

## **Title 7. Elections**

### **Chapter I. Arkansas Ethics Commission**

#### **Subchapter A. Generally**

#### **Part 3. Rules on Campaign Finance and Disclosure**

##### **Subpart 1. Generally**

###### **7 CAR § 3-101. Definitions.**

As used in this part:

(1)(A) "Approved political action committee" means any person that:

(i) Receives contributions from one (1) or more persons in order to make contributions to:

*(a)* Candidates;

*(b)* Ballot question committees;

*(c)* Legislative question committees;

*(d)* Political parties;

*(e)* County political party committees; or

*(f)* Other political action committees;

(ii) Does not accept any contribution or cumulative contributions in excess of ten thousand dollars (\$10,000) from any person in any calendar year; and

(iii) Has registered pursuant to Arkansas Code § 7-6-215 prior to making contributions.

(B) "Approved political action committee" does not include:

(i) Political parties;

(ii) County political party committees;

(iii) The candidate's own campaign committee;

(iv) Exploratory committees;

(v) Ballot question committees; or

(vi) Legislative question committees;

(2) "Candidate" means any individual who has knowingly and willingly taken affirmative action, including solicitation of funds, for the purpose of seeking nomination for or election to any public office;

(3) "Constitutional office" means the offices of:

- (A) Governor;
- (B) Lieutenant Governor;
- (C) Auditor of State;
- (D) Treasurer of State;
- (E) Secretary of State;
- (F) Commissioner of State Lands;
- (G) Attorney General;
- (H) The General Assembly;
- (I) Justice of the Supreme Court;
- (J) Judge of the Court of Appeals;
- (K) Circuit judge; and
- (L) District judge;

(4)(A) "Contribution" means, whether direct or indirect, advances, deposits, or transfers of funds, contracts, or obligations, whether or not legally enforceable, payments, gifts, subscriptions, assessments, payment for services, dues, advancements, forbearance, loans, or pledges or promises of money or anything of value, whether or not legally enforceable, to a candidate, committee, or holder of elective office, made for the purpose of influencing the nomination or election of any candidate.

(B)(i) "Contribution" includes:

(a) The purchase of tickets for events such as dinners, luncheons, rallies, and similar fundraising events;

(b) The granting of discounts or rebates by television stations, radio stations, and newspapers not extended on an equal basis to all candidates for the same office; and

(c) Any payments for the services of any person serving as an agent of a candidate or committee by a person other than the candidate or committee or persons whose expenditures the candidates or committee must report under this part.

(ii) The term "contribution" further includes any transfer of anything of value received by a committee from another committee.

(iii) "Contribution" shall not include noncompensated, nonreimbursed, volunteer personal services or travel.

(C) "Contribution and expenditure" shall not include activity sponsored and funded by a political party that meets the definition of political party under Arkansas Code § 7-1-101 or the requirements of Arkansas Code § 7-7-205 to promote its candidates or nominees through events such as dinners, luncheons, rallies, or similar gatherings and shall not include nonpartisan activity designed to encourage individuals to register to vote or to vote or any communication by any membership organization to its members or stockholders if the membership organization or corporation is not organized primarily for the purpose of influencing the nomination for election or election of any candidate;

(5) "County political party committee" means a person that:

(A) Is organized at the county level for the purpose of supporting its affiliate party and making contributions;

(B) Is recognized by an organized political party, as defined in Arkansas Code § 7-1-101, as being affiliated with that political party;

(C) Receives contributions from one (1) or more persons in order to make contributions to:

(i) Candidates;

(ii) Ballot question committees;

(iii) Legislative question committees;

(iv) Political parties;

(v) Political action committees; or

(vi) Other county political party committees;

(D) Does not accept any contribution or cumulative contributions in excess of five thousand dollars (\$5,000) from any person in any calendar year; and

(E) Registers pursuant to Arkansas Code § 7-6-226 prior to making contributions;

(6)(A) "Election" means each election to be held to nominate or elect a candidate to any public office, including school elections.

(B) For the purposes of this part, a preferential primary election, a general primary election, a runoff election, a special election, and a general election shall each constitute a separate election;

(7)(A) "Expenditure" means a purchase, payment, distribution, gift, loan, or advance of money or anything of value, and a contract, promise, or agreement to make an expenditure, made for the purpose of influencing the nomination or election of any candidate.

(B) "Contribution and expenditure" shall not include activity sponsored and funded by a political party that meets the definition of political party under Arkansas Code § 7-1-101 or the requirements of Arkansas Code § 7-7-205 to promote its candidates or nominees through events such as dinners, luncheons, rallies, or similar gatherings and shall not include nonpartisan activity designed to encourage individuals to register to vote or to vote or any communication by any membership organization to its members or stockholders if the membership organization or corporation is not organized primarily for the purpose of influencing the nomination for election or election of any candidate;

(8)(A) "Exploratory committee" means a person who receives contributions that are held to be transferred to the campaign of a single candidate in an election.

(B) "Exploratory committee" shall not include:

(i) A political party that meets the definition of a political party under Arkansas Code § 7-1-101 or the requirements of Arkansas Code § 7-7-205; or

(ii) The candidate's own campaign committee.

(C) For a more detailed description of an exploratory committee and its duties, see 7 CAR §§ 3-152 – 3-153;

(9)(A) "Fair market value" means the price the good or service would bring between a willing seller and a willing buyer in the open market after negotiations.

(B) See *Minerva Enterprises, Inc. v. Howlett*, 308 Ark. 291, 824 S.W.2d 377 (1992);

(10) "Family" means:

(A) An individual's spouse;

(B) Children of that individual or his or her spouse; or

(C) Brothers, sisters, or parents of the individual or his or her spouse;

(11) "Financial institution" means any commercial bank, savings and loan, mutual savings bank or savings bank, credit union, insurance company, brokerage house, or any corporation that is in the business of lending money and that is subject to state rule or federal regulation;

(12) "Guarantor" means a person who makes a guaranty for a debt, the liability for which does not begin until the principal debtor is in default;

(13) "Independent expenditure" means any expenditure that is:

(A) Not a contribution and expressly advocates the election or defeat of a clearly identified candidate for office;

(B) Made without arrangement, cooperation, or consultation between any candidate or any authorized committee or agent of the candidate and the person making the expenditure or any authorized agent of that person; and

(C) Not made in concert with or at the request or suggestion of any candidate or any authorized committee or agent of the candidate;

(14) "Independent expenditure committee" means any person that receives contributions from one (1) or more persons in order to make an independent expenditure and is registered pursuant to Arkansas Code § 7-6-227 prior to making expenditures;

(15) "Individual" means a human being;

(16)(A) "In-kind contribution" means a contribution of goods, services, or any other thing of value, or its use, other than money and includes an agreement made or

other obligation incurred, whether legally enforceable or not, to make such a contribution in the future.

(B) The term does not include direct campaign contributions.

(C) For a more detailed discussion of in-kind contributions, see 7 CAR § 3-106;

(17)(A) "Legislative caucus committee" means a person that:

(i) Is composed exclusively of members of the General Assembly;

(ii) Elects or appoints officers and recognizes identified legislators as members of the organization; and

(iii) Exists for research and other support of policy development and interests that the membership hold in common.

(B) A "legislative caucus committee" includes, but is not limited to, a political party caucus of the:

(i) General Assembly;

(ii) Senate; or

(iii) House of Representatives.

(C) An organization whose only nonlegislator members are the Lieutenant Governor or the Governor is a legislative caucus committee under this part;

(18)(A) "Nonpartisan candidate" means a candidate for the office of:

(i) Justice of the Supreme Court;

(ii) Judge of the Court of Appeals;

(iii) Circuit judge;

(iv) District judge; or

(v) Prosecuting attorney.

(B) "Nonpartisan candidate" does not include a candidate for nonpartisan municipal office;

(19)(A) "Person" means any:

(i) Individual;

(ii) Proprietorship;

(iii) Firm;

- (iv) Partnership;
- (v) Joint venture;
- (vi) Syndicate;
- (vii) Labor union;
- (viii) Business trust;
- (ix) Company;
- (x) Corporation;
- (xi) Association;
- (xii) Committee; or
- (xiii) Other organization or group of persons acting in concert.

(B) It shall also include:

- (i) A political party that meets the definition of political party under Arkansas Code § 7-1-101 or the requirements of Arkansas Code § 7-7-205;
- (ii) County political party committees; and
- (iii) Legislative caucus committees;

(20)(A) "Political party" means any group of voters that:

(i) At the last-preceding general election, polled for its candidate for Governor in the state or nominees for presidential electors at least three percent (3%) of the entire vote cast for the office; or

(ii) Has filed a petition with the Secretary of State containing at the time of filing the signatures of at least ten thousand (10,000) registered voters in the State of Arkansas, declaring the intention of organizing a political party, the name of which shall be stated in the declaration, and of participating in the next general election, and which has been declared a new political party by the Secretary of State.

(B) When any political party fails to obtain three percent (3%) of the total votes cast at an election for the Office of Governor or nominees for presidential electors, it shall cease to be a political party;

(21)(A) "Printed campaign materials" means:

(i) Literature mailed to an elector that is intended to or calculated to influence the vote of an elector in an election in this state, including without limitation:

- (a) Signs;
- (b) Banners;
- (c) Flyers; and
- (d) Pamphlets; and

(ii) Yard signs and push cards intended to or calculated to influence the vote of an elector in an election in this state.

(B) "Printed campaign materials" does not mean political paraphernalia, including without limitation:

- (i) Stickers;
- (ii) Buttons;
- (iii) Pens;
- (iv) T-shirts;
- (v) Nail files; or
- (vi) Other similar trinkets;

(22)(A) "Prohibited political action committee" means any person who receives contributions from one (1) or more persons in order to make contributions to candidates, ballot question committees, legislative question committees, political parties, county political party committees, or other political action committees but who does not meet the requirements of an approved political action committee.

(B) "Prohibited political action committee" shall not include:

- (i) A political party that meets the definition of political party under Arkansas Code § 7-1-101 or the requirements of Arkansas Code § 7-7-205;
- (ii) The candidate's own campaign committee;
- (iii) A county political party committee;
- (iv) An exploratory committee; or
- (v) A ballot or legislative question committee;

(23) "Public office" means any office created by or under authority of the laws of the State of Arkansas, or of a subdivision thereof, that is filled by the voters, except a federal office;

(24) "Public trust crime" means a crime prohibited under Arkansas Constitution, Article 5, § 9;

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

(i) Any funds required to repay loans made by the candidate from his or her personal funds to the campaign; or

(ii) To repay loans made by financial institutions to the candidate and applied to the campaign.

(B) "Remaining campaign funds" does not include campaign signs, campaign literature, and other printed 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

(26)(A) "Written instrument" means a check on which the contributor is directly liable or which is written on a personal account, trust account, partnership account, business account, or other account that contains the contributor's funds.

(B) In the case of a contribution by credit card or debit card, "written instrument" includes without limitation:

(i) A paper record signed by the cardholder, provided that the paper record contains the following information for the cardholder at the time of making the contribution:

(a) Valid name;

(b) Complete address;

(c) Place of business;

(d) Employer; and

(e) Occupation; or

(ii) In the case of a contribution made through the internet, an electronic record created and transmitted by the cardholder, provided that the

electronic record contains the following information for the cardholder at the time of making the contribution:

- (a) Valid name;
- (b) Complete address;
- (c) Place of business;
- (d) Employer; and
- (e) Occupation.

**Authority.** Arkansas Code § 7-6-217.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules contained the following footnotes:

A footnote to 7 CAR § 3-101(1) cited "1 Ark. Code Ann. § 7-6-201(1)".

A footnote to 7 CAR § 3-101(2) cited "2 Ark. Code Ann. § 7-6-201(2)".

A footnote to 7 CAR § 3-101(4)(B) cited "3 Ark. Code Ann. § 7-6-201(4)".

A footnote to 7 CAR § 3-101(4)(C) cited "4 Ark. Code Ann. § 7-6-201(5)".

A footnote to 7 CAR § 3-101(5) cited "5 Ark. Code Ann. § 7-6-201(6)".

A footnote to 7 CAR § 3-101(6) cited "6 Ark. Code Ann. § 7-6-201(7)".

A footnote to 7 CAR § 3-101(7)(A) cited "7 Ark. Code Ann. § 7-6-201(8)".

A footnote to 7 CAR § 3-101(7)(B) cited "8 Ark. Code Ann. § 7-6-201(5)".

A footnote to 7 CAR § 3-101(8)(B) cited "9 Ark. Code Ann. § 7-6-201(9)".

A footnote to 7 CAR § 3-101(11) cited "10 Ark. Code Ann. § 7-6-201(10)".

A footnote to 7 CAR § 3-101(13) cited "11 Ark. Code Ann. § 7-6 201(11)".

A footnote to 7 CAR § 3-101(14) cited "12 Ark. Code Ann. § 7-6-201(12)".

A footnote to 7 CAR § 3-101(17) cited "13 Ark. Code Ann. § 7-6-201(13)".

A footnote to 7 CAR § 3-101(18) cited "14 Ark. Code Ann. § 7-1-101".

A footnote to 7 CAR § 3-101(19) cited "15 Ark. Code Ann. § 7-6-201(14)".

A footnote to 7 CAR § 3-101(20)(B) cited "16 Ark. Code Ann. § 7-1-101, Ark. Code Ann. § 7-7-205".

A footnote to 7 CAR § 3-101(22) cited "17 Ark. Code Ann. § 7-6-201(15)".

A footnote to 7 CAR § 3-101(23) cited "18 Ark. Code Ann. § 7-6-201(16)".

A footnote to 7 CAR § 3-101(25)(B) cited "19 Ark. Code Ann. § 7-6-201(17)".

A footnote to 7 CAR § 3-101(26) cited "20 Ark. Code Ann. § 7-6-201(18)".

### **7 CAR § 3-102. Loans.**

(a) A candidate shall treat a loan of money or goods as a contribution for purposes of campaign finance laws and of this part.

(b) A candidate receiving a personal loan from a financial institution must disclose the loan as a loan from the candidate to his or her campaign on the proper Contribution and Expenditure Report.

(c) On the issue of loans, see also 7 CAR §§ 3-126 and 3-135.

**Authority.** Arkansas Code § 7-6-217.

### **7 CAR § 3-103. Prohibited contributions.**

(a)(1) A candidate or a person acting on a candidate's behalf shall not accept any contribution from a prohibited political action committee.

(2) A prohibited political action committee shall not make any contribution to a candidate in an election.

(b) No contribution shall be made to a candidate, an approved political action committee, a county political party committee, an independent expenditure committee, an exploratory committee, or a political party unless such contribution is made directly to the intended recipient, provided that it shall be permissible to make a contribution to a candidate's campaign committee instead of directly to the candidate.

(c) No contribution shall be made to or knowingly accepted by a candidate or his or her campaign committee, an approved political action committee, a county political party committee, an independent expenditure committee, an exploratory committee, or a political party unless the contribution is made in the name by which the person providing the funds for the contribution is identified for legal purposes.

(d)(1) No person shall make an anonymous contribution in support of or opposition to a candidate or campaign committee totaling fifty dollars (\$50.00) or more in a calendar year.

(2)(A) The intended recipient shall not keep an anonymous contribution of fifty dollars (\$50.00) or more.

(B) The recipient shall promptly pay that contribution to the Secretary of State of Arkansas for deposit in the State Treasury as general revenues.

(e) Whenever any person provides his or her dependent child with funds and the child uses those funds to make a contribution to a candidate, the contribution shall be attributed to such person for purposes of applying the individual contribution limit.

(f) Campaign contributions may not be made by individuals who are not citizens of the United States of America or by any other entity that:

(1) Is not organized, existing, or created under the laws of the United States or of any state or other place subject to the jurisdiction of the United States; and

(2) Does not have its principal place of business in the United States.

(g)(1) It shall be unlawful for a candidate for public office or for any person acting on the candidate's behalf to accept campaign contributions in excess of the campaign contribution maximum amount per election from:

(A) An individual;

(B) A political party;

(C) A county political party committee;

(D) A legislative caucus committee; or

(E) An approved political action committee.

(2) It shall be unlawful for a candidate for public office or for any person acting on the candidate's behalf to accept a campaign contribution from a prospective contributor other than:

(A) An individual;

(B) A political party;

(C) A county political party committee;

(D) A legislative caucus committee; or

(E) An approved political action committee.

(h)(1) For all elections taking place on or before January 1, 2023, it shall be unlawful for an individual, political party, county political party committee, legislative caucus committee, or approved political action committee to make a contribution to a candidate for public office or to any person acting on the candidate's behalf that in the aggregate exceeds the campaign contribution maximum amount per election.

(2)(A)(i) For all elections taking place after January 1, 2023, it shall be unlawful for any person to make a contribution to a candidate for any public office or to any person acting on the candidate's behalf that in the aggregate amount exceeds the maximum campaign contribution level established by rule of the Arkansas Ethics Commission.

(ii) Please refer to Campaign Contribution Limit, 7 CAR pt. 2, for the current campaign contribution limit.

(B) The total aggregate amount per election is based on the total contributions made to a candidate by a donor during an election regardless of which office or offices the candidate is seeking, and the aggregate amount during an election applies even if a candidate:

- (i) Seeks more than one (1) office during the election; or
- (ii) Concludes a campaign or otherwise withdraws from the election.

**Authority.** Arkansas Code § 7-6-217.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules contained the following footnotes:

A footnote to 7 CAR § 3-103(a) cited "21 Ark. Code Ann. § 7-6-203(d)(2)".

A footnote to 7 CAR § 3-103(b) cited "22 Ark. Code Ann. § 7-6-205(a)".

A footnote to 7 CAR § 3-103(c) cited "23 Ark. Code Ann. § 7-6-205(b)".

A footnote to 7 CAR § 3-103(d) cited "24 Ark. Code Ann. § 7-6-205(c)".

A footnote to 7 CAR § 3-103(e) cited "25 Ark. Code Ann. § 7-6-205(d)".

A footnote to 7 CAR § 3-103(f) cited "26 Ark. Code Ann. § 7-6-205(e)".

A footnote to 7 CAR § 3-103(g) cited "27 Ark. Code Ann. § 7-6-203(a)".

A footnote to 7 CAR § 3-103(h) cited "28 Ark. Code Ann. § 7-6-203(b)".

### **7 CAR § 3-104. Contribution amounts.**

(a)(1) A candidate or a person acting on the candidate's behalf shall not accept contributions or cumulative contributions that exceed the campaign contribution maximum amount per contributor per election.

(2) A candidate may accept a campaign contribution or contributions up to the maximum amount from the following prospective contributors for each election in which he or she is a candidate, whether opposed or unopposed:

- (A) An individual;
- (B) A political party;
- (C) A county political party committee;
- (D) A legislative caucus committee; or
- (E) An approved political action committee.

(b)(1) A person shall not make contributions or cumulative contributions to a candidate or to a person acting on the candidate's behalf that exceed the campaign contribution maximum amount per contributor per election.

(2) An individual, a political party, a county political party committee, a legislative caucus committee, or an approved political action committee may make a contribution or contributions up to the maximum amount to a candidate for each election, whether opposed or unopposed.

(c) The above limitations shall not apply to:

(1) Loans made by a candidate from his or her own personal funds to the campaign;

(2) Contributions made by a candidate from his or her own personal funds to the campaign;

(3) Personal loans that financial institutions make to a candidate and that are applied to his or her campaign; or

(4) Independent expenditures, as defined in Arkansas Code § 7-6-201(11).

(d)(1) The campaign contribution limit shall be adjusted by the Arkansas Ethics Commission 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 United States Department of Labor under 52 U.S.C. § 30116(c) as existing on January 1, 2015.

(2) The adjusted campaign contribution limit shall be calculated from a base amount of two thousand dollars (\$2,000) as of January 1, 2015.

(3) If the amount after the adjustment is not a multiple of one hundred dollars (\$100), the commission shall round the amount to the nearest multiple of one hundred dollars (\$100).

(e) No campaign contribution exceeding one hundred dollars (\$100) shall be received in cash, nor shall any campaign expenditure exceeding fifty dollars (\$50.00) be made in cash.

(f) All contributions and expenditures on behalf of a campaign activity, other than in-kind contributions and expenditures, in excess of the amounts mentioned in subsection (e) of this section shall be made by a:

(1) Written instrument containing the name of the donor and the name of the payee;

(2) Credit card or a debit card where the transaction results in a paper record signed by the cardholder, provided that the paper record contains the following information for the cardholder at the time of making the contribution:

(A) Valid name;

(B) Complete address;

(C) Place of business;

(D) Employer; and

(E) Occupation; or

(3) Transaction that results in an electronic record created or transmitted by the cardholder where a contribution or expenditure is made through the internet,

provided that the electronic record contains the following information for the cardholder at the time of making the contribution:

- (A) Valid name;
- (B) Complete address;
- (C) Place of business;
- (D) Employer; and
- (E) Occupation.

(g)(1) The contribution limits herein are per election, not per election cycle.

(2) A candidate may receive a contribution up to the maximum amount from any prospective contributor for each preferential primary election, general primary election, runoff election, special election, or general election in which he or she is a candidate, whether opposed or unopposed.

(3) If a political party elects to use a caucus, rather than a primary election, in which to select its candidate, the caucus shall be treated as an election for campaign finance purposes and the maximum contribution limits shall be in effect.

**Authority.** Arkansas Code § 7-6-217.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules contained the following footnotes:

A footnote to 7 CAR § 3-104(d) cited "29 Ark. Code Ann. § 7-6-203(i)".

A footnote to 7 CAR § 3-104(e) following the phrase "contribution exceeding \$100" cited "30 Ark. Code Ann. § 7-6-204(a)".

A footnote to 7 CAR § 3-104(e) cited "31 Ark. Code Ann. § 7-6-204(a)".

A footnote to 7 CAR § 3-104(f) following the phrase "All contributions and expenditures" cited "32 Ark. Code Ann. § 7-6-204(b)".

A footnote to 7 CAR § 3-104(f) following the phrase "in-kind contributions and expenditures" cited "33 See definition of "in-kind contribution" in § 200(m)".

**7 CAR § 3-105. Limitations on soliciting and accepting contributions.**

(a) After the date of an election at which the person is a candidate for nomination or election, the person shall not accept campaign contributions for that election except for the sole purpose of raising funds to retire campaign debt.

(b)(1) Municipalities, counties, and townships may establish reasonable limitations on:

(A) Time periods that candidates for local office shall be allowed to solicit contributions;

(B) Limits on contributions to local candidates at amounts lower than those set by state law; and

(C) Voluntary campaign expenditure limits for candidates seeking election to their respective governing bodies.

(2) Enforcement of any limitation established by a local jurisdiction is the responsibility of the municipality, county, or township establishing the limitation.

**Authority.** Arkansas Code § 7-6-217.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules contained a footnote to 7 CAR § 3-105(a) as follows: "34 Ark. Code Ann. § 7-6-203(g)(3)".

**7 CAR § 3-106. In-kind contributions — Reporting and value.**

(a) In addition to monetary contributions, candidates are required to report the receipt of any in-kind contributions, as defined in 7 CAR § 3-101(16).

(b)(1) For reporting purposes, the value of an in-kind contribution shall be its fair market value if it had been purchased, sold, or leased in the ordinary course of business.

(2) An in-kind contribution constitutes a contribution.

(3) Those transactions that are specifically excluded from the definition of contribution are likewise excluded from the definition of in-kind contribution.

(c)(1) A contributor makes an in-kind contribution whenever, in conjunction with the nomination or election of a specific candidate, such contributor purchases, sells, or leases an item or provides a service to or on behalf of the candidate without charge or for a charge that is less than the fair market value of the item or service provided.

(2) The difference between the fair market value and the charge shall be the value of the in-kind contribution.

(3) The donor of the item or service shall place the value on the in-kind contribution when given.

(4) The candidate or someone designated to act on his or her behalf, such as the treasurer of the campaign, may question the value set by the donor if it appears unreasonable and shall revalue the in-kind contribution to a reasonable value.

(5) The value of an in-kind contribution is a factual determination that shall be made by the Arkansas Ethics Commission.

(d)(1) The transfer of anything of value by a political party to a candidate, other than a direct contribution or those items specifically listed as exemptions in Arkansas Code § 7-6-201(5), shall constitute an in-kind contribution.

(2) A political advertisement by a political party on behalf of a specifically named candidate expressly advocating the election of the candidate or the defeat of the candidate's opponent constitutes an in-kind contribution.

(3) However, public efforts, including political advertisements, by political parties to promote the party's platform or to inform the public of the party's views on certain issues, as opposed to promoting the election or defeat of specific candidates, shall not constitute an in-kind contribution to any candidate.

(e)(1) The costs associated with any news story, commentary, or editorial distributed in the ordinary course of business by a broadcasting station, newspaper, or other periodical publication does not constitute an in-kind contribution.

(2) Costs associated with nonpartisan activities designed to encourage individuals to register to vote or to vote do not constitute in-kind contributions.

(3) Finally, the costs associated with internal organizational communications of business, labor, professional, or other associations that merely endorse a candidate do not constitute in-kind contributions.

(f)(1) Political advertising, as detailed in subsection (d) of this section, supporting more than one (1) candidate and other forms of political marketing may be an in-kind contribution.

(2) If political advertising or other mass political marketing technique supports more than one (1) candidate and is determined to be an in-kind contribution, the amount of the contribution shall be determined and reported by dividing the full value of the political advertising or marketing by the number of persons benefited.

(3) Each candidate specifically listed by the advertisement shall assume the pro rata share of the costs of the contribution.

**Authority.** Arkansas Code § 7-6-217.

**7 CAR § 3-107. Volunteer services — Exception to in-kind contribution.**

(a)(1) In addition to the other exceptions noted in this part, the value of volunteer services provided without compensation do not constitute an in-kind contribution.

(2) Accordingly, an individual may volunteer any personal service provided he or she is not compensated for the service by any other individual or person.

(3) This applies both to manual tasks (i.e., stuffing envelopes, answering telephones, etc.) and to specialized services (i.e., services provided by musicians, accountants, etc.).

(4) Whether a contribution has occurred depends upon whether the work performed is considered volunteer services.

(5)(A) Whether time is spent on a volunteer basis depends upon whether the services are rendered during time that is the individual's own time to spend as he or she sees fit.

(B) If services are rendered after working hours, they will typically be viewed as exempted volunteer services.

(b)(1) In accordance with subsection (a) of this section, certain professional services, such as legal and accounting services, that typically have fees associated with them may be provided to a candidate on a volunteer basis, provided the need for the services arises from the campaign.

(2) For example, accounting or bookkeeping services involved with handling the candidate's campaign financing may be provided to a candidate on a volunteer basis and will not count as an in-kind contribution even if no fees are charged.

(c)(1) An individual may use his or her home or the recreational room of his or her residential complex for a candidate and/or party-related activities, and such use will not be deemed a contribution.

(2) Any nominal fee charged for the use of the room is not considered a contribution.

(3)(A) An individual may buy food, beverage, and invitations used in connection with a candidate or party-related activity conducted in his or her home or the recreational room of his or her residential complex and such expenses will not be considered an in-kind contribution, provided the expenditures do not exceed one thousand dollars (\$1,000) per candidate per election.

(B) Any amounts over one thousand dollars (\$1,000) would need to be duly reported as an in-kind contribution.

(d) An individual may volunteer and obtain the use of a church or community center room for a candidate or party-related activities without incurring an in-kind contribution, provided the room is used on a regular basis without charge by members of the community without regard to political affiliation and for noncommercial purposes.

(e) An individual may spend a reasonable amount for his or her normal living expenses incurred while engaging in volunteer activity.

**Authority.** Arkansas Code § 7-6-217.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules contained the following footnotes:

A footnote to 7 CAR § 3-107(b)(2) cited "35 Arkansas Ethics Commission Opinion No. 96-EC-005".

A footnote to 7 CAR § 3-107(c)(3) following the phrase "and invitations" cited "36 This exemption does not cover the cost of mailing invitations, only the cost of printing invitations".

**7 CAR § 3-108. Personal use of campaign funds.**

(a)(1) A candidate shall not take campaign funds as personal income.

(2) A candidate shall not take any campaign funds as income for his or her spouse or dependent children, except that:

(A) An opposed candidate may employ his or her spouse or dependent children as campaign workers;

(B) The use of campaign funds to pay a candidate's childcare expenses shall not be considered a taking of campaign funds as personal income if the campaign funds are used to pay for childcare for the time the candidate is engaging in campaign activity and the childcare expenses would not exist in the absence of the campaign; and

(C) An opposed candidate who, during and before the election, takes a leave of absence without pay from his or her primary place of employment shall be authorized to take campaign funds before the election as personal income up to the amount of employment income lost as a result of the leave of absence.

(b) Campaign funds that are retained as remaining campaign funds are treated as campaign funds and may not be taken as personal income or as income for the candidate's spouse or dependent children.

**Authority.** Arkansas Code § 7-6-217.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules contained a footnote to 7 CAR § 3-108(a)(2)(A) as follows: "37 Ark. Code Ann. § 7-6-203(f)".

**7 CAR § 3-109. Use of campaign/remaining campaign funds — Personal use defined.**

(a)(1) For purposes of this section and throughout this part, a candidate or officeholder who uses campaign funds or remaining campaign funds to fulfill any commitment, obligation, or expense that would exist regardless of the candidate's campaign or officeholder activity and an officeholder who uses remaining campaign funds to fulfill any commitment, obligation, or expense that would exist regardless of the duties and responsibilities of his or her office shall be deemed to have taken campaign funds as personal income.

(2) Candidates or officeholders may use campaign funds or remaining campaign funds to fulfill any commitment, obligation, or expense:

(A) Authorized by law;

(B) Permitted by an Arkansas Ethics Commission rule or opinion at the time of the expenditure; or

(C) Reasonably and legitimately related to a campaign or officeholder activity.

(b) The use of campaign funds to purchase a cake or other perishable item of food at a fundraising event held by a volunteer agency, as defined in Arkansas Code § 16-6-103, shall not be considered a taking of campaign funds as personal income.

(c) The use of campaign funds to purchase advertising prior to the date the final report is due to be filed thanking voters for their support shall not be considered a taking of campaign funds as personal income.

(d) The use of campaign funds to pay a candidate's own personal expenses for food, lodging, or travel to attend a national presidential nominating convention shall not be considered a taking of campaign funds as personal income.

(e) If an expense is the result of campaign or officeholder activity, then it is not considered personal use and not prohibited by those sections and subsections herein limiting the personal use of campaign funds or remaining campaign funds.

(f) For those candidates who lose an election and have remaining campaign funds or for those officeholders who are no longer in office, personal use of such funds remains prohibited for expenses unless the expenses relate to a future candidacy.

(g) Pursuant to Arkansas Code § 7-6-203, knowingly taking campaign funds as personal income is a:

(1) Class B felony if the value of the benefit is twenty-five thousand dollars (\$25,000) or more;

(2) Class C felony if the value of the benefit is five thousand dollars (\$5,000) or more but less than twenty-five thousand dollars (\$25,000);

(3) Class D felony if the value of the benefit is two thousand five hundred dollars (\$2,500) or more but less than five thousand dollars (\$5,000); or

(4) Class A misdemeanor if the value of the benefit is less than two thousand five hundred dollars (\$2,500).

(h) It is an affirmative defense to a prosecution for taking campaign funds as personal income if the candidate or officeholder shows by a preponderance of the evidence that the personal property was retained as remaining campaign funds and the candidate or officeholder:

(1) Reported the personal property as campaign funds; and

(2) Retained or disposed of the personal property in the manner that is required by law for campaign funds.

**Authority.** Arkansas Code § 7-6-217.

**7 CAR § 3-110. Personal expenses — Prohibited uses.**

(a) Campaign funds may not be used to pay personal expenses.

(b) The following expenses are considered personal expenses per se:

(1) **Household food items and supplies.**

(A) This includes:

(i) Food purchased for day-to-day consumption in the personal residence; and

(ii) Supplies purchased to maintain the personal residence.

(B) It does not include:

(i) Food and supplies for fundraising activities, even if they take place in the candidate's home; and

(ii) Food or refreshments for meetings and gatherings related to the candidate's campaign;

**(2) Clothing.**

(A) This includes all attire for political or personal functions.

(B)(i) It does not include clothing of nominal value such as T-shirts or caps imprinted with a campaign logo or slogan or a candidate's name.

(ii) Such items may be purchased with campaign funds and are a legitimate campaign expense;

**(3) Mortgage, rent, and utility payments.**

(A) This includes any payments with respect to a personal residence of the candidate or his or her family, even if a portion of the residence is used by the campaign.

(B) It does not include payments made by a:

(i) Candidate with respect to other buildings or offices or office space used solely for campaign purposes, such as the campaign's headquarters, even if the candidate owns the space used, so long as the:

(a) Space is not the personal residence of the candidate or his or her family; and

(b) Campaign pays a fair market value for use of the space; or

(ii)(a) Member of the General Assembly with respect to an apartment leased solely for use while in the capitol on official business so long as the apartment is not maintained as the officeholder's primary personal residence and per diem is used to pay a proportional share of the rent and utilities incurred in connection with maintaining the apartment.

(b) That share shall be determined using a fraction, the numerator of which shall be the number of days per diem was received in a particular month and the denominator of which shall be the total number of days in that month.

(C) Furthermore, this prohibition does not apply to charges for long distance telephone calls made for campaign or officeholder purposes which may originate from the candidate's residence;

**(4) Membership dues, fees, or other gratuitous payments to nonpolitical organizations other than charities.**

(A) Campaign funds may not be used to make payments to a country club, health club, recreational facility, or other nonpolitical organization unless the payments are made in connection with a fundraising event or other political event that takes place on the organization's premises.

(B) The prohibition does not include membership dues in an organization that may offer political contacts, such as community-based:

- (i) Religious organizations;
- (ii) Ethnic organizations; and
- (iii) Other civic organizations; and

**(5) Donations and contributions to churches.**

(A) Donations and contributions to churches are not allowed from campaign funds while a candidate is seeking office unless the candidate had, prior to deciding to run for office, regularly given money to the church or had been a previous member of the particular church to which the expenditure is intended.

(B) Following the conclusion of the campaign, a candidate may donate or contribute remaining campaign funds to nonprofit, tax-exempt organizations as provided in Arkansas Code § 7-6-203(g)(1)(C).

**Authority.** Arkansas Code § 7-6-217.

**7 CAR § 3-111. Personal use — Determination by Arkansas Ethics Commission.**

(a) Whether an expense or use of campaign funds is to be considered a personal use or personal expense and therefore prohibited by the law and this part is a factual determination to be made by the Arkansas Ethics Commission.

(b) A person may seek an advisory opinion from the commission concerning whether a particular use of funds is to be considered personal use.

**Authority.** Arkansas Code § 7-6-217.

**7 CAR § 3-112. Automobile expenses.**

(a) The payment of travel expenses associated with automobile usage during a campaign is allowable.

(b) If a candidate wishes to use campaign funds for reimbursement of travel expenses, the following must be observed:

(1) The campaign may reimburse the candidate and/or campaign workers for actual miles driven relating to campaign activity at a reasonable mileage rate not to exceed the rate at which the State of Arkansas, pursuant to the General Accounting and Budgetary Procedures Law, Arkansas Code § 19-4-101 et seq., as amended, reimburses its employees for private automobile mileage for official business travel;

(2) The campaign must maintain records showing the date of travel, destination or destinations involved, purpose of travel, and odometer readings of each trip for which reimbursement is allowed;

(3) The candidate will be held responsible to ensure that accurate odometer readings are maintained;

(4) Maintenance costs should be paid from personal funds, not campaign funds, as the rate per mile necessarily includes depreciation and anticipated maintenance costs; and

(5)(A) Nothing in this rule shall prevent a campaign from leasing a vehicle from a third party for campaign use.

(B) The campaign may lease or rent a car for the exclusive use of the campaign, provided it pays the fair market value of all costs associated with the car pursuant to the lease or rent agreement.

(c) Following the election, the candidate may not use campaign or remaining campaign funds to reimburse the candidate or campaign workers for automobile expenses or travel unless the expense is related solely to preelection travel and the request for the reimbursement had been submitted to the campaign prior to the time of election or the expense relates solely to retiring a campaign debt.

**Authority.** Arkansas Code § 7-6-217.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules contained a footnote to 7 CAR § 3-112(b)(1) as follows: "38 Arkansas Ethics Commission Opinion No. 97-EC-005(B)".

**7 CAR § 3-113. Use or lease of airplane during campaign.**

(a)(1) A campaign or candidate may use campaign funds to lease an airplane for campaign purposes.

(2) As with automobile usage, described in 7 CAR § 3-112, the campaign or the candidate should ensure that accurate records are maintained and that the travel relates to campaign activity before using campaign funds to pay for the lease.

(b)(1) A candidate may lease an airplane to his or her campaign from a company in which he or she has a financial interest and pay for the lease from campaign funds.

(2) The lease payment must not exceed the amount necessary to reimburse the leasing business for actual expenditures made by the business related to the lease.

(3) If the candidate has a significant financial interest in the leasing company, neither the candidate nor the leasing company may make a profit from the lease agreement.

(4) When such a lease occurs, the candidate should report the expenditure by itemizing the:

(A) Amount paid;  
(B) Date of payment; and  
(C) Name and address of any person, including the candidate, to whom the expenditure was made.

**Authority.** Arkansas Code § 7-6-217.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules contained a footnote to 7 CAR § 3-113(b) as follows: "39 Arkansas Ethics Commission Opinion No. 97-EC-005(A)".

**7 CAR § 3-114. Payment of fines associated with campaign.**

(a)(1) Except as listed in subsections (b) and (c) of this section, a campaign or candidate may use campaign funds to pay fines associated with the campaign, as in the case of a fine issued by the Arkansas Ethics Commission for the late filing of a report.

(2) The payment of a fine for violations relating to a candidate's campaign duties is a political expenditure connected with the campaign and not a personal expense.

(3) If a fine is paid with campaign funds, it must be reported as a campaign expenditure and itemized on the next Contribution and Expenditure Report due, if exceeding one hundred dollars (\$100).

(b) If a candidate or officeholder is assessed a fine by the commission under Arkansas Code § 7-6-218(b)(4)(B) for the use of campaign funds or remaining campaign funds as personal income, a candidate or officeholder shall not use campaign funds or remaining campaign funds to pay the fine.

(c) If a candidate or officeholder uses campaign funds or remaining campaign funds to pay a fine imposed by the commission under Arkansas Code § 7-6-218(b)(4)(B) for the use of campaign funds or remaining campaign funds as personal income, the candidate or officeholder shall be deemed to have taken campaign funds as personal income.

**Authority.** Arkansas Code §§ 7-6-217, 7-6-218.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules contained a footnote to 7 CAR § 3-114(a) as follows: “40 Arkansas Ethics Commission Opinion No. 97-EC-002”.

**7 CAR § 3-115. Campaign expenditures — Use of funds to employ campaign workers, including the candidate and family members.**

(a)(1) A candidate may:

(A) Use campaign funds to employ people to work for the campaign; and

(B) Pay those employees reasonable wages or expenses, provided payment relates to campaign activity.

(2) A candidate or the campaign is allowed to hire employees or contract labor on a temporary basis to assist in such campaign matters as:

(A) Conducting polls;

(B) Providing transportation for electors to the polls;

(C) Posting signs and other forms of political advertising;

(D) Handling mail and telephone solicitation; and

(E) Other tasks related to campaign activity.

(b)(1) A candidate who is unopposed may not use campaign funds to employ family members.

(2)(A) If the candidate has an opponent, he or she may employ members of his or her family as campaign workers, provided the wage paid is reasonable.

(B) What constitutes a reasonable wage is a factual determination subject to review by the Arkansas Ethics Commission.

(C) Excessive wages may be viewed as personal income in violation of Arkansas Code § 7-6-203.

(c)(1) In addition to the personal income exceptions noted above, a candidate who has an opponent and who during and before the election takes a leave of absence

without pay from his or her primary place of employment shall be authorized to use campaign funds as personal income up to the amount of employment lost as a result of the leave.

(2) See 7 CAR § 3-108(a)(1)(C).

**Authority.** Arkansas Code § 7-6-217.

**7 CAR § 3-116. Campaign expenditures — Political conferences or seminars.**

(a)(1) Candidates may use campaign funds to reimburse themselves for attendance to in-state or out-of-state conferences or seminars on general political issues.

(2) During the campaign, funds may be used to reimburse campaign staff and spouses, provided their attendance to these conferences relates to the campaign.

(3)(A) After an election, remaining campaign funds may not be used to reimburse campaign workers, staff, or spouses of either the candidate or the workers for attendance at conferences or seminars.

(B) Officeholders are permitted to use remaining campaign funds to reimburse only themselves for travel associated with attending conferences or seminars on general political issues.

(b)(1) After an election, officeholders may use remaining campaign funds for reimbursement of travel associated with attending conferences or seminars on general political issues if there are remaining campaign funds.

(2) Remaining campaign funds must have been declared properly at the end of the election and reported in a timely fashion, and the use of the remaining campaign funds must be reported on a Reporting Form.

(c)(1) The use of campaign funds or remaining campaign funds after an election, as outlined in subsections (a) and (b) of this section, is only available for those candidates or officeholders who ended their respective campaigns with remaining campaign funds.

(2) Candidates or officeholders who end their campaigns either with no remaining campaign funds or in debt may not use or raise campaign funds for travel associated with attending conferences or seminars on general political issues.

(3)(A) Candidates who end campaigns in debt may not seek reimbursement for any post-election travel unless the travel is related to an event or fundraising effort designed for the sole purpose of retiring the campaign debt.

(B) Whether travel solely relates to efforts to retire a debt is a factual determination to be made by the Arkansas Ethics Commission.

**Authority.** Arkansas Code § 7-6-217.

### **7 CAR § 3-117. Time of making expenditure.**

(a) The date of a campaign or post-campaign expenditure is the date the amount is readily ascertainable by the person making the expenditure, except as provided in subsection (b) of this section.

(b)(1) If, under normal business practices, the amount of an expenditure is not known or readily ascertainable until receipt of a periodic bill, the date of the expenditure is the date the bill is received.

(2) Examples of expenditures to which this subsection is applicable are expenditures for utilities and telephone bills.

(c) An expenditure by credit card or in other ways charged to an account must be included in the report for the period during which the charge was made, not in the report for the period during which the statement from the credit card company or charge account was received.

**Authority.** Arkansas Code § 7-6-217.

### **7 CAR § 3-118. Campaign cash expenditures.**

(a) Except as noted in subsection (c) of this section, no campaign expenditure in excess of fifty dollars (\$50.00) shall be made in cash.

(b) All expenditures on behalf of a campaign activity, in excess of fifty dollars (\$50.00), shall be made by a written instrument containing the name of the payee.

(c)(1) The payment of filing fees may be in cash even though the amount exceeds fifty dollars (\$50.00).

(2) The candidate shall:

(A) Obtain a receipt for the payment; and

(B) Report it as either a loan or contribution to the campaign and also as a campaign expenditure.

**Authority.** Arkansas Code § 7-6-217.

### **7 CAR § 3-119. Description of campaign expenditures.**

(a) The report disclosing a campaign expenditure for goods or services must describe the category or categories of goods or services received in exchange for the expenditure.

(b) It is not sufficient simply to list the payee.

**Authority.** Arkansas Code § 7-6-217.

### **7 CAR § 3-120. Reporting expenditures by credit card.**

(a)(1) In addition to the reporting requirements outlined in 7 CAR § 3-117(c) and 7 CAR § 3-119, report of an expenditure by credit card must identify the vendor who receives the payment from the credit card company.

(2) The nature of the expenditures should be included in the applicable category on the Contribution and Expenditure Report.

(b)(1) Expenditures by credit card should not be reflected or reported as lump sum expenditures.

(2) Instead, expenditures by credit card are to be itemized showing:

(A) Name of vendor;

(B) Amount of payment or expense;

- (C) Date of expense; and
- (D) Item purchased or reason for expenditure.

**Authority.** Arkansas Code § 7-6-217.

**7 CAR § 3-121. Allowable expenditures — Purchase of advertisements and awards.**

(a)(1) Candidates and officeholders may purchase advertisements in publications of charitable, civic, and educational organizations.

(2) This is permissible for officeholders even if the expenses are related to their holding office and not reimbursable by the state.

(3) Campaign and remaining campaign funds may be used to buy items such as ads in school yearbooks, as these purchases serve to increase public visibility for the candidates and officeholders.

(b)(1) Following an election, but not before, a candidate or officeholder who ends his or her campaign with remaining campaign funds may use those funds to purchase items given as awards in recognition of accomplishments where they are presented by a current officeholder in person.

(2) Such items include the purchase of United States and state flags flown at the State Capitol and given to schools in subsequent ceremonies.

**Authority.** Arkansas Code § 7-6-217.

**7 CAR § 3-122. Allowable expenditures — Purchase of banquet tickets for charitable, civic, or political events.**

(a)(1) Candidates may purchase tickets from charities, civic organizations, and political parties for banquets or other similar special social events.

(2) This includes the purchase of a table if the customary and normal practice of the banquet is the purchasing of a table as opposed to individual tickets.

(3) Purchase of tickets for a candidate's spouse and campaign workers is likewise permissible with campaign funds.

(4) The presence at a banquet increases public visibility of candidates.

(5) If the candidate purchases a table of seats or tickets, the candidate shall make all reasonable efforts to attend the banquet.

(b)(1) Officeholders who ended their campaigns with remaining campaign funds may use these funds to purchase tickets from charities, civic organizations, and political parties for banquets or other similar special social events.

(2) The presence of officeholders increases the public visibility of officeholders and, for that reason, officeholders who purchase tickets should make all reasonable efforts to attend the banquet.

(3) Officeholders may use remaining campaign funds to purchase a ticket for a spouse, but remaining campaign funds should not be used to purchase tickets for:

- (A) State Capitol staff;
- (B) Current staff; or
- (C) Former campaign workers.

**Authority.** Arkansas Code § 7-6-217.

**7 CAR § 3-123. Allowable expenditures — Office equipment.**

(a) Candidates and officeholders may use campaign or remaining campaign funds for lease, rental, or use charges of any ordinary and necessary office equipment including, but not limited to:

- (1) Copy machines;
- (2) Telephones;
- (3) Postage meters;
- (4) Facsimile machines;
- (5) Computer hardware and software;
- (6) Printers; and
- (7) Video equipment.

(b) Party committees, candidate committees, and political committees organized for ongoing political activities may purchase space or office equipment for ongoing political concerns.

**Authority.** Arkansas Code § 7-6-217.

**7 CAR § 3-124. Allowable expenditures — Miscellaneous campaign-related expenditures.**

(a)(1) In addition to those expenditures listed throughout this part, candidates and officeholders are free to expend campaign funds on any purpose designed to further their campaign or office as long as it is not for personal income or otherwise prohibited by law.

(2) Examples of other miscellaneous expenses on which candidates or officeholders may lawfully expend money include, but are not limited to:

(A) Flowers, sympathy gifts, or other nominal memorial items to a constituent's funeral or family;

(B) Hiring public halls and music for political meetings, furnishing music, uniforms, banners, or fireworks for political clubs, parades, or like events, and for related advertising of same;

(C) Printing and circulating:

(i) Political communications;

(ii) Sample ballots; or

(iii) Ballot labels; and

(D) Sponsorship of a sports team.

(b)(1) This list is not exhaustive.

(2) As noted, the determination whether a campaign expense is allowable is a factual determination to be made by the Arkansas Ethics Commission.

(3) The commission may periodically issue advisory opinions determining allowable expenditures and such opinions should be considered as an addition to any listing of expenditures herein.

**Authority.** Arkansas Code § 7-6-217.

**7 CAR § 3-125. Campaign assets.**

(a)(1) After a campaign has ended, campaign assets must be disposed of in the manner prescribed by Arkansas Code § 7-6-203(g), whether by sale of property for money or transfer of property in accordance with Arkansas Code § 7-6-203(g).

(2) The candidate is responsible for assigning a fair market value to all assets of the campaign.

(b)(1) A candidate may retain campaign signs, campaign literature, and other printed campaign materials that:

(A) Were purchased by the campaign;

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

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

(2) A candidate may reuse the campaign signs, campaign literature, and other printed campaign materials in future campaigns and is not required to list the campaign signs, campaign literature, and other printed campaign materials in future contribution and expenditure reports.

**Authority.** Arkansas Code § 7-6-217.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules contained the following footnotes:

A footnote to 7 CAR § 3-125(a)(1) cited "41 Arkansas Ethics Commission Opinion No. 92-EC-020".

A footnote to 7 CAR § 3-125(a)(2) cited "42 For the definition of fair market value, see § 200(i) supra".

A footnote to 7 CAR § 3-125(b)(2) cited "43 Ark. Code Ann. § 7-6-228".

### **7 CAR § 3-126. Repayment of loans.**

(a) During an election cycle, a candidate may use campaign contributions to repay loans made by:

- (1) The candidate from his or her personal funds to the campaign; or
- (2) Financial institutions to the candidate and applied to the campaign.

(b)(1) After an election, a candidate may retain any campaign contributions required to repay loans made by:

- (A) The candidate from his or her personal funds to the campaign; or
  - (B) Financial institutions to the candidate and applied to the campaign.
- (2) Such contributions are subject to applicable campaign contribution limits.

**Authority.** Arkansas Code § 7-6-217.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules contained a footnote to 7 CAR § 3-126(b)(1) as follows: "44 Ark. Code Ann. § 7-6-201(17)(A)".

### **7 CAR § 3-127. Remaining campaign funds.**

(a) In ascertaining the amount of remaining campaign funds, as defined in 7 CAR § 3-101(25), the candidate shall take the total of all cash on hand (currency), balances on deposit in any bank or other depository institution, money orders, checks, traveler's checks or cash equivalents, certificates of deposit, treasury bills, and any other investment by the candidate or his or her committee valued at fair market value with the total amounts owed to the candidate or his or her committee in the form of credits, refunds or returns, or receivables and subtract therefrom the sum of the total amount of unpaid debts and obligations incurred with respect to the election.

(b)(1) A candidate who has remaining campaign funds, as defined in 7 CAR § 3-101(25), not otherwise obligated for the payment of campaign expenses incurred shall disclose on the final report filed following the general election how such remaining funds were distributed.

(2) A candidate may turn over remaining campaign funds to either:

(A) The Treasurer of State for the benefit of the General Revenue Fund Account of the State Apportionment Fund;

(B) A political party as defined in Arkansas Code § 7-1-101 or a political party caucus of the:

(i) General Assembly;

(ii) Senate; or

(iii) House of Representatives;

(C) A nonprofit organization that is exempt from taxation under 26 U.S.C. § 501(c)(3) of the Internal Revenue Code;

(D) Cities of the first class, cities of the second class, or incorporated towns; or

(E) The contributors to the candidate's campaign, provided that no contributor may receive more than the amount contributed by such contributor for that election.

(c)(1) Notwithstanding the provisions of subdivision (b)(2) of this section, the candidate may elect to retain remaining campaign funds.

(2) If funds are retained pursuant to this section, they may be used as provided for in 7 CAR § 3-128.

(d) Remaining campaign funds given to a political party caucus shall:

(1) Be segregated in an account separate from other caucus funds; and

(2) Not be used by the political party caucus to make a campaign contribution or to provide any personal income to any candidate who donated campaign funds or remaining campaign funds.

(e) If a candidate loses an election or if an officeholder is no longer in office and has campaign funds remaining, personal use of remaining campaign funds remains

prohibited by this section unless the expenses relate to a future candidacy and shall comply with 7 CAR § 3-109.

**Authority.** Arkansas Code § 7-6-217.

**7 CAR § 3-128. Remaining campaign funds — Used as officeholder expenses.**

(a)(1) In addition to the uses of remaining campaign funds as described in 7 CAR §§ 3-121 – 3-124, an officeholder with remaining campaign funds may use such funds for future office-related or future campaign expenses.

(2) Nothing shall prohibit a person at any time from disposing of his or her remaining campaign funds in the same manner as prescribed in 7 CAR § 3-127.

(b)(1) If funds are retained pursuant to 7 CAR § 3-127(c), the candidate shall maintain the account, separate from any personal or other account.

(2) Any remaining campaign funds held in this account shall be used only for future campaigns involving the candidate in a nonfederal office and/or legitimate expenses in connection with the candidate's public office.

(c)(1) Legitimate office expenses include transportation incurred by the officeholder or a member of his or her staff incurred in the operation of the office.

(2) The funds may be used to purchase:

(A) Office supplies and/or equipment for use in the office or in future campaigns; or

(B) Advertisements for the office in such publications as a school's yearbook.

(3) The funds may be used to reimburse the officeholder or his or her staff for meals or lodging in connection with the operation of the office or future campaigns.

(4) The funds may be used to purchase invitations or notices to political events, as well as to purchase gifts or commemorative items for staff members or their families in times of sickness, death, or family emergency.

(5) The funds could be used to offset any reasonable and legitimate office expense that is otherwise not reimbursable from public funding.

(d)(1) The remaining campaign funds may be deposited in an interest-bearing account.

(2) However, all deposits, withdrawals, and interest earned thereon shall be reported on the appropriate Contribution and Expenditure Report during the applicable reporting period.

(e)(1) Upon leaving public office, any person who has funds in a campaign account pursuant to this subsection remaining on deposit shall be able to retain such funds for not more than ten (10) years after the last election at which he or she was a candidate or, if applicable, not more than ten (10) years after the last day that the person held office.

(2) The person may give such funds to:

(A) The Treasurer of State to be deposited in the General Revenue Fund;

(B) A political party, as defined by Arkansas Code § 7-1-101, or a political party caucus of the:

(i) General Assembly;

(ii) Senate; or

(iii) House of Representatives;

(C) A nonprofit organization that is exempt from taxation under 26 U.S.C. § 501(c)(3) of the Internal Revenue Code; or

(D) Cities of the first class, cities of the second class, or incorporated towns.

(f) No candidate, nor any person on behalf of a candidate, may accept contributions or funds after the candidate has withdrawn his or her nomination or after the candidate has been eliminated as a candidate.

(g) The use of remaining campaign funds to pay an elected candidate's own personal expenses for food, lodging, conference fees, or travel to attend a conference related to the performance of his or her responsibilities as an elected official:

(1) Shall not be considered a taking of campaign funds as personal income;

(2) The reimbursement of expenses shall be a result of travel and the source of the reimbursement shall be authorized under the rules of the House of Representatives or the Senate and used to reimburse the campaign account; and

(3) The reimbursement amount shall be reported in the elected candidate's campaign fund report.

**Authority.** Arkansas Code § 7-6-217.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules contained a footnote to 7 CAR § 3-128(e)(1) as follows: "45 Ark. Code Ann. § 7-6-203(g)(2)(C)".

**7 CAR § 3-129. Remaining campaign funds — Time frame for reporting expenditures.**

(a) If a candidate keeps remaining campaign funds after an election, the candidate shall continue filing reports.

(b) A candidate required to file reports in electronic form may file reports in paper form under this section.

(c)(1) A candidate filing reports in paper form under subsection (b) of this section shall submit with his or her first paper report in an election cycle a notarized affidavit on a form prepared by the Secretary of State.

(2) The Secretary of State shall not accept a report in paper form under subsection (b) of this section and this subsection if a notarized affidavit was not submitted with the first paper report in the election cycle.

(d)(1) The Secretary of State shall make available to candidates wishing to file reports in paper form under this section:

(A) Information on the deadlines for filing required reports; and

(B)(i) Appropriate forms and instructions for complying with the deadlines.

(ii) The Arkansas Ethics Commission shall approve the forms and instructions used by the Secretary of State to ensure that all required information is requested.

(2) Reports shall be filed on the forms furnished by the Secretary of State, except that computer-generated contribution and expenditure reports shall be accepted by the Secretary of State and the commission, provided that all of the requisite elements are included.

(e)(1) A report submitted in paper form under this section other than a preelection report is timely filed if it is either hand delivered or mailed to the Secretary of State, properly addressed, and postage prepaid, bearing a postmark indicating that it was received by the post office or common carrier on the date that the report is due.

(2) The Secretary of State shall accept a report via facsimile, provided the original is received by the Secretary of State within ten (10) days of the date of facsimile transmission.

(f) The Secretary of State shall make available all campaign contribution and expenditure reports submitted in paper form, and affidavits accompanying reports filed in paper form, on a portion of the official website of the Secretary of State.

**Authority.** Arkansas Code § 7-6-217.

### **7 CAR § 3-130. Retirement of debt.**

(a)(1) At the time when the candidate's final report is due, the candidate shall:

- (A) Determine the current status of the campaign account; and
- (B) Ascertain whether the campaign ended with remaining campaign funds or in debt.

(2) In order to determine whether there is a net debt outstanding from a particular election, the candidate must prove net debts outstanding as of the date of the election.

(b) For purposes of this section, "net debts outstanding" means the total amount of unpaid debts, loans, and obligations incurred with respect to the campaign, less the sum of:

(1) The total cash on hand available to pay those debts, loans, and obligations, including:

(A) Currency;

(B) Balances on deposit in banks and other financial institutions;

(C) Checks;

(D) Drafts;

(E) Money orders;

(F) Traveler's checks;

(G) Certificates of deposit;

(H) Treasury bills; and

(I) Any other candidate or committee investments valued at fair market value; and

(2) The total amount owed to the candidate or political committee in the form of credits, refunds of deposits, returns, or receivables or a commercially reasonable amount based on the collectability of those:

(A) Credits;

(B) Refunds;

(C) Returns; or

(D) Receivables.

(c) For purposes of this section, any bill or matter not listed as a debt as of the filing of the final report and any obligation not included on the final report and for which there is no proof of receipt or existence of bill or other documentation of expenditure or indebtedness as of the filing of the final report, shall not be considered as part of the net debts outstanding.

(d) Matters that will not be considered as legitimate campaign debts include, but are not limited to:

(1) Campaign workers' salary bonuses;

(2) Mileage on behalf of the candidate or any member of the candidate's immediate family, unless said mileage was regularly paid by the candidate throughout the campaign; and

(3) Postage, photocopying, meals, lodging or utility bills, or other miscellaneous bills that, during the campaign, were not billed to the campaign nor paid by the campaign, but billed to and/or paid by the candidate or the candidate's family unless, at the time of filing the final report, the candidate is able to provide an itemization of each bill that constitutes the debt and for which retirement is sought.

(e)(1) For purposes of this section, "reasonable and legitimate costs and administrative expenses of debt retirement" means those post-election expenses directly related to a particular debt retirement function, performed not for matters generally incidental to political activity or holding an office, but for matters specifically and solely related to retiring a legitimate campaign debt.

(2) If the expense is for personnel services or staff salaries, such services or salaries must be directly and solely for the express purpose of retiring the campaign debt or debts noted by the candidate in his or her final report and not related to general political functions incidental to holding an office or campaigning for a future office.

(3) An expense is reasonably and legitimately related to debt retirement if it is generated by activity which, but for the existence of a legitimate campaign debt and efforts to retire same, would not otherwise have been undertaken and the related expense not otherwise incurred.

(f)(1) Contributions received for debt retirement shall be treated as contributions to the candidate's previous election, and all campaign contribution limits shall continue to apply.

(2) If a contributor makes a contribution after the general election to retire a debt associated with the general election, the campaign limits applicable to contributions for the general election would apply.

(g)(1) Contributors shall be given notice that the campaign contributions are for the purpose of retiring a campaign debt.

(2) Any invitation to or notice of a fundraiser to retire a campaign debt of a previous campaign shall state that the funds will be used to retire a campaign debt.

(h) A candidate who is a candidate in the general election may pay primary election debts and obligations with funds obtained through contributions made towards the general election campaign.

(i)(1) A person shall file a Campaign Contribution and Expenditure Report concerning a campaign debt if, since the last report concerning the debt, the person has received cumulative contributions in excess of five hundred dollars (\$500).

(2) The report shall be filed not later than fifteen (15) days after a calendar quarter in which a report becomes required.

(3) No report is required in any calendar quarter in which the cumulative contribution or cumulative expenditure limit has not been exceeded since the person's last report.

**Authority.** Arkansas Code § 7-6-217.

### **7 CAR § 3-131. Retirement of past campaign debts.**

(a)(1) Candidates and officeholders are permitted to raise funds to retire campaign debts from prior campaigns.

(2) Funds can be raised after a current campaign has ended or during a current campaign, provided the notice requirements of 7 CAR § 3-130(g) are fulfilled.

(3) If there is another ongoing campaign account, candidates or officeholders should ensure that a separate account is established for the purpose of retiring the prior campaign debts.

(4) Remaining campaign funds from a current campaign account, however, may be used to retire the debt, as explained in subsections (b) and (d) of this section, provided the candidate has ended the current campaign and the debt relates to personal loans to a prior campaign.

(b) If a candidate or officeholder desires to raise funds to retire a prior debt at a time when a different campaign is ongoing, the candidate or officeholder must ensure

that the notice explains that the debt to be retired relates to a specific prior campaign and not the current ongoing campaign.

(c) A candidate whose prior campaign debts relate to funds or personal loans and the repayment of such debts or loans would be in the form of reimbursement to the candidate may wait until the current campaign has ended and use remaining campaigning funds to repay prior campaign loans the candidate may have made to his or her campaign.

(d)(1) A candidate whose prior campaign debts relate to funds other than personal loans or personal contributions may not use remaining campaigning funds from a current campaign to repay debts relating to a different campaign.

(2) Instead, the candidate must retire the prior debt in the manner described in 7 CAR § 3-130.

**Authority.** Arkansas Code § 7-6-217.

#### **7 CAR § 3-132. Contributions by children and spouses.**

(a) Whenever a person provides his or her dependent children with funds and the child uses those funds to make a contribution to a candidate, the contribution shall be attributed to such person for purposes of applying the contribution limits per election.

(b) Contributions by independent children and spouses of contributors will be attributed to the independent children and the spouse individually, provided the independent children or the spouse intended to make such a contribution on his or her own behalf.

**Authority.** Arkansas Code § 7-6-217.

#### **7 CAR § 3-133. Political party and group activities — Exceptions to the definitions of contribution and expenditure.**

For purposes of this part and laws governing campaign finance, the terms contribution and expenditure shall not include:

(1) Activity sponsored and funded by political parties, as defined in Arkansas Code § 7-1-101, to promote their candidates or nominees through events such as dinners, luncheons, rallies, or similar gatherings;

(2) Nonpartisan activity designed to encourage individuals to vote or register to vote; or

(3) Any communication by any membership organization to its members or stockholders if the membership organization or corporation is not organized primarily for the purpose of influencing the nomination for election or election of any candidate.

**Authority.** Arkansas Code § 7-6-217.

### **7 CAR § 3-134. Records of contributions and expenditures.**

(a) A candidate, a political party, or a person acting on a candidate's behalf shall keep records of all contributions and expenditures in a manner sufficient to evidence compliance with this part and the campaign finance disclosure laws, Arkansas Code § 7-6-201 et seq.

(b) The records shall be made available to the Arkansas Ethics Commission and the prosecuting attorney in the district in which the candidate resides, and such records shall be maintained for a period of no less than four (4) years.

(c) If a candidate ends a campaign with remaining campaign funds as defined by Arkansas Code § 7-6-201(17) and 7 CAR § 3-101(25), he or she must maintain records of such campaign funds for no less than ten (10) years or until such time as the funds are expended completely or disposed of, whichever occurs first.

(d) The information required by this part, including any and all Contribution and Expenditure Reports, shall, upon proper filing, 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.

(e) The official website of the Secretary of State shall allow for searches of campaign contribution and expenditure report information required to be filed in electronic form under 7 CAR § 3-137(c)(1).

**Authority.** Arkansas Code § 7-6-217.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules contained a footnote to 7 CAR § 3-134(d) as follows: "46 Ark. Code Ann. § 7-6-214".

**7 CAR § 3-135. Reporting of candidate's own personal funds and loans from financial institutions.**

(a)(1) The transfer of a candidate's own personal funds to his or her own campaign shall be reported as either a:

(A) Loan from the candidate to his or her campaign; or

(B) Contribution from the candidate to his or her own campaign.

(2) In the event such funds are reported as a loan from the candidate to his or her campaign, campaign funds may be used to repay the candidate for the funds loaned by the candidate to his or her campaign.

(3) In the event such funds are reported as a contribution from the candidate to his or her campaign, campaign funds may not be used to repay the candidate for his or her funds contributed by the candidate to his or her campaign.

(b) Any personal loan a financial institution makes to a candidate that is applied to a candidate's campaign shall be reported as a loan from the candidate to his or her campaign.

(c) The candidate or someone acting on the candidate's behalf shall report the:

(1) Name of the financial institution;

(2) Amount of the loan; and

(3) Name of the guarantor, if any.

**Example:** On April 5, 1996, Candidate Jane receives a two thousand-dollar loan from Commercial Bank. She will use this loan to pay her campaign expenses. On her April report of contributions

and expenditures, Candidate Jane will disclose that she received a two thousand-dollar loan from Commercial Bank on April 5, 1996, listing it as a contribution. She must also disclose Commercial Bank's address and the guarantor's name (if there was a guarantor).

(d) The execution of a guaranty of repayment shall not be deemed a campaign contribution by the guarantor, but actual repayment of the loan by the guarantor shall constitute a campaign contribution and be subject to the campaign contribution limit per contributor per election.

**Authority.** Arkansas Code § 7-6-217.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules contained the following footnotes:

A footnote to 7 CAR § 3-135(b) cited "47 Arkansas Ethics Commission Opinion No. 92-EC-004".

A footnote to 7 CAR § 3-135(c) cited "48 Ark. Code Ann. § 7-6-210".

**7 CAR § 3-136. Verification of contribution and expenditure reports — All candidates.**

(a) All Contribution and Expenditure Reports filed by candidates shall be verified by affidavit of the candidate or a person acting on the candidate's behalf.

(b) This affidavit shall state that, to the best of the candidate's knowledge and belief, the information so disclosed is a complete, true, and accurate financial statement of the candidate's campaign contributions or expenditures.

**Authority.** Arkansas Code § 7-6-217.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules contained a footnote to 7 CAR § 3-136(b) as follows: “49 Ark. Code Ann. § 7-6-213”.

**7 CAR § 3-137. Reports of contributions — Candidates for state or district office, including district judge — Required reports and time for filing.**

(a)(1) For all candidates for state or district office, including district judge, the candidate or any person acting on the candidate’s behalf shall comply with the filings required by this part beginning with the first reporting period, either quarterly, monthly, or preelection, in which his or her total contributions or expenditures exceed five hundred dollars (\$500).

(2)(A) The payment of a filing fee from the candidate’s personal funds must be reported as either a loan or a contribution to the campaign and also as a campaign expenditure, but such payment shall not be counted towards the five hundred-dollar reporting trigger.

(B) See 7 CAR § 3-139(b).

(b) Except as provided in 7 CAR § 3-139 and Arkansas Code § 7-6-207(c), each candidate for state or district office, including district judge, or a person acting on the candidate’s behalf, shall file with the Secretary of State the following Contribution and Expenditure Reports:

(1)(A) For each quarter during a calendar year in which a candidate is not listed on any ballot for election, a quarterly report of all contributions received, with loans stated separately, and expenditures made during that quarter.

(B) The quarterly report shall be filed no later than fifteen (15) days after the end of each quarter.

(C) However, if a candidate files for office during the party filing period, for the quarter including the party filing period the candidate shall file monthly reports under subdivision (b)(2) of this section and Arkansas Code § 7-6-207(e) for the months of the quarter that include the party filing period;

(2)(A) Beginning with the month of January of a calendar year in which a candidate may be listed on any ballot for election, a monthly report of all contributions received, with loans stated separately, and expenditures made during that month.

(B) However, for any month in which certain days of that month are included in a preelection report required under subdivision (b)(3) of this section and Arkansas Code § 7-6-207(a)(1)(C) or a final report required under subdivision (b)(4) of this section and Arkansas Code § 7-6-207(a)(1)(D), no monthly report for that month shall be due.

(C) In the case of a primary or runoff election, those days of the month occurring after the date of such election shall be carried forward and included in the next monthly report.

(D) The monthly report shall be filed no later than twenty (20) days after the end of each month.

(E) With respect to a special election, the candidate shall file monthly reports beginning with the month in which the special election candidate's total campaign contributions or expenditures exceed five hundred dollars (\$500);

(3)(A) No later than seven (7) days prior to any preferential primary election, runoff election, general election, or special election in which the candidate's name appears on the ballot, a candidate must file a preelection report of all contributions received, with loans stated separately, and expenditures made between the period covered by the previous report and the period ten (10) days before the election.

(B) In case of a runoff election, the report shall cover all contributions received and expenditures made during the period of time that begins after the date of the election from which the runoff arose and ends ten (10) days before the runoff election;

(4)(A) No later than the last day of the month after the end of the month in which the candidate's name has appeared on the ballot in any primary election, runoff election, general election, or special election, or when only one (1) candidate qualifies for a particular office or position and no position or name of an unopposed candidate shall appear on a ballot, a final report of all contributions received, with loans stated

separately, and expenditures made for that election that have not been disclosed on reports previously required to be filed.

(B) The final report closes out the handling of the financing for the particular election (e.g., primary) and the balance, if any, shall be brought forward to the first monthly report for the next election (e.g., general).

(C) A final report is required regardless of whether a candidate has received contributions or made expenditures in excess of five hundred dollars (\$500);

(5)(A)(i) No later than thirty (30) days after the end of the month in which the candidate has withdrawn, a final report of all contributions received, with loans stated separately, and expenditures made that have not been disclosed on reports previously required to be filed.

(ii) Moreover, if a candidate withdraws from the campaign, the candidate shall notify the Secretary of State in writing of the withdrawal.

(B)(i) If a candidate keeps remaining campaign funds after an election, but does not have any activity before the end of the year, the candidate shall not be required to file a fourth quarter report.

(ii) If a candidate keeps remaining campaign funds and raises campaign funds for a future campaign, or expends campaign funds for office holder expenses or a future election, the candidate shall continue filing the reports required by this subsection; and

(6) If a candidate files for office during the party filing period, for the quarter including the party filing period the candidate shall:

(A) File monthly reports under subdivision (b)(2) of this section for the months of the quarter that includes the party filing period; and

(B) Not file a quarterly report under subdivision (b)(1) of this section for the quarter that includes the party filing period.

(c)(1) A report is timely filed if it is filed in electronic form through the official website of the Secretary of State on or before the date that the report is due.

(2) The Arkansas Ethics Commission shall approve the format used by the Secretary of State for the filing of campaign contribution and expenditure reports in

electronic form under subdivision (c)(1) of this section to ensure that all required information is requested.

(3) The official website of the Secretary of State shall allow for searches of campaign contribution and expenditure report information filed in electronic form under subdivision (c)(1) of this section.

(d) A candidate required to file campaign contribution and expenditure reports in electronic form under subsection (c) of this section may file reports in paper form under this section.

(e)(1) A candidate filing reports in paper form under subsection (d) of this section shall submit with his or her first paper report in an election cycle a notarized affidavit on a form prepared by the Secretary of State.

(2) The Secretary of State shall not accept a report in paper form under subdivision (d) of this section if a notarized affidavit was not submitted with the first paper report in the election cycle.

(f)(1) The Secretary of State shall make available to candidates wishing to file reports in paper form under this section:

(A) Information on the deadlines for filing required reports; and

(B)(i) Appropriate forms and instructions for complying with the deadlines.

(ii) The commission shall approve the forms and instructions used by the Secretary of State to ensure that all required information is requested.

(2) Reports shall be filed on the forms furnished by the Secretary of State, except that computer-generated contribution and expenditure reports shall be accepted by the Secretary of State and the commission provided that all of the requisite elements are included.

(g)(1)(A) A report submitted in paper form under this section other than a preelection report is timely filed if it is either hand delivered or mailed to the Secretary of State, properly addressed, and postage prepaid, bearing a postmark indicating that it was received by the post office or common carrier on the date that the report is due.

(B) A preelection report submitted in paper form under this section is timely filed if it is received by the Secretary of State no later than seven (7) days before the election for which it is filed.

(2) The Secretary of State shall accept a report via facsimile, provided the original is received by the Secretary of State within ten (10) days of the date of facsimile transmission.

(h) The Secretary of State shall make available campaign reports submitted in paper form, and affidavits accompanying reports filed in paper form, on a portion of the official website of the Secretary of State.

(i)(1) For each financial institution the candidate and committee working on the candidate's behalf use for the purposes of receiving contributions or making expenditures within this state, the following information shall be submitted to the Secretary of State with the initial report filed under this section:

(A) The full name of the financial institution; and

(B) For the financial institution, the:

(i) Street address;

(ii) City;

(iii) State; and

(iv) United States postal zip code of the financial institution.

(2) The information disclosed under subdivision (i)(1) of this section:

(A) Shall be made available to the commission upon request;

(B) Is not a public record; and

(C) Is exempt from disclosure under the Freedom of Information Act of 1967, Arkansas Code § 25-19-101 et seq.

**Authority.** Arkansas Code § 7-6-217.

**7 CAR § 3-138. Contents of reports of contributions and expenditures — Candidates for state or district office, including district judge.**

(a) The Contribution and Expenditure Reports referenced in 7 CAR § 3-137 shall indicate:

(1) The total amount of contributions received, with loans stated separately, the total amount of expenditures made during the filing periods, and the cumulative amount of those totals for the entire election cycle;

(2) The name and address of each person, including the candidate, who made a contribution or contributions that, in the aggregate, exceed two hundred dollars (\$200);

(3) The contributor's principal place of business, employer, occupation, amount contributed, the date the contribution was accepted by the candidate, and the aggregate contributed for each election;

(4) The name and address of each person, including the candidate, who contributed a nonmoney item, together with a description of the item, the date of receipt, and the value, not including volunteer services by individuals;

(5) An itemization of all single expenditures made that exceed one hundred dollars (\$100), including the:

(A) Amount of the expenditure;

(B) Name and address of any person, including the candidate, to whom the expenditure was made; and

(C) Date the expenditure was made;

(6) A list of all paid campaign workers and the amount the workers were paid;

(7) A list of all expenditures by category, including, but not limited to:

(A) Television, radio, print, and other advertising;

(B) Direct mail;

(C) Office supplies;

(D) Rent;

(E) Travel;

(F) Expenses;

(G) Entertainment; and

(H) Telephone;

(8) The total amount of all nonitemized expenditures made during the filing period; and

(9) The current balance of campaign funds.

(b)(1) In addition to the requirements noted above in subsection (a) of this section, if a candidate's campaign has ended and the candidate does not retain remaining campaign funds, the final report for the general election, or for the primary if the candidate fails to win the primary, shall also indicate how the remaining campaign funds, if any, were disposed of pursuant to Arkansas Code § 7-6-203 and 7 CAR § 3-127.

(2) If a candidate's campaign has ended and the candidate is retaining remaining campaign funds, the final report shall also indicate the amount of funds retained by the candidate as remaining campaign funds.

(c) Candidates for state and district offices (including the office of district judge) shall file Campaign Contribution and Expenditure Reports with the Secretary of State.

**Authority.** Arkansas Code § 7-6-217.

**7 CAR § 3-139. Exceptions to filing reports of contributions — Candidates for state or district office, including district judge.**

(a) For those candidates covered by 7 CAR §§ 3-137 – 3-138, the candidate or person acting on the candidate's behalf shall comply with the filings required by this section upon receiving contributions or making expenditures totaling in excess of five hundred dollars (\$500).

(b)(1) A candidate who has not received contributions or made expenditures in excess of five hundred dollars (\$500) shall not be required to file any reports other than the final report or reports required under 7 CAR § 3-137(b)(4).

(2) In calculating the amount of contributions received or expenditures made for purposes of this exception, the payment of a filing fee from the candidate's personal funds shall not be counted towards the five hundred-dollar reporting trigger.

(3) Once a report becomes due, however, the payment of the filing fee from the candidate's personal funds must be reported as either a loan or contribution to the campaign and also as a campaign expenditure.

(c) The preelection reports referenced in 7 CAR § 3-137(b)(3) are only required for candidates with opponents in those elections.

**Authority.** Arkansas Code § 7-6-217.

**7 CAR § 3-140. Reports of contributions — Candidates for school district, township, or municipal office — Required reports and time for filing.**

(a) Except as provided in 7 CAR § 3-142 and Arkansas Code § 7-6-208(d), each candidate for a school district, township, or municipal office, or a person acting on the candidate's behalf, shall file with the county clerk in the county where the election is held on the appropriate forms furnished by the Secretary of State, the following Contribution and Expenditure Reports:

(1)(A) For each year in which a candidate is not listed on a ballot for election, file an annual report of all contributions received and expenditures made during that year.

(B) The annual report shall be filed no later than fifteen (15) days after the end of the year;

(2)(A) No later than seven (7) days prior to any preferential primary election, runoff election, general election, school election, or special election in which the candidate's name appears on the ballot, file a preelection report of all contributions received, with loans stated separately, and expenditures made between the period covered by the previous report, if any, and the period ten (10) days before the election.

(B) In case of a runoff election, the report shall cover all contributions received and expenditures made during that period of time that begins after the date of the election from which the runoff arose and ends ten (10) days before the runoff election;

(3)(A) No later than thirty (30) days after the end of the month in which the candidate's name has appeared on the ballot in any preferential primary election, runoff election, general election, school election, or special election, or when only one (1) candidate qualifies for a particular office or position and no position or name of an unopposed candidate shall appear on a ballot, file a final report of all contributions received, with loans stated separately, and expenditures made that have not been disclosed on reports previously required to be filed.

(B) A final report is required regardless of whether a candidate has received contributions or made expenditures in excess of five hundred dollars (\$500);

(4) File supplemental reports of all contributions received, with loans stated separately, and expenditures made after the date of preparation of the final report, and the supplemental reports shall be filed within thirty (30) days after the receipt of a contribution or the making of an expenditure;

(5)(A) No later than thirty (30) days after the end of the month in which the candidate has withdrawn, file a final report of all contributions received, with loans stated separately, and expenditures made that have not been disclosed on reports previously required to be filed.

(B) Moreover, if a candidate withdraws from the campaign, the candidate shall notify the county clerk in writing of the withdrawal; and

(6) If a candidate keeps remaining campaign funds after an election, the candidate shall continue filing the reports required by this section.

(b) A report is timely filed when it is received in the county clerk's office no later than the date the report is due.

**Authority.** Arkansas Code § 7-6-217.

**7 CAR § 3-141. Contents of reports of contributions — Candidates for school district, township, or municipal office.**

(a) The Campaign Contribution and Expenditure Reports required by 7 CAR § 3-140 shall indicate:

(1) The total amount of contributions received, with loans stated separately, the total amount of expenditures made during the filing periods, and the cumulative amount of these totals for the entire election cycle;

(2) The name and address of each person, including the candidate, who has made a contribution or contributions that, in the aggregate, exceed two hundred dollars (\$200), the contributor's principal place of business, employer, occupation, the date the contribution was accepted by the candidate, the amount contributed, and the aggregate contributed for each election;

(3) The name and address of each person, including the candidate, who contributed a nonmoney item, together with a description of the item, the date of receipt, and the value, not including volunteer service by individuals;

(4) An itemization of all single expenditures made that exceed one hundred dollars (\$100), including the:

(A) Amount of the expenditure;

(B) Name and address of any person, including the candidate, to whom the expenditure was made; and

(C) Date of the expenditure;

(5) A list of all paid campaign workers and the amount the workers were paid;

(6) A list of all expenditures by category, including, but not limited to:

(A) Television, radio, print, and other advertising;

(B) Direct mail;

(C) Office supplies;

(D) Rent;

(E) Travel;

(F) Expenses;

(G) Entertainment; and

(H) Telephone;

(7) The total amount of all nonitemized expenditures during the filing period;

and

(8) The current balance of campaign funds.

(b)(1) In addition to the requirements noted above in subsection (a) of this section, if a candidate's campaign has ended and the candidate does not retain remaining campaign funds, the final report for the general election, or for the primary if the candidate fails to win the primary, shall also indicate how the remaining campaign funds, if any, were disposed of pursuant to Arkansas Code § 7-6-203 and 7 CAR § 3-127.

(2) If a candidate's campaign has ended and the candidate is retaining remaining campaign funds, the final report shall also indicate the amount of funds retained by the candidate as remaining campaign funds.

**Authority.** Arkansas Code § 7-6-217.

**7 CAR § 3-142. Exceptions to filing reports of contributions — Candidates for school district, township, or municipal office.**

(a) For those candidates covered by 7 CAR §§ 3-140 – 3-141, the candidate or person acting on the candidate's behalf shall comply with the filings required by this section upon receiving contributions or making expenditures totaling in excess of five hundred dollars (\$500).

(b)(1) A candidate or any person acting on the candidate's behalf who has not received contributions or made expenditures in excess of five hundred dollars (\$500) as of the date a preelection report is due shall not be required to file the preelection report required by Arkansas Code § 7-6-208(a)(1) and 7 CAR § 3-140(a)(1).

(2) In calculating the amount of contributions received or expenditures made for purposes of this exception, the payment of the filing fee from the candidate's personal funds shall not be counted towards the five hundred-dollar reporting trigger.

(3) Once a report becomes due, however, the payment of the filing fee from the candidate's personal funds must be reported as either a loan or contribution to the campaign and also as a campaign expenditure.

(c) The preelection reports referenced in 7 CAR § 3-140(a)(1) are only required for candidates with opponents in those elections.

**Authority.** Arkansas Code § 7-6-217.

**7 CAR § 3-143. Reports of contributions — Candidates for county office — Required reports and time for filing.**

(a) Except as provided in 7 CAR § 3-145 and Arkansas Code § 7-6-209(d), each candidate for a county office, or a person acting on the candidate's behalf, shall file with the county clerk in the county where the election is held on the appropriate forms furnished by the Secretary of State, the following Contribution and Expenditure Reports:

(1)(A) For each year in which a candidate is not listed on a ballot for election, file an annual report of all contributions received and expenditures made during that year.

(B) The annual report shall be filed no later than fifteen (15) days after the end of the year;

(2)(A) No later than seven (7) days prior to any preferential primary election, runoff election, general election, or special election in which the candidate's name appears on the ballot, file a preelection report of all contributions received, with loans stated separately, and expenditures made between the period covered by the previous report, if any, and the period ten (10) days before the election.

(B) In case of a runoff election, the report shall cover all contributions received and expenditures made during that period of time that begins after the date of the election from which the runoff arose and ends ten (10) days before the runoff election;

(3)(A) No later than thirty (30) days after the end of the month in which the candidate's name has appeared on the ballot in any preferential primary election, runoff election, general election, or special election, or when only one (1) candidate qualifies for a particular office or position and no position or name of an unopposed candidate shall appear on a ballot, file a final report of all contributions received, with loans stated separately, and expenditures made that have not been disclosed on reports previously required to be filed.

(B) A final report is required regardless of whether a candidate has received contributions or made expenditures in excess of five hundred dollars (\$500);

(4) File supplemental reports of all contributions received, with loans stated separately, and expenditures made after the date of preparation of the final report, and the supplemental reports shall be filed within thirty (30) days after the receipt of a contribution or the making of an expenditure;

(5)(A) No later than thirty (30) days after the end of the month in which the candidate has withdrawn, a final report of all contributions received, with loans stated separately, and expenditures made that have not been disclosed on reports previously required to be filed.

(B) Moreover, if a candidate withdraws from the campaign, the candidate shall notify the county clerk in writing of the withdrawal; and

(6) If a candidate keeps remaining campaign funds after an election, the candidate shall continue filing the reports required by this subsection.

(b) A report is timely filed when it is received in the county clerk's office no later than the date the report is due.

**Authority.** Arkansas Code § 7-6-217.

**7 CAR § 3-144. Contents of reports of contributions — Candidates for county office.**

(a) The campaign contribution reports required by 7 CAR § 3-143 shall indicate:

(1) The total amount of contributions received, with loans stated separately, the total amount of expenditures made during the filing periods, and the cumulative amount of these totals for the entire election cycle;

(2) The name and address of each person, including the candidate, who has made a contribution or contributions that, in the aggregate, exceed two hundred dollars (\$200), the contributor's principal place of business, employer, occupation, and the date the contribution was accepted by the candidate, the amount contributed, and the aggregate contributed for each election;

(3) The name and address of each person, including the candidate, who contributed a nonmoney item, together with a description of the item, the date of receipt, and the value, not including volunteer service by individuals;

(4) An itemization of all single expenditures made that exceed one hundred dollars (\$100), including the:

(A) Amount of the expenditure;

(B) Name and address of any person, including the candidate, to whom the expenditure was made; and

(C) Date of the expenditure;

(5) A list of all paid campaign workers and the amount the workers were paid;

(6) A list of all expenditures by category, including, but not limited to:

(A) Television, radio, print, and other advertising;

(B) Direct mail;

(C) Office supplies;

(D) Rent;

(E) Travel;

(F) Expenses;

(G) Entertainment; and

(H) Telephone;

(7) The total amount of all nonitemized expenditures during the filing period;

and

(8) The current balance of campaign funds.

(b)(1) In addition to the information required in subdivision (a)(1) of this section, if the candidate's campaign has ended and the candidate does not retain remaining campaign funds, the final report shall also indicate which option under Arkansas Code § 7-6-203(g) and 7 CAR § 3-127 was used to dispose of any remaining campaign funds.

(2) If the candidate's campaign has not ended, disposal of campaign funds is not required, and the candidate may carry forward any remaining funds in the campaign to the general primary election, general election, or general runoff election for that same office.

(3) If a candidate's campaign has ended and the candidate is retaining remaining campaign funds, the final report shall also indicate the amount of funds retained by the candidate.

(4) If a candidate keeps remaining campaign funds after an election, the candidate shall continue filing the reports required by this subsection.

**Authority.** Arkansas Code § 7-6-217.

**7 CAR § 3-145. Exceptions to filing reports of contributions — Candidates for county office.**

(a) For those candidates covered by 7 CAR §§ 3-143 – 3-144, the candidate or person acting on the candidate's behalf shall comply with the filings required by this section upon receiving contributions or making expenditures totaling in excess of five hundred dollars (\$500).

(b)(1) A candidate or any person acting on the candidate's behalf who has not received contributions or made expenditures in excess of five hundred dollars (\$500) as of the date a preelection report is due shall not be required to file the preelection report required by Arkansas Code § 7-6-209(a)(1) and 7 CAR § 3-143(a)(1).

(2) In calculating the amount of contributions received or expenditures made for purposes of this exception, the payment of the filing fee from the candidate's personal funds shall not be counted towards the five hundred-dollar reporting trigger.

(3) Once a report becomes due, however, the payment of the filing fee from the candidate's personal funds must be reported as either a loan or contribution to the campaign and also as a campaign expenditure.

(c) The preelection reports referenced in 7 CAR § 3-143(a)(1) are only required for candidates with opponents in those elections.

**Authority.** Arkansas Code § 7-6-217.

**7 CAR § 3-146. Prohibited campaign activities concerning public servants and public property — Advertising disclaimer.**

(a)(1) No public servant shall devote any time or labor during usual office hours toward the campaign of any other candidate for office or for the nomination to any office.

(2) Devoting any time or labor during usual office hours toward the campaign of any other candidate for office or for the nomination to any office includes without limitation the gathering of signatures for a nominating petition.

(3) Public servants who have usual office hours but are on call twenty-four (24) hours a day would only be prohibited from campaigning for another candidate during their usual office hours.

(b) No public servant shall circulate an initiative or referendum petition or solicit signatures on an initiative or referendum petition in any public office of the state, county, or municipal governments of Arkansas or while on duty for any state agency or any county or municipal government in Arkansas.

(c) No public servant shall coerce by threats or otherwise any public employee into devoting time or labor toward the campaign of any candidate for office or for the nomination to any office.

(d)(1) No public servant shall use any office or room furnished at public expense to distribute any letters, circulars, or other campaign materials, unless such office or room is regularly used by members of the public for such purposes without regard to political affiliation.

(2) "Campaign materials" refers to the campaign of a candidate for public office and efforts to support or oppose a ballot measure, except as provided in Arkansas Code § 7-1-111.

(e)(1) No public servant shall use for campaign purposes any item of personal property provided with public funds.

(2) "Campaign purposes" refers to the campaign of a candidate for public office and efforts to support or oppose a ballot measure, except as provided in Arkansas Code § 7-1-111.

(f) No person shall assess any public employee for any political purpose whatever or coerce by threats or otherwise any public employee into making a subscription or contribution for any political purpose.

(g) No person shall place any campaign banners, campaign signs, or other campaign literature on any cars, trucks, tractors, or other vehicles belonging to the State of Arkansas or any municipality, county, or school district in the state.

(h)(1)(A) All articles, statements, or communications appearing in any newspaper printed or circulated in this state intended or calculated to influence the vote of any elector in any election and for the publication of which a consideration is paid or to be paid shall clearly contain the words "Paid Political Advertisement", "Paid Political Ad", or "Paid for by" the candidate, committee, or person who paid for the message.

(B) Both the persons placing and the persons publishing the articles, statements, or communications shall be responsible for including the required disclaimer.

(C) In addition, all articles, statements, or communications appearing in any radio, television, or any other electronic medium intended or calculated to influence the vote of any elector in any election and for the publication of which a consideration is paid or to be paid shall clearly contain the words "Paid Political Advertisement", "Paid Political Ad", or "Paid for by", "Sponsored by", or "Furnished by" the true sponsor of the advertisement.

(D) Both the persons placing and the persons publishing the articles, statements, or communications shall be responsible for including the required disclaimer.

(2)(A) Printed campaign materials, as defined in 7 CAR § 3-101(21), shall clearly contain the words "Paid for by" followed by the name of the candidate, committee, or person who paid for the:

- (i) Campaign sign;
- (ii) Campaign literature; or
- (iii) Other printed campaign materials.

(B) Subdivision (h)(2)(A) of this section applies only to campaign signs, campaign literature, and other printed campaign materials created by or sponsored by:

- (i) A political candidate;
- (ii) The campaign of a political candidate;
- (iii) A political action committee; or
- (iv) An independent expenditure committee.

(C) When the printed campaign material is a two-sided sign, the "Paid for by" language required by this subsection shall appear on both sides of the sign.

(D) The candidate printing the campaign sign, campaign literature, or other printed campaign materials shall be responsible for including the language required by subdivision (h)(2) of this section.

**Authority.** Arkansas Code § 7-6-217.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules contained the following footnotes:

A footnote to 7 CAR § 3-146(a)(2) cited "50 Ark. Code Ann. § 7-1-103(a)(2)(A)".

A footnote to 7 CAR § 3-146(a)(3) cited "51 Arkansas Ethics Commission Opinion No. 2002-EC-005".

A footnote to 7 CAR § 3-146(b) cited "52 Ark. Code Ann. § 7-1-103(a)(2)(B)".

A footnote to 7 CAR § 3-146(c) cited "53 Ark. Code Ann. § 7-1-103(a)(2)(C)".

A footnote to 7 CAR § 3-146(d)(1) cited "54 Ark. Code Ann. § 7-1-103(a)(3)".

A footnote to 7 CAR § 3-146(d)(2) cited "55 Ark. Code Ann. § 7-1-111 was established by Act 312 of 2013 and falls outside of the Arkansas Ethics Commission's jurisdiction. Pursuant thereto, an elected official or a person appointed to an elective office is permitted to expend or permit the expenditure of public funds to support or oppose a ballot measure. It is noted that Ark. Code Ann. § 7-1-111 does not: limit the freedom of speech of a public servant or governmental body, including without limitation verbal expressions of views supporting or opposing a ballot measure; prohibit a governmental

body from expressing an opinion on a ballot measure through the passage of a resolution or proclamation; prohibit the incidental use of state resources by a public servant, including without limitation travel costs, when speaking at an event in which a ballot measure is discussed if the subject matter of the speaking engagement is within the scope of the official duties and responsibilities of the public servant; or prohibit the dissemination of public information at a speaking engagement and the incidental use of state resources in the analysis and preparation of that public information if the subject matter of the public information is within the scope of the official duties and responsibilities of the public servant".

A footnote to 7 CAR § 3-146(e)(1) cited "56 Ark. Code Ann. § 7-1-103(a)(3)".

A footnote to 7 CAR § 3-146(e)(2) cited "57 See Footnote 56".

A footnote to 7 CAR § 3-146(f) cited "58 Ark. Code Ann. § 7-1-103(a)(4)".

A footnote to 7 CAR § 3-146(g) cited "59 Ark. Code Ann. § 7-1-103(a)(6)".

A footnote to 7 CAR § 3-146(h)(1)(D) cited "60 Ark. Code Ann. § 7-1-103(a)(7)".

A footnote to 7 CAR § 3-146(h)(2)(C) cited "61 This subsection shall be effective on and after November 1, 2023."

### **7 CAR § 3-147. Interest-bearing accounts.**

(a) It shall be permissible for candidates to keep their campaign funds in interest-bearing accounts such as a:

- (1) Bank checking account;
- (2) Money market fund; or
- (3) Certificate of deposit.

(b) Candidates shall:

- (1) Disclose the interest-bearing account on their Campaign Contribution and Expenditure Reports; and
- (2) Report the interest earned as a contribution.

**Authority.** Arkansas Code § 7-6-217.

**7 CAR § 3-148. Penalty schedule for failure to file or late filing of Contribution and Expenditure Reports.**

(a)(1) In addition to being sanctioned as provided for in Arkansas Code § 7-6-218(b)(4), candidates who fail to file or file untimely Contribution and Expenditure Reports, other than the preelection report required by Arkansas Code § 7-6-207(a)(1)(C), § 7-6-208(a)(1), and § 7-6-209(a)(1), as required by law and referenced throughout this part, shall be subject to fines for the late filing of reports.

(2) Although fines are assessed on the facts of each case, the following schedule serves as a guideline in determining the amount of the fine:

Date Report Filed	First Time Delinquency	Repeated Delinquency by Same Candidate
1 to 10 days late	\$ 25.00 per report	\$ 50.00 per report
11 to 20 days late	\$ 50.00 per report	\$ 100.00 per report
21 to 30 days late	\$ 100.00 per report	\$ 200.00 per report

(b)(1) In addition to being sanctioned as provided for in Arkansas Code § 7-6-218(b)(4), candidates who fail to file or file untimely the preelection Contribution and Expenditure Reports, required by Arkansas Code § 7-6-207(a)(1)(C), § 7-6-208(a)(1), or § 7-6-209(a)(1), shall be subject to fines for the late filing of reports.

(2) Although fines are assessed on the facts of each case, the following schedule serves as a guideline in determining the amount of the fine:

Date Report Filed	First Time Delinquency	Repeated Delinquency by Same Candidate
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1 to 3 days late	\$ 50.00 per report	\$ 100.00 per report
4 to 10 days late	\$ 100.00 per report	\$ 150.00 per report
11 to 30 days late	\$ 150.00 per report	\$ 250.00 per report

(c) For purposes of this part, "repeated delinquency" shall refer to each different time, during the entire election cycle, a candidate fails to file any Contribution and Expenditure Report while running for office and until such time as the final report has been filed.

(d) In addition to the fines and sanctions discussed above, candidates who fail to file their Contribution and Expenditure Reports will be ordered to file such reports within ten (10) days.

(e) A candidate who gives false or materially misleading information on a Contribution and Expenditure Report or omits information from that report as required herein may be:

(1) Assessed by the Arkansas Ethics Commission a fine of not less than fifty dollars (\$50.00) or more than three thousand five hundred dollars (\$3,500) for each violation; and

(2) Issued a public letter of:

- (A) Caution;
- (B) Warning; or
- (C) Reprimand.

(f)(1) It is an affirmative defense to prosecution or disciplinary action if a candidate who is required to file a Campaign Contribution and Expenditure Report under Arkansas Code § 7-6-201 et seq., amends the report within thirty (30) days of discovering or learning of an unintentional error in the report.

(2) However, assertion of the affirmative defense provision shall not be construed to remove the duty to file a report or authorize a candidate to knowingly fail to file a report required under Arkansas Code § 7-6-201 et seq.

**Authority.** Arkansas Code §§ 7-6-217, 7-6-218.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules contained a footnote to 7 CAR § 3-148(f) as follows: "62 Ark. Code Ann. § 7-6-229".

**7 CAR § 3-149. Statement of financial interest — Filing required of candidates.**

(a) Pursuant to Arkansas Code § 21-8-701(a)(2), any candidate for elective office, other than candidates for levee and drainage districts, must file a Statement of Financial Interest.

(b)(1) Candidates shall file the Statement of Financial Interest on the first Monday following the close of the period to file as a candidate for office for which he or she seeks election.

(2) In addition, if a party filing period under Arkansas Code § 7-7-203 ends before January 1 of the year of the general election, a candidate for elective office shall file an additional Statement of Financial Interest for the previous calendar year no later than January 31 of the year of the general election in addition to the Statement of Financial Interest required under Arkansas Code § 21-8-701.

(c) The Statement of Financial Interest shall include the information sought by Arkansas Code § 21-8-701(d).

(d) The Statement of Financial Interest shall be filed as follows:

- (1) Candidates for state or district office shall file with the Secretary of State;
- (2) Candidates for county or township office shall file with the county clerk;
- (3) Candidates for municipal office shall file with the city clerk or recorder;
- (4) Candidates for city attorneys shall file with the city clerk of the municipality within which they serve; and

(5) Candidates for district judge shall file with the Secretary of State.

(e) The Statement of Financial Interest shall be deemed to be timely filed if it is:

- (1) Hand-delivered to the appropriate public official on or before the due date;
- (2) Mailed to the appropriate public official, postage prepaid, bearing a postmark indicating that it was received by the post office or common carrier on or before the date due;
- (3) Received via facsimile by the appropriate public official on or before the due date, provided the original is received by the public official within ten (10) days of the transmission; or
- (4) Received by the appropriate public official in a readable electronic format that is acceptable to the appropriate public official and approved by the Arkansas Ethics Commission.

**Authority.** Arkansas Code § 7-6-217.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules contained the following footnotes:

A footnote to 7 CAR § 3-149(c) cited "63 Subsections (a)-(c) are taken directly from Ark. Code Ann. § 21-8-701. See also Arkansas Ethics Commission Opinion No. 97-EC-014, which discusses debts arising out of the ordinary course of business".

A footnote to 7 CAR § 3-149(d) cited "65 Ark. Code Ann. § 21-8-703".

**7 CAR § 3-150. Statement of financial interest — Filing required of public officials, appointees, and employees.**

(a)(1) Pursuant to Arkansas Code § 21-8-701(a), the following persons are required to file a Statement of Financial Interest in addition to candidates for elective office:

- (A) A public official, as defined in Arkansas Code § 21-8-402(17);
- (B) A district judge or city attorney, whether elected or appointed;
- (C) Any agency head, department director, or division director of state government or a chief of staff or chief deputy of:

- (i) A constitutional officer;
- (ii) The Senate; or
- (iii) The House of Representatives;

(D)(i) Any public appointee to a state board or commission that is authorized or charged by law with the exercise of regulatory authority or is authorized to receive or disburse state or federal funds.

(ii) However, a public appointee to a state board or commission that is not charged by law with the exercise of regulatory authority and that receives or disburses state or federal funds only in the form of mileage reimbursement for members attending meetings of the board or commission shall not be required to file a written statement of financial interest;

(E) All persons who are elected members of a school board or who are candidates for a position on a school board;

(F) All public and charter school superintendents;

(G) All executive directors of education service cooperatives;

(H) Any person appointed to a municipal, county, or regional:

- (i) Planning board or commission;
- (ii) Airport board or commission;
- (iii) Water or sewer board or commission;
- (iv) Utility board or commission; or
- (v) Civil service commission;

(I) Any member of an advertising and promotion commission; and

(J) Any member of a research authority board existing under Arkansas

Code § 14-144-201 et seq.

(2) If a person is included in one of these categories for any part of a calendar year, then he or she must file a Statement of Financial Interest covering that period of time regardless of whether he or she has left his or her office or position as of the date the statement is due.

(b)(1) Public officials, appointees, or employees shall file the Statement of Financial Interest no later than January 31 of each year.

(2) As an exception to 7 CAR § 3-149, incumbent officeholders who filed the Statement of Financial Interest by January 31 of the year in which an election is held shall not be required to file an additional Statement of Financial Interest upon becoming a candidate for reelection or election to another office at any election held during the year.

(c)(1) All appointees appointed to state boards or commissions after July 30, 1999, shall file a Statement of Financial Interest covering the previous calendar year within thirty (30) days of appointment.

(2) Any person hired, promoted, or selected as an agency head, department director, or division director within state government after July 30, 1999, shall file a Statement of Financial Interest covering the previous calendar year within thirty (30) days of filling such a position.

(d) The Statement of Financial Interest shall include all the information required in Arkansas Code § 21-8-701(d).

(e) The Statement of Financial Interest shall be filed as follows:

- (1) State or district public servants shall file with the Secretary of State;
- (2) County, township, or school district public servants shall file with the county clerk;
- (3) Municipal public servants shall file with the city clerk or recorder;
- (4) City attorneys shall file with the city clerk of the municipality within which they serve;
- (5) Persons appointed to regional boards or commissions shall file with the county clerk of the county where they reside; and
- (6) District judges shall file with the Secretary of State.

(f) The Statement of Financial Interest shall be deemed to be timely filed if it is:

- (1) Hand-delivered to the appropriate public official on or before the due date;
- (2) Mailed to the appropriate public official, postage prepaid, bearing a postmark indicating that it was received by the post office or common carrier on or before the date due;

(3) Received via facsimile by the appropriate public official on or before the due date, provided the original is received by the public official within ten (10) days of the transmission; or

(4) Received by the appropriate public official in a readable electronic format that is acceptable to the appropriate public official and approved by the Arkansas Ethics Commission.

**Authority.** Arkansas Code § 7-6-217.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules contained the following footnotes:

A footnote to 7 CAR § 3-150(b) cited "65 Ark. Code Ann. § 21-8-701(c)(2)".

A footnote to 7 CAR § 3-150(c) cited "66 Act 553 of 1999, codified at Ark. Code Ann § 21-8-701(c)(1)".

A footnote to 7 CAR § 3-150(d) cited "67 Subsections (a) - (c) are derived directly from Ark. Code Ann. § 21-8-701. See also Arkansas Ethics Commission Opinion No. 97-EC-014, which discusses debts arising out of the ordinary course of business".

A footnote to 7 CAR § 3-150(e)(5) cited "68 Ark. Code Ann. § 21-8-703".

**7 CAR § 3-151. Penalty schedule for failure to file or late filing of statements of financial interest.**

(a)(1) In addition to being sanctioned as provided for in Arkansas Code § 7-6-218(b)(4), candidates and public servants who fail to file or file untimely the Statement of Financial Interest, as required by law and referenced in 7 CAR §§ 3-149 and 3-150, shall be subject to fines for the late filing of statements.

(2) Although fines are assessed on the facts of each case, the following serves as a guideline in determining the amount of the fine:

Date Statement Filed	Amount of Fine
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1 to 15 days late                      \$ 50.00

16 to 30 days late                      \$ 100.00

(b) A public servant or candidate who gives false or materially misleading information on a Statement of Financial Interest or omits information from the statement as required by Arkansas Code § 21-8-701 et seq., may be:

(1) Assessed by the Arkansas Ethics Commission a fine of not less than fifty dollars (\$50.00) or more than three thousand five hundred dollars (\$3,500) for each violation; and

(2) Issued a public letter of:

(A) Caution;

(B) Warning; or

(C) Reprimand.

(c) In addition to the fines and sanctions discussed above, candidates and public servants who fail to file their Statement of Financial Interest will be ordered to file such reports within ten (10) days.

(d)(1) It is an affirmative defense to prosecution or disciplinary action if a candidate who is required to file a Statement of Financial Interest under Arkansas Code § 21-8-701 et seq., amends the statement within thirty (30) days of discovering or learning of an unintentional error in the Statement of Financial Interest.

(2) However, assertion of the affirmative defense provision shall not be construed to remove the duty to file a Statement of Financial Interest or authorize a candidate to knowingly fail to file a Statement of Financial Interest required under Arkansas Code § 21-8-701 et seq.

**Authority.** Arkansas Code § 7-6-217.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules contained a footnote to 7 CAR § 3-151(d) as follows: "69 Ark. Code Ann. § 21-8-701(f)".

**7 CAR § 3-152. Exploratory committees — Registration and reporting.**

(a)(1) An exploratory committee is a person that receives contributions held to be transferred later to a single candidate.

(2) It shall not include:

(A) A political party that meets the definition of a political party under Arkansas Code § 7-1-101 or the requirements of Arkansas Code § 7-7-205; or

(B) The candidate's own campaign committee.

(b)(1) Exploratory committees must register within fifteen (15) days after receiving contributions during a calendar year that, in the aggregate, exceed five hundred dollars (\$500).

(2) The committee must also disclose the name, address, and telephone numbers of the committee and its officers as well as the name of the person who, upon becoming a candidate, is intended to receive the contributions received by the committee.

(3) The place of filing for an exploratory committee for a state or district office shall be the Secretary of State's office, and the place of filing for an exploratory committee for a county, municipal, township, or school district office shall be the county clerk's office.

(c)(1)(A) Within thirty (30) days of the end of each month, an exploratory committee shall file a report indicating the total amount of contributions received during the filing period and/or the previous month and disclose:

(i) The names and addresses of persons contributing in excess of two hundred dollars (\$200), along with the contributor's principal place of business, employer, occupation, and the amount contributed;

(ii) The total amount of expenditures made; and

(iii) For each single expenditure that exceeds one hundred dollars (\$100), an itemization including the:

(a) Amount of the expenditure;

(b) Name and address of the person to whom the expenditure was made; and

(c) Date the expenditure was made.

(B) The first report shall be filed for the month in which the committee files its registration.

(C) A final report shall be filed within thirty (30) days after the end of the month in which the committee either:

(i) Transfers the contributions received to the candidate; or

(ii) No longer intends to accept contributions on behalf of the candidate.

(2) The reports required by this section shall be filed in electronic form through the official website of the Secretary of State.

(3) The Arkansas Ethics Commission shall approve the format used by the Secretary of State for the filing of exploratory reports in electronic form to ensure that all required information is requested.

(4) The official website of the Secretary of State shall allow for searches of exploratory committee report information filed in electronic form.

(d) An exploratory committee under this section may file reports in paper form under this section if:

(1) The exploratory committee does not have access to the technology necessary to submit reports in electronic form; and

(2) Submitting reports in electronic form would constitute a substantial hardship for the exploratory committee.

(e) An exploratory committee shall not accept contributions after the filing of a final report.

**Authority.** Arkansas Code § 7-6-217.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules contained the following footnotes:

A footnote to 7 CAR § 3-152(a)(2)(B) cited "70 Ark. Code Ann. § 7-6-201(9)".

A footnote to 7 CAR § 3-152(b)(3) cited "71 Ark. Code Ann. § 7-6-216 (a) and (b)".

A footnote to 7 CAR § 3-152(c)(1)(A)(iii) cited "72 Ark. Code Ann. § 7-6-207 (b)(1)(B) requires itemization of all contributions to campaign committees in excess of \$50.00.

See Arkansas Ethics Commission Opinion No. 97-EC-007".

A footnote to 7 CAR § 3-152(c)(1)(C) cited "73 Ark. Code Ann. § 7-6-216(c) and (d)".

**7 CAR § 3-153. Exploratory committees — Contribution limits.**

(a)(1) An exploratory committee is a person who receives contributions held to be transferred later to a single candidate.

(2) Furthermore, an exploratory committee is one designated by a candidate to promote the candidate's campaign and to serve as recipient of all contributions and the distributor of all expenditures for a candidate prior to the time the candidate formally announces his or her intentions to run for office.

(b)(1) An exploratory committee is under the same guidelines applicable to maximum contribution limits per election as the candidate's campaign committee.

(2) Contributions to an exploratory committee count toward the maximum limit a candidate may receive.

(c)(1) Expenditures from exploratory committees must be for campaign purposes.

(2) As with any other campaign funds, candidates or their exploratory committees are prohibited from using any campaign funds, including funds given to an exploratory committee, as personal income or for personal purposes.

(d)(1) An exploratory committee may be formed on a candidate's behalf even if the candidate is presently an officeholder and has an existing campaign fund.

(2) The exploratory committee must not be formed for the same office as currently held by the officeholder.

(3) The moneys that make up the existing campaign fund relate to a prior election.

(4) Funds contributed to an exploratory committee will apply toward the contribution limits of the election for which the exploratory committee was formed and are exclusive from funds already maintained in an officeholder account.

(e)(1) Funds raised by the exploratory committee on the candidate's behalf will be treated as contributions if the individual elects to become a candidate.

(2) The contribution limits for the election/office being sought by the individual will apply.

(3) The money contributed will apply against the limits applicable to the primary election for the candidate when, and if, the person decides to run for office.

(f)(1) A potential candidate may have more than one (1) exploratory committee.

(2) If a potential candidate or individual establishes more than one (1) exploratory committee, or if the person elects to run for an office other than the one for which the exploratory committee was receiving contributions, the candidate must dispose of the funds received by the exploratory committee for the office not sought pursuant to 7 CAR § 3-127 and/or Arkansas Code § 7-6-203(g)(1)(A) – (E) within thirty (30) days of the close of filing for public office.

(g)(1) Exploratory committees must maintain bank accounts separate from:

(A) The candidate's personal account; and

(B) Any concurrent officeholder/candidate's account.

(2) When the candidate announces for election, the exploratory committee may convert the funds remaining in its account to the candidate's campaign account.

(h)(1)(A) More than one (1) exploratory committee for a potential candidate may exist simultaneously that designate the same or different campaigns to be explored.

(B) If the committees are for the same office (e.g., different committees in different counties), the contributions received will be applied toward the limitations for contributions as noted herein in subsection (e).

(C) The committees should keep accurate and separate bank accounts and be able to verify that no contributor has given more than the maximum in the aggregate to any exploratory committees.

(D) As an example, if a contributor gives the maximum amount to the candidate's Pulaski County Exploratory Committee for Governor, such contributor could not give any money to any other exploratory committee for the same candidate, same office.

(2) If the committees are for different offices, the candidate must ensure that the funds retained by the committee for the office not sought are disposed pursuant to 7 CAR § 3-127 and Arkansas Code § 7-6-203(g)(1)(A) – (E) and subsection (f) above.

(i)(1)(A) If the candidate ultimately seeks the office being explored, the funds raised by the exploratory committee should be transferred to the candidate's campaign committee and reported in the final report pursuant to 7 CAR § 3-152 and Arkansas Code § 7-6-216.

(B) The amount or amounts a person contributes to an exploratory committee shall count towards the limit on campaign contributions that such person may make to the candidate.

(2) If the candidate seeks another office, the committee should:

(A) File a final report;

(B) Note this fact on the report; and

(C) Dispose of the funds pursuant to 7 CAR § 3-127 and Arkansas Code § 7-6-203(g)(1)(A) – (E).

(3)(A) If the person elects not to seek office, the committee must file a final report and note this fact on the report.

(B) Since the person is not going to be a candidate, any funds remaining in the exploratory committee's account should be disposed pursuant to 7 CAR § 3-127 and Arkansas Code § 7-6-203(g)(1)(A) – (E).

(C) Within thirty (30) days after the end of the month in which the candidate decides not to run for office or the committee no longer intends to accept

contributions on his or her behalf, the committee must file its final report and note how any remaining funds were disposed of by the committee.

(D) The funds should be disposed pursuant to one (1) of the five (5) options in Arkansas Code § 7-6-203(g)(1).

(E) The Arkansas Ethics Commission encourages exploratory committees to consider refunding the contributions on a pro rata basis to the contributors.

(F) The funds must not be used by the candidate for personal purposes.

**Authority.** Arkansas Code § 7-6-217.

**Codification Notes.** This section as promulgated prior to codification into the Code of Arkansas Rules contained the following footnotes:

A footnote to 7 CAR § 3-153(a)(1) cited "74 Ark. Code Ann. § 7-6-201(9)".

A footnote to 7 CAR § 3-153(a)(2) cited "75 Arkansas Ethics Commission Opinion No. 97-EC-007".

**7 CAR § 3-154. Prohibition against a person convicted of a public trust crime filing or running as a candidate for office or holding office.**

(a) If a person has pleaded guilty or nolo contendere to or has been found guilty of a public trust crime, he or she shall not:

(1) File as a candidate for:

(A) A constitutional office;

(B) A county elected office; or

(C) An elected office in a municipality, city, township, or other political subdivision of the state;

(2) Run as a candidate for:

(A) A constitutional office;

(B) A county elected office; or

(C) An elected office in a municipality, city, township, or other political subdivision of the state; or

(3) Hold:

(A) A constitutional office;

(B) A county elected office; or

(C) An elected office in a municipality, city, township, or other political subdivision of the state.

(b)(1) The sealing of any public trust crime or any similar offense under the Comprehensive Criminal Record Sealing Act of 2013, Arkansas Code § 16-90-1401 et seq., or any sealing or expungement act in any jurisdiction shall not restore a privilege, eligibility, or qualification to file as a candidate for, run as a candidate for, or hold an elected office under this section.

(2) A person who has pleaded guilty or nolo contendere to or has been found guilty of a public trust crime that was sealed or expunged as described in subdivision (b)(1) of this section:

(A) Upon inquiry, shall disclose the fact and nature of the crime which the person pleaded guilty or nolo contendere to or was found guilty of; and

(B) Shall not publicly state or affirm under oath that the:

(i) Conduct underlying the plea or finding did not occur;

(ii) Record of the underlying plea or finding does not exist; or

(iii) Person has not been convicted of a criminal offense.

(3) If a person has pleaded guilty or nolo contendere to or has been found guilty of a public trust crime or similar offense that was sealed under the Comprehensive Criminal Record Sealing Act of 2013 or any sealing or expungement act in any jurisdiction, evidence of the plea, finding, and conduct underlying the plea or finding shall be admissible in a court of competent jurisdiction or an action concerning the person's filing for, candidacy for, or holding of an elected office.

(4) To be considered valid, a complaint alleging a violation of Arkansas Code § 21-8-305 shall include a copy of a court record reflecting that the person has pleaded guilty or nolo contendere to or has been found guilty of a public trust crime.

**Authority.** Arkansas Code § 7-6-217.

**7 CAR § 3-155. Reporting calendars.**

(a) The Arkansas Ethics Commission shall issue one (1) or more reporting calendars for use by candidates to identify when reports and other necessary filings are due in a calendar year.

(b) The commission shall issue the reporting calendar for a calendar year no later than the December 31 preceding the year of the reporting calendar.

(c) The commission shall prepare reporting calendars as it deems necessary for candidates for office, including without limitation candidates for state, county, municipal, district, or school elections.

**Authority.** Arkansas Code § 7-6-217.