

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 54th Legislature (2014)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 2555

By: Reynolds

7
8 COMMITTEE SUBSTITUTE

9 An Act relating to ethics; amending 74 O.S. 2011,
10 Section 4260, as amended by Section 1023, Chapter
11 304, O.S.L. 2012 (74 O.S. Supp. 2013, Section 4260),
12 which relates to the Ethics Commission Act; requiring
13 changes to campaign contributions and expenditure
14 reports be in certain form; amending Rule 257:10-1-2
15 of the Rules of the Ethics Commission (74 O.S. Supp.
16 2013, Chapter 62, App.), which relates to
17 contributions; requiring delivery of contributions by
18 mail; amending Rules 257:20-1-9 and 257:23-1-2 of the
19 Rules of the Ethics Commission (74 O.S. Supp. 2013,
20 Ch. 62, App.) and Rule 257:23-1-3 of the Rules of the
21 Ethics Commission (74 O.S. 2011, Chapter 62, App.),
22 which relate to restraints on and reporting of things
23 of value; prohibiting state officers, state employees
24 and their family members from requesting or receiving
 things of value from certain persons; deleting
 certain reporting requirements; prohibiting certain
 persons from giving things of value to state
 officers, state employees or their family members;
 and providing an effective date.

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

1 SECTION 1. AMENDATORY 74 O.S. 2011, Section 4260, as
2 amended by Section 1023, Chapter 304, O.S.L. 2012 (74 O.S. Supp.
3 2013, Section 4260), is amended to read as follows:

4 Section 4260. All candidates allowed to receive the maximum
5 contribution of Five Thousand Dollars (\$5,000.00), pursuant to
6 paragraph 2 of subsection A of Section 187.1 of Title 21 of the
7 Oklahoma Statutes, shall file a campaign contributions and
8 expenditures report electronically with the Ethics Commission. The
9 Ethics Commission shall make the report available online. The
10 Ethics Commission shall consult with the Office of Management and
11 Enterprise Services regarding an information technology services
12 contract to comply with this section. Any authorized changes or
13 corrections to a filed report shall be entered by the Ethics
14 Commission in the form of an amendment and shall clearly identify
15 the authorized changes or corrections made to the filed report.

16 SECTION 2. AMENDATORY Rule 257:10-1-2 of the Rules of
17 the Ethics Commission (74 O.S. Supp. 2013, Chapter 62, App.), is
18 amended to read as follows:

19 Rule 257:10-1-2. Contributions.

20 (a) Limitations on contributions from a person.

21 (1) No person or family may contribute more than five thousand
22 dollars (\$5,000) to a political action committee or a party
23 committee in any calendar year. No political action committee or
24 party committee shall knowingly accept a contribution from a person

1 or family in excess of five thousand dollars (\$5,000) in a calendar
2 year. Contributions to be used for federal election activity, as
3 defined in 2 U.S.C. § 431(20), and subject to the requirements of 2
4 U.S.C. § 441i, commonly referred to as "Levin Funds", shall not be
5 aggregated with other contributions to a party committee.

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

14 (3) These restrictions do not apply to:

- 15 (A) a committee supporting or opposing a ballot measure;
- 16 (B) a committee formed solely to make independent
17 expenditures or electioneering communications; or
- 18 (C) a candidate making a contribution of his or her own
19 funds, to his or her campaign.

20 (4) For purposes of this subsection, if a candidate:

- 21 (A) begins a campaign for a specific state office;
- 22 (B) accepts one or more contributions for such campaign
23 but prior to the election therefor chooses not to run
24

1 for such office and becomes a candidate for a
2 different office; and

3 (C) transfers all or any part of the contributions
4 accepted for the first campaign to the second
5 campaign;

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

8 (5) For purposes of this subsection, if a candidate:

9 (A) does not dissolve his or her candidate committee after
10 the election at which the office at stake is decided;

11 (B) accepts one or more contributions for such committee
12 after such election; and

13 (C) begins a campaign for the same or another office in a
14 subsequent election cycle;

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

19 (6) The \$5,000 limitation is to be applied collectively and
20 cumulatively so that any contribution made by the entities as set
21 forth in the definition of "person" in Section 2 of Chapter 1 of
22 this title, shall be allocated to the individuals owning such
23 entities in their percentage of ownership. Once the limit of \$5,000
24 is reached, applying all sources to the individual or family, no

1 further contributions can be made during the campaign or calendar
2 year.

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

9 (1) the date the contribution was tendered to the payee which
10 shall not be more than thirty (30) calendar days after the date of
11 the written instrument;

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

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

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

23 (5) a declaration that the contributor has not been directly or
24 indirectly compensated or reimbursed for the contribution, if an

1 individual, and, if a person other than an individual or a
2 committee, that the person or committee has not been compensated or
3 reimbursed for the contribution by persons:

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

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

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

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

17 If no contributor statement has been obtained within ten (10)
18 days after a contribution is accepted, or if a contributor statement
19 obtained pursuant to the provisions of this subsection is
20 incomplete, the treasurer shall make at least three efforts after
21 acceptance of the contribution to obtain the missing information.
22 Such efforts shall consist of either a mailed or electronic request
23 sent to the contributor. All three separate requests must be made no
24 later than thirty (30) days after acceptance of the contribution.

1 The requests shall not include material on any other subject or any
2 additional solicitation, except that they may include language
3 solely thanking the contributor for the contribution. The requests
4 must clearly ask for the contributor statement or the missing
5 information and must include an accurate statement of this rule
6 regarding the collection and reporting of contribution
7 identifications. All requests must include the statement in a clear
8 and conspicuous manner. In the case of mailed requests, the requests
9 shall be accompanied by a pre-addressed return post card or envelope
10 for the response material. In the case of electronic requests, the
11 requests shall include specific instructions for submitting the
12 contributor statement or missing information. If the treasurer makes
13 such effort within the thirty (30) day time period prescribed in
14 this paragraph, the person accepting the contribution shall be
15 deemed to be in compliance with the provisions of this subsection.
16 Thereafter, if the complete contributor statement is not obtained,
17 the treasurer must return the contribution within thirty (30) days.

18 (c) Prohibitions and exceptions to corporate and labor
19 organization contributions and expenditures.

20 (1) No corporation or labor organization shall contribute to any
21 campaign fund of any party committee of this state or to any other
22 person for the benefit of such party committee or to candidates, nor
23 shall it, through any agent, officer, representative, employee,
24 attorney, or any other person or persons, so contribute. Nor shall

1 any such corporation or labor organization, directly or through such
2 other person, make any loan of money or anything of value, or give
3 or furnish any privilege, favor or other thing of value to any party
4 committee, or to any representative of a party committee, or to any
5 other person for it, or to any candidate.

6 (2) A corporation or labor organization shall not make a
7 contribution to, or for the benefit of, a candidate or committee in
8 connection with an election, except that this provision shall not
9 apply to:

10 (A) a campaign or committee formed solely for or against a
11 ballot measure;

12 (B) a committee formed solely to make independent
13 expenditures or electioneering communications; or

14 (C) the establishment, administration, and solicitation of
15 contributions to a political action committee to be
16 utilized for political purposes by a corporation or
17 labor organization.

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

21 (4) The provisions of this subsection shall not apply to a bank,
22 savings and loan association or credit union loaning money to a
23 candidate in connection with his own campaign which is to be repaid
24

1 with interest at a rate comparable to that of equivalent loans for
2 other purposes.

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

5 (1) a political action committee to accept a contribution or
6 make an expenditure by using anything of value secured by physical
7 force, job discrimination, financial reprisals, or threat of the
8 same;

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

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

17 (4) corporate contributions to a committee or person for or
18 against a ballot measure to be commingled with a fund established by
19 such person or committee to contribute to candidate committees or
20 committees which support or oppose candidates unless the committee
21 is formed solely to make independent expenditures or electioneering
22 communications.

23 (e) Prohibition on transfer of funds between committees.

24 (1) Candidate committee transfers.

1 (A) A candidate committee shall not make a contribution or
2 transfer to another candidate, or to a political
3 action committee which supports or opposes candidates
4 or ballot measures, nor shall it make an independent
5 expenditure on behalf of another candidate or ballot
6 measure. A political action committee, including an
7 out-of-state political action committee, and a
8 committee registered under the laws of the United
9 States which supports or opposes candidates or ballot
10 measures shall not accept a contribution or transfer
11 from a candidate committee. The principal candidate
12 committee or an authorized committee of a person, as
13 such terms are defined in Section 431 of Title 2 of
14 the United States Code, shall not make a contribution
15 to a candidate or make an independent expenditure on
16 behalf of a candidate. A candidate or candidate
17 committee shall not accept such a contribution.

18 (B) This subsection shall not prohibit a candidate or any
19 other person from making a contribution from the
20 candidate's or person's personal funds to his or her
21 own candidate committee or on behalf of his or her own
22 candidacy or to the committee of another candidate for
23 a different office.
24

1 (C) This subsection shall not prohibit a candidate
2 committee from providing its surplus funds or material
3 assets to the state, county or congressional district
4 committee of a political party, not to include an
5 affiliated or connected entity of a political party,
6 in accordance with the procedures for dissolution of a
7 candidate committee under Sections 19 and 20 of this
8 chapter.

9 (2) Political action committee transfers. A political action
10 committee shall not make a contribution to another political action
11 committee as specified herein. A political action committee shall
12 not accept a contribution from another political action committee as
13 specified herein. This subsection shall not prohibit:

14 (A) a political action committee, including an out-of-
15 state committee also registered in another state or
16 states and a committee also registered under the laws
17 of the United States, from making a transfer to a
18 ballot measure committee;

19 (B) a political action committee from making a transfer to
20 a committee formed solely to make independent
21 expenditures or electioneering communications; or

22 (C) a political action committee from making a transfer to
23 its own affiliated or connected entity in accordance
24 with the definition of contribution, Section 2,

1 Paragraph (2), Subparagraph (B) of Chapter 1 of this
2 title.

3 (f) Aggregation of contributions. For purposes of the
4 contribution limitations, the following apply:

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

7 (A) share the majority of members on their boards of
8 directors;

9 (B) are owned or controlled by the same majority
10 shareholder or shareholders;

11 (C) are in a parent-subsidary relationship; or

12 (D) have by-laws so stating; or

13 (E) are affiliated or connected entities.

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

18 (g) Attribution and aggregation of family contributions.

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

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

1 shall be considered to be a contribution made by the single
2 custodial parent.

3 (h) Restrictions on loans.

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

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

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

11 (A) by a commercial lending institution;

12 (B) made in the regular course of business;

13 (C) on the same terms ordinarily available to members of
14 the public; and

15 (D) which is secured or guaranteed solely by the
16 candidate;

17 are not subject to the contribution limits of this section.

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

19 (i) Anonymous and earmarked contributions.

20 (1) A person shall not make to a committee and a committee shall
21 not accept an anonymous contribution in excess of fifty dollars
22 (\$50). The recipient of an anonymous contribution in excess of fifty
23 dollars (\$50) shall, within two (2) business days, remit the
24

1 contribution to the Commission to be deposited with the State
2 Treasurer to the credit of the General Revenue Fund.

3 (2) For purposes of the contribution limitations imposed by this
4 section, all contributions made by a person, either directly or
5 indirectly, to or for the benefit of a particular candidate
6 committee, including contributions which are in any way earmarked or
7 otherwise directed through an intermediary or conduit to such
8 candidate committee, shall be treated as contributions from such
9 person to such candidate committee. It shall be prohibited for an
10 intermediary or a conduit to make a contribution to a committee in
11 his or her own name rather than the name of the original source of
12 such contribution.

13 For purposes of this paragraph, an intermediary or conduit means
14 a person, who is not the treasurer, deputy treasurer or agent of a
15 committee, but who is given a contribution by another with the
16 understanding that it will be contributed to that committee. The
17 reports shall show the correct name of the person actually making
18 the contribution.

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

22 (k) Cash contributions.

23 (1) An individual shall not make to a candidate committee or a
24 committee supporting or opposing a ballot measure and a candidate

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

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

9 (1) Certain contributions required to be by written instrument.

10 (1) An individual shall not make a contribution of more than
11 fifty dollars (\$50), other than an in-kind contribution, except by
12 written instrument containing the name of the contributor and the
13 name of the payee during a campaign as defined in Chapter 1, Section
14 2.

15 (2) A committee, or a person other than an individual, shall not
16 make a contribution, other than in-kind, except by written
17 instrument, delivered by United States mail or an officer of the
18 committee, containing the name of the contributor and the name of
19 the payee.

20 The date of the written instrument shall not be more than thirty
21 (30) calendar days prior to tender of the contribution to the payee.

22 (m) Use of other funds.

23 (1) Anything of value which is solicited from the public in the
24 name of or for the benefit of an elective officer or candidate, and

1 which is accepted by an elective officer or candidate, shall be
2 subject to the reporting requirements of this chapter. This would
3 include, but not be limited to, things of value given for an
4 inauguration or renovation of public property. Anything of value
5 accepted by an agent or representative of an elective officer or
6 candidate or by a committee established by, in the name of, or for
7 the benefit of, an elective officer or candidate shall be deemed to
8 be accepted by such elective officer or candidate for purposes of
9 this section.

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

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

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

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

1 established fair market value and the donor thereof shall be deemed
2 to have made a contribution in the amount of the established fair
3 market value.

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

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

13 SECTION 3. AMENDATORY Rule 257:20-1-9 of the Rules of
14 the Ethics Commission (74 O.S. Supp. 2013, Ch. 62, App.), is amended
15 to read as follows:

16 Rule 257:20-1-9. Restraints on solicitation or acceptance of
17 anything of value-Disclosure.

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

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

24

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

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

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

20 (c) ~~Calendar year limits~~ Prohibition on things of value.

21 (1) State officers and state employees. No state officer, state
22 employee or an immediate family member of such state officer or
23 state employee shall, directly or indirectly, ask, demand, exact,
24 solicit, seek, accept, assign, receive or agree to receive anything

1 ~~things of value in a calendar year which, in the aggregate, are~~
2 ~~valued at more than one hundred dollars (\$100)~~ from a person who the
3 state officer or state employee knows or should know:

4 (A) is a lobbyist or lobbyist principal, provided that the
5 following shall not be subject to this subsection:

6 (i) things of value received as a result of or
7 arising out of employment by, or doing business
8 with, a lobbyist or lobbyist principal; and

9 (ii) things of value received from any director,
10 stockholder, partner, agent, affiliate, member,
11 employee or officer of a lobbyist principal if
12 the donor is excepted in subparagraph (D) of
13 Paragraph (2) from the definition of "anything of
14 value" in Section 2 of Chapter 1 of this title,
15 or if there exists between the recipient and the
16 donor a close personal relationship of long
17 standing in which the mutual exchange of gifts on
18 special occasions, such as holidays or
19 anniversaries, has become customary;

20 (B) is seeking to do business or doing business with the
21 governmental entity of which the state officer's or
22 state employee's office or employment is a part; or

23 (C) has an economic interest in actions or matters before
24 or affecting the governmental entity of which the

1 state officer's or state employee's office or
2 employment is a part.

3 ~~A thing or things of value given by a lobbyist; the lobbyist~~
4 ~~principal by whom the lobbyist is employed or retained; or a~~
5 ~~stockholder, partner, agent, affiliate, member, employee or officer~~
6 ~~of the lobbyist principal or lobbyist principals by whom the~~
7 ~~lobbyist is employed or retained are aggregated for purposes of the~~
8 ~~disclosure threshold and calendar year limits, regardless of how the~~
9 ~~thing or things of value are funded if, and only if, the thing or~~
10 ~~things of value are given at the specific direction, and on behalf~~
11 ~~of, the lobbyist principal. Lobbyists principals of contract~~
12 ~~lobbyists shall not be aggregated together for purposes of this~~
13 ~~provision. If more than one lobbyist is retained or employed by a~~
14 ~~lobbyist principal, the disclosure and calendar year limits of the~~
15 ~~first lobbyist to register on behalf of the lobbyist principal for a~~
16 ~~calendar year are aggregated with each additional lobbyist, employed~~
17 ~~or retained by the same lobbyist principal.~~

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

1 (e) Exceptions for state officers and employees of judicial
2 branch and corporations.

3 Nothing in this section shall allow:

4 (1) a judicial officer, juror, referee, arbitrator or umpire to
5 accept anything of value from a corporation or any other person,
6 knowing that person to be a party in interest or the attorney or
7 counsel of a party in interest to any action or proceeding then
8 pending or about to be brought before him or her pursuant to Section
9 386 of Title 21 of the Oklahoma Statutes; or

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

13 (f) Exceptions for forms of compensation, gifts to state, gifts
14 to charitable organizations, officers/directors of professional
15 organizations, humanitarian efforts for state officers and state
16 employees and financial aid awards, tuition waivers, scholarships,
17 educational grants. Nothing in this section shall prohibit the
18 acceptance or require the disclosure of:

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

22 (2) anything of value which is accepted by the Governor,
23 President Pro Tempore of the Senate, Speaker of the House of
24 Representatives or Chief Justice of the Supreme Court, on behalf of

1 the state of Oklahoma or a governmental entity pursuant to Section
2 381 et seq. of Title 60 of the Oklahoma Statutes. In order to be
3 deemed accepted, the appropriate state officer must be notified in
4 writing of any gift received by a governmental entity, or person on
5 behalf of a governmental entity, within ten (10) days of receipt of
6 the gift. Notice of acceptance must be received from the appropriate
7 state officer within the next thirty (30) days. Upon lack of a
8 response from the appropriate state officer within thirty (30) days
9 of receipt of the notice, the gift is deemed rejected and must be
10 returned to the donor; or

11 (3) the solicitation or acceptance of anything of value for or
12 from a charitable organization when the solicitation or acceptance
13 is directly related to the purposes or mission of the organization;

14 (4) the solicitation or acceptance of anything of value for or
15 from a tax-exempt professional organization established by state
16 statute or rules passed by the Oklahoma Supreme Court when a state
17 officer or state employee is a member, officer or director of the
18 organization and the receipt of anything of value results from the
19 state officer or state employee attending a function, meeting or
20 seminar on behalf of, or as a representative of, the organization;
21 or

22 (5) the solicitation or acceptance of a thing or things of value
23 by or on behalf of a state officer or state employee, or an
24 immediate family of a state officer or state employee, as a

1 humanitarian effort to assist a victim of a catastrophic accident or
2 life threatening disease, illness or disability, or a victim of a
3 natural disaster or similar event;

4 (6) the acceptance or award of need-based or merit-based
5 financial aid awards, tuition waivers, scholarships and educational
6 grants, in any form, accepted or awarded to a state officer, a state
7 employee or a family member of a state officer or state employee.
8 Provided, nothing in this subsection shall authorize the
9 solicitation or acceptance of anything of value in violation of the
10 provisions of Subsection (a) of this section.

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

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

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

23 (h) Ban on elective officers receiving cash or cash equivalent
24 honoraria. Except for the compensation an elective officer is

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

7 SECTION 4. AMENDATORY Rule 257:23-1-2 of the Rules of
8 the Ethics Commission (74 O.S. Supp. 2013, Ch. 62, App.), is amended
9 to read as follows:

10 Rule 257:23-1-2. Anything of value reporting by lobbyists-
11 Preservation of accounts, books, etc.

12 ~~(a) Required reports. Effective January 1, 2011, every lobbyist~~
13 ~~shall file registrations required by Section 4250 of Title 74 of the~~
14 ~~Oklahoma Statutes and reports required by this section by Internet~~
15 ~~access only at the address specified by the Commission. The reports~~
16 ~~shall include the activities specified in this section. The reports~~
17 ~~shall be filed whether or not the person has taken any action which~~
18 ~~is required to be reported pursuant to the provisions of this~~
19 ~~section. The reports shall be filed between the first and twentieth~~
20 ~~day of January and the first and twentieth day of July of each~~
21 ~~calendar year which shall cover the activities during the period~~
22 ~~following the last report.~~

23 ~~(b) Disclosure of things of value. The report shall be signed by~~
24 ~~the lobbyist, who shall attest to the report's accuracy and~~

1 ~~veracity, and the signature shall be notarized. The reports shall~~
2 ~~include the information specified in Subsection (d) of this section~~
3 ~~for things of value given to an elective officer or the immediate~~
4 ~~family member of an elective officer by the lobbyist or any lobbyist~~
5 ~~principal by whom the lobbyist is employed or retained, the costs of~~
6 ~~which exceed ten dollars (\$10) in the aggregate or things of value~~
7 ~~given to a state officer, excluding an elective officer, state~~
8 ~~employee, or the immediate family member of a state officer,~~
9 ~~excluding an elective officer, or a state employee, by the lobbyist~~
10 ~~or any lobbyist principal by whom the lobbyist is employed or~~
11 ~~retained, the costs of which exceed ten (\$10) in the aggregate~~
12 ~~during a six-month period beginning January 1 and ending June 30 or~~
13 ~~beginning July 1 and ending December 31.~~

14 ~~(e) Limits on things of value and exceptions. Lobbyists or~~
15 ~~lobbyist principals shall not give things of value which, in the~~
16 ~~aggregate, are valued at more than one hundred dollars (\$100)~~
17 ~~annually to any state officer or state employee, or the immediate~~
18 ~~family member of a state officer or a state employee, provided that~~
19 ~~the following shall not be subject to this subsection:~~

20 (1) things of value given by a lobbyist or lobbyist principal as
21 a result of or arising out of employment of, or the lobbyist or
22 lobbyist principal doing business with a state officer or state
23 employee or the recipient; and
24

1 (2) things of value given to the recipient by any director,
2 stockholder, partner, agent, affiliate, member, employee or officer
3 of a lobbyist principal if the donor is excepted in subparagraph (D)
4 of Paragraph (2) from the definition of "anything of value" in
5 Section 2 of Chapter 1 of this title, or if there exists between the
6 recipient and the donor a close personal relationship of long
7 standing in which the mutual exchange of gifts on special occasions,
8 such as holidays or anniversaries, has become customary.

9 ~~A thing or things of value given by a lobbyist; the lobbyist~~
10 ~~principal by whom the lobbyist is employed or retained; or a~~
11 ~~stockholder, partner, agent, affiliate, member, employee or officer~~
12 ~~of the lobbyist principal or lobbyist principals by whom the~~
13 ~~lobbyist is employed or retained are aggregated for purposes of the~~
14 ~~disclosure threshold and calendar year limits, regardless of how the~~
15 ~~thing or things of value are funded if, and only if, the thing or~~
16 ~~things of value are given at the specific direction, and on behalf~~
17 ~~of, the lobbyist principal. Lobbyist principals of contract~~
18 ~~lobbyists shall not be aggregated together for purposes of this~~
19 ~~provision. If more than one lobbyist is retained or employed by a~~
20 ~~lobbyist principal, the disclosure and calendar year limits of each~~
21 ~~lobbyist to register on behalf of the lobbyist principal for a~~
22 ~~calendar year are aggregated with each additional lobbyist, employed~~
23 ~~or retained by the same lobbyist principal. Lobbyist principals~~
24 ~~retaining or employing more than one lobbyist may designate one~~

1 ~~lobbyist to file the reports required by this section. Such reports~~
2 ~~shall include all the information required for things of value given~~
3 ~~by all lobbyists, as well as by others who are giving on behalf of~~
4 ~~the lobbyist principal. If the single report method is used, other~~
5 ~~lobbyists representing the same lobbyist principal shall indicate on~~
6 ~~their reports the identity of the individual reporting on behalf of~~
7 ~~them for the lobbyist principal, but shall not list those items on~~
8 ~~their own report.~~

9 ~~(d) Contents of reports. The information to be reported pursuant~~
10 ~~to the provisions of Subsection (b) of this section shall be as~~
11 ~~follows:~~

12 ~~(1) The full name and electronic mailing address of the lobbyist~~
13 ~~or other person filing the report;~~

14 ~~(2) The name and position of the state officer or state employee~~
15 ~~to whom the thing of value was given;~~

16 ~~(3) The date the thing of value was given;~~

17 ~~(4) The nature of the thing of value given;~~

18 ~~(5) The amount of the expenditure made by the lobbyist or~~
19 ~~lobbyist principal for the thing of value;~~

20 ~~(6) The name of the lobbyist principal or lobbyist principals on~~
21 ~~whose behalf the thing of value was given, if any; and~~

22 ~~(7) The date and total expenditure for food and beverages~~
23 ~~provided at any event to which all members of the Legislature are~~
24 ~~invited; the date and total expenditure for food and beverages~~

1 ~~provided at any meeting of a political caucus of either House of the~~
2 ~~Legislature; the identity of the caucus; the date and total~~
3 ~~expenditure for food and beverages provided at an event to which all~~
4 ~~members of a legislative committee or subcommittee of either House~~
5 ~~of the Legislature identified in the Rules or Journal of the~~
6 ~~respective House are invited and which is attended by a majority of~~
7 ~~the members of the committee or subcommittee. A lobbyist reporting~~
8 ~~the date and total expenditure for food and beverages provided at~~
9 ~~any of the foregoing events need not report the names of individuals~~
10 ~~who participated, but must maintain in his or her records a list of~~
11 ~~all participants at an event to which all members of a legislative~~
12 ~~committee or subcommittee are invited.~~

13 ~~(e) Prohibition against dividing costs among lobbyist principals~~
14 ~~or other lobbyists.~~

15 ~~For purposes of reporting things of value as required by this~~
16 ~~section, a lobbyist giving a thing of value on behalf of more than~~
17 ~~one lobbyist principal shall not divide the cost of the thing of~~
18 ~~value by the number of participating lobbyist principals. Nor may a~~
19 ~~lobbyist divide the cost of a thing of value with other lobbyists~~
20 ~~for any single expenditure. A single event during any calendar year,~~
21 ~~disclosed pursuant to Paragraph (7) of Subsection (d) of this~~
22 ~~section, is hereby excepted from this subsection.~~

23 ~~(f) Presence of lobbyist exception for nominal things of value.~~
24 ~~Except for a single event during any calendar year, disclosed~~

1 ~~pursuant to Paragraph (7) of Subsection (d) of this section, a~~
2 ~~lobbyist who gives a thing of value to a state officer or state~~
3 ~~employee must be present when the thing of value is accepted by the~~
4 ~~recipient unless the thing of value is of no more than ten dollars~~
5 ~~(\$10) in value.~~

6 ~~(g) Reporting of things of value given on behalf of lobbyist or~~
7 ~~lobbyist principal. A lobbyist shall also report things of value~~
8 ~~when given by other persons on behalf of the lobbyist or the~~
9 ~~lobbyist principal at the specific direction of the lobbyist or~~
10 ~~lobbyist principal if they were made with the knowledge of the~~
11 ~~lobbyist. When other persons, including lobbyist principals, give~~
12 ~~things of value that the lobbyist is required to report, the other~~
13 ~~persons shall provide a full, verified account of such things of~~
14 ~~value to the lobbyist at least seven (7) days before the reports of~~
15 ~~the lobbyists are due to be filed. When exact values are not known~~
16 ~~and not ascertainable, a good faith estimate of the fair market~~
17 ~~value shall be reported.~~

18 ~~(h) Exception for campaign contributions. Any information~~
19 ~~required to be reported pursuant to the provisions of Chapter 10 of~~
20 ~~this title is not required to be reported pursuant to the provisions~~
21 ~~of Sections 2 and 3 of this chapter.~~

22 ~~(i) Form for lobbyist reporting. The form or computer diskette~~
23 ~~with form software for reports of lobbyists shall be prescribed by~~
24 ~~the Ethics Commission.~~

1 ~~(j) Record keeping requirements. Each lobbyist shall obtain and~~
2 ~~preserve all accounts, bills, receipts, books, papers, and documents~~
3 ~~necessary to substantiate the activity reports required to be made~~
4 ~~pursuant to this section for four (4) years from the date of filing~~
5 ~~of the reports containing the items.~~

6 ~~(k) (b) Exceptions to reporting.~~ Nothing in this section shall
7 prohibit the giving ~~or require the disclosure of the giving of~~
8 anything of value by:

9 (1) a charitable organization or an organization described in
10 Section 501 (c) of Title 26 of the United States Code, 26 U.S.C.,
11 Section 501 (c), as it currently exists or as it may be amended; or

12 (2) a tax-exempt professional organization established by state
13 statute or rules passed by the Oklahoma Supreme Court,
14 to a state officer or state employee, who is an officer or director
15 of the organization, when receipt of anything of value results from
16 the state officer or state employee attending a function, meeting or
17 seminar on behalf of, or as a representative of, the organization.

18 SECTION 5. AMENDATORY Rule 257:23-1-3 of the Rules of
19 the Ethics Commission (74 O.S. 2011, Ch. 62, App.), is amended to
20 read as follows:

21 Rule 257:23-1-3. Things of value to state officers or state
22 employees of regulatory governmental entities.

23 Any person who:
24

1 (1) is employed or retained by another for financial or other
2 compensation to perform services that include promoting, opposing or
3 attempting to influence any executive or administrative action by a
4 governmental entity, including, but not limited to, the promulgation
5 of rules and regulations and the setting of rates, other than an
6 individual whose lobbying activities are only incidental to, and are
7 not a significant part of, the services provided by such individual
8 to the client;

9 (2) is seeking to do business or doing business with a
10 governmental entity; or

11 (3) has an economic interest in actions or matters before or
12 affecting a governmental entity;

13 ~~shall be required to file, by paper form, the same report required~~
14 ~~to be filed by lobbyists by Section 2 of this chapter if, and only~~
15 ~~if, such person gives~~ be prohibited from giving anything or things
16 of value to a state officer or state employee ~~the cost of which~~
17 ~~exceeds fifty dollars (\$50.00) in the aggregate during a six-month~~
18 ~~period beginning January 1 and ending June 30 or beginning July 1~~
19 ~~and ending December 31.~~ This provision shall not apply, however, to
20 things of value received as a result of or arising out of employment
21 by, or doing business with, a lobbyist or lobbyist principal; and
22 things of value received from any director, stockholder, partner,
23 agent, affiliate, member, employee or officer of a lobbyist
24 principal as a result of a personal or casual relationship with the

UNDERLINED language denotes Amendments to present Statutes.
BOLD FACE CAPITALIZED language denotes Committee Amendments.
~~Strike thru~~ language denotes deletion from present Statutes.

1 recipient. Provided further, this provision shall not apply to
2 things of value given to a public member when not given as a result
3 of the public member's status as a public member.

4 SECTION 6. This act shall become effective November 1, 2014.

5
6 COMMITTEE REPORT BY: COMMITTEE ON ADMINISTRATIVE RULES, GOVERNMENT
7 OVERSIGHT AND REPEALER, dated 02/27/2014 - DO PASS, As Amended.
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