

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
90th General Assembly
Regular Session, 2015

As Engrossed: H3/17/15 H3/31/15
A Bill

HOUSE BILL 1901

By: Representative Sabin
By: Senator J. Woods

For An Act To Be Entitled

AN ACT TO AMEND THE ETHICS LAWS OF THE STATE OF ARKANSAS; TO AMEND ETHICS LAWS PERTAINING TO CANDIDATES, STATE OFFICIALS, AND STATE EMPLOYEES; TO AMEND ARKANSAS CONSTITUTION, ARTICLE 19, SECTION 30, UNDER THE AUTHORITY GRANTED IN ARKANSAS CONSTITUTION, ARTICLE 19, SECTION 30, SUBSECTION (D); TO AMEND PROVISIONS OF ARKANSAS LAW RESULTING FROM INITIATED ACT 1 OF 1990 AND INITIATED ACT 1 OF 1996; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE ETHICS LAWS OF THE STATE OF ARKANSAS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Pursuant to Arkansas Constitution, Article 19, § 30(d), Arkansas Constitution, Article 19, § 30, is amended to read as follows:

§ 30. Gifts from lobbyists.

(a) Persons elected or appointed to the following offices shall not knowingly or willfully solicit or accept a gift from a lobbyist, a person acting on behalf of a lobbyist, or a person employing or contracting with a lobbyist:

- (1) Governor;*
- (2) Lieutenant Governor;*
- (3) Secretary of State;*



- (4) *Treasurer of State;*
- (5) *Auditor of State;*
- (6) *Attorney General;*
- (7) *Commissioner of State Lands;*
- (8) *Member of the General Assembly;*
- (9) *Chief Justice of the Supreme Court;*
- (10) *Justice of the Supreme Court;*
- (11) *Chief Judge of the Court of Appeals;*
- (12) *Judge of the Court of Appeals;*
- (13) *Circuit court judge;*
- (14) *District court judge;*
- (15) *Prosecuting attorney;* and

~~(9)~~(16) *Member of the independent citizens commission for the purpose of setting salaries of elected constitutional officers of the executive department, members of the General Assembly, justices, and judges under Article 19, § 31, of this Constitution.*

(b) *As used in this section:*

(1)(A) *“Administrative action” means a decision on, or proposal, consideration, or making of a rule, regulation, ratemaking proceeding, or policy action by a governmental body.*

(B) *“Administrative action” does not include ministerial action;*

(2)(A) *“Gift” means any payment, entertainment, advance, services, or anything of value, unless consideration of equal or greater value has been given therefor.*

(B) *“Gift” does not include:*

(i)(a) *Informational material such as books, reports, pamphlets, calendars, or periodicals informing a person elected or appointed to an office under subsection (a) of this section regarding his or her official duties.*

(b) *Payments for travel or reimbursement for any expenses are not informational material;*

(ii) *Gifts that are not used and which, within thirty (30) days after receipt, are returned to the donor;*

(iii) *Gifts from the spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law,*

sister-in-law, nephew, niece, aunt, uncle, or first cousin of a person elected or appointed to an office under subsection (a) of this section, or the spouse of any of these persons, unless the person is acting as an agent or intermediary for any person not covered by this subdivision

(b)(2)(B)(iii);

(iv) Anything of value that is readily available to the general public at no cost;

(v)(a)(1) Food or drink available at a planned activity to which a specific governmental body is invited, including without limitation a governmental body to which a person elected or appointed to an office under subsection (a) of this section is not a member.

(2) If a committee of the General Assembly is invited to a planned activity under subdivision (b)(2)(B)(v)(a)(1) of this section, only members of the committee of the General Assembly may accept food or drink at the planned activity.

(b)(1) As used in this subdivision (b)(2)(B)(v), "planned activity" means an event for which a written invitation is distributed electronically or by other means by the lobbyist, person acting on behalf of a lobbyist, or a person employing or contracting with a lobbyist to the members of the specific governmental body at least twenty-four (24) hours before the event.

(2) As used in this subdivision (b)(2)(B)(v), "planned activity" does not include food or drink available at a meeting of a specific governmental body for which the person elected or appointed to an office under subsection (a) of this section is entitled to receive per diem for attendance at the meeting.

(c) A lobbyist, a person acting on behalf of a lobbyist, or a person employing or contracting with a lobbyist shall not offer or pay for food or drink at more than one (1) planned activity in a seven-day period;

(vi)(a) Payments by regional or national organizations for travel to regional or national conferences at which the State of Arkansas is requested to be represented by a person or persons elected or appointed to an office under subsection (a) of this section~~†.~~

(b) As used in this subdivision (b)(2)(B)(vi), "travel" means transportation, lodging, and conference registration fees.

(c) This section does not prohibit the acceptance of:

(1) Food, drink, informational materials, or other items included in the conference registration fee; and

(2) Food and drink at events coordinated through the regional or national conference and provided to persons registered to attend the regional or national conference;

(vii) Campaign contributions; and

(viii) Any devise or inheritance;

(ix) Salaries, benefits, services, fees, commissions, expenses, or anything of value in connection with:

(a) The employment or occupation of a person elected or appointed to an office under subsection (a) of this section or his or her spouse so long as the salary, benefit, service, fee, commission, expense, or anything of value is solely connected with the person's employment or occupation and is unrelated to and does not arise from the duties or responsibilities of the office to which the person has been elected or appointed; or

(b) Service as an officer, director, or board member of a corporation, a firm registered to do business in the state, or other organization that files a state and federal tax return or is an affiliate of an organization that files a state and federal tax return by a person elected or appointed to an office under subsection (a) of this section or his or her spouse so long as the salary, benefit, service, fee, commission, expense, or anything of value is solely connected with the person's service as an officer, director, or board member and is unrelated to and does not arise from the duties or responsibilities of the office to which the person has been elected or appointed; and

(x) A personalized award, plaque, or trophy with a value of one hundred fifty dollars (\$150) or less;

(3) "Governmental body" or "governmental bodies" means an office, department, commission, council, board, committee, legislative body, agency, or other establishment of the executive, judicial, or legislative branch of the state, municipality, county, school district, improvement district, or any political district or subdivision thereof;

(4)(A) "Income" means any money or anything of value received or

to be received as a claim for future services, whether in the form of a retainer, fee, salary, expense, allowance, forbearance, forgiveness, interest, dividend, royalty, rent, or any other form of recompense or any combination thereof.

(B) "Income" includes a payment made under obligation for services or other value received;

(5) "Legislative action" means introduction, sponsorship, consideration, debate, amendment, passage, defeat, approval, veto, or any other official action or nonaction on any bill, ordinance, law, resolution, amendment, nomination, appointment, report, or other matter pending or proposed before a committee or house of the General Assembly, a quorum court, or a city council or board of directors of a municipality;

(6) "Legislator" means a person who is a member of the General Assembly, a quorum court of a county, or the city council or board of directors of a municipality;

(7) "Lobbying" means communicating directly or soliciting others to communicate with a public servant with the purpose of influencing legislative action or administrative action;

(8) "Lobbyist" means a person who:

(A) Receives income or reimbursement in a combined amount of four hundred dollars (\$400) or more in a calendar quarter for lobbying one (1) or more governmental bodies;

(B) Expends four hundred dollars (\$400) or more in a calendar quarter for lobbying one (1) or more governmental bodies, excluding the cost of personal travel, lodging, meals, or dues; or

(C) Expends four hundred dollars (\$400) or more in a calendar quarter, including postage, for the express purpose of soliciting others to communicate with a public servant to influence any legislative action or administrative action of one (1) or more governmental bodies unless the communication has been filed with the Secretary of State or the communication has been published in the news media. If the communication is filed with the Secretary of State, the filing shall include the approximate number of recipients;

(9)(A) "Person" means a business, individual, union, association, firm, committee, club, or other organization or group of persons.

(B) *As used in subdivision (b)(9)(A) of this section, "business" includes without limitation a corporation, partnership, sole proprietorship, firm, enterprise, franchise, association, organization, self-employed individual, receivership, trust, or any legal entity through which business is conducted;*

(10)(A) *"Public appointee" means an individual who is appointed to a governmental body.*

(B) *"Public appointee" does not include an individual appointed to an elective office;*

(11)(A) *"Public employee" means an individual who is employed by a governmental body or who is appointed to serve a governmental body.*

(B) *"Public employee" does not include a public official or a public appointee;*

(12) *"Public official" means a legislator or any other person holding an elective office of any governmental body, whether elected or appointed to the office, and shall include such persons during the time period between the date they were elected and the date they took office; and*

(13) *"Public servant" means all public officials, public employees, and public appointees.*

(c)(1) *A person who knowingly violates this section is guilty of a Class B misdemeanor.*

(2) *In addition to the penalty under subdivision (c)(1) of this section, the General Assembly shall provide by law for this section to be under the jurisdiction of the Arkansas Ethics Commission, including without limitation authorization of the following actions by the Arkansas Ethics Commission:*

(A) *Promulgating reasonable rules to implement and administer this section as necessary;*

(B) *Issuing advisory opinions and guidelines on the requirements of this section; and*

(C) *Investigating complaints of alleged violations of this section and rendering findings and disciplinary action for such complaints.*

(3)(A) *It is an affirmative defense to prosecution or disciplinary action under subdivisions (c)(1) and (2) of this section that a person elected or appointed to an office under subsection (a) of this section takes one (1) of the following actions within thirty (30) days of discovering*

or learning of an alleged violation of this section:

(i) Returns the gift to the donor; or

(ii) If the gift is not returnable, pays the donor consideration that is equal to or greater than the value of the gift.

(B)(i) The Arkansas Ethics Commission shall not proceed with an investigation of an alleged violation of this section if the Arkansas Ethics Commission determines that a person would be eligible to raise the affirmative defense under subdivision (c)(3)(A) of this section.

(ii) If the Arkansas Ethics Commission does not proceed with an investigation of an alleged violation under subdivision (c)(3)(B)(i) of this section, the person shall not be considered to have committed a violation.

(C) This subdivision (c)(3) shall not be construed to authorize a person to knowingly or willfully solicit or accept a gift in violation of this section.

(d)(1) Except as provided in subdivision (d)(2) of this section, the General Assembly, in the same manner as required for amendment of laws initiated by the people, may amend this section so long as such amendments are germane to this section and consistent with its policy and purposes.

(2) The General Assembly may amend subsection (c) of this section by a majority vote of each house.

SECTION 2. Arkansas Code Title 7, Chapter 1, Subchapter 1, is amended to add an additional section to read as follows:

7-1-114. Display of campaign literature on vehicle of candidate or public official while on State Capitol grounds.

(a) It is unlawful for a candidate or a public official, as defined in § 21-8-402, to display one (1) or more campaign banners, campaign signs, or other campaign literature larger than twelve inches by twelve inches (12" X 12") on a car, truck, tractor, or other vehicle belonging to the candidate or public official while on the State Capitol grounds.

(b) The Arkansas Ethics Commission shall promulgate rules concerning the enforcement of this section, including without limitation providing for the imposition of a fine for violations of this section that shall not exceed one hundred fifty dollars (\$150).

SECTION 3. Arkansas Code § 7-6-201(3), concerning definitions relevant to campaign finance, is amended to read as follows:

(3)(A) "Carryover funds" means the amount of campaign funds retained from the last election by the candidate for future use but not to exceed the annual salary, excluding expense allowances, set by Arkansas law for the office sought~~+~~.

(B) "Carryover funds" does not include campaign signs, campaign literature, and other printed campaign materials that were:

(i) Purchased by the campaign;

(ii) Reported on the appropriate contribution and expenditure report for the campaign at the time of the purchase; and

(iii) Retained for use in a future campaign by the same candidate;

SECTION 4. Arkansas Code § 7-6-201(17), concerning definitions relevant to campaign finance, is amended to read as follows:

(17)(A) "Surplus campaign funds" means any balance of campaign funds over expenses incurred as of the day of the election except for:

~~(A)(i) Carryover funds; and~~

~~(B)(ii) Any funds required to repay loans made by the candidate from his or her personal funds to the campaign or to repay loans made by financial institutions to the candidate and applied to the campaign~~+~~ and.~~

(B) "Surplus campaign funds" does not include campaign signs, campaign literature, and other printed campaign materials that were:

(i) Purchased by the campaign;

(ii) Reported on the appropriate contribution and expenditure report for the campaign at the time of the purchase; and

(iii) Retained for use in a future campaign by the same candidate; and

SECTION 5. Arkansas Code § 7-6-203(a) and (b), concerning campaign contributions and resulting from Initiated Act No. 1 of 1990 and Initiated Act No. 1 of 1996, are amended to read as follows:

(a)(1)(A) It shall be unlawful for any candidate for any public office, ~~except the office of Governor, Lieutenant Governor, Secretary of~~

~~State, Treasurer of State, Auditor of State, Attorney General, and Commissioner of State Lands, or for any person acting on the candidate's behalf to accept campaign contributions in excess of two thousand seven hundred dollars ~~(\$2,000)~~(\$2,700) per election from any person.:~~

(i) An individual;

(ii) A political party that meets the definition of a political party under § 7-1-101;

(iii) A political party that meets the requirements of § 7-7-205;

(iv) A legislative caucus committee;

(v) A county political party committee; or

(vi) An approved political action committee.

(B) It shall be unlawful for a candidate for a public office or for any person acting on the candidate's behalf to accept a campaign contribution from a prospective contributor other than those under subdivisions (a)(1)(A)(i)-(vi) of this section.

~~(B)(2) A candidate may accept a campaign contribution or contributions up to the maximum amount from any prospective contributor under subdivisions (a)(1)(A)(i)-(vi) of this section for each election, whether opposed or unopposed.~~

~~(2)(A) It shall be unlawful for any candidate for the office of Governor, Lieutenant Governor, Secretary of State, Treasurer of State, Auditor of State, Attorney General, and Commissioner of State Lands, or for any person acting on the candidate's behalf to accept campaign contributions in excess of two thousand dollars ~~(\$2,000)~~ per election from any person.~~

~~(B) A candidate may accept a campaign contribution or contributions up to the maximum amount from any prospective contributor for each election, whether opposed or unopposed.~~

(b)(1)(A) It shall be unlawful for any person permitted to make a contribution under subdivisions (a)(1)(A)(i)-(vi) of this section to make a contribution to a candidate for any public office, ~~except the office of Governor, Lieutenant Governor, Secretary of State, Treasurer of State, Auditor of State, Attorney General, and Commissioner of State Lands,~~ or to any person acting on the candidate's behalf, which in the aggregate exceeds two thousand seven hundred dollars ~~(\$2,000)~~(\$2,700) per election.

~~(B)(2) A person permitted to make a contribution or~~

contributions under subdivisions (a)(1)(A)(i)-(vi) of this section may make a contribution or contributions up to the maximum amount to a candidate for each election, whether opposed or unopposed.

~~(2)(A) It shall be unlawful for any person to make a contribution to a candidate for the office of Governor, Lieutenant Governor, Secretary of State, Treasurer of State, Auditor of State, Attorney General, and Commissioner of State Lands, or to any person acting on the candidate's behalf, which in the aggregate exceeds two thousand dollars (\$2,000) per election.~~

~~(B) A person may make a contribution or contributions up to the maximum amount to a candidate for each election, whether opposed or unopposed.~~

SECTION 6. Arkansas Code § 7-6-203(d), concerning campaign contributions by organized political parties, is repealed.

~~(d) However, an organized political party as defined in § 7-1-101 may contribute up to two thousand five hundred dollars (\$2,500) to each of the party's candidates per election.~~

SECTION 7. Arkansas Code § 7-6-203, resulting from Initiated Act No. 1 of 1990 and Initiated Act No. 1 of 1996, is amended to add an additional subsection to read as follows:

(j)(1) The contribution limits under subdivision (a)(1)(A) and subdivision (b)(1) of this section shall be adjusted at the beginning of each odd-numbered year in an amount equal to the percentage certified to the Federal Election Commission by the Bureau of Labor Statistics of the Department of Labor under 52 U.S.C. § 30116(c) as existing on January 1, 2015.

(2) If the amount after adjustment under subdivision (j)(1) of this section is not a multiple of one hundred dollars (\$100), the Arkansas Ethics Commission shall round the amount to the nearest multiple of one hundred dollars (\$100).

(3) The Arkansas Ethics Commission shall promulgate rules identifying the adjusted contribution limit under subdivision (j)(1) of this section.

SECTION 8. Arkansas Code § 7-6-217(g), concerning the authority of the Arkansas Ethics Commission and resulting from Initiated Act No. 1 of 1990 and as amended by Acts 2015, No. 47, is amended to read as follows:

(g) The commission shall have the authority to:

(1) Pursuant to the Arkansas Administrative Procedure Act, § 25-15-201 et seq., promulgate reasonable rules and regulations to implement and administer the requirements of this subchapter, as well as § 7-9-401 et seq., § 21-8-301 et seq., § 21-8-401 et seq., § 21-8-501 et seq. [repealed], § 21-8-601 et seq., § 21-8-701 et seq., § 21-8-801 et seq., § 21-8-901 et seq., ~~and~~ § 21-8-1001 et seq., and Sections 28, 29, and 30 of Article 19 of the Arkansas Constitution, and to govern procedures before the commission, matters of commission operations, and all investigative and disciplinary procedures and proceedings;

(2) Issue advisory opinions and guidelines on the requirements of § 7-1-103(a)(1)-(4), (6), and (7), this subchapter, § 7-9-401 et seq., § 21-8-301 et seq., § 21-8-401 et seq., § 21-8-501 et seq. [repealed], § 21-8-601 et seq., § 21-8-701 et seq., § 21-8-801 et seq., § 21-8-901 et seq., § 21-8-1001 et seq., and Sections 28, 29, and 30 of Article 19 of the Arkansas Constitution;

(3) After a citizen complaint has been submitted to the commission, investigate alleged violations of § 7-1-103(a)(1)-(4), (6), and (7), this subchapter, § 7-9-401 et seq., § 21-1-401 et seq., § 21-8-301 et seq., § 21-8-401 et seq., § 21-8-501 et seq. [repealed], § 21-8-601 et seq., § 21-8-701 et seq., § 21-8-801 et seq., § 21-8-901 et seq., ~~and~~ § 21-8-1001 et seq., and Sections 28, 29, and 30 of Article 19 of the Arkansas Constitution and render findings and disciplinary action thereon;

(4) Pursuant to commission investigations, subpoena any person or the books, records, or other documents being held by any person and take sworn statements;

(5) Administer oaths for the purpose of taking sworn testimony of witnesses and conduct hearings;

(6) Hire a staff and retain legal counsel;

(7) Approve forms prepared by the Secretary of State pursuant to this subchapter, § 7-9-401 et seq., § 21-8-301 et seq., § 21-8-401 et seq., § 21-8-501 et seq. [repealed], § 21-8-601 et seq., § 21-8-701 et seq., § 21-8-801 et seq., § 21-8-901 et seq., and § 21-8-1001 et seq.; and

(8)(A) *File suit in the Pulaski County Circuit Court or in the circuit court of the county wherein the respondent resides or, pursuant to § 16-17-706, in the small claims division established in any district court in the State of Arkansas, to obtain a judgment for the amount of any fine imposed pursuant to § 7-6-218(b)(4)(B)(i)-(iii), or to enforce an order of the commission requiring the filing or amendment of a disclosure form.*

(B) *Said action by the court shall not involve further judicial review of the commission's actions.*

(C) *The fee normally charged for the filing of a suit in any of the circuit courts in the State of Arkansas shall be waived on behalf of the commission.*

SECTION 9. Arkansas Code § 7-6-218, resulting from Initiated Act No. 1 of 1990, is amended to read as follows:

7-6-218. Citizen complaints.

(a)(1) Any citizen may file a complaint with the Arkansas Ethics Commission against a person covered by this subchapter, by § 7-1-103(a)(1)-(4), (6), or (7), § 7-9-401 et seq., § 21-1-401 et seq., or § 21-8-301 et seq., § 21-8-401 et seq., § 21-8-501 et seq. [repealed], § 21-8-601 et seq., § 21-8-701 et seq., § 21-8-801 et seq., § 21-8-901 et seq., ~~and~~ § 21-8-1001 et seq., and Sections 28, 29, and 30 of Article 19 of the Arkansas Constitution, for an alleged violation of the subchapters or sections. For purposes of this subdivision (a)(1), the Arkansas Ethics Commission shall be considered a citizen.

(2) A complaint must be filed within four (4) years after the alleged violation occurred. If the alleged violation is the failure to file a report or the filing of an incorrect report, the complaint must be filed within four (4) years after the date the report was due.

(b)(1)(A) Upon a complaint stating facts constituting an alleged violation signed under penalty of perjury by any person, the commission shall investigate the alleged violation of this subchapter or § 7-1-103(a)(1)-(4), (6), or (7), § 7-9-401 et seq., § 21-1-401 et seq., § 21-8-301 et seq., § 21-8-401 et seq., § 21-8-501 et seq. [repealed], § 21-8-601 et seq., § 21-8-701 et seq., § 21-8-801 et seq., § 21-8-901 et seq., ~~and~~ § 21-8-1001 et seq., and Sections 28, 29, and 30 of Article 19 of the Arkansas Constitution.

(B) The commission shall immediately notify any person

under investigation of the investigation and of the nature of the alleged violation.

(C) The commission in a document shall advise the complainant and the respondent of the final action taken, together with the reasons for the action, and such document shall be a public record.

(D) Filing of a frivolous complaint shall be a violation of this subchapter. For purposes of this section, "frivolous" means clearly lacking any basis in fact or law. In any case in which the commission has dismissed a complaint, the respondent may request in writing that the commission make a finding as to whether or not the complaint filed was frivolous. In the event that the commission finds that the complaint was frivolous, the respondent may file a complaint seeking sanctions as provided in § 7-6-218(b)(4).

(2) If, after the investigation, the commission finds that probable cause exists for a finding of a violation, the respondent may request a hearing. The hearing shall be a public hearing.

(3)(A) The commission shall keep a record of its investigations, inquiries, and proceedings.

(B)(i) Except as provided in subdivision (b)(3)(B)(ii) of this section, all proceedings, records, and transcripts of any investigations or inquiries shall be kept confidential by the commission, unless the respondent requests disclosure of documents relating to investigation of the case, in case of a hearing under subdivision (b)(2) of this section, or in case of judicial review of a commission decision pursuant to § 25-15-212.

(ii)(a) Through its members or staff, the commission may disclose confidential information to proper law enforcement officials, agencies, and bodies or as may be required to conduct its investigation.

(b) If an investigation or inquiry concerns an attorney or judge, the commission may, through its members or staff, disclose confidential information to the Supreme Court Committee on Professional Conduct or the Judicial Discipline and Disability Commission.

(C) Thirty (30) days after any final adjudication in which the commission makes a finding of a violation, all records relevant to the investigation and upon which the commission has based its decision, except working papers of the commission and its staff, shall be open to public inspection.

(4) *If the commission finds a violation of this subchapter, § 7-1-103(a)(1)-(4), (6), or (7), § 21-1-401 et seq., § 21-8-301 et seq., § 21-8-401 et seq., § 21-8-501 et seq. [repealed], § 21-8-601 et seq., § 21-8-701 et seq., § 21-8-801 et seq., § 21-8-901 et seq., ~~and~~ § 21-8-1001 et seq., or Sections 28, 29, or 30 of Article 19 of the Arkansas Constitution, then the commission shall do one (1) or more of the following, unless good cause be shown for the violation:*

(A) *Issue a public letter of caution or warning or reprimand;*

(B)(i) *Notwithstanding the provisions of §§ 7-6-202, 7-9-409, 21-8-403, and 21-8-903, impose a fine of not less than fifty dollars (\$50.00) nor more than two thousand dollars (\$2,000) for negligent or intentional violation of this subchapter or § 21-8-301 et seq., § 21-8-401 et seq., § 21-8-601 et seq., § 21-8-701 et seq., § 21-8-801 et seq., ~~and~~ § 21-8-901 et seq., or Sections 28, 29, or 30 of Article 19 of the Arkansas Constitution.*

(ii) *The commission shall adopt rules governing the imposition of such fines in accordance with the provisions of the Arkansas Administrative Procedure Act, § 25-15-201 et seq.*

(iii) *All moneys received by the commission in payment of fines shall be deposited into the State Treasury as general revenues;*

(C) *Order the respondent to file or amend a statutorily required disclosure form; or*

(D)(i) *Report its finding, along with such information and documents as it deems appropriate, and make recommendations to the proper law enforcement authorities.*

(ii) *When exercising the authority provided in this subdivision (b)(4), the commission is not required to make a finding of a violation of the laws under its jurisdiction.*

(5)(A) *The commission shall complete its investigation of a complaint filed pursuant to this section and take final action within ~~one hundred fifty (150)~~ two hundred ten (210) days of the filing of the complaint. If a hearing under subdivision (b)(2) of this section or other hearing of adjudication is conducted, all action on the complaint by the commission shall be completed within ~~one hundred eighty (180)~~ two hundred*

forty (240) days.

(B) However, such time shall be tolled during the pendency of any civil action, civil appeal, or other judicial proceeding involving those particular commission proceedings.

(c) Any final action of the commission under this section shall constitute an adjudication for purposes of judicial review under § 25-15-212.

SECTION 10. Arkansas Code Title 7, Chapter 6, Subchapter 2, is amended to add additional sections to read as follows:

7-6-228. Campaign signs and materials.

(a) A candidate may retain campaign signs, campaign literature, and other printed campaign materials that:

(1) Were purchased by the campaign;

(2) Were reported on the appropriate contribution and expenditure report for the campaign at the time of the purchase; and

(3) Are retained for use in a future campaign by the same candidate.

(b) A candidate:

(1) May reuse the campaign signs, campaign literature, and other printed campaign materials under subsection (a) of this section in future campaigns; and

(2) Is not required to list the campaign signs, campaign literature, and other printed campaign materials under subsection (a) of this section in future reports filed under this subchapter.

7-6-229. Amendment of reports - Affirmative defense.

(a) It is an affirmative defense to prosecution or disciplinary action if a person required to file a report under this subchapter amends the report within thirty (30) days of discovering or learning of an error in the report.

(b)(1) The commission shall not proceed with an investigation of an alleged error in a report filed under this subchapter if the commission determines that a person would be eligible to raise the affirmative defense under subsection (a) of this section.

(2) If the commission does not proceed with an investigation of an alleged error in a report under subdivision (b)(1) of this section, the person shall not be considered to have committed a violation of the

applicable statute.

(c) This section shall not be construed to:

- (1) Remove the duty to file a report under this subchapter; or
- (2) Authorize a person to knowingly fail to file a report under this subchapter.

SECTION 11. Arkansas Code § 21-1-402(f), concerning the period of ineligibility of former members of the General Assembly to be registered as lobbyists, is amended to read as follows:

(f)(1) A former member of the General Assembly shall not be eligible to be registered as a lobbyist under § 21-8-601 et seq. until ~~one (1) year~~ two (2) years after the expiration of the term of office for which he or she was elected.

(2) Subdivision (f)(1) of this section applies to all persons elected to the General Assembly on or after ~~July 27, 2011~~ November 4, 2014.

SECTION 12. Arkansas Code Title 21, Chapter 8, Subchapter 3, is amended to add an additional section to read as follows:

21-8-310. Gifts from lobbyists.

Persons elected or appointed to the following offices shall not knowingly or willfully solicit or accept a gift in violation of Arkansas Constitution, Article 19, § 30, from a lobbyist, a person acting on behalf of a lobbyist, or a person employing or contracting with a lobbyist:

- (1) Governor;
- (2) Lieutenant Governor;
- (3) Secretary of State;
- (4) Treasurer of State;
- (5) Auditor of State;
- (6) Attorney General;
- (7) Commissioner of State Lands;
- (8) Member of the General Assembly;
- (9) Chief Justice of the Supreme Court;
- (10) Justice of the Supreme Court;
- (11) Chief Judge of the Court of Appeals;
- (12) Judge of the Court of Appeals;
- (13) Circuit court judge;

(14) District court judge;
(15) Prosecuting attorney; and
(16) Member of the independent citizens commission for the purpose of setting salaries of elected constitutional officers of the executive department, members of the General Assembly, justices, and judges under Arkansas Constitution, Article 19, § 31.

SECTION 13. Arkansas Code § 21-8-701, concerning the persons who are required to file a written statement of financial interest, is amended to add an additional subsection to read as follows:

(f)(1) It is an affirmative defense to prosecution or disciplinary action if a person required to file a statement of financial interest under this subchapter amends the statement of financial interest within thirty (30) days of discovering or learning of an error in the statement of financial interest.

(2)(A) The Arkansas Ethics Commission shall not proceed with an investigation of an alleged error in a statement of financial interest filed under this subchapter if the commission determines that a person would be eligible to raise the affirmative defense under subdivision (f)(1) of this section.

(B) If the commission does not proceed with an investigation of an alleged error in a statement of financial interest under subdivision (f)(2)(A) of this section, the person shall not be considered to have committed a violation of the applicable statute.

(3) This section shall not be construed to:

(A) Remove the duty to file a statement of financial interest under this subchapter; or

(B) Authorize a person to knowingly fail to file a statement of financial interest under this subchapter.

SECTION 14. DO NOT CODIFY. (a)(1) The Legislative Council shall conduct a feasibility study of requiring:

(1) All state and district candidates to file campaign contribution and expenditure reports and carryover fund reports in electronic form; and

(2) The implementation of systems for the review of campaign

contribution and expenditure reports and carryover fund reports in a manner that is easily utilized by candidates and facilitates public access.

(b)(1) The study shall be conducted in consultation with the Secretary of State and the Arkansas Ethics Commission.

(2) The study shall afford a reasonable opportunity for public comment.

(c) The study shall include without limitation:

(1) Review of pertinent electronic filing systems utilized by other states;

(2) A demonstration of electronic filing software systems by competent vendors in the field;

(3) An evaluation of features that facilitate public access to electronically filed reports and statements and the searching of data contained therein;

(4) An evaluation of programs that train public officials in the use of electronic filing systems;

(5) An analysis of the costs to purchase, install, and test electronic filing systems; and

(6) Appropriate timelines for the implementation of electronic filing systems.

(d)(1) The study shall be completed by January 1, 2016.

(2)(A) The Legislative Council shall report its findings to the President Pro Tempore of the Senate and Speaker of the House of Representatives.

(B) The findings shall include recommendations as to the feasibility, cost, design, and timelines for the implementation of new or improved electronic filing systems by the Secretary of State.

SECTION 15. The Arkansas Code Revision Commission is requested to reletter the subsections in Arkansas Code § 7-6-203.

SECTION 16. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the people of Arkansas adopted Arkansas Constitution, Amendment 94, at the 2014 General Election, which added Sections 28, 29, and 30 to Article 19 of the Arkansas Constitution; that Arkansas Constitution, Amendment 94, requires the General Assembly to

provide by law that Arkansas Constitution, Article 19, Sections 28, 29, and 30 be under the jurisdiction of the Arkansas Ethics Commission; that this act should become effective at the earliest opportunity to allow the commission to enforce Arkansas Constitution, Article 19, Sections 28, 29, and 30 and issue guidance to affected public officials; and that the additional provisions of this act provide clarity to the ethics laws of the State of Arkansas and should become effective at the earliest opportunity to prevent confusion and avoid incorrect applications of the state's ethics laws. Therefore, an emergency is declared to exist, and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

(1) The date of its approval by the Governor;

(2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or

(3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto.

/s/Sabin