independent expenditures, a list of the contributions made in an aggregate
 2 amount of two hundred and fifty dollars (\$250) or more to the person making
 3 the electioneering communication, aggregating since the first day of the
 4 preceding calendar year that includes:

5 (i) If the person making the qualifying
 6 contributions is an individual, the name and address of the individual making
 7 the qualifying contributions;

8 (ii) If the person making the qualifying
 9 contributions is not an individual:

10 (a) The name and address of the entity; and

11 (b) A list of each person sharing or
 12 exercising direction or control over the entity, including at least one (1)
 13 individual;

14 (iii) If the person making the qualifying
 15 contributions is doing so with funds contributed by another person, a
 16 separate list titled "Second Degree Contributors (Nonsegregated Account)"
 17 that indicates:

18 (a) The name and address of each person from
 19 whom each person listed as a contributor under subdivisions (b)(1)(K)(i) and
 20 (ii) of this section received contributions since the first day of the
 21 preceding calendar year aggregating more than five hundred dollars (\$500),
 22 together with the date and amount of each contribution;

23 (b) The name of any person sharing or
 24 exercising direction or control of any person listed under subdivision
 25 (b)(1)(K)(iii)(a) of this section, including at least one (1) individual; and

26 (c) If the person making the contribution
 27 listed under subdivision (b)(1)(K)(iii)(a) of this section is doing so with
 28 funds contributed by another person, a separate list titled "Third Degree
 29 Contributors (NonSegregated Account)" that indicates:

30 (1) The name and address of each person
 31 from whom each person identified as a contributor in the list titled "Second
 32 Degree Contributors (Non-segregated Account)" under subdivision
 33 (b)(1)(K)(iii)(a) received contributions since the first day of the preceding
 34 calendar year, aggregating more than one thousand dollars (\$1,000), together
 35 with the date and amount of each contribution; and

36 (2) The name of any person sharing or

1 exercising direction or control of any person listed under subdivision
2 (b)(1)(K)(iii)(c)(1) of this section, including at least one (1) individual;
3 (iv) The dates of the qualifying contributions;
4 (v) The amount of each contribution; and
5 (vi) The total aggregate amount contributed; and
6 (L) A list of each item contributed to producing, airing,
7 mailing, printing, or distributing the electioneering communication that is
8 not money and that has a value of more than two hundred fifty dollars (\$250)
9 that includes:

10 (i) A description of the item;
11 (ii) The date of receipt of the item;
12 (iii) The fair market value of the item;
13 (iv) If the person that contributes the item is an
14 individual, the name and address of the individual; and
15 (v) If the person that contributes the item is a
16 proprietorship, firm, partnership, joint venture, syndicate, labor union,
17 business trust, company, corporation, association, committee, political
18 party, county political party committee, legislative caucus committee, or
19 other organization or group of persons acting in concert:

20 (a) The name and address of the entity;
21 (b) The name and address of a person with
22 control over the entity or with authority to act on behalf of the entity,
23 including at least one (1) individual; and
24 (c) The name and address of the person who
25 contributed the item to the entity.

26 (2) The amounts of the disclosures under this section shall
27 include without limitation:

28 (A) The direct costs of producing, airing, mailing,
29 printing, or distributing an electioneering communication;
30 (B) Costs charged by a vendor, including without
31 limitation:

32 (i) Studio rental time;
33 (ii) Staff salaries; and
34 (iii) Cost of video or audio recording or written
35 media and talent;
36 (C) Cost of airtime on broadcast, cable, or satellite

1 radio and television stations, studio time, material costs, and the charges
2 for a broker to purchase the airtime; and

3 (D) Cost of advertising space for print or electronic
4 media.

5 (c)(1) The statement under this section shall be filed with an
6 affidavit of the person that made the electioneering communication verifying
7 that to the best of the person's knowledge, the information provided in the
8 statement is a complete, true, and accurate financial statement of the
9 person's distributions made, expenditures made, amounts agreed to be paid,
10 and contributions and nonmonetary items received.

11 (2) If the person filing the statement under this section is not
12 an individual, the affiant shall be an officer or member of the person.

13 (d) A statement under this section is not required to disclose any
14 information that is otherwise reported under this chapter.

15 (e) A person who makes an electioneering communication or who accepts
16 a contribution for the purpose of making an electioneering communication
17 shall maintain records for a period of four (4) years.

18 (f)(1) If the person making the disbursement under subdivisions
19 (b)(1)(J) and (K) of this section is a multistate organization, the
20 disclosure statement shall disclose only the required information concerning
21 the funds that are distributed for electioneering communications in
22 Arkansas.

23 (2) If the person making the disbursement under subdivision
24 (b)(1)(J) and (K) of this section is a multistate organization and the funds
25 dispersed from the account were transferred from a nonsegregated bank account
26 maintained by the multistate organization, the multistate organization shall
27 disclose the information required under subdivision (b)(1)(J) and (K) of this
28 section concerning the contributions to the nonsegregated bank account.

29 (g) As used in this section, "person sharing or exercising direction
30 or control" means an individual who is an officer, director, executive
31 director or its equivalent, partner, and in the case of unincorporated
32 organizations, an owner of the entity or person making the disbursement for
33 the electioneering communication.

34
35 7-6-231. Coordinated communications.

36 (a)(1) A coordinated communication is an in-kind contribution to the

1 candidate or political party who or to the candidate or political party whose
 2 authorized committee or agent cooperated, consulted, requested, suggested, or
 3 acted in concert with:

4 (A) The person making the coordinated communication or his
 5 or her authorized agent; or

6 (B) The person making the expenditure for the coordinated
 7 communication or his or her authorized agent.

8 (2) The in-kind contribution under subdivision (a)(1) of this
 9 section shall be subject to the contribution limits set forth under § 7-6-
 10 203.

11 (b)(1) As used in this section, "coordinated communication" means an
 12 electioneering communication or communication funded by expenditures that
 13 contain express advocacy or the functional equivalent of express advocacy
 14 made:

15 (A) In cooperation or consultation between:

16 (i) A candidate or his or her authorized committee
 17 or agent; and

18 (ii) The person making the:

19 (a) Communication or his or her authorized
 20 agent; or

21 (b) Expenditure for the communication or his
 22 or her authorized agent;

23 (B) In cooperation or consultation between:

24 (i) A political party or its authorized agent; and

25 (ii) The person making the:

26 (a) Communication or his or her authorized
 27 agent; or

28 (b) Expenditure for the communication or his
 29 or her authorized agent;

30 (C) In concert with or at the request or suggestion of a
 31 candidate or his or her authorized committee or agent; or

32 (D) In concert with or at the request or suggestion of a
 33 political party or its authorized agent.

34 (2) "Coordinated communication" does not include:

35 (A) A candidate's or a political party committee's
 36 response to an inquiry about that candidate's or that political party

1 committee's positions on legislative or policy issues unless the response or
 2 the inquiry concerns the plans, projects, activities, or needs of the
 3 campaign;

4 (B) Unless the public communication promotes, supports,
 5 attacks, or opposes the endorsing candidate or another candidate who seeks
 6 election to the same office the endorsing candidate is seeking, a public
 7 communication:

8 (i) In which a candidate endorses another candidate;
 9 and

10 (ii) That is made by the endorsing candidate;

11 (C) Unless the public communication promotes, supports,
 12 attacks, or opposes the soliciting candidate or another candidate who seeks
 13 election to the same office the soliciting candidate is seeking, a public
 14 communication:

15 (i) In which a candidate solicits funds:

16 (a) For another candidate;

17 (b) For a political committee; or

18 (c) On behalf of an organization concerning a
 19 state or local election in a manner corresponding to the circumstances set
 20 forth in 11 C.F.R. § 300.65; and

21 (ii) That is made by the soliciting candidate; or

22 (D) A public communication in which a candidate is clearly
 23 identified only in his or her capacity as the owner or operator of a business
 24 that existed prior to the candidacy if:

25 (i) The medium, timing, content, and geographic
 26 distribution of the public communication are consistent with public
 27 communications made prior to the candidacy; and

28 (ii) The public communication does not promote,
 29 support, attack, or oppose the communicating candidate or another candidate
 30 who seeks election to the same office the communicating candidate is seeking.

31 (c)(1) In making a determination as to whether a communication is a
 32 coordinated communication, the Arkansas Ethics Commission shall consider the
 33 following without limitation:

34 (A) Whether the coordinated communication was paid for, in
 35 whole or in part, by a person other than the candidate or his or her agent,
 36 the candidate's authorized committee or its agent, or a political party or

1 its agent;

2 (B) Whether the content of the coordinated communication
3 is a public communication that republishes, disseminates, or distributes, in
4 whole or in part, campaign materials prepared by a candidate or a candidate's
5 campaign committee; and

6 (C) Whether the conduct of the coordinated communication
7 meets one (1) or more of the following standards:

8 (i) The coordinated communication was created,
9 produced, or distributed at the request or suggestion of the candidate or his
10 or her agent, the candidate's committee or its agent, or the political party
11 or its agent;

12 (ii) The coordinated communication was created,
13 produced, or distributed at the request or suggestion of the person paying
14 for the communication, and the candidate or his or her agent, the candidate's
15 committee or its agent, or the political party or its agent approves the
16 request or suggestion;

17 (iii) The candidate or his or her agent, the
18 candidate's committee or its agent, or the political party or its agent was
19 materially involved in decisions regarding the content, intended audience,
20 means or mode of the coordinated communication, specific media outlet used,
21 timing, frequency, size, or prominence of the coordinated communication; or

22 (iv) The coordinated communication was created,
23 produced, or distributed after one (1) or more substantial discussions about
24 the communication between the person paying for the communication or the
25 employees or agents of that person and:

26 (a) The candidate or his or her agent;

27 (b) The candidate's committee or its agent; or

28 (c) The political party or its agent.

29 (2) As used in this subsection, the "candidate" means the
30 candidate who is positioned to benefit from the coordinated communication,
31 whether the coordinated communication promotes that candidate or criticizes
32 his or her opponent.

33 (d)(1) A person or an entity is an authorized agent of a candidate, a
34 candidate's committee, or a political party under this section if the person
35 or entity:

36 (A) Has actual authorization, either expressed or implied,

1 from a specific principal to engage in specific activities; and

2 (B) Engages in the activities on behalf of that specific
3 principal.

4 (2) If the activities carried out by an authorized agent would
5 result in a coordinated communication if carried out directly by the
6 candidate, authorized committee staff, or a political party official, the
7 activities of the authorized agent result in a coordinated communication.

8
9 7-6-232. Disclosure statement for covered transfers.

10 (a)(1) A person shall file a disclosure statement with the Secretary
11 of State if the person has made one (1) or more covered transfers in an
12 aggregate amount exceeding one thousand dollars (\$1,000) in one (1) calendar
13 year.

14 (2)(A) The first disclosure statement filed under this section
15 shall be filed within three (3) days of payment of the covered transfer that
16 met the one-thousand-dollar-threshold amount but no later than the close of
17 business on the day before the preferential primary election, general primary
18 election, general election, runoff election, or special election.

19 (B) Subsequent disclosure statements under this section
20 shall:

21 (i) Be filed:

22 (a) No later than two (2) weeks after the
23 filing of the most recent disclosure statement under this section for any
24 two-week period in which one (1) or more covered transfers are made but no
25 later than the close of business on the day before the preferential primary
26 election, general primary election, general election, runoff election, or
27 special election; or

28 (b) If more than two (2) weeks has passed
29 since the most recent disclosure statement was filed under this section,
30 within three (3) days of the next payment of the covered transfer but no
31 later than the close of business on the day before the preferential primary
32 election, general primary election, general election, runoff election, or
33 special election; and

34 (ii) Not include disclosure of covered transfers
35 that have been previously reported.

36 (b) The statement shall disclose the following:

1 (1) The name and address of any person who made the covered
2 transfer, or if the person is not an individual, the name and address of the
3 person's principal place of business;

4 (2) The name and address of any person sharing or exercising
5 direction or control over the activities of the person who made the covered
6 transfer;

7 (3) The name and address of the custodian of the books and
8 accounts from which the covered transfer was made;

9 (4) An itemization of each covered transfer made, or agreed to
10 be made by contract, that amounts to two hundred fifty dollars (\$250) or more
11 and is made or agreed to be made during the period covered by the statement,
12 which shall include:

13 (A) The amount of the covered transfer;

14 (B) The date of the covered transfer, or in the case of a
15 covered transfer agreed to be made, the date the agreement was executed; and

16 (C) The name and address of the person to whom the covered
17 transfer was made, or in the case of a covered transfer agreed to be made,
18 the person to whom the covered transfer was agreed to be made;

19 (5) The aggregate amount of all covered transfers made, or agreed
20 to be made, that:

21 (A) Is not disclosed under subdivision (b)(4) of this
22 section; and

23 (B) Was made during the period covered by the statement;

24 (6) Except as provided in subsection (f) of this section, if the
25 covered transfer was paid exclusively from a segregated bank account
26 established to pay for expenditures or communications required to be reported
27 under this subchapter, a list of the contributions made in an aggregate
28 amount of two hundred fifty dollars (\$250) or more to the segregated bank
29 account aggregating since the first day of the preceding calendar year that
30 includes:

31 (A) If the person making the qualifying contributions is
32 an individual, the name and address of the individual making the qualifying
33 contributions;

34 (B) If the person making the qualifying contributions is
35 not an individual:

36 (i) The name and address of the entity; and

1 (ii) A list of each person sharing or exercising
2 direction or control over the entity, including at least one (1) individual;

3 (C) If the person making the qualifying contributions is
4 doing so with funds contributed by another person, a separate list titled
5 "Second Degree Contributors (Segregated Account)" that indicates:

6 (i) The name and address of each person from whom
7 each person listed as a contributor under subdivisions (b)(6)(A) and (B) of
8 this section received contributions since the first day of the preceding
9 calendar year aggregating more than one thousand dollars (\$1,000), together
10 with the date and amount of each contribution;

11 (ii) The name of any person sharing or exercising
12 direction or control of any person listed under subdivision (b)(6)(C)(i) of
13 this section, including at least one (1) individual; and

14 (iii) If the person making the contribution listed
15 under subdivision (b)(6)(C)(i) of this section is doing so with funds
16 contributed by another person, a separate list titled "Third Degree
17 Contributors (Segregated Account)" that indicates:

18 (a) The name and address of each person from
19 whom each person identified as a contributor in the list titled "Second
20 Degree Contributors (Segregated Account)" under subdivision (b)(6)(C)(i) of
21 this section received contributions since the first day of the preceding
22 calendar year, aggregating more than three thousand dollars (\$3,000),
23 together with the date and amount of each contribution; and

24 (b) The name of any person sharing or
25 exercising direction or control of any person listed under subdivision
26 (b)(6)(C)(iii)(a) of this section, including at least one (1) individual;

27 (D) The dates of the qualifying contributions;

28 (E) The amount of each contribution; and

29 (F) The total aggregate amount contributed; and

30 (7) Except as provided in subsection (f) of this section, if the
31 covered transfer was not paid exclusively from a segregated bank account
32 established to pay for electioneering communications or other communications
33 required to be reported under this subchapter, including without limitation
34 independent expenditures, a list of the contributions made in an aggregate
35 amount of five hundred dollars (\$500) or more to the person making the
36 electioneering communication aggregating since the first day of the preceding

1 calendar year that includes:

2 (A) If the person making the qualifying contributions is
3 an individual, the name and address of the individual making the qualifying
4 contributions;

5 (B) If the person making the qualifying contributions is
6 not an individual:

7 (i) The name and address of the entity; and

8 (ii) A list of each person sharing or exercising
9 direction or control over the entity, including at least one (1) individual;

10 (C) If the person making the qualifying contributions is
11 doing so with funds contributed by another person, a separate list titled
12 "Second Degree Contributors (Nonsegregated Account)" that indicates:

13 (i) The name and address of each person from whom
14 each person listed as a contributor under subdivisions (b)(7)(A) and (B) of
15 this section received contributions since the first day of the preceding
16 calendar year aggregating more than one thousand dollars (\$1,000), together
17 with the date and amount of each contribution;

18 (ii) The name of any person sharing or exercising
19 direction or control of any person listed under subdivision (b)(7)(C)(i) of
20 this section, including at least one (1) individual; and

21 (iii) If the person making the contribution listed
22 under subdivision (b)(7)(C)(i) of this section is doing so with funds
23 contributed by another person, a separate list titled "Third Degree
24 Contributors (Nonsegregated Account)" that indicates:

25 (a) The name and address of each person from
26 whom each person listed as a contributor in the list titled "Second Degree
27 Contributors (Nonsegregated Account)" under subdivision (b)(7)(C)(i) received
28 contributions since the first day of the preceding calendar year aggregating
29 more than three thousand dollars (\$3,000), together with the date and amount
30 of each contribution; and

31 (b) The name of any person sharing or
32 exercising direction or control of any person listed under subdivision
33 (b)(7)(C)(iii)(a) of this section, including at least one (1) individual;

34 (D) The dates of the qualifying contributions;

35 (E) The amount of each contribution; and

36 (F) The total aggregate amount contributed.

1 (c)(1) A statement under this section shall be filed with an affidavit
2 of the person that made the covered transfer verifying that to the best of
3 the person's knowledge, the information provided in the statement is a
4 complete, true, and accurate financial statement of the person's covered
5 transfers.

6 (2) If the person filing the statement under this section is not
7 an individual, the affiant shall be an officer of the person.

8 (d) A statement under this section is not required to disclose any
9 information that is otherwise reported under this chapter.

10 (e) A person who makes a covered transfer or who accepts a
11 contribution for the purpose of making a covered transfer shall maintain
12 records for a period of four (4) years.

13 (f)(1) If the person making the disbursement under subdivisions (b)(6)
14 or (b)(7) of this section is a multistate organization, the disclosure
15 statement shall disclose only the required information concerning the funds
16 that are distributed for the contributions, independent expenditures, or
17 electioneering communications in Arkansas.

18 (2) If the person making the disbursement under subdivisions
19 (b)(6) or (b)(7) of this section is a multistate organization and the funds
20 dispersed from the account were transferred from a nonsegregated bank account
21 maintained by the multistate organization, the multistate organization shall
22 disclose the information required under subdivisions (b)(6) and (b)(7) of
23 this section concerning the contributions to the nonsegregated account.

24 (g) As used in this section, "person sharing or exercising direction
25 or control" means an individual who is an officer, director, executive
26 director or its equivalent, partner, and in the case of unincorporated
27 organizations, an owner of the entity or person making the disbursement for
28 the electioneering communication.

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