

STATE OF OKLAHOMA

2nd Session of the 49th Legislature (2004)

HOUSE BILL HB2411:

Phillips

AS INTRODUCED

An Act relating to ethics; providing short title; amending 47 O.S. 2001, Section 2-105, as amended by Section 3, Chapter 461, O.S.L. 2003 (47 O.S. Supp. 2003, Section 2-105), which relates to personnel of the Highway Patrol Division; eliminating prohibition against certain activities; amending 74 O.S. 2001, Section 4250, which relates to lobbyist registration; requiring payment of certain fee and directing deposit of certain fee; prohibiting lobbying by certain persons for certain time period; prohibiting receipt of certain contributions at certain locations; providing penalty; amending Rule 257:1-1-2 of the Rules of the Ethics Commission (74 O.S. Supp. 2003, Ch. 62, App.), which relates to definitions; modifying definition of anything of value; amending Rule 257:10-1-3 of the Rules of the Ethics Commission (74 O.S. 2001, Ch. 62, App.), which relates to use of public funds, property, time and personnel to influence elections; modifying prohibitions against certain activities; repealing Rule 257:23-1-3 of the Rules of the Ethics Commission (74 O.S. 2001, Ch. 62, App.), which relates to things of value to state officers or certain state employees; repealing 21 O.S. 2001, Section 187.2, which relates to corporate contributions; providing for codification; providing for noncodification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law not to be codified in the Oklahoma Statutes reads as follows:

This act shall be known as the "Oklahoma Ethics Reform Act of 2004".

SECTION 2. AMENDATORY 47 O.S. 2001, Section 2-105, as amended by Section 3, Chapter 461, O.S.L. 2003 (47 O.S. Supp. 2003, Section 2-105), is amended to read as follows:

Section 2-105. A. The Commissioner, subject to the Oklahoma Personnel Act, shall appoint:

1. A Chief of the Oklahoma Highway Patrol Division with the rank of Colonel, Assistant Chief of the Oklahoma Highway Patrol Division with the rank of Lieutenant Colonel, and subordinate officers and employees of the Oklahoma Highway Patrol Division, including Colonels, Majors, Captains, First Lieutenants, Supervisors with the rank of Second Lieutenant, Sergeants, and Highway Patrolmen with the rank of Trooper, who shall comprise the Oklahoma Highway Patrol Division of the Department of Public Safety;

2. A First Lieutenant, Supervisors with the rank of Second Lieutenant, Sergeants, and Patrolmen who shall comprise the Lake Patrol Section of the Oklahoma Highway Patrol Division of the Department of Public Safety;

3. A First Lieutenant, Supervisors with the rank of Second Lieutenant, Sergeants, and Patrolmen, who shall comprise the Capitol Patrol Section of the Oklahoma Highway Patrol Division of the Department of Public Safety; and

4. A Director of the Communications Division with the rank of Captain, Communications Coordinators with the rank of First Lieutenant, Communications Superintendents with the rank of Second Lieutenant, Communications Supervisors with the rank of Sergeant, Communications Dispatchers, Radio Technicians and Tower Maintenance Officers who shall comprise the Communications Division of the Department of Public Safety.

B. 1. The Commissioner, when appointing commissioned officers and employees to the positions set out in subsection A of this section, shall determine, in consultation with the Administrator of the Office of Personnel Management, minimum qualifications and shall select such officers and employees only after examinations to determine their physical and mental qualifications for such positions. The content of the examinations shall be prescribed by the Commissioner, and all such appointees shall satisfactorily

complete a course of training in operations and procedures as prescribed by the Commissioner.

2. No person shall be appointed to any position set out in subsection A of this section unless the person is a citizen of the United States of America, of good moral character, and:

a. for commissioned officer positions, shall be at least twenty-one (21) years of age but less than forty-three (43) years of age, and shall possess:

(1) an associate's degree or a minimum of sixty-two (62) successfully completed semester hours from a college or university which is recognized by and accepted by the American Association of Collegiate Registrars and Admissions Officers and whose hours are transferable between such recognized institutions, and

(2) for any person appointed to the Oklahoma Highway Patrol Division on or after July 1, 2004:

(a) a bachelor's degree from a college or university which is recognized by and accepted by the American Association of Collegiate Registrars and Admissions Officers and whose hours are transferable between such recognized institutions, or

(b) an associate's degree or a minimum of sixty-two (62) successfully completed semester hours from a college or university which is recognized by and accepted by the American Association of Collegiate Registrars and Admissions Officers and whose hours are transferable between such recognized institutions, and:

- i. at least two (2) years' experience as a Council on Law Enforcement Education and Training (C.L.E.E.T.) certified law enforcement officer, or
- ii. at least two (2) years of military service in combat arms, military security or military rescue.

Provided, such years of experience or service shall have been consecutive and shall have been completed no more than two (2) years prior to application for appointment, or

- b. for any such position in the Communications Division, a person shall be at least twenty (20) years of age and shall possess a high school diploma or General Educational Development equivalency certificate; shall possess either six (6) months of previous experience as a dispatcher or fifteen (15) successfully completed semester hours from a college or university which is recognized by and accepted by the American Association of Collegiate Registrars and Admissions Officers and whose hours are transferable between such recognized institutions.

3. No commissioned officer of the Department shall, while in such position, be a candidate for any political office ~~or take part in or contribute any money or other thing of value, directly or indirectly, to any political campaign or to any candidate for public office.~~ Anyone convicted of violating the provisions of this paragraph shall be guilty of a misdemeanor and shall be punished as provided by law.

4. The Commissioner or any employee of the Department shall not be a candidate for any political office, or in any way be active or

participate in any political contest of any Primary, General, or Special Election, except to cast a ballot. No commissioned officer of the Department, while in the performance of the officer's assigned duty of providing security and protection, shall be considered as participating in a political campaign. The provisions of this paragraph shall not be construed to preclude a commissioned officer of the Oklahoma Highway Patrol Division of the Department of Public Safety from being a candidate for a position on a local board of education.

5. Drunkenness or being under the influence of intoxicating substances shall be sufficient grounds for the removal of any commissioned officer of the Department, in and by the manner provided for in this section.

C. 1. Upon initial appointment to the position of Highway Patrolman, Patrolman or Communications Dispatcher, the appointed employee shall be required to serve an initial probationary period of twelve (12) months. The Commissioner may extend the probationary period for up to three (3) additional months provided that the employee and the Office of Personnel Management are notified in writing as to such action and the reasons therefor. During such probationary period, the employee may be terminated at any time and for any reason at the discretion of the Commissioner. Retention in the service after expiration of the initial probationary period shall entitle such employee to be classified as a permanent employee and the employee shall be so classified. No permanent employee may be discharged or removed except as provided for in this section.

2. A commissioned officer of the Oklahoma Highway Patrol Division may be promoted during the initial probationary period if such officer satisfactorily completes all training requirements prescribed by the Commissioner.

D. 1. No permanent employee, as provided for in this section, who is a commissioned officer of the Department, may be suspended

without pay or dismissed unless the employee has been notified in writing by the Commissioner of such intended action and the reasons therefor. No such notice shall be given by the Commissioner unless sworn charges or statements have been obtained to justify the action.

2. Whenever such charges are preferred, the Commissioner may suspend the accused pending the hearing and final determination of such charges. If the charges are not sustained in whole or in part, the accused shall be entitled to pay during the period of such suspension. If the charges are sustained in whole or in part, the accused shall not receive any pay for the period of such suspension.

3. Commissioned officers of the Department of Public Safety are not entitled to appeal intra-agency transfer to the Oklahoma Merit Protection Commission pursuant to the Oklahoma Personnel Act unless transfer is in violation of Section 840-2.5 or 840-2.9 of Title 74 of the Oklahoma Statutes.

4. The Department of Public Safety shall follow the uniform grievance procedure established and adopted by the Office of Personnel Management for permanent classified employees, except for those employees who are commissioned officers of the Department. The Department of Public Safety shall establish and adopt a proprietary grievance procedure for commissioned officers of the Department which is otherwise in compliance with the provisions of Section 840-6.2 of Title 74 of the Oklahoma Statutes.

E. 1. The Commissioner is hereby authorized to purchase and issue uniforms and necessary equipment for all commissioned officers of the Highway Patrol Division of the Department. All uniforms and equipment shall be used only in the performance of the official duties of such officers and shall remain the property of the Department, except as provided in Section 2-313 of this title.

2. Each commissioned officer of the Highway Patrol Division of the Department of Public Safety shall be entitled to reimbursement

of expenses pursuant to the State Travel Reimbursement Act while away from the assigned area of the officer as designated by the Chief of the Oklahoma Highway Patrol Division, when such expense is incurred in the service of the state.

F. The position of Chief of the Oklahoma Highway Patrol Division shall be filled from the body of commissioned officers of the Oklahoma Highway Patrol Division and appointment to said position shall be based on qualifications, previous record as a commissioned officer of the Oklahoma Highway Patrol Division, length of service, and efficiency of service performed.

G. The Commissioner of Public Safety is hereby authorized to send employees of the Department of Public Safety to such schools as Northwestern University Traffic Institute, Northwestern University Police Administrator's Institute, the National Police Academy conducted by the Federal Bureau of Investigation, or to any other such schools of similar training which would be conducive to improving the efficiency of the Oklahoma Highway Patrol Division and the Department of Public Safety.

H. 1. Any former commissioned officer of the Department whose separation from the Department was at such officer's own request and not a result of such officer's own actions contrary to the policy of the Department or was not as a result of the retirement of that officer from the Department may make application for reinstatement as a commissioned officer of the division or section of the Department in which such officer was previously employed, provided such reinstated officer will be able to complete twenty (20) years of credited service by the time the reinstated officer reaches fifty-seven (57) years of age. The Commissioner may waive the requirements of possessing the number of semester hours or degree as required in subsection B of this section for any former commissioned officer making application for reinstatement as a commissioned officer of the Department. The Commissioner may require the

applicant for reinstatement to attend selected courses of instruction, as prescribed by the Commissioner.

2. In the event of future hostilities wherein the Congress of the United States declares this nation in a state of war with a foreign nation, including military service brought about by the Vietnam War, any period of military service served by a commissioned officer of the Department shall be considered as continued service with such Department, provided such commissioned officer returns to duty with the Department within sixty (60) days after release from military service.

SECTION 3. AMENDATORY 74 O.S. 2001, Section 4250, is amended to read as follows:

Section 4250. A. Every lobbyist shall be required to register with the Ethics Commission on a lobbyist registration form and pay a registration fee of Two Hundred Fifty Dollars (\$250.00) during the month of January of each odd-numbered year or within five (5) days after engaging in lobbying on behalf of a lobbyist principal by whom the lobbyist was not employed or retained during January of an odd-numbered year. A lobbyist who only lobbies on behalf of a charitable organization which is described in 501(c)(3) of the United States Code, 26 U.S.C., Section 501(c)(3), as it currently exists or as it may be amended, shall be exempt from the payment of the registration fee.

B. Information contained on the lobbyist registration form shall be limited to the following:

1. The lobbyist's name and business address and telephone number;

2. The name and address of each lobbyist principal by whom the lobbyist is employed or retained; and

3. The date of the registration.

All registrations filed under this section shall be certified.



C. The registration of each lobbyist shall expire on December 31 of each even-numbered year.

D. Every lobbyist shall file a supplemental registration indicating any change in the information contained in the registration within twenty (20) days after the date of the change. A person who ceases to engage in lobbying shall file a written, verified statement with the Ethics Commission acknowledging the termination of activities. The notice shall be effective immediately upon filing.

E. All registrations filed under this section shall be public records and shall be made available for public inspection pursuant to the Open Records Act.

F. The Ethics Commission shall maintain registrations in a separate, alphabetical file and make such registrations available to the public for inspection.

G. A person who files a notice of termination pursuant to the provisions of subsection D of this section shall file the reports required pursuant to the Rules of the Ethics Commission for any reporting period during which the person was registered at the time the notice of termination is effective.

H. Registration fees collected pursuant to the provisions of this section shall be deposited with the State Treasurer to the credit of the Ethics Commission Fund.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4259 of Title 74, unless there is created a duplication in numbering, reads as follows:

No former member of the Legislature may register as a lobbyist or receive anything of value for personally engaging in lobbying within one (1) year of the last day of the term of office held by the member.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4260 of Title 74, unless there is created a duplication in numbering, reads as follows:

A. It shall be unlawful for any person to receive any contribution, as defined in Rule 257:1-1-2 of the Rules of the Ethics Commission, in or within three hundred (300) feet of a facility ordinarily used for the conduct of state government business.

B. Any person who willfully violates any provision of this section shall be guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine of not less than Fifty Dollars (\$50.00) nor more than One Thousand Dollars (\$1,000.00), or by imprisonment for not longer than six (6) months or by both such fine and imprisonment and, upon conviction, shall be ineligible for appointment to or employment in a position in state service and, if at the time of conviction is an employee of the state, shall forfeit his or her position.

SECTION 6. AMENDATORY Rule 257:1-1-2 of the Rules of the Ethics Commission (74 O.S. Supp. 2003, Ch. 62, App.), is amended to read as follows:

Rule 257:1-1-2. Masculine words, whenever used in this title, shall include the feminine and neuter, and the singular includes the plural, unless otherwise specified. In addition, the following words or terms, when used in this title, shall have the following meaning, unless the context clearly indicates otherwise:

"Accept", with reference to a contribution, means failure by a candidate, treasurer, deputy treasurer or agent of a committee to expressly and unconditionally reject and return a tendered contribution to the contributor within six (6) business days from receipt of the tender.

"Act" means the Ethics Commission Act, Section 4200 et seq. of Title 74 of the Oklahoma Statutes.

"Address" means mailing address unless otherwise specified in this title.

"Affiliated" or "Connected entity" means any entity which directly or indirectly establishes, administers or financially supports a political entity.

"Anything of value", "Thing of value" or "Things of value"

(1) These terms, to the extent that consideration of equal or greater value is not received, include the following:

- (A) a pecuniary item, including money, or a bank bill or note;
- (B) a promissory note, bill of exchange, order, draft, warrant, check, or bond given for the payment of money;
- (C) a contract, agreement, promise, or other obligation for an advance, conveyance, forgiveness of indebtedness, deposit, distribution, loan, payment, gift, pledge, or transfer of money;
- (D) a stock, bond, note, or other investment interest in an entity;
- (E) a receipt given for the payment of money or other property;
- (F) a right in action;
- (G) a gift, tangible good, chattel, or an interest in a gift, tangible good, or chattel, except as provided in subparagraphs (C), (D) and (N) of Paragraph (2) of this definition;
- (H) a loan or forgiveness of indebtedness, except as otherwise provided in subparagraph (I) of Paragraph (2) of this definition;
- (I) a work of art, antique, or collectible;
- (J) an automobile or other means of personal transportation;

- (K) real property or an interest in real property, including title to realty, a fee simple or partial interest, present or future, contingent or vested in realty, a leasehold interest, or other beneficial interest in realty;
  - (L) an honorarium or compensation for services, except as otherwise provided in subparagraph (M) of Paragraph (2) of this definition;
  - (M) a rebate or discount in the price of anything of value or the sale or trade of something for reasonable compensation that would ordinarily not be available to a member of the public, except as provided in subparagraph (J) of Paragraph (2) of this definition;
  - (N) a promise or offer of employment;
  - (O) transportation, lodging or entertainment; or
  - (P) any other thing of value not excluded by Paragraph (2) of this definition.
- (2) These terms do not include:
- (A) a campaign contribution properly received and reported;
  - (B) any books, written materials, audio tapes, videotapes, or other informational promotional material related to the performance of a state officer's or state employee's official duties;
  - (C) a gift that:
    - (i) is not used, and
    - (ii) no later than thirty (30) days after receipt, is returned to the donor or delivered to a charitable organization and is not claimed as a charitable contribution for federal income tax purposes;

- (D) a gift, devise, or inheritance from an individual's spouse, child, step-child, parent, step-parent, grandparent, step-grandparent, sibling, step-sibling, parent-in-law, sibling-in-law, nephew, niece, aunt, uncle, or first cousin or the spouse of that individual, if the donor is not acting as the agent or intermediary for someone other than a person covered by this subparagraph;
- (E) a plaque or trophy with a value that does not exceed two hundred dollars (\$200);
- (F) modest items of food and refreshments, such as soft drinks, coffee, and donuts, offered other than as part of a meal;
- (G) food and beverage consumed on the occasion when participating in a charitable, civic, or community event, or at any event to which all members of the Legislature are invited, which bears a relationship to the state officer's or state employee's office and the officer or employee is attending in an official capacity;
- (H) greeting cards and items with little intrinsic value, such as certificates, which are intended solely for presentation;
- (I) loans from banks and other financial institutions on terms generally available to the public;
- (J) opportunities and benefits, including favorable rates and commercial discounts, available to the public or to a class consisting of all state government employees, whether or not restricted on the basis of geographic consideration;
- (K) rewards and prizes given to competitors in contests or events, including random drawings, which are open to

the public; rewards and prizes from contests or events which are not open to the public are also excepted if the state officer's or state employee's entry into the contest is required as part of his official duties;

- (L) pension and other benefits resulting from participation in a retirement plan offered by an employer or former employer of a state officer or state employee;
- (M) anything which is paid for by the state government or secured by the state government under state government contract;
- (N) any gift accepted on behalf of the state of Oklahoma or a governmental entity by the Governor under Section 381 et seq. of Title 60 of the Oklahoma Statutes. In order to be deemed accepted, the Governor must be notified in writing of any gift received by a governmental entity, or person on behalf of a governmental entity, within ten (10) of receipt of the gift. Notice of acceptance must be received from the Governor within the next thirty (30) days. Upon lack of a response from the Governor within the thirty (30) days of receipt of the notice, the gift is deemed rejected and must be returned to the donor;
- (O) anything for which market value is paid by the state officer or state employee;
- (P) transportation furnished to a state officer or state employee for the purpose of assisting the officer or employee in the performance of the officer's or employee's official duties and from which the officer or employee receives only incidental personal benefits ancillary to said purpose;

- (Q) food, transportation or entertainment provided by a governmental agency or governmental enterprise of a foreign nation as a gesture of hospitality;
- (R) prescription drugs or similar items given to the recipient for distribution to patients in need of treatment which are not used by the recipient;
- (S) a meal or other food served at a meeting at which the state officer or state employee is an invited guest;  
~~and~~
- (T) any gratuity provided at a meeting, conference, or seminar by sponsors, exhibitors, etc., the cost of which is not borne by a registrant to such meeting, conference, or seminar; and
- (U) any fee charged for participation in a golf tournament which is sponsored by or for the benefit of a charitable organization.

"Associated", when used with reference to an entity, includes an entity in which an individual or a member of his or her immediate family is a director, officer, fiduciary, trustee, agent, or partner, or owns or controls, in the aggregate, at least two percent (2%) or a value of five thousand dollars (\$5,000) of the outstanding equity.

"Ballot measure" means an initiative, referendum, legislative referendum, legislative initiative, state question, or any proposition or measure submitted to voters for their approval or rejection at a statewide election.

"Business" means any corporation, limited liability company, partnership, limited liability partnership, limited partnership, sole proprietorship, firm, enterprise, franchise, association, self-employed individual, holding company, joint stock company, receivership, trust, or any legal entity through which business is conducted for profit.

"Business day" means any day except a Saturday, Sunday or a legal holiday designated in Section 82.1 of Title 25 of the Oklahoma Statutes.

"Campaign" means and includes all activities for or against the election of a candidate to a specific state office for a specific term or the passage or defeat of a ballot measure from the date of acceptance of the first contribution, the making of the first expenditure, or the filing of a declaration of candidacy, whichever is first, until a final campaign contributions and expenditures report is filed.

"Campaign expenditure" is an expenditure not otherwise prohibited which is used to defray the costs of a candidate's campaign including, without limitation, advertising, travel and food while campaigning, and costs for campaign workers, whether paid or volunteers.

"Candidate" means a person who seeks nomination or election to state office. An individual is a candidate when the individual:

(1) has filed a declaration of candidacy for any state office with the Secretary of the State Election Board;

(2) has filed a declaration of candidacy with the Secretary of State and has drawn active opposition;

(3) is nominated as a "substitute candidate" pursuant to Section 1-105 of Title 26 of the Oklahoma Statutes; or

(4) solicits or accepts contributions, makes expenditures or gives consent to an individual, organization, party committee, or other committee to solicit or accept contributions or make expenditures to secure election to any state office at any time, whether or not the office for which the individual will seek nomination or election is known when the:

(A) solicitation is made;

(B) contribution is accepted; or

(C) expenditure is made.



The term "candidate" shall include a person whose candidacy is unopposed.

"Candidate committee" means the committee, consisting of one or more persons who may be the candidate only, designated by a candidate to promote the candidate's candidacy and serve as the recipient of all contributions and the disburser of all expenditures for the candidate.

"Charitable organization" means an entity described in 501 (c) (3) of Title 26 of the United States Code, 26 U.S.C., Section 501 (c) (3), as it currently exists or as it may be amended.

"Classified employee" means a state employee or a state employee on leave from employment who is under the jurisdiction of the Merit System of Personnel Administration as provided in the Oklahoma Personnel Act, Section 840.1 et seq. of Title 74 of the Oklahoma Statutes.

"Commission" means the Ethics Commission.

"Committee" means a candidate committee, political action committee, or party committee.

"Compensation"

(1) means:

(A) an advance, conveyance, forgiveness of indebtedness, deposit, distribution, loan, payment, pledge, or transfer of money or anything of value; or

(B) a contract, agreement, promise, or other obligation for an advance, conveyance, forgiveness of indebtedness, deposit, distribution, loan, payment, pledge, or transfer of money or anything of value,

for services rendered or to be rendered.

(2) The term does not include reimbursement of expenses:

(A) if the reimbursement:

(i) does not exceed the amount expended for the expenses; and

(ii) is substantiated by an itemization of expenses;

or

(B) if the reimbursement is authorized by law.

"Contribution"

(1) means and includes:

- (A) a gift, subscription, loan, guarantee or forgiveness of a loan, conveyance, advance, payment, distribution, or deposit of money or anything of value made to and with the knowledge and for the benefit of a committee, which expressly advocates the election or defeat of a clearly identified candidate or candidates or the passage or defeat of a ballot measure or ballot measures, or for reducing the debt of such committee;
- (B) an expenditure expressly advocating the election or defeat of a clearly identified candidate or candidates or the passage or defeat of a ballot measure or ballot measures made by a person or committee, other than a candidate committee, with the cooperation of, or in consultation with, a committee, a candidate, candidate committee, or candidate's agent or that is made in concert with, or at the request or suggestion of, a candidate, candidate committee, or candidate's agent;
- (C) the difference between the payment to a person, other than a candidate or committee, of compensation for personal services or products to the candidate or committee, and the reasonable and customary rate charged by the person for like services or products in like quantities when the candidate or committee has knowledge of the discounted services or products;
- (D) anything of value received by a committee that is transferred from another committee or other source;

- (E) sums paid for tickets for a political event such as a reception, rally, or a similar fundraising event; however, the amount of any such contribution may be reduced for the purpose of complying with the reporting and contribution limitations requirements of Chapter 10 of this title, by the actual cost of consumables furnished by the committee in connection with the purchase of the tickets, and only the excess over the actual cost of the consumables shall be deemed a contribution;
  - (F) the candidate's own money used on behalf of that candidate's candidacy; and
  - (G) the difference between the open market value and a discount or rebate:
    - (i) not extended to the public generally; or
    - (ii) by a television or radio station not extended equally to all candidates for the same office.
- (2) The term "contribution" shall not include:
- (A) the value of services provided without compensation by any individual who volunteers on behalf of a candidate or committee;
  - (B) for purposes of the contribution limits set forth in Section 2 of Chapter 10, the transfer of any funds by a political action committee to an affiliated or connected political action committee or by a party committee to an affiliated or connected party committee, provided the committees have been established as provided by law and the transferring committee and the receiving committee have been established, directly or indirectly, and are administered or financially supported, directly or indirectly, by a common entity; or

- (C) any payment or obligation incurred by a corporation, labor organization, membership organization, cooperative or corporation without capital stock for the establishment, administration, and solicitation of contributions to a separate segregated fund or political action committee to be utilized for political purposes;
- (D) a nonreimbursed payment made by an individual for the individual's own travel expenses on behalf of a committee;
- (E) a payment made by an occupant of a residence or office for costs related to a meeting or fundraising event held in the occupant's residence or office if the costs for the meeting or fundraising event do not exceed five hundred dollars (\$500). However, if the occupant hosts more than one (1) event in an election cycle for the same beneficiary, all subsequent payments that exceed five hundred dollars (\$500) in the aggregate are contributions;
- (F) a loan of money made in the ordinary course of business by a financial institution authorized to transact business in this state at terms and interest rates generally available to a member of the public without regard to that person's status as a state officer or state employee or a candidate for state office by the institution;
- (G) a communication by a corporation, labor organization, or association aimed at its members, owners, stockholders, directors, executive administrative personnel, or their families;
- (H) a tender of a contribution if the tender is not accepted, including use as collateral, or is

transferred to the state as provided in Subsection (i) of Section 2 of Chapter 10 of this title;

(I) the fair market value earnings of a sole proprietorship, partnership, limited partnership, limited liability partnership, or limited liability company; or

(J) a communication which does not expressly advocate the election or defeat of a clearly identified candidate or candidates or the passage or defeat of a ballot measure or ballot measures.

"Contributor" means and includes every person who makes a contribution.

"Day" means calendar day, except that in instances where a report or other document is required to be filed with the Commission and the calendar day upon which such a report or document must be filed falls on a day other than a business day, any such report or document may be filed on the immediate next business day.

"Economic interest" means a personal financial interest in a state purchase, sale, lease, contract, option, or other transaction or arrangement involving property or services when the person who has the economic interest is taking action to influence the state purchase, sale, lease, contract, option, or other transaction or arrangement involving property or services.

"Election" means a Primary, Run-off Primary, General, or Special Election in which a candidate or ballot measure is on the ballot.

"Election board" means the State Election Board in reference to candidates who file a declaration of candidacy with the State Election Board.

"Election cycle" means the period beginning the day after the General Election, up to and including the following General Election, including a Primary, Special Primary and the following Special General Election.

"Elective officer" means an individual elected to a state office or an individual who is appointed to fill a vacancy in a state office.

"Expenditure":

(1) means a purchase, payment, distribution, loan, advance, compensation, reimbursement, fee deposit, transfer of funds between committees, or a gift made by a committee which is used to expressly advocate the election or defeat of a clearly identified candidate or candidates or the passage or defeat of a ballot measure or ballot measures.

(2) An expenditure does not include the following:

- (A) a loan of money, made in the ordinary course of business, by a financial institution authorized to transact business in this state;
- (B) a communication by a corporation, labor organization, or association aimed at its members, owners, stockholders, executive administrative personnel, or their families, except a communication by the corporation's political action committee promoting or opposing a candidate or candidates;
- (C) uncompensated services provided by an individual volunteering the individual's time; or
- (D) a transfer of funds to another committee if such transfer is not accepted.

"Expenditures incurred" means an amount owed to a creditor for purchase of delivered goods or completed services.

"Family" means an individual, his or her spouse, if any, and all children under the age of eighteen (18) years residing in the same household.

"Filer" means an individual who is required to file a report or statement pursuant to this title.

"Gift" means "anything of value", as defined in this section, to the extent that consideration of equal or greater value is not received in exchange therefor.

"Governmental entity"

(1) means any department, commission, authority, council, board, bureau, committee, legislative body, agency, state beneficial public trust, or other establishment of the executive, legislative or judicial branch of the State of Oklahoma.

(2) shall not mean entities of political subdivisions of the State of Oklahoma.

"Immediate family" means a child under the age of eighteen (18) years residing in a state officer's or state employee's household, a spouse of a state officer or state employee, and an individual claimed by the state officer or state employee or the state officer's or state employee's spouse as a dependent for tax purposes.

"Income" means any money or thing of value received, or to be received as a claim on future services, whether in the form of a fee, salary, gift, expense, allowance, forbearance, forgiveness, interest, dividend, royalty, rent, capital gain, or any other form of recompense or any combination thereof; provided, the term "income" shall not include campaign contributions.

"Independent expenditure" means an expenditure made by a person to advocate the election or defeat of a clearly identified candidate, but which is not made to, controlled by, coordinated with, requested by, or made upon consultation with a candidate, committee, treasurer, deputy treasurer or agent of a committee.

"In-kind contribution or expenditure" means goods or services provided to or by a person at no charge or for less than their fair market value, but shall not include services provided by a volunteer.

"Judicial office" means all elective offices for district judge, associate district judge and offices for which declarations of candidacy are filed with the secretary of state.

"Legislation" means a bill, resolution, amendment, nomination or other matter pending in either house of the Legislature; any other matter which may be the subject of action by either house of the Legislature, including the introduction, consideration, passage, defeat, approval or veto of the matter; or any matter pending in or which may be the subject of action by a constitutional convention.

"Loan" means a transfer of money, property, guarantee, or anything of value in exchange for an obligation, conditional or not, to repay in whole or part.

"Lobbying", or any derivative of the word thereof, means any oral or written communication with a member of the Legislature or with the Governor or with a member of the judiciary or with an employee of the Legislature or the Governor or the judiciary on behalf of a lobbyist principal with regard to the passage, defeat, formulation, modification, interpretation, amendment, adoption, approval or veto of any legislation, rules, regulation, executive order or any other program, policy or position of the state government; provided, however, it shall not mean testimony given before, or submitted in writing to, a committee or subcommittee of the Legislature, nor a speech, article, publication or other material that is widely distributed, published in newspapers, magazines or similar publications or broadcast on radio or television; provided further, it shall not mean representation of himself or a client by an attorney, acting in a professional capacity as an attorney, in a court proceeding or quasi-judicial proceeding.

"Lobbyist" means any individual who is employed or retained by another for financial or other compensation to perform services that include lobbying, other than an individual whose lobbying activities



are only incidental to, and are not a significant part of, the services provided by such individual to the client, except as exempted by Section 4228 of Title 74 of the Oklahoma Statutes or as it may hereafter be renumbered or recodified.

"Lobbyist principal" means any person who employs or retains another person for financial or other compensation to conduct lobbying activities on behalf of the lobbyist principal; provided, however, it shall not mean any individual members, partners, officers or shareholders of a corporation, association, firm, joint venture, joint stock company, syndicate, business trust, estate, trust, company, partnership, limited partnership, organization, committee, or club, or a group of persons who are voluntarily acting in concert.

"Official action" means any judicial, executive, legislative or administrative action which shall include, but is not limited to, the promulgation of rules and regulations and the setting of rates.

"Organization" means a:

- (1) labor organization;
- (2) collective bargaining organization;
- (3) local, state, or national organization to which a labor organization pays membership or per capita fees, based upon its affiliation and membership; or
- (4) trade or professional association that receives its funds exclusively from membership dues or service fees, whether organized inside or outside the state.

"Participation" includes decision, approval, disapproval, recommendation, the rendering of advice, or vote.

"Particular matter" includes a judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, inquiry, investigation, charge, accusation, arrest, rulemaking, or legislation.

"Party committee" means a political party or any affiliated or connected entity.

"Person" means an individual, corporation, limited liability company, association, proprietorship, firm, partnership, limited liability partnership, limited partnership, joint venture, joint stock company, syndicate, business trust, estate, trust, company, organization, committee, or club, or a group of persons who are voluntarily acting in concert.

"Political action committee"

(1) means a combination of at least two individuals, or a person other than an individual:

(A) with the primary purpose of:

(i) expressly supporting or opposing a clearly identified candidate or candidates, or a party committee, except those required to file with the Federal Election Commission, or

(ii) supporting or opposing a ballot measure; and

(B) which accepts or gives contributions or makes expenditures from a joint account aggregating at least five hundred dollars (\$500) during a calendar year.

(2) does not include:

(A) a party committee or a candidate committee;

(B) a person other than an individual, when that person makes an expenditure or expenditures from an account to which contributions have not been solicited or accepted from any other persons or individuals; and, the expenditure or expenditures are required by these rules to be reported by the recipient committee or committees as a contribution or contributions; and

(C) a combination of individuals, or a person other than an individual, if the combination of individuals, or a person other than an individual, solicits

contributions on behalf of a committee; and, any contributions received as a result of the solicitation are forwarded to the committee without being deposited in any account; and, the contributions are required by these rules to be reported by the committee that receives the contributions.

"Political party" means any political party so recognized for the purpose of having candidates appear on the ballot.

"Public member" means a member appointed to a compensated or uncompensated part-time position on a board, commission, council, authority, bureau, committee, state beneficial public trust, or other establishment of the executive, legislative or judicial branch of the State of Oklahoma.

(1) A public member does not lose this status by receiving reimbursement of expenses or a per diem payment for services.

(2) A public member does not include:

(A) members of advisory bodies to the legislative, executive, or judicial branch of state government;

(B) Postadjudication Review Board members appointed pursuant to Section 1116.2 of Title 10 of the Oklahoma Statutes;

(C) board members of guaranty associations created pursuant to state statute; and

(D) precinct inspectors, judges, clerks and counters.

"Registered lobbyist" means a person that has filed as a lobbyist with the Commission.

"Represent" or "representation" means any formal or informal attendance before, or any written or oral communication with, or the filing of documents with any governmental entity on behalf of a person or organization whether gratuitous or for compensation.

"Securities" means evidences of debts, property or obligations to pay money or of rights to participate in earnings and

distribution of corporate trust, and other property, including but not limited to, stocks, bonds, notes, convertible debentures, warrants, or other documents that represent a share in a company or a debt owed by a company.

"State employee"

(1) means:

- (A) an elective or appointed officer or an employee of any governmental entity, except members of the House of Representatives or State Senate; and
- (B) an employee, other than an adjunct professor, in the service of an institution of higher education comprising the Oklahoma State System of Higher Education.

(2) does not mean a public member.

"State office" means all elective offices for which declarations of candidacy are filed with the Secretary of the State Election Board.

"State officer" means an elective, appointed or employed officer, including a public member, in the executive, judicial or legislative branch of the State of Oklahoma.

"Substantial financial interest" means an interest that could result in directly or indirectly receiving a substantial pecuniary gain or sustaining a substantial pecuniary loss as a result of ownership or interest in a business entity, or as a result of salary, gratuity or other compensation or remuneration from any person, partnership, organization or association. The term 'substantial financial interest' includes, but is not limited to, an ownership interest of five percent (5%) or more in a business enterprise or an interest in an entity from which dividends of one thousand dollars (\$1,000.00) or more were derived during the preceding calendar year.

"Surplus funds" arise:

(1) when a candidate committee has an unexpended balance of funds not otherwise obligated for the purposes specified in Paragraph (1) of Subsection (a) of Section 20 of Chapter 10 of this title; or

(2) when a committee formed to support or oppose a ballot measure has an unexpended balance of funds not otherwise obligated for any campaign expenditure; or

(3) when a committee, other than a candidate committee or a ballot measure committee, has an unexpended balance of funds not otherwise obligated to further the committee's purposes.

"Transfer" means the movement or exchange of anything of value between committees, except the disposition of surplus funds or material assets by a candidate committee to a party committee in accordance with the dissolution procedure in Sections 19 and 20 of Chapter 10 of this title.

SECTION 7. AMENDATORY Rule 257:10-1-3 of the Rules of the Ethics Commission (74 O.S. 2001, Ch. 62, App.), is amended to read as follows:

Rule 257:10-1-3. (a) A person shall not use or authorize the use of public funds, property, or time, to participate or assist in the organization of or preparation for a fundraiser for a campaign or in any solicitation of funds for or against a candidate for state office or a ballot measure.

(b) A person shall not use or authorize the use of public funds, property, or time to produce, print, publish, broadcast, send electronically to or from a computer which the person knows or reasonably should know is ordinarily used for the conduct of state business, or otherwise disseminate material designed or timed to influence the results of an election for state office or a ballot measure, except political activities or statements inherent to or part of the function of a candidate or an elective officer or in the performance of a state officer's or state employee's duties or as

allowed by law, regardless of the lack of specific reference to the election.

(c) Subsections (a) and (b) shall not prevent:

(1) use of a meeting room, auditorium or similar space in a public facility, provided that:

- (A) if a fee is normally charged for use of the facility, the fee is the same for all candidates for state office, political parties or ballot measure committees for such use;
- (B) the facility is not required for public purposes during the applicable time period;
- (C) the same opportunity for use of the facility is given to all candidates for a particular office who request its use on a first-come-first-serve basis;
- (D) the same opportunity for use of the facility is given to all political parties which request its use on a first-come-first-serve basis; and
- (E) the same opportunity for use of the facility is given to all ballot measure committees which request its use on a first-come-first-serve basis;

(2) incidental use of public building sidewalks, common grounds, parking lots and areas within public buildings;

(3) the handing out of leaflets, brochures, or partisan or nonpartisan campaign materials on sidewalks, common grounds, or parking lots and within public buildings which are not used for the conduct of state government business; or

(4) any other activity the exercise of which is guaranteed by the Oklahoma Constitution or the United States Constitution.

(d) A person shall not authorize the use of state officers or state employees for the purposes set forth in Subsections (a) and (b) while in a uniform that identifies him or her as a state officer or state employee or during the hours that the state officer or

state employee is officially in work status for a governmental entity.

(e) A person shall not print or distribute or cause to be printed or distributed, at public expense, or using a computer which the person knows or reasonably should know is ordinarily used for the conduct of state government business, a newsletter or other mass mailing of promotional material on behalf of an elective officer from the day the officer files a declaration of candidacy through the date of the election for the office.

(f) A person shall not solicit, verbally or in writing, in a facility ordinarily used for the conduct of state government business or use a computer which the person knows or reasonably should know is ordinarily used for the conduct of state government business to solicit, a contribution from a state employee.

(g) A person shall not distribute or post, or cause to be distributed or posted, in a facility ordinarily used for the conduct of state government business or use a computer which the person knows or reasonably should know is ordinarily used for the conduct of state government business, to create or send a communication designed to influence the outcome of an election for state office or a ballot measure.

(h) This section, except for Subsection (e), does not apply to:

(1) activities that are part of the ordinary conduct of the governmental entity; and

(2) nonpartisan voter registration activities.

SECTION 8. REPEALER Rule 257:23-1-3 of the Rules of the Ethics Commission (74 O.S. 2001, Ch. 62, App.), is hereby repealed.

SECTION 9. REPEALER 21 O.S. 2001, Section 187.2, is hereby repealed.

SECTION 10. This act shall become effective November 1, 2004.

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