

ENROLLED HOUSE
BILL NO. 2110

By: Cargill, Morgan, Kern,
Terrill, Sears and Worthen
of the House

and

Coffee and Morgan of the
Senate

An Act relating to Rules of the Ethics Commission; amending Rules 1-1-2, 10-1-2, as amended by the Ethics Commission at the regular meeting held January 22, 2007, and as submitted to the Legislature and the Governor on February 5, 2007, 10-1-3, 10-1-8, 10-1-10, 10-1-11, 10-1-12, as amended by the Ethics Commission at the regular meeting held January 22, 2007, and as submitted to the Legislature and the Governor on February 5, 2007, 10-1-13, 10-1-14, as amended by the Ethics Commission at the regular meeting held January 22, 2007, and as submitted to the Legislature and the Governor on February 5, 2007, 10-1-16, 15-1-7, as amended by the Ethics Commission at the regular meeting held January 22, 2007, and as submitted to the Legislature and the Governor on February 5, 2007, and 20-1-9, as amended by the Ethics Commission at the regular meeting held January 22, 2007, and as submitted to the Legislature and the Governor on February 5, 2007, which relate to definitions, campaign reporting, personal financial disclosure, ethics and conflicts of interest; modifying definitions and defining terms; modifying contents of certain declaration; prohibiting making or accepting campaign contribution in State Capitol Building; allowing return of contributions received in mail; permitting only one active candidate committee for single office at any time; requiring dissolution of certain committees and allowing transfer of certain funds and debt; requiring that certain expenditures be from segregated account;

requiring certain disclosures and reports be made with respect to such account; modifying reference; providing for nonapplicability of certain provisions; deeming certain funds to be contributions; specifying requirement for certain depositories; specifying reporting requirements for out-of-state committees; modifying reporting threshold for out-of-state and federal committees; modifying requirements for disclosure of independent expenditures and electioneering communications; modifying requirements for disclosure of certain honoraria; prohibiting elective officers from receiving certain honoraria; requiring each house of Legislature to conduct annual training; providing for noncodification; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY Rule 1-1-2 of the Rules of the Ethics Commission, as amended by the Amendment No. 4 of the Ethics Commission at the regular meeting held January 22, 2007, and as submitted to the Legislature and the Governor on February 5, 2007, is amended to read as follows:

Rule 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) 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, and which is available to all registrants; and

(U) any single item with a fair market value not exceeding Ten Dollars (\$10.00) provided to a state officer or state employee during a calendar year; provided, if a donor provides more than one such item to a state officer or state employee during a calendar year, any such additional items shall not be subject to this exception.

"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 disbursing officer 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.

(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 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.

"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 or series of communications that are sent by handbill or direct mail; broadcast by radio, television, cable or satellite; or appear in a newspaper, magazine or on a billboard which -

(A) refer to one candidate or one or more of the same clearly identified candidates for state office or one ballot measure or one or more of the same ballot measures;

(B) are 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) are targeted to the relevant electorate;

(2) does not mean -

(A) a communication or series of communications 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 or series of communications which constitute an expenditure or an independent expenditure under this chapter; or

(C) a communication or series of communications which constitute 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 or series of communications which refer to one or more clearly identified candidates for state office or one or more ballot measures are 'targeted to the relevant electorate' if the communication or series of communications have 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;

(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 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; 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 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 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 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.

"Out-of-state", with respect to a committee or person, means that the committee or person expends funds to influence an election to a partisan political office outside the State of Oklahoma and that, in the twelve-month period preceding the funding of an independent expenditure or electioneering communication in this state, seventy-five percent (75%) or more of the committee's or person's total funding spent was spent on elections outside the State of Oklahoma or on federal elections.

"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 2. AMENDATORY Rule 10-1-2 of the Rules of the Ethics Commission, as amended by the Amendment No. 4 of the Ethics Commission at the regular meeting held January 22, 2007, and as submitted to the Legislature and the Governor on February 5, 2007, is amended to read as follows:

Rule 10-1-2. (a) Limitations on contributions from a person.

(1) No person or family may contribute more than five thousand dollars (\$5,000) to a political action committee or a party committee in any calendar year. No political action committee or party committee shall knowingly accept a contribution from a person or family in excess of five thousand dollars (\$5,000) in a calendar year. Contributions to be used for federal election activity, as defined in 2 U.S.C. § 431(20), and subject to the requirements of 2 U.S.C. § 441i, commonly referred to as "Levin Funds", shall not be aggregated with other contributions to a party committee.

(2) No person or family may contribute more than five thousand dollars (\$5,000) to a candidate for state office or to a candidate committee authorized by such a candidate to accept contributions or make expenditures on his behalf during a campaign as defined in Chapter 1, Section 2 and as provided in Paragraphs (4) and (5) of this subsection. No candidate or candidate committee shall knowingly accept a contribution in excess of five thousand dollars (\$5,000) from a person or family during a campaign.

(3) These restrictions do not apply to:

- (A) a committee supporting or opposing a ballot measure;
or
 - (B) a candidate making a contribution of his or her own funds, to his or her campaign; or
 - (C) a political party making a contribution according to the restrictions set forth in Subsection (b) of this section.
- (4) For purposes of this subsection, if a candidate:
- (A) begins a campaign for a specific state office;
 - (B) accepts one or more contributions for such campaign but prior to the election therefor chooses not to run for such office and becomes a candidate for a different office; and
 - (C) transfers all or any part of the contributions accepted for the first campaign to the second campaign;

the second campaign shall be deemed to have begun when the candidate began the first campaign.

- (5) For purposes of this subsection, if a candidate:
- (A) does not dissolve his or her candidate committee after the election at which the office at stake is decided;
 - (B) accepts one or more contributions for such committee after such election; and
 - (C) begins a campaign for the same or another office in a subsequent election cycle;

any contributions accepted within six (6) months prior to the beginning of the campaign for the same or another office in a subsequent election cycle shall be applied to the limit specified in Paragraph (2) of this subsection for such campaign.

(6) The \$5,000 limitation is to be applied collectively and cumulatively so that any contribution made by the entities as set forth in the definition of "person" in Section 2 of Chapter 1 of

this title, shall be allocated to the individuals owning such entities in their percentage of ownership. Once the limit of \$5,000 is reached, applying all sources to the individual or family, no further contributions can be made during the campaign or calendar year.

(b) Limitations on contributions from a political party committee. A candidate committee shall not accept contributions from a political party of more than:

(1) fifty thousand dollars (\$50,000) per campaign in the case of a candidate for governor; and

(2) twenty-five thousand dollars (\$25,000) per campaign in the case of a candidate for other non-federal statewide elective office.

CAVEAT: This provision, increasing the amount of contributions a political party may give to its statewide candidates, is inconsistent with Section 187.1 of Title 21 of the Oklahoma Statutes, which attaches a criminal penalty to contributions from any person or family to a state candidate in excess of \$5,000.

(c) Contributor statement. Within ten (10) business days of accepting a single contribution exceeding fifty dollars (\$50.00), or before accepting multiple contributions from a single source which exceed fifty dollars (\$50.00) in the aggregate, persons accepting contributions must obtain from each contributor a statement which shall include:

(1) the date the contribution was given;

(2) the name and address, occupation [e.g. "retail sales clerk"] and employer [e.g. "Dillard"], or principal business activity of the contributor; a contribution from a person other than an individual or a committee shall be reported by the name of the person or committee and not the individual who signed the check;

(3) the amount; if in-kind, a description of the contribution and a good faith estimate of its fair market value;

(4) a declaration that the contribution is for a campaign in the State of Oklahoma, and the contribution is freely and voluntarily given from the contributor's personal property, if an individual, or the person or committee's property, if other than an individual;

(5) a declaration that the contributor has not been directly or indirectly compensated or reimbursed for the contribution, if an individual, and, if a person other than an individual or a committee, that the person or committee has not been compensated or reimbursed for the contribution by persons:

(A) other than those from whom contributor statements have been received and of whom disclosure has or will be made; or

(B) if from persons exempted from the definition of political action committee, by other persons; and

(6) the signature of the contributor, or in the case of a committee, the treasurer or, in the treasurer's absence, the deputy treasurer of the committee.

Persons accepting contributions from contributors who contribute by payroll deduction, dues check-off, or similar process shall be required to obtain only one contributor statement annually or at such other times as a change is made in the deduction, check-off, or similar process.

(d) Prohibitions and exceptions to corporate and labor organization contributions and expenditures.

(1) No corporation or labor organization shall contribute to any campaign fund of any party committee of this state or to any other person for the benefit of such party committee or its candidates, nor shall it, through any agent, officer, representative, employee, attorney, or any other person or persons, so contribute. Nor shall any such corporation or labor organization, directly or through such other person, make any loan of money or anything of value, or give or furnish any privilege, favor or other thing of value to any party committee, or to any representative of a party committee, or to any other person for it, or to any candidate upon the ticket of any political party.

(2) A corporation or labor organization shall not make a contribution or an expenditure or an independent expenditure to, or for the benefit of, a candidate or committee in connection with an election or for any electioneering communication, except that this provision shall not apply to:

- (A) a campaign or committee solely for or against a ballot measure or local question; or
- (B) the establishment, administration, and solicitation of contributions to a political action committee to be utilized for political purposes by a corporation or labor organization.

(3) No candidate, candidate committee or other committee shall knowingly accept contributions given in violation of the provisions of Paragraphs (1) and (2) of this subsection.

(4) The provisions of this subsection shall not apply to a bank, savings and loan association or credit union loaning money to a candidate in connection with his own campaign which is to be repaid with interest at a rate comparable to that of equivalent loans for other purposes.

(5) The provisions of this subsection shall not apply to independent expenditures or electioneering communications made by a corporation that:

- (A) has as an express purpose promoting social, educational, or political ideas and not to generate business income;
- (B) does not have shareholders or other persons which have a financial interest in its assets and earnings; and
- (C) was not established by a business corporation or other business entity, by a professional association, or by a labor organization and does not receive substantial revenue from such entities. Substantial revenue is defined as more than ten percent (10%) of total revenues or \$10,000, whichever is less, in a calendar year.

(e) Prohibitions relating to committee solicitations and funds. It shall be prohibited for:

(1) a political action committee to accept a contribution or make an expenditure by using anything of value secured:

- (A) by physical force, job discrimination, financial reprisals, or threat of the same; or

(B) by dues, fees, or other monies required as a condition of membership in a labor organization or as a condition of employment, unless the making of such contributions is authorized by the organization's members;

(2) a person to solicit a contribution from an employee in exchange for any advantage or promise of an advantage conditioned upon making a contribution, or reprisal or threat of reprisal related to the failure to make a contribution;

(3) a corporation or political action committee of a corporation to solicit contributions to the political action committee from a person other than its members, shareholders, directors, executive and administrative personnel, and their families; and

(4) corporate contributions to a committee or person for or against a ballot measure to be commingled with a fund established by such person or committee to contribute to candidate committees or committees which support or oppose candidates.

(f) Prohibition on transfer of funds between committees.

(1) A candidate committee shall not make a contribution to another candidate or make an independent expenditure on behalf of another candidate. The principal candidate committee or an authorized committee of a person, as such terms are defined in Section 431 of Title 2 of the United States Code, shall not make a contribution to a candidate or make an independent expenditure on behalf of a candidate. A candidate or candidate committee shall not accept such a contribution.

(2) This subsection shall not prohibit a candidate or any other person from making a contribution from the candidate's or person's personal funds to his or her own candidate committee or on behalf of his or her own candidacy or to the committee of another candidate for a different office.

(3) This subsection shall not prohibit a candidate committee from providing its surplus funds or material assets to the state or local central committee of a political party in accordance with the procedures for dissolution of a candidate committee under Sections 19 and 20 of this chapter.

(g) Aggregation of contributions. For purposes of the contribution limitations, the following apply:

(1) Two (2) or more political action committees or party committees are treated as a single entity if the committees:

- (A) share the majority of members on their boards of directors;
- (B) are owned or controlled by the same majority shareholder or shareholders;
- (C) are in a parent subsidiary relationship; or
- (D) have by laws so stating; or
- (E) are affiliated or connected entities.

(2) A candidate committee and a committee other than a candidate committee are treated as a single committee if the committees both have the candidate or a member of the candidate's immediate family as an officer.

(h) Attribution and aggregation of family contributions.

(1) Contributions by a husband and wife are aggregated.

(2) Contributions by children under eighteen (18) years of age shall be considered to be contributions made by their parent, parents or legal guardian and shall be attributed to the family limit specified in Subsection (a) of this section. In the case of a single custodial parent, the total amount of such a contribution shall be considered to be a contribution made by the single custodial parent.

(i) Restrictions on loans.

(1) A loan is considered a contribution from the lender, guarantor, and endorser of the loan and is subject to the contribution limitations of this section.

(2) A loan to a candidate or the candidate committee shall be by written agreement.

(3) The proceeds of a loan, regardless of the amount, made to a candidate:

- (A) by a commercial lending institution;
- (B) made in the regular course of business;
- (C) on the same terms ordinarily available to members of the public; and
- (D) which is secured or guaranteed solely by the candidate;

are not subject to the contribution limits of this section.

(4) A loan from one committee to another is prohibited.

(j) Anonymous and earmarked contributions.

(1) A person shall not make to a committee and a committee shall not accept an anonymous contribution in excess of fifty dollars (\$50). The recipient of an anonymous contribution in excess of fifty dollars (\$50) shall, within two (2) business days, remit the contribution to the Commission to be deposited with the State Treasurer to the credit of the General Revenue Fund.

(2) For purposes of the contribution limitations imposed by this section, all contributions made by a person, either directly or indirectly, to or for the benefit of a particular candidate committee, including contributions which are in any way earmarked or otherwise directed through an intermediary or conduit to such candidate committee, shall be treated as contributions from such person to such candidate committee. It shall be prohibited for an intermediary or a conduit to make a contribution to a committee in his or her own name rather than the name of the original source of such contribution. For purposes of this paragraph, an intermediary or conduit means a person, who is not the treasurer, deputy treasurer or agent of a committee, but who is given a contribution by another with the understanding that it will be contributed to that committee. The reports shall show the correct name of the person actually making the contribution.

(k) Reimbursement for contribution prohibited. A person shall not, directly or indirectly, reimburse a person for a contribution to a candidate or committee.

(1) Cash contributions.

(1) An individual shall not make to a candidate committee or a committee supporting or opposing a ballot measure and a candidate committee or a committee supporting or opposing a ballot measure shall not accept a contribution of more than fifty dollars (\$50) in cash during a campaign as defined in Chapter 1, Section 2. Agents accepting and delivering cash shall deliver contributor statements disclosing cash contributions equal to the aggregate amount of cash delivered.

(2) A committee, or a person other than an individual, shall not make a contribution in cash.

(m) Certain contributions required to be by written instrument.

(1) An individual shall not make a contribution of more than fifty dollars (\$50), other than an in kind contribution, except by written instrument containing the name of the contributor and the name of the payee during a campaign as defined in Chapter 1, Section 2.

(2) A committee, or a person other than an individual, shall not make a contribution, other than in-kind, except by written instrument containing the name of the contributor and the name of the payee.

(n) Use of other funds.

(1) Anything of value which is solicited from the public in the name of or for the benefit of an elective officer or candidate, and which is accepted by an elective officer or candidate, shall be subject to the reporting requirements of this chapter. This would include, but not be limited to, things of value given for an inauguration or renovation of public property. Anything of value accepted by an agent or representative of an elective officer or candidate or by a committee established by, in the name of, or for the benefit of, an elective officer or candidate shall be deemed to be accepted by such elective officer or candidate for purposes of this section.

(2) The use of such things of value shall be limited to the stated purpose or purposes for which such things of value were solicited.

(3) Any surplus things of value which are not needed for the stated purpose or purposes shall be returned to the donors pursuant to a formula by which no donor receives more than his or her original donation or deposited with the State Treasurer to the credit of the General Revenue Fund.

(o) Auctions. When an auction is held by a committee as a fundraiser, a contributor statement shall be required with respect to each person donating an item to be auctioned and shall include the fair market value of each item donated.

(1) If an item is sold for a price in excess of the established fair market value, the buyer thereof shall be deemed to have made a contribution in the amount of the price paid in excess of the established fair market value and the donor thereof shall be deemed to have made a contribution in the amount of the established fair market value.

(2) If an item is sold at the established fair market value, the donor thereof shall be deemed to have made a contribution in the amount of the established fair market value and the buyer thereof shall not be deemed to have made a contribution.

(3) If an item is sold at less than the established fair market value, the fair market value shall be reduced to the actual sale price and the donor thereof shall be deemed to have made a contribution in the amount of the sale price and the buyer thereof shall not be deemed to have made a contribution.

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

Rule 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, 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, 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, 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, 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.

(i) A person shall not make or accept a contribution in the State Capitol Building; provided, if a contribution is delivered in the mail to an address in the State Capitol Building and the committee for which the contribution is intended returns the contribution to the contributor within six (6) business days of receipt or delivery, it shall not be deemed to be accepted in violation of the provisions of this subsection.

SECTION 4. AMENDATORY Rule 10-1-8 of the Rules of the Ethics Commission (74 O.S. 2001, Ch. 62, App.), is amended to read as follows:

Rule 10-1-8. (a) A candidate shall designate one (1) candidate committee by filing a statement of organization no later than ten (10) days after accepting or expending in excess of five hundred dollars (\$500) or filing a declaration of candidacy, whichever is earlier. Except for a change in information relating to committee officer vacancies, which shall be subject to the provisions of Section 9, Subsection (b) of this chapter, any change in information reported on the statement of organization shall be reported within

ten (10) days of such change by filing an amended statement of organization.

(b) A candidate shall not designate more than one (1) candidate committee. The name of the candidate committee shall include the name of the candidate designating the committee. No committee, other than the designated candidate committee, shall include the name of the candidate, or any words identifying that committee with a candidate, in its name.

(c) Use of the name of one candidate by another candidate with a duplicate name shall not constitute a violation of Subsection (b) of this section.

(d) A candidate shall only be permitted to have one active candidate committee at any time for the same office. If a candidate has an active candidate committee, the candidate shall dissolve such committee prior to or at the time of filing a statement of organization for a new candidate committee for the same office. If the committee which is dissolved has surplus funds or debt, such funds or debt may be transferred to the new candidate committee if such use was indicated on the statement of organization for the dissolved committee.

SECTION 5. AMENDATORY Rule 10-1-10 of the Rules of the Ethics Commission (74 O.S. 2001, Ch. 62, App.), is amended to read as follows:

Rule 10-1-10. (a) A committee, other than an out-of-state committee, shall establish one or more campaign depositories:

(1) in financial institutions that ordinarily conduct business within the state; and

(2) in offices located within the state that ordinarily conduct business with the general public.

(b) The committee shall maintain a campaign account in each depository in the name of the committee, with no use of acronyms permitted.

(c) Expenditures of a committee of more than fifty dollars (\$50), except for expenditures made by the candidate from his or her own funds, shall be drawn from a campaign account and issued on a

check signed by the candidate, treasurer or, in the treasurer's absence, the deputy treasurer or the chair of said committee.

(d) All contributions, other than in-kind contributions, accepted by the committee, directly or indirectly, shall be deposited in a campaign account within ten (10) days after acceptance. All contributions received by a deputy treasurer or agent of the committee, including the candidate, on behalf of a committee shall be provided to the treasurer or, in the treasurer's absence, the deputy treasurer not later than five (5) days after receipt.

(e) A committee shall be required to disclose the location of its campaign account or accounts to the Commission.

(f) An out-of-state committee or person, accepting donations from other persons and making independent expenditures or electioneering communications with respect to elections governed by this chapter, shall make such independent expenditures and electioneering communications from a segregated account which contains only funds which comply with the monetary limit for contributions to a candidate set forth in paragraph (2) of subsection (a) of Section 2 of this chapter and which comply with the provisions of subsection (d) of Section 2 of this chapter. The out-of-state committee or person shall be required to disclose the location of the account to the Commission. The reports required by paragraph (2) of subsection (c) of Section 13 of this chapter and paragraph (3) of subsection (c) of Section 16 of this chapter shall be made with respect to the account required by this subsection.

SECTION 6. AMENDATORY Rule 10-1-11 of the Rules of the Ethics Commission, as amended by the Amendment No. 2 of the Ethics Commission at the regular meeting held January 22, 2007, and as submitted to the Legislature and the Governor on February 5, 2007, is amended to read as follows:

Rule 10-1-11. (a) A committee other than a candidate committee, including an out-of-state committee, which accepts one or more contributions or makes one or more expenditures in excess of five hundred dollars (\$500) in the aggregate in this state in a calendar year shall file, or electronically transmit, a statement of organization with the Commission no later than five (5) days after accepting the contribution(s) or making the expenditure(s). A new statement of organization shall be filed or electronically transmitted between January 1 and January 31 of each year

thereafter. A committee may also file a statement of intent indicating the committee's intention neither to accept contributions nor make expenditures in excess of five hundred dollars (\$500) in the aggregate during the current calendar year. The statement of intent shall be designated on the Statement of Organization. If, thereafter, the committee accepts or expends in excess of five hundred dollars (\$500) in the aggregate in the same or a future calendar year, a new statement of organization shall be filed within five (5) days after accepting the contribution(s) or making the expenditure(s).

(b) Exemptions from contributor statements, registration and/or reporting.

(1) The provisions of Subsection (a) of this section and Sections 12 and 13 of this chapter shall not apply to out-of-state political action committees which accept contributions and which contribute in Oklahoma only through an affiliated or connected Oklahoma political action committee that registers and files reports of contributions and expenditures pursuant to the provisions of this chapter;

(2) The provisions of Subsections (a) and (b) of Section 13 of this chapter shall not apply to a candidate committee which has:

(A) accepted a transfer from that candidate's former campaign but which has neither accepted other contributions nor made expenditures in excess of five hundred dollars (\$500) in the aggregate in addition to such transfer; and

(B) complied with the requirements of Subsection (c) of Section 13 of this chapter; ~~and~~

(3) The provisions of Subsection ~~(b)~~ (c) of Section 2 of this chapter shall not apply to contributions accepted by a committee other than a candidate committee until such time as the committee has accepted contributions or made expenditures in excess of five hundred dollars (\$500) during a calendar year in support of or in opposition to state candidates or ballot measures. Once the \$500 threshold in either contributions or expenditures has been exceeded, the acceptance of each new contribution in excess of fifty dollars (\$50) shall be accompanied by a contributor statement; and

(4) The provisions of subsection (c) of Section 2 of this chapter shall not apply to funds accepted by an out-of-state committee or person, or a corporation meeting the requirements of paragraph (5) of subsection (d) of Section 2 of this chapter, which makes independent expenditures or electioneering communications, provided that the out-of-state committee or person or authorized corporation spends no funds controlled by, coordinated with, requested by or made upon consultation with a candidate, committee, treasurer, deputy treasurer, or agent of a candidate committee or a ballot measure committee. Any funds expended which are controlled by, coordinated with, requested by or made upon consultation with a candidate, committee, treasurer, deputy treasurer, or agent of a candidate committee or a ballot measure committee shall be deemed to be a contribution and shall be subject to all provisions of this chapter applicable to contributions.

SECTION 7. AMENDATORY Rule 10-1-12 of the Rules of the Ethics Commission, as amended by the Amendment No. 2 of the Ethics Commission at the regular meeting held January 22, 2007, and as submitted to the Legislature and the Governor on February 5, 2007, is amended to read as follows:

Rule 10-1-12. (a) Candidate committee statement of organization.

(1) The statement of organization for a candidate committee shall include the following:

- (A) the full name of the candidate and the candidate's committee, which must include the year of the General or Special General Election of the office being sought, whether the statement amends a former statement of organization, and, if amending a former statement of organization, the number assigned by the Ethics Commission for the committee pursuant to the initial registration;
- (B) the party affiliation, if any, of the candidate;
- (C) the complete mailing address, electronic mailing address, and daytime telephone number of the candidate committee and the candidate's residence address, electronic mailing address, and daytime telephone number;

- (D) the date the committee was organized;
- (E) the office being sought by the candidate, including the position, district and office number, if applicable, whether or not the office is being sought in a Special Election, and the year of the General Election or Special General Election to fill the office;
- (F) the full name, mailing address, electronic mailing address, daytime telephone number, and principal place of business of the chair, the treasurer, and, if appointed, a deputy treasurer and designation of which person, either the candidate or an officer, should receive notification of required filings and late filing violations;
- (G) the full name and address of each depository in which the committee will maintain a campaign account;
- (H) a designation of the use or uses of surplus funds, which shall be limited to those set forth in Section 20 of this chapter; and
- (I) the actual signature of the candidate or typed name on an electronically filed form, certifying that each officer has provided the candidate with written acceptance of the appointment and that the information provided is true, complete and correct.

(2) The candidate shall notify the Commission, in writing or by electronic transmittal, of a change in information previously reported in a statement of organization no later than ten (10) business days after the change, except for a change in information relating to committee officer vacancies which shall be subject to the provisions of Subsection (b) of Section 9 of this chapter.

(b) Statement of organization for a committee other than a candidate committee.

(1) The statement of organization for a committee other than a candidate committee shall include the following:

- (A) the full name of the committee, which may not include the name of a candidate and, if amending a former

statement of organization, the number assigned by the Ethics Commission for the committee pursuant to the initial registration;

- (B) the complete mailing address, electronic mailing address, and daytime telephone number of the committee;
- (C) the date the committee was organized;
- (D) the purpose of the committee including the FEC (Federal Election Commission) number, if the committee is registered under the laws of the United States;
- (E) an indication as to whether the committee is a party committee, a political action committee or a ballot measure committee;
- (F) the name and mailing address of a corporation, labor organization or other association that sponsors the committee or is affiliated with the committee. If the committee is not sponsored by or affiliated with a corporation, labor organization, or other association, the committee shall specify the trade, profession, or primary interest of contributors to the committee;
- (G) the full name, mailing address, electronic mailing address, daytime telephone number, and principal place of business of the chair;
- (H) the full name, mailing address, electronic mailing address, daytime telephone number, and principal place of business of the treasurer, and, if appointed, of a deputy treasurer;
- (I) the designation of an officer to receive notices of required filings and late violations;
- (J) an indication of whether the committee was formed to support or oppose a specific ballot measure or measures, and, if so, a brief description of the question;
- (K) the full name, mailing address, electronic mailing address, daytime telephone number, and principal place

of business of the custodian of the books and accounts if other than the designated officers;

- (L) the full name and address of each depository in which the committee will maintain its campaign account, which, for an out-of-state committee, shall be the account required by subsection (f) of Section 10 of this chapter;
- (M) a designation of the use or uses of surplus funds, which shall be limited to those set forth in Section 20 of this chapter; and
- (N) the actual signature of the treasurer or typed signature of the treasurer on electronically filed forms, certifying that each officer has provided the committee with written acceptance of the appointment and that the information provided is true, complete and correct.

(2) The treasurer shall notify the Commission, in writing or by electronic transmittal, of a change in information previously reported in a statement of organization no later than ten (10) business days after the change, except for a change in information relating to committee officer vacancies which shall be subject to the provisions of Subsection (c) of Section 9 of this chapter.

SECTION 8. AMENDATORY Rule 10-1-13 of the Rules of the Ethics Commission (74 O.S. Supp. 2006, Ch. 62, App.), is amended to read as follows:

Rule 10-1-13. (a) Periodic reports by all committees.

(1) Except as provided in Paragraphs (2) and (3) of this subsection, the treasurer of each committee or, in the treasurer's absence, the deputy treasurer, other than those specified in Paragraph (3) of this subsection, shall file quarterly reports of contributions and expenditures no later than January 31, April 30, July 31, and October 31, and include all contributions accepted and expenditures made as of December 31, March 31, June 30, and September 30, respectively. Quarterly reporting periods may be extended to include the month following the end of the quarter when filing a quarterly and final report on the same form but shall be filed no later than the due dates provided in this subsection. The

first report filed by a candidate committee shall be the next report due following the filing of a statement of organization.

(2) If a committee has accepted no contributions and has made no expenditures during a reporting period, the treasurer or, in the treasurer's absence, the deputy treasurer shall file a statement of inactivity.

(3) The treasurer or, in the treasurer's absence, the deputy treasurer of each committee supporting or opposing a ballot measure, or supporting or opposing a candidate and a ballot measure, shall file monthly reports of contributions accepted and expenditures made no later than the tenth (10th) day of each month and include all contributions and expenditures made the previous month. The first report filed by such a committee shall be the next report due following the filing of a statement of organization.

(b) Pre election reports by all committees.

(1) A committee shall file a pre election report for each primary, runoff primary and general election held pursuant to Sections 1-101, 1-102 and 1-103 of Title 26 of the Oklahoma Statutes and for any special election, including a special primary election, if any, for which a registered committee accepts a contribution or makes an expenditure in support of or in opposition to a candidate for office in that election cycle or a ballot measure on the ballot in that election.

(2) A pre-election report shall be filed no later than eight (8) days and no earlier than fourteen (14) days before an election. This pre-election report shall include information for all transactions made since the end of the last reporting period through fifteen (15) days before the date of the election. In the event that the pre-election report filed prior to the Primary is due before the previous quarterly report, the report filed prior to the Primary shall include information for all transactions made for the previous quarter through a period fifteen (15) days before the date of the election.

(3) The pre-election report filed prior to the Primary in an election year shall cover a reporting period beginning April 1 and ending the fifteenth day prior to the Primary. The pre-election reports filed prior to the Primary, Runoff Primary and General Elections shall substitute for the quarterly report due by July 31 and October 31 for a candidate committee during an election year of

the candidate or a committee supporting or opposing only candidates in an election cycle.

(4) The first quarterly report due after a General Election in which a committee supported or opposed candidates on the ballot shall cover a period beginning with the first day following the end of the reporting period of the pre-election report for the General Election and end with the last day of the quarter.

(c) Exemptions

(1) Federal committees. Committees registered under the laws of the United States, who contribute more than \$500 in the aggregate or make expenditures exceeding \$500 in the aggregate in support of or in opposition to a candidate for state office in an election cycle, in filing the reports prescribed by this chapter, may disclose only contributions from Oklahoma residents or contributions to Oklahoma state campaigns for the period prior to and reporting periods following the period during which the contribution to a state candidate for state office was made.

(2) Out-of-state committees. An out-of-state committee shall report contributions accepted on a last-in-first-out basis in an amount which equals or exceeds the amount of expenditures made in this state with respect to elections governed by this chapter. Such a committee shall also report all contributions from Oklahoma contributors within the twelve-month period preceding the last date of the reporting period.

(3) Exemption for candidate committees with minimal activity. A candidate committee which does not accept contributions exceeding \$500 in the aggregate may file an affidavit with the Ethics Commission stating the committee will not accept contributions or make expenditures exceeding \$500 in the aggregate which shall exempt such candidate committee from filing required reports. If the committee later determines it will exceed the threshold, it shall file a statement of organization within five (5) days following the activity and file the next and all succeeding required reports until dissolution.

~~(3)~~ (4) Exemption for candidate committee with minimal calendar year activity.

(A) Statement of intent for minimal calendar year activity. A statement of intent for minimal calendar

year activity may be filed by a candidate committee by April 30 of any year for the same year, other than the year of the General Election during which the office sought will be filled. The statement of intent must include the name and address of the candidate committee; the treasurer's name, address and telephone number; and a statement that the committee does not intend to accept contributions nor make expenditures exceeding \$500 during the calendar year. It must be certified and signed by the treasurer. If the committee later determines it has exceeded \$500 in contributions or expenditures during the calendar year for which the statement was filed, it shall file an amended statement of organization within five (5) days of such time and file the next and all succeeding required quarterly reports.

- (B) Annual report. All required disclosure for which a statement of intent for minimal calendar year activity is filed must be reported for the calendar year period covered by the statement of intent for minimal calendar year activity on a campaign contributions and expenditures report and must be filed between January 1 and 31 following the end of the calendar year for which the statement was filed.

SECTION 9. AMENDATORY Rule 10-1-14 of the Rules of the Ethics Commission, as amended by the Amendment No. 2 of the Ethics Commission at the regular meeting held January 22, 2007, and as submitted to the Legislature and the Governor on February 5, 2007, is amended to read as follows:

Rule 10-1-14. (a) Basic reporting form. The campaign contributions and expenditures report shall include:

- (1) the following administrative information:
 - (A) committee name and address;
 - (B) candidate's name, if a candidate committee; or title or number of ballot measure if supporting or opposing a ballot measure;
 - (C) type(s) of report (pre-election, monthly, quarterly, or annual and whether it is amended or final);

- (D) period covered by the report; and
- (E) the office sought and the year of the general election or special general election for the candidate that is supported or opposed by the committee; or the date of the election for the ballot measure, if known, that is supported or opposed by the committee;

(2) the information reported pursuant to Paragraph (16) of this subsection on the last campaign contributions and expenditures report.

- (A) For purposes of this paragraph, the beginning of the reporting period for the initial report of a candidate committee shall be the date the first contribution was accepted or expenditure was made or declaration of candidacy was filed, whichever is earlier; the beginning of the reporting period for subsequent reports shall be the day following the last day of the previous reporting period.
- (B) For purposes of this paragraph, the beginning of the reporting period for the initial report of a committee, other than a candidate committee, shall be the date the first contribution was accepted or expenditure was made for a new reporting committee; the beginning of the reporting period for subsequent reports shall be the day following the last day of the previous reporting period;

(3) the following information about monetary contributions, including loans, accepted from a person other than a committee:

- (A) the total sum of all contributions accepted during the current reporting period less contributions from the lender, guarantor or endorser of a loan reported under Paragraph (4) of this subsection;
- (B) the total of contributions accepted for the campaign-to-date or calendar year-to-date less contributions from the lender, guarantor or endorser of a loan reported under Paragraph (4) of this subsection;

- (C) for other than out-of-state or federal committees, the number of contributors making contributions of fifty dollars (\$50) or less accepted and the total amount of contributions in the amount of fifty dollars (\$50) or less in the aggregate accepted during the campaign, if a candidate committee, or calendar year, if other than a candidate committee, less contributions from the lender, guarantor or endorser of a loan reported under Paragraph (4) of this subsection; and
- (D) for other than out-of-state or federal committees, the name and address, occupation and employer, or principal business activity, of each contributor contributing in excess of fifty dollars (\$50) in the aggregate during the reporting period; the date accepted, amount and nature (cash or written instrument) of each contribution by the contributor during the reporting period; and the total contributions of the contributor to the campaign-to-date for candidate committees and year-to-date for other committees;
- (E) for out-of-state and federal committees, the number of contributors making contributions of two hundred dollars (\$200.00) or less accepted and the total amount of contributions in the amount of two hundred dollars (\$200.00) or less in the aggregate accepted during the campaign, if a candidate committee, or calendar year, if other than a candidate committee, less contributions from the lender, guarantor or endorser of a loan reported under paragraph (4) of this subsection; and
- (F) for out-of-state and federal committees, the name and address, occupation and employer, or principal business activity, of each contributor contributing in excess of two hundred dollars (\$200.00) in the aggregate during the reporting period; the date accepted, amount and nature (cash or written instrument) of each contribution by the contributor during the reporting period; and the total contributions of the contributor to the campaign-to-date for candidate committees and year-to-date for other committees;

(4) the following information about monetary contributions accepted from a committee;

- (A) the total sum of all contributions accepted during the current reporting period;
- (B) the total of contributions accepted for the campaign-to-date or calendar year-to-date;
- (C) the number of committees making contributions of fifty dollars (\$50) or less accepted and the total amount of contributions in the amount of fifty dollars (\$50) or less in the aggregate accepted during the reporting period; and
- (D) the name, address, Ethics Commission number, and the principal interest or principal business activity of each committee contributing in excess of fifty dollars (\$50) in the aggregate during the reporting period; the date accepted, amount of each contribution by the committee during the reporting period; and the total contributions of the committee to the campaign-to-date for candidate committees and year-to-date for other committees;

(5) the following information about loans, promissory notes, or security agreements the proceeds of which are to be used by or for the benefit of the candidate's campaign or the committee:

- (A) the total amount of all loans, promissory notes, or security agreements received during the reporting period, and the total amount of loans, promissory notes, or security agreements for the campaign-to-date for candidate committees and year-to-date for other committees;
- (B) the amount of each loan, promissory note, or security agreement during the reporting period, and
 - (i) the date and amount of each loan, promissory note, or security agreement,
 - (ii) the name and address of the lending institution,

- (iii) the name and address of each lender, guarantor or endorser,
- (iv) the year-to-date or campaign-to-date total, and
- (v) the terms of the loan, promissory note, or security agreement including the interest rate and repayment schedule;

(6) the following information about other receipts:

- (A) the total of other receipts, including refunds, sale of assets, rebates (other than those that qualify as contributions), interest from an interest bearing account with the campaign depository or depositories, or other receipts, not previously identified during the reporting period received of fifty dollars (\$50.00) or less; and
- (B) the date and amount of each refund, rebate, interest, or other receipt not previously identified of more than fifty dollars (\$50.00) in the aggregate from one source, the name of each source, and the campaign-to-date total for candidate committees and year-to-date total for other committees;

(7) the aggregate total of monetary receipts for the reporting period and for the campaign-to-date for candidate committees or year-to-date for other committees;

(8) the same information for in-kind contributions, including guarantors and endorsers of loans, as for monetary contributions, together with the Ethics Commission number for committees, and shall also include a description of the in-kind contribution;

(9) the amount of funds loaned or donated by a corporation, labor organization, or other person to its political action committee for the establishment and for solicitation costs of the committee;

(10) written agreements, written promises or written pledges to make a dated, undated or postdated contribution to be reported separately and in the same manner as other monetary contributions;

(11) the aggregate total of contributions, loans, and other receipts, both monetary and in-kind, including payment of costs described in Paragraph (9) of this subsection, during the reporting period, and the campaign-to-date aggregate total for candidate committees and year-to-date aggregate total for other committees;

(12) the following information about expenditures:

- (A) the total of expenditures made during the reporting period and the year-to-date or campaign-to-date total;
- (B) the amount, the date, and a brief description of what was purchased for each individual campaign expenditure in excess of fifty dollars (\$50.00) in the aggregate to one (1) entity made during the reporting period, and the purpose of the expenditure. Disbursements to consultants, advertising agencies, and similar firms; credit card expenses; and candidate reimbursements shall be itemized to permit a reasonable person to determine the ultimate intended purpose of the expenditure; and
- (C) the total amount of all campaign expenditures not required to be reported in Subparagraph (B).
- (D) Committees may file all expenditures in lieu of the additional bookkeeping requirement of grouping together all expenditures aggregating \$50 or less to one entity and all expenditures aggregating more than \$50 to one entity;

Provided, a committee shall not divide expenditures which would otherwise be made individually for the purpose of evading the reporting requirements of this paragraph;

(13) the following information about independent expenditures:

- (A) the total of independent expenditures made during the reporting period and the year-to-date or campaign-to-date total;
- (B) the amount, the date and a brief description of what was purchased for each individual independent expenditure in excess of fifty dollars (\$50) in the

aggregate made during the reporting period, and the purpose of the expenditure; and

- (C) the total of independent expenditures not required to be reported in Subparagraph (B).
- (D) Committees may file all independent expenditures in lieu of the additional bookkeeping requirement of grouping together all independent expenditures aggregating \$50 or less to one entity and all independent expenditures aggregating more than \$50 to one entity;

Provided, a committee shall not divide independent expenditures which would otherwise be made individually for the purpose of evading the reporting requirements of this paragraph;

(14) the following information about monetary transfers to other committees, subject to the restrictions in Subsection (e) of Section 2 of this chapter and Subsection (a) of Section 20 of this chapter:

- (A) the total amount of monetary transfers to other committees for the reporting period;
- (B) the total amount of all monetary transfers to other committees for the campaign-to-date for candidate committees and the year-to-date for other committees;
- (C) the amount of each monetary transfer during the reporting period, the name and address of each recipient, the date tendered, and the total monetary transfers to the recipient for the campaign-to-date for candidate committees and year-to-date for other committees;

(15) the total of all monetary expenditures and monetary transfers;

(16) the following information about in-kind transfers:

- (A) the total amount of in-kind transfers to other committees for the reporting period;

- (B) the total amount of all in-kind transfers to other committees for the campaign-to-date for candidate committees and the year-to-date for other committees;
 - (C) the fair market value of each in-kind transfer during the reporting period, the name and address of each recipient, the date tendered, a description of the goods or services transferred, and the total value of in-kind transfers to the recipient for the campaign-to-date for candidate committees and year-to-date for other committees;
- (17) the following information about expenditures incurred:
- (A) the total amount of all expenditures incurred; and
 - (B) the amount of each expenditure incurred if the amount is in excess of fifty dollars (\$50) in the aggregate to one entity, a brief description of what was purchased, the purpose of the purchase, and the date the goods or services were delivered; and
 - (C) the total amount of expenditures incurred not required to be reported in Subparagraph (B).
 - (D) Committees may file all expenditures incurred in lieu of the additional bookkeeping requirement of grouping together all expenditures incurred aggregating \$50 or less to one entity and all expenditures incurred aggregating more than \$50 to one entity.

An expenditure incurred shall be reported on each report filed after the date of receipt of goods or services until payment is made to the vendor. A payment shall be listed as an expenditure when the payment is made; provided, a committee shall not divide expenditures incurred which would otherwise be made individually for the purpose of evading the reporting requirements of this paragraph;

(18) the following information about unpaid loans, promissory notes, or security agreements the proceeds of which were used by or for the benefit of the candidate's campaign or the committee:

- (A) the total balance of loans, promissory notes, and security agreements owed by the committee during the reporting period;

(B) each loan, promissory note, or security agreement owed by the committee, itemized by name and address of lending institution or any other lender, and the date of the loan, promissory note and/or security agreement;

(19) the difference between total monetary receipts and total monetary expenditures, as of the end of the reporting period; and

(20) the signature, or typed signature on electronically filed forms of the treasurer or, in the treasurer's absence, the deputy treasurer, who shall certify that prior to accepting any contribution requiring a contributor statement during this campaign-to-date for candidate committees or calendar year-to-date for other committees, the treasurer, or deputy treasurer in the treasurer's absence, received a contributor statement therefor and who shall each attest to the report's accuracy and veracity. Within five (5) business days of the treasurer or deputy treasurer of a candidate committee filing a required report, the candidate, or the treasurer of a candidate committee for a candidate seeking judicial office, shall confirm in writing that the report filed was true and correct. The signature shall be verified.

(b) Statement of inactivity. A statement of inactivity must include the same information as required by Subsection (a), Paragraphs (1) and (19) of this section; and a statement that a contribution was not accepted and an expenditure was not made during the reporting period.

SECTION 10. AMENDATORY Rule 10-1-16 of the Rules of the Ethics Commission, as amended by the Amendment No. 2 of the Ethics Commission at the regular meeting held January 22, 2007, and as submitted to the Legislature and the Governor on February 5, 2007, is amended to read as follows:

Rule 10-1-16. (a) Independent expenditures by committee. A ~~person~~ committee, including an out-of-state committee, that makes an independent expenditure of five hundred dollars (\$500) or more after the closing date for the pre-election reporting period, but before the election, shall report the total amount, the date, the name and address of the entity to which the independent expenditure was made; items purchased, description of the consideration for the expenditure and the purpose, whether support or opposition; and the beneficiary, whether candidate or ballot measure, for each

individual independent expenditure on the paper form or electronically transmitting the information on the form to the Commission office by United States mail, hand delivery, facsimile transmission, telegram, or express delivery service within twenty four (24) hours of making the expenditure. The report shall include the signature, or typed signature on electronically filed forms, of the person making the expenditure, or the treasurer or, in the treasurer's absence, the deputy treasurer of a reporting committee, who shall attest to the report's accuracy and veracity. This information shall be included on the next report filed on paper or electronically transmitted by the ~~reporting committee or person~~.

(b) Independent expenditures by person other than committee. A person other than a committee that makes an independent expenditure of Five Hundred Dollars (\$500.00) or more at any time, shall report the total amount, the date, the name and address of the entity to which the independent expenditure was made; items purchased, description of the consideration for the expenditure and the purpose, whether support or opposition; and the beneficiary, whether candidate or ballot measure, for each individual independent expenditure on the paper form or electronically transmitting the information to the Commission office by United States mail, hand delivery, facsimile transmission, telegram, or express delivery service within twenty-four (24) hours of making the expenditure. The report shall include the signature, or typed signature on electronically filed forms, of the person making the expenditure, who shall attest to the report's accuracy and veracity.

(c) Electioneering communications.

(1) Any person, including an out-of-state committee, who makes a payment or payments or promise of payment or payments totaling five thousand dollars (\$5,000) or more for an electioneering communication or series of electioneering communications shall file a statement with the Commission disclosing the name of such person and street address, city, state and zip code, occupation and employer, along with the recipient's name, street address, city, state and zip code, description of the payment, the amount, the name of one or more candidates mentioned, the purpose of the communication or series of communications, and how much was spent on each candidate mentioned. Additionally, an out-of-state committee or person who accepts donations from other persons shall provide the name and address of the financial institution at which the account required by subsection (f) of Section 10 of this chapter is maintained. The report shall be filed within twenty-four (24) hours

of making the payment or payments or the promise to make the payment or payments.

(2) Except as provided in paragraph (1), if any person other than an out-of-state committee or person has received a payment or payments or a promise of a payment or payments from other persons totaling fifty dollars (\$50) or more for the purpose of making an electioneering communication or series of communications, the person receiving the payments shall disclose on the report the name, street address, city, state, zip code, occupation and employer, date and amount received from each person who has made a payment of fifty dollars (\$50) or more since the beginning of the calendar year.

(3) Except as provided in paragraph (1), if an out-of-state committee or person has received a payment or a promise of payment from other persons totaling two hundred dollars (\$200.00) or more for the purpose of making an electioneering communication within this state, the committee or person receiving the payments shall disclose on the report the number and amount of payments of less than two hundred dollars (\$200.00) and the name, street address, city, state, zip code, occupation and employer, date and amount received from each person who has made a payment of two hundred dollars (\$200.00) or more on a last-in-first-out basis in an amount which equals or exceeds the amount of payments for electioneering communications made in this state with respect to elections governed by this chapter. Such a committee or person shall also report all contributions from Oklahoma contributors within the twelve-month period preceding the last date of the reporting period.

(4) A person who receives or is promised a payment or payments that are otherwise reportable under Paragraph (1) is not required to report the payment or payments if the person is in the business of providing goods or services and receives or is promised the payment or payments for the purpose of providing those goods or services.

SECTION 11. AMENDATORY Rule 15-1-7 of the Rules of the Ethics Commission, as amended by the Amendment No. 2 of the Ethics Commission at the regular meeting held January 22, 2007, and as submitted to the Legislature and the Governor on February 5, 2007, is amended to read as follows:

Rule 15-1-7. (a) From compensated filers, candidates and commissioners. A statement of financial interests of candidates, members of the Commission, and filers who receive compensation from the state, excluding public members who are members of boards of

regents within the Oklahoma State System of Higher Education, must contain full and complete information concerning the following:

(1) the name, birth date, mailing address, and work place telephone number of the filer;

(2) the filing status of the filer including:

(A) whether the filer is a state officer or state employee, and if so, the filer's:

(i) position title,

(ii) governmental entity served,

(iii) term of office, if applicable, and

(iv) appointment or employment date, if applicable; and

(B) whether the filer is a candidate running in an election, and if so,

(i) the month and year of the general election or special general election for which the statement is being filed, and

(ii) the term of the office sought;

(3) the name and mailing address of the entity and the type of income exceeding five thousand dollars (\$5,000) in amount or value received from a governmental entity by the filer or the filer's spouse or dependents;

(4) the name, mailing address, and a description of the principal business activity of a person from whom income in cash or in-kind exceeding five thousand dollars (\$5,000) in amount or value was received by the filer and the type of income received. If income results from employment by, operation of, or participation in a proprietorship or partnership or professional corporation or business or nonprofit corporation or other person, the filer may list the proprietorship or partnership or professional corporation or business or nonprofit corporation or other person as the source and not each patron, customer, patient, client, or each oil or gas well of the proprietorship or partnership or professional

corporation or business or nonprofit corporation or other person. For purposes of this section, "type of income" shall include, but not be limited to, dividends, profit sharing, proceeds from sales, rent, royalty, salary, stock splits, and wages;

(5) the name of any registered lobbyist or lobbyist principal with whom the filer has engaged in business from which income exceeding five thousand dollars (\$5,000) in amount or value was received, provided that the following shall not be required:

(A) the name of any registered lobbyist or lobbyist principal with whom the filer's employer, its subsidiaries, or parent company is engaged in business; and

(B) the name of any director, stockholder, partner, agent, affiliate, member, employee or officer of a lobbyist principal with whom the filer is engaged in business;

(6) the name of any entity from which an honorarium or honoraria, valued at more than two hundred dollars (\$200) over and above actual expenses paid to the filer, was received and the value of any such honorarium, which, for elective officers, shall be subject to the provisions of subsection (h) of Section 9 of Chapter 20 of the Rules of the Ethics Commission;

(7) the name of every business or entity in which the filer held securities valued at five thousand dollars (\$5,000) or more during the reporting period; provided, however, mutual funds and similar securities need be identified only by the type of investments made by the mutual fund or similar security;

(8) the name and address of all clients represented by the filer or the filer's spouse before a regulatory state governmental agency, as listed in Section 3 of Chapter 23 of this title, for compensation exceeding one thousand dollars (\$1,000) in amount or value during the preceding calendar year;

(9) every officership, directorship, trusteeship, or other fiduciary relationship held in an entity doing business with a governmental entity with which the filer is associated during the disclosure period and the term of such officership, directorship, trusteeship, or other fiduciary relationship; and

(10) professional or occupational permits or licenses held by the filer.

(b) From uncompensated filers. A statement of financial interests of a filer who does not receive compensation from the state and from public members who are members of boards of regents within the Oklahoma State System of Higher Education must contain full and complete information concerning the following:

(1) the name, birth date, mailing address, and work place telephone number of the filer;

(2) the filing status of the filer including the filer's:

(A) position title,

(B) governmental entity served,

(C) term of office, if applicable, and

(D) appointment or employment date, if applicable; and

(3) the name and mailing address of the entity and the type of income exceeding five thousand dollars (\$5,000) in amount or value received from a governmental entity by the filer or the filer's spouse or dependents;

(4) a list of categories or industries from which other income in cash or in-kind exceeding five thousand dollars (\$5,000) in amount or value was received by the filer;

(5) the name of any registered lobbyist or lobbyist principal with whom the filer has engaged in business from which income exceeding five thousand dollars (\$5,000) in amount or value was received, provided that the following shall not be required:

(A) the name of any registered lobbyist or lobbyist principal with whom the filer's employer, its subsidiaries, or parent company is engaged in business; and

(B) the name of any director, stockholder, partner, agent, affiliate, member, employee or officer of a lobbyist principal with whom the filer is engaged in business;

(6) the name of any entity from which an honorarium or honoraria, valued at more than two hundred dollars (\$200) over and above actual expenses paid to the filer, was received and the value of any such honorarium;

(7) the principal business activity of every business or entity in which the filer held securities valued at five thousand dollars (\$5,000) or more during the reporting period; provided, however, mutual funds and similar securities need be identified only by the type of investments made by the mutual fund or similar security;

(8) every officership, directorship, trusteeship, or other fiduciary relationship held in an entity doing business with a governmental entity with which the filer is associated during the disclosure period and the term of such officership, directorship, trusteeship, or other fiduciary relationship; and

(9) professional or occupational permits or licenses held by the filer.

(c) Supplement. A supplement to the statement of financial interests required by Subsection (a) of this section shall be filed with the Commission within ten (10) days of a filer or a filer's spouse contracting with or receiving payments from new clients required to be reported under Paragraph (8) of Subsection (a) of this section.

(d) Statement of no change. A statement of no change must include the same information as required by Subsection (a) Paragraphs (1) and (2), or Subsection (b) Paragraphs (1) and (2), and a statement that all required information was reported for the previous calendar year and there has been no change in the information reported for the previous calendar year. It shall be certified.

(e) Forms. The information shall be filed on forms prescribed by the Commission or utilizing form software provided by the Commission.

SECTION 12. AMENDATORY Rule 20-1-9 of the Rules of the Ethics Commission, as amended by the Amendment No. 3 of the Ethics Commission at the regular meeting held January 22, 2007, and as submitted to the Legislature and the Governor on February 5, 2007, is amended to read as follows:

Rule 20-1-9. (a) Influence of official act, fraud or official duty. No state officer and no state employee shall, directly or indirectly, ask, demand, exact, solicit, seek, accept, assign, receive, or agree to receive anything of value for the state officer or employee or for any other person or entity, in return for being:

(1) influenced in the performance of an official act;

(2) influenced to commit, aid in committing, collude in, or allow fraud, or make an opportunity for the commission of fraud on a governmental entity; or

(3) induced to perform or fail to perform an act in violation of the state officer's or state employee's official duty.

(b) Soliciting individually or on behalf of a regulatory governmental entity prohibited. No state officer and no state employee shall, directly or indirectly, ask, demand, exact, solicit, seek, accept, assign, receive or agree to receive anything of value individually or for or on behalf of a governmental entity from a business entity, its employees, officers or board members, or a person who has greater than a ten percent (10%) interest in such entity if the rates, charges, prices or fees charged by the business entity are subject to regulation by the governmental entity which the officer or employee serves. This provision does not apply to a campaign contribution properly received and reported, which is exempt from the definition of anything of value in Section 2 of Chapter 1 of this title, or to anything of value accepted on behalf of the state of Oklahoma pursuant to Subsection (e) of this section.

(c) Calendar year limits on things of value.

(1) Elective officers. No elective officer, or an immediate family member of an elective officer shall, directly or indirectly, ask, demand, exact, solicit, seek, accept, assign, receive, or agree to receive things of value in a calendar year which, in the aggregate, are valued at more than three hundred dollars (\$300); and

(2) Other state officers and state employees. Except for an elective officer, no state officer, state employee or an immediate family member of such state officer or state employee shall, directly or indirectly, ask, demand, exact, solicit, seek, accept, assign, receive or agree to receive things of value in a calendar year which, in the aggregate, are valued at more than one hundred dollars (\$100):

from a person who the state officer or state employee knows or should know:

- (A) is a lobbyist or lobbyist principal, provided that the following shall not be subject to this subsection:
 - (i) things of value received as a result of or arising out of employment by, or doing business with, a lobbyist or lobbyist principal; and
 - (ii) things of value received from any director, stockholder, partner, agent, affiliate, member, employee or officer of a lobbyist principal if the donor is excepted in subparagraph (D) of Paragraph (2) from the definition of "anything of value" in Section 2 of Chapter 1 of this title, or if there exists between the recipient and the donor a close personal relationship of long standing in which the mutual exchange of gifts on special occasions, such as holidays or anniversaries, has become customary;
- (B) is seeking to do business or doing business with the governmental entity of which the state officer's or state employee's office or employment is a part; or
- (C) has an economic interest in actions or matters before or affecting the governmental entity of which the state officer's or state employee's office or employment is a part.

A thing of things of value given by a lobbyist; the lobbyist principal or lobbyist principals by whom the lobbyist is employed or retained; or a stockholder, partner, agent, affiliate, member, employee or officer of the lobbyist principal or lobbyist principals by whom the lobbyist is employed or retained are aggregated for purposes of the disclosure threshold and calendar year limits, regardless of how the thing or things of value are funded. If more than one lobbyist is retained or employed by a lobbyist principal, the disclosure and calendar year limits of the first lobbyist to register on behalf of the lobbyist principal for a calendar year are aggregated with each additional lobbyist employed or retained by the same lobbyist principal.

(d) Prohibition versus limit--Exception. Nothing in Subsection (c) shall allow a state officer or state employee to accept anything of value in violation of Subsection (a) of this section. Subsection (c) shall not apply to public members when things of value are received but are not given as a result of the public member's status as a public member.

(e) Exceptions for state officers and employees of judicial branch and corporations. Nothing in this section shall allow:

(1) a judicial officer, juror, referee, arbitrator or umpire to accept anything of value from a corporation or any other person, knowing that person to be a party in interest or the attorney or counsel of a party in interest to any action or proceeding then pending or about to be brought before him or her pursuant to Section 386 of Title 21 of the Oklahoma Statutes; or

(2) a corporation to influence elections or official duty by contributions of money or anything of value pursuant to Section 40 of Article IX of the Oklahoma Constitution.

(f) Exceptions for forms of compensation, gifts to state, and officers/directors of organizations. Nothing in this section shall prohibit the acceptance or require the disclosure of:

(1) compensation, bonuses, dividends, interest payments, employee benefits, expense reimbursements or other forms of compensation or earnings on investments;

(2) anything of value which is accepted by the Governor on behalf of the state of Oklahoma or a governmental entity pursuant to Section 381 et seq. of Title 60 of the Oklahoma Statutes. 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 notice, the gift is deemed rejected and must be returned to the donor; or

(3) the solicitation or acceptance of anything of value for or from either:

- (A) a charitable organization or an organization described in Section 501 (c) of Title 26 of the United States Code, 26 U.S.C., Section 501 (c), as it currently exists or as it may be amended; or
- (B) a tax-exempt professional organization established by state statute or rules passed by the Oklahoma Supreme Court,

by a member, state officer or state employee, who is a member, officer or director of the organization, when receipt of anything of value results from the member, state officer or state employee attending a function, meeting or seminar on behalf of, or as a representative of, the organization.

(g) No state officer or state employee shall directly or indirectly borrow money from a lobbyist, or an immediate family member of a lobbyist, or an entity controlled by or employing a lobbyist. This subsection shall not apply to:

(1) a loan of money made by a commercial lending institution, in the regular course of business, on the same terms ordinarily available to members of the public, and which is not secured or guaranteed by a lobbyist or lobbyist principal or any other person on behalf of a lobbyist or lobbyist principal; or

(2) a loan from a father, stepfather, father-in-law, mother, stepmother, mother-in-law, sister, step sister, brother, step brother, child, step child, adopted child or their spouses.

(h) Except for the compensation an elective officer is entitled to by law for the performance of official duties, no elective officer shall solicit or accept cash, check or cash equivalent compensation for an article, appearance or speech, or for participation at an event, unless the article, appearance or participation is made as part of the normal course of business in the member's private occupation.

SECTION 13. NEW LAW A new section of law not to be codified in the Oklahoma Statutes reads as follows:

Each house of the Legislature shall annually conduct one or more training sessions for its members of one (1) hour in length, which shall be presented by the Ethics Commission and shall emphasize the rules of the Ethics Commission.

SECTION 14. This act shall become effective July 1, 2007.

SECTION 15. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the House of Representatives the 24th day of May, 2007.

Presiding Officer of the House
of Representatives

Passed the Senate the 24th day of May, 2007.

Presiding Officer of the Senate