STATE OF OKLAHOMA

1st Session of the 51st Legislature (2007)

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1721 By: Miller

COMMITTEE SUBSTITUTE

(Rules of the Ethics Commission – definitions -
county officials -
effective date)

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

SECTION 1. AMENDATORY Rule 257:1-1-2 of the Rules of the Ethics Commission (74 O.S. Supp. 2006, Chapter 62, App.), is amended to read as follows:

Rule 257:1-1-2. Definitions. 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) days 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 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 or secured by written contract to be paid by the state officer or state employee no later than 30 days of receipt;

(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.

"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 or county 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 or any county office with the secretary of a county 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 or county 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 or county officer or state or county employee or a candidate for state or county 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.

(3) If any person makes, or contracts to make, any disbursement for any electioneering communication as defined in this section; and such disbursement is coordinated with a:

(A) candidate or authorized committee of such candidate, or agent or official of any such candidate, such disbursement or contracting shall be treated as a contribution to the candidate supported by the electioneering communication and as an expenditure by that candidate committee.

(B) state, county, or local political party or committee thereof, or agent or official of such political party, such disbursement or contracting shall be treated as a contribution to the political party of the candidate or candidates supported by the electioneering communication and as an expenditure by that candidate's or candidates' party; or

(C) ballot measure committee, or an agent or official of any such ballot measure committee; such disbursement or contracting shall be treated as a contribution to the ballot measure committee supported by the electioneering communication and as an expenditure by that ballot measure committee.

"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 <u>and county election board in reference to candidates who file a declaration of candidacy with a county election board</u>.

"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.

“Electioneering Communication”

(1) means any communication that is sent by handbill or direct mail; broadcast by radio, television, cable or satellite; or appears in a newspaper, magazine or on a billboard which –

(A) refers to one or more clearly identified candidates for state <u>or county</u> office or one or more ballot measures;

(B) is made within –

(i) 60 days before a general or special election for the office sought by the candidate or candidates or the ballot measure or ballot measures; or

(ii) 30 days before a primary or runoff primary election for the office sought by the candidate or candidates; and

(C) is targeted to the relevant electorate;

(2) does not mean –

(A) a communication appearing in a news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication, unless such facilities are owned or controlled by any political party, political action committee, candidate, candidate committee or ballot measure committee;

(B) a communication which constitutes an expenditure or an independent expenditure under this chapter; or

(C) a communication which constitutes a candidate debate or forum or which solely promotes such a debate or forum and is made by or on behalf of the person sponsoring the debate or forum;

(3) For purposes of this definition, a communication which refers to one or more clearly identified candidates for state or county office or one or more ballot measures is 'targeted to the relevant electorate' if the communication has been or can be received by –

(A) 2,500 or more persons in the district the candidate seeks to represent in the case of a candidate for the Oklahoma State House of Representatives or candidate for county office;

(B) 5,000 or more in the district the candidate seeks to represent in the case of a candidate for district attorney, district judge, associate district judge, or the Oklahoma State Senate; or

(C) 25,000 or more persons in the State of Oklahoma in the case of a candidate for a statewide elective office or ballot measure.

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

(E) any news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication, unless such facilities are owned or controlled by any

political party, political action committee, candidate, candidate committee or ballot measure committee.

"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 county or 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 other than county entities.

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

officer or state or county employee or the state or county officer's or state or county 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 or candidates or a ballot measure or ballot measures, 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 candidate committee or ballot measure 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 <u>or county</u> 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, county, 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 <u>or county</u> 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 <u>or county</u> office" means all elective offices for which declarations of candidacy are filed with the Secretary of the State Election Board <u>or the secretary of a county election board</u>.

"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 2. This act shall become effective November 1, 2007.

51-1-7521 LRB 03/06/07