

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 2555

By: Reynolds

4
5
6 AS INTRODUCED

7 An Act relating to ethics; amending 74 O.S. 2011,
8 Sections 4256 and 4260, as amended by Section 1023,
9 Chapter 304, O.S.L. 2012 (74 O.S. Supp. 2013, Section
10 4260), which relate to the Ethics Commission Act;
11 modifying late filing fees; requiring changes to
12 campaign contributions and expenditure reports be in
13 certain form; amending Rule 257:10-1-2 of the Rules
14 of the Ethics Commission (74 O.S. Supp. 2013, Chapter
15 62, App.), which relates to contributions; requiring
16 delivery of contributions by mail; amending Rules
17 257:20-1-9 and 257:23-1-2 of the Rules of the Ethics
18 Commission (74 O.S. Supp. 2013, Ch. 62, App.) and
19 Rule 257:23-1-3 of the Rules of the Ethics Commission
20 (74 O.S. 2011, Chapter 62, App.), which relate to
21 restraints on and reporting of things of value;
22 prohibiting state officers, state employees and their
23 family members from requesting or receiving things of
24 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:

SECTION 1. AMENDATORY 74 O.S. 2011, Section 4256, is
amended to read as follows:

Section 4256. A. Every candidate or candidate committee for
state or county office and every other committee failing to file

1 registrations and reports of contributions and expenditures or
2 statements of inactivity on or before the days specified in Chapter
3 10 of the Rules of the Ethics Commission shall be assessed by the
4 Ethics Commission a late filing fee of ~~up to~~ One Hundred Dollars
5 (\$100.00) for each day after a report of contributions and
6 expenditures is due that said report remains unfiled; ~~provided, the~~
7 ~~total amount of such fees assessed per report shall not exceed One~~
8 ~~Thousand Dollars (\$1,000.00).~~

9 B. Committees campaigning for or against an initiative or
10 referendum petition, legislative referendum, or a state question who
11 fail to file reports of contributions and expenditures on or before
12 the days specified in Chapter 10 of the Rules of the Ethics
13 Commission shall be assessed by the Ethics Commission a late filing
14 fee of up to One Thousand Dollars (\$1,000.00) for each day after a
15 report of contributions and expenditures is due that said report
16 remains unfiled; provided, the total amount of such fee assessed per
17 report filing shall not exceed Ten Thousand Dollars (\$10,000.00).

18 C. Every person failing to file a statement of financial
19 interests or financial disclosure statement on or before the days
20 specified in Chapter 15 of the Rules of the Ethics Commission shall
21 be assessed by the Ethics Commission a late filing fee of ~~up to~~ One
22 Hundred Dollars (\$100.00) for each day the statement remains
23 unfiled; ~~provided, the total amount of such fees assessed per~~
24 ~~statement shall not exceed One Thousand Dollars (\$1,000.00).~~

1 D. The treasurer, except for treasurers for candidates or
2 candidate committees, may be liable for the late fee. Failure to
3 file a registration, report or statement shall be deemed to be a
4 separate offense for each day that the registration, report or
5 statement remains unfiled after it becomes due. The first Twenty-
6 five Thousand Dollars (\$25,000.00) per calendar year derived from
7 fees collected pursuant to the provisions of this section shall be
8 deposited with the State Treasurer to the credit of the Ethics
9 Commission Fund and any amount in excess of Twenty-five Thousand
10 Dollars (\$25,000.00) per calendar year shall be deposited in the
11 General Revenue Fund. Candidates or candidate committees shall not
12 pay such fees from campaign funds.

13 SECTION 2. AMENDATORY 74 O.S. 2011, Section 4260, as
14 amended by Section 1023, Chapter 304, O.S.L. 2012 (74 O.S. Supp.
15 2013, Section 4260), is amended to read as follows:

16 Section 4260. All candidates allowed to receive the maximum
17 contribution of Five Thousand Dollars (\$5,000.00), pursuant to
18 paragraph 2 of subsection A of Section 187.1 of Title 21 of the
19 Oklahoma Statutes, shall file a campaign contributions and
20 expenditures report electronically with the Ethics Commission. The
21 Ethics Commission shall make the report available online. The
22 Ethics Commission shall consult with the Office of Management and
23 Enterprise Services regarding an information technology services
24 contract to comply with this section. Any authorized changes or

1 corrections to a filed report shall be entered by the Ethics
2 Commission in the form of an amendment and shall clearly identify
3 the authorized changes or corrections made to the filed report.

4 SECTION 3. AMENDATORY Rule 257:10-1-2 of the Rules of
5 the Ethics Commission (74 O.S. Supp. 2013, Chapter 62, App.), is
6 amended to read as follows:

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

8 (a) Limitations on contributions from a person.

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

18 (2) No person or family may contribute more than five thousand
19 dollars (\$5,000) to a candidate for state office or to a candidate
20 committee authorized by such a candidate to accept contributions or
21 make expenditures on his behalf during a campaign as defined in
22 Chapter 1, Section 2 and as provided in Paragraphs (4) and (5) of
23 this subsection. No candidate or candidate committee shall knowingly
24

1 accept a contribution in excess of five thousand dollars (\$5,000)
2 from a person or family during a campaign.

3 (3) These restrictions do not apply to:

4 (A) a committee supporting or opposing a ballot measure;

5 (B) a committee formed solely to make independent
6 expenditures or electioneering communications; or

7 (C) a candidate making a contribution of his or her own
8 funds, to his or her campaign.

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

10 (A) begins a campaign for a specific state office;

11 (B) accepts one or more contributions for such campaign
12 but prior to the election therefor chooses not to run
13 for such office and becomes a candidate for a
14 different office; and

15 (C) transfers all or any part of the contributions
16 accepted for the first campaign to the second
17 campaign;

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

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

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

23 (B) accepts one or more contributions for such committee
24 after such election; and

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

7 (6) The \$5,000 limitation is to be applied collectively and
8 cumulatively so that any contribution made by the entities as set
9 forth in the definition of "person" in Section 2 of Chapter 1 of
10 this title, shall be allocated to the individuals owning such
11 entities in their percentage of ownership. Once the limit of \$5,000
12 is reached, applying all sources to the individual or family, no
13 further contributions can be made during the campaign or calendar
14 year.

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

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

24

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

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

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

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

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

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

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

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

6 If no contributor statement has been obtained within ten (10)
7 days after a contribution is accepted, or if a contributor statement
8 obtained pursuant to the provisions of this subsection is
9 incomplete, the treasurer shall make at least three efforts after
10 acceptance of the contribution to obtain the missing information.
11 Such efforts shall consist of either a mailed or electronic request
12 sent to the contributor. All three separate requests must be made no
13 later than thirty (30) days after acceptance of the contribution.
14 The requests shall not include material on any other subject or any
15 additional solicitation, except that they may include language
16 solely thanking the contributor for the contribution. The requests
17 must clearly ask for the contributor statement or the missing
18 information and must include an accurate statement of this rule
19 regarding the collection and reporting of contribution
20 identifications. All requests must include the statement in a clear
21 and conspicuous manner. In the case of mailed requests, the requests
22 shall be accompanied by a pre-addressed return post card or envelope
23 for the response material. In the case of electronic requests, the
24 requests shall include specific instructions for submitting the

1 contributor statement or missing information. If the treasurer makes
2 such effort within the thirty (30) day time period prescribed in
3 this paragraph, the person accepting the contribution shall be
4 deemed to be in compliance with the provisions of this subsection.
5 Thereafter, if the complete contributor statement is not obtained,
6 the treasurer must return the contribution within thirty (30) days.

7 (c) Prohibitions and exceptions to corporate and labor
8 organization contributions and expenditures.

9 (1) No corporation or labor organization shall contribute to any
10 campaign fund of any party committee of this state or to any other
11 person for the benefit of such party committee or to candidates, nor
12 shall it, through any agent, officer, representative, employee,
13 attorney, or any other person or persons, so contribute. Nor shall
14 any such corporation or labor organization, directly or through such
15 other person, make any loan of money or anything of value, or give
16 or furnish any privilege, favor or other thing of value to any party
17 committee, or to any representative of a party committee, or to any
18 other person for it, or to any candidate.

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

23 (A) a campaign or committee formed solely for or against a
24 ballot measure;

1 (B) a committee formed solely to make independent
2 expenditures or electioneering communications; or

3 (C) the establishment, administration, and solicitation of
4 contributions to a political action committee to be
5 utilized for political purposes by a corporation or
6 labor organization.

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

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

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

17 (1) a political action committee to accept a contribution or
18 make an expenditure by using anything of value secured by physical
19 force, job discrimination, financial reprisals, or threat of the
20 same;

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

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

5 (4) corporate contributions to a committee or person for or
6 against a ballot measure to be commingled with a fund established by
7 such person or committee to contribute to candidate committees or
8 committees which support or oppose candidates unless the committee
9 is formed solely to make independent expenditures or electioneering
10 communications.

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

12 (1) Candidate committee transfers.

13 (A) A candidate committee shall not make a contribution or
14 transfer to another candidate, or to a political
15 action committee which supports or opposes candidates
16 or ballot measures, nor shall it make an independent
17 expenditure on behalf of another candidate or ballot
18 measure. A political action committee, including an
19 out-of-state political action committee, and a
20 committee registered under the laws of the United
21 States which supports or opposes candidates or ballot
22 measures shall not accept a contribution or transfer
23 from a candidate committee. The principal candidate
24 committee or an authorized committee of a person, as

1 such terms are defined in Section 431 of Title 2 of
2 the United States Code, shall not make a contribution
3 to a candidate or make an independent expenditure on
4 behalf of a candidate. A candidate or candidate
5 committee shall not accept such a contribution.

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

12 (C) This subsection shall not prohibit a candidate
13 committee from providing its surplus funds or material
14 assets to the state, county or congressional district
15 committee of a political party, not to include an
16 affiliated or connected entity of a political party,
17 in accordance with the procedures for dissolution of a
18 candidate committee under Sections 19 and 20 of this
19 chapter.

20 (2) Political action committee transfers. A political action
21 committee shall not make a contribution to another political action
22 committee as specified herein. A political action committee shall
23 not accept a contribution from another political action committee as
24 specified herein. This subsection shall not prohibit:

1 (A) a political action committee, including an out-of-
2 state committee also registered in another state or
3 states and a committee also registered under the laws
4 of the United States, from making a transfer to a
5 ballot measure committee;

6 (B) a political action committee from making a transfer to
7 a committee formed solely to make independent
8 expenditures or electioneering communications; or

9 (C) a political action committee from making a transfer to
10 its own affiliated or connected entity in accordance
11 with the definition of contribution, Section 2,
12 Paragraph (2), Subparagraph (B) of Chapter 1 of this
13 title.

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

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

18 (A) share the majority of members on their boards of
19 directors;

20 (B) are owned or controlled by the same majority
21 shareholder or shareholders;

22 (C) are in a parent-subsidiary relationship; or

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

24 (E) are affiliated or connected entities.

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

5 (g) Attribution and aggregation of family contributions.

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

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

14 (h) Restrictions on loans.

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

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

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

22 (A) by a commercial lending institution;

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

24

1 (C) on the same terms ordinarily available to members of
2 the public; and

3 (D) which is secured or guaranteed solely by the
4 candidate;

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

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

7 (i) Anonymous and earmarked contributions.

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

14 (2) For purposes of the contribution limitations imposed by this
15 section, all contributions made by a person, either directly or
16 indirectly, to or for the benefit of a particular candidate
17 committee, including contributions which are in any way earmarked or
18 otherwise directed through an intermediary or conduit to such
19 candidate committee, shall be treated as contributions from such
20 person to such candidate committee. It shall be prohibited for an
21 intermediary or a conduit to make a contribution to a committee in
22 his or her own name rather than the name of the original source of
23 such contribution.

1 For purposes of this paragraph, an intermediary or conduit means
2 a person, who is not the treasurer, deputy treasurer or agent of a
3 committee, but who is given a contribution by another with the
4 understanding that it will be contributed to that committee. The
5 reports shall show the correct name of the person actually making
6 the contribution.

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

10 (k) Cash contributions.

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

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

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

22 (1) An individual shall not make a contribution of more than
23 fifty dollars (\$50), other than an in-kind contribution, except by
24 written instrument containing the name of the contributor and the

1 name of the payee during a campaign as defined in Chapter 1, Section
2 2.

3 (2) A committee, or a person other than an individual, shall not
4 make a contribution, other than in-kind, except by written
5 instrument, delivered by United States mail or an officer of the
6 committee, containing the name of the contributor and the name of
7 the payee.

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

10 (m) Use of other funds.

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

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

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

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

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

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

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

1 SECTION 4. AMENDATORY Rule 257:20-1-9 of the Rules of
2 the Ethics Commission (74 O.S. Supp. 2013, Ch. 62, App.), is amended
3 to read as follows:

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

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

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

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

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

17 (b) Soliciting individually or on behalf of a regulatory
18 governmental entity prohibited. No state officer and no state
19 employee shall, directly or indirectly, ask, demand, exact, solicit,
20 seek, accept, assign, receive or agree to receive anything of value
21 individually or for or on behalf of a governmental entity from a
22 business entity, its employees, officers or board members, or a
23 person who has greater than a ten percent (10%) interest in such
24 entity if the rates, charges, prices or fees charged by the business

1 entity are subject to regulation by the governmental entity which
2 the officer or employee serves. This provision does not apply to a
3 campaign contribution properly received and reported, which is
4 exempt from the definition of anything of value in Section 2 of
5 Chapter 1 of this title, or to anything of value accepted on behalf
6 of the state of Oklahoma pursuant to Subsection (e) of this section.

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

8 (1) State officers and state employees. No state officer, state
9 employee or an immediate family member of such state officer or
10 state employee shall, directly or indirectly, ask, demand, exact,
11 solicit, seek, accept, assign, receive or agree to receive anything
12 ~~things of value in a calendar year which, in the aggregate, are~~
13 ~~valued at more than one hundred dollars (\$100)~~ from a person who the
14 state officer or state employee knows or should know:

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

17 (i) things of value received as a result of or
18 arising out of employment by, or doing business
19 with, a lobbyist or lobbyist principal; and

20 (ii) things of value received from any director,
21 stockholder, partner, agent, affiliate, member,
22 employee or officer of a lobbyist principal if
23 the donor is excepted in subparagraph (D) of
24 Paragraph (2) from the definition of "anything of

1 value" in Section 2 of Chapter 1 of this title,
2 or if there exists between the recipient and the
3 donor a close personal relationship of long
4 standing in which the mutual exchange of gifts on
5 special occasions, such as holidays or
6 anniversaries, has become customary;

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

10 (C) has an economic interest in actions or matters before
11 or affecting the governmental entity of which the
12 state officer's or state employee's office or
13 employment is a part.

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

1 ~~lobbyist principal, the disclosure and calendar year limits of the~~
2 ~~first lobbyist to register on behalf of the lobbyist principal for a~~
3 ~~calendar year are aggregated with each additional lobbyist, employed~~
4 ~~or retained by the same lobbyist principal.~~

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

11 (e) Exceptions for state officers and employees of judicial
12 branch and corporations.

13 Nothing in this section shall allow:

14 (1) a judicial officer, juror, referee, arbitrator or umpire to
15 accept anything of value from a corporation or any other person,
16 knowing that person to be a party in interest or the attorney or
17 counsel of a party in interest to any action or proceeding then
18 pending or about to be brought before him or her pursuant to Section
19 386 of Title 21 of the Oklahoma Statutes; or

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

23 (f) Exceptions for forms of compensation, gifts to state, gifts
24 to charitable organizations, officers/directors of professional

1 organizations, humanitarian efforts for state officers and state
2 employees and financial aid awards, tuition waivers, scholarships,
3 educational grants. Nothing in this section shall prohibit the
4 acceptance or require the disclosure of:

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

8 (2) anything of value which is accepted by the Governor,
9 President Pro Tempore of the Senate, Speaker of the House of
10 Representatives or Chief Justice of the Supreme Court, on behalf of
11 the state of Oklahoma or a governmental entity pursuant to Section
12 381 et seq. of Title 60 of the Oklahoma Statutes. In order to be
13 deemed accepted, the appropriate state officer must be notified in
14 writing of any gift received by a governmental entity, or person on
15 behalf of a governmental entity, within ten (10) days of receipt of
16 the gift. Notice of acceptance must be received from the appropriate
17 state officer within the next thirty (30) days. Upon lack of a
18 response from the appropriate state officer within thirty (30) days
19 of receipt of the notice, the gift is deemed rejected and must be
20 returned to the donor; or

21 (3) the solicitation or acceptance of anything of value for or
22 from a charitable organization when the solicitation or acceptance
23 is directly related to the purposes or mission of the organization;

24

1 (4) the solicitation or acceptance of anything of value for or
2 from a tax-exempt professional organization established by state
3 statute or rules passed by the Oklahoma Supreme Court when a state
4 officer or state employee is a member, officer or director of the
5 organization and the receipt of anything of value results from the
6 state officer or state employee attending a function, meeting or
7 seminar on behalf of, or as a representative of, the organization;
8 or

9 (5) the solicitation or acceptance of a thing or things of value
10 by or on behalf of a state officer or state employee, or an
11 immediate family of a state officer or state employee, as a
12 humanitarian effort to assist a victim of a catastrophic accident or
13 life threatening disease, illness or disability, or a victim of a
14 natural disaster or similar event;

15 (6) the acceptance or award of need-based or merit-based
16 financial aid awards, tuition waivers, scholarships and educational
17 grants, in any form, accepted or awarded to a state officer, a state
18 employee or a family member of a state officer or state employee.
19 Provided, nothing in this subsection shall authorize the
20 solicitation or acceptance of anything of value in violation of the
21 provisions of Subsection (a) of this section.

22 (g) Ban on borrowing from lobbyists. No state officer or state
23 employee shall directly or indirectly borrow money from a lobbyist,
24

1 or an immediate family member of a lobbyist, or an entity controlled
2 by or employing a lobbyist. This subsection shall not apply to:

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

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

11 (h) Ban on elective officers receiving cash or cash equivalent
12 honoraria. Except for the compensation an elective officer is
13 entitled to by law for the performance of official duties, no
14 elective officer shall solicit or accept cash, check or cash
15 equivalent compensation for an article, appearance or speech, or for
16 participation at an event, unless the article, appearance or
17 participation is made as part of the normal course of business in
18 the member's private occupation.

19 SECTION 5. AMENDATORY Rule 257:23-1-2 of the Rules of
20 the Ethics Commission (74 O.S. Supp. 2013, Ch. 62, App.), is amended
21 to read as follows:

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

24

1 ~~(a) Required reports. Effective January 1, 2011, every lobbyist~~
2 ~~shall file registrations required by Section 4250 of Title 74 of the~~
3 ~~Oklahoma Statutes and reports required by this section by Internet~~
4 ~~access only at the address specified by the Commission. The reports~~
5 ~~shall include the activities specified in this section. The reports~~
6 ~~shall be filed whether or not the person has taken any action which~~
7 ~~is required to be reported pursuant to the provisions of this~~
8 ~~section. The reports shall be filed between the first and twentieth~~
9 ~~day of January and the first and twentieth day of July of each~~
10 ~~calendar year which shall cover the activities during the period~~
11 ~~following the last report.~~

12 ~~(b) Disclosure of things of value. The report shall be signed by~~
13 ~~the lobbyist, who shall attest to the report's accuracy and~~
14 ~~veracity, and the signature shall be notarized. The reports shall~~
15 ~~include the information specified in Subsection (d) of this section~~
16 ~~for things of value given to an elective officer or the immediate~~
17 ~~family member of an elective officer by the lobbyist or any lobbyist~~
18 ~~principal by whom the lobbyist is employed or retained, the costs of~~
19 ~~which exceed ten dollars (\$10) in the aggregate or things of value~~
20 ~~given to a state officer, excluding an elective officer, state~~
21 ~~employee, or the immediate family member of a state officer,~~
22 ~~excluding an elective officer, or a state employee, by the lobbyist~~
23 ~~or any lobbyist principal by whom the lobbyist is employed or~~
24 ~~retained, the costs of which exceed ten (\$10) in the aggregate~~

1 ~~during a six month period beginning January 1 and ending June 30 or~~
2 ~~beginning July 1 and ending December 31.~~

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

9 (1) things of value given by a lobbyist or lobbyist principal as
10 a result of or arising out of employment of, or the lobbyist or
11 lobbyist principal doing business with a state officer or state
12 employee or the recipient; and

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

21 ~~A thing or things of value given by a lobbyist; the lobbyist~~
22 ~~principal by whom the lobbyist is employed or retained; or a~~
23 ~~stockholder, partner, agent, affiliate, member, employee or officer~~
24 ~~of the lobbyist principal or lobbyist principals by whom the~~

1 ~~lobbyist is employed or retained are aggregated for purposes of the~~
2 ~~disclosure threshold and calendar year limits, regardless of how the~~
3 ~~thing or things of value are funded if, and only if, the thing or~~
4 ~~things of value are given at the specific direction, and on behalf~~
5 ~~of, the lobbyist principal. Lobbyist principals of contract~~
6 ~~lobbyists shall not be aggregated together for purposes of this~~
7 ~~provision. If more than one lobbyist is retained or employed by a~~
8 ~~lobbyist principal, the disclosure and calendar year limits of each~~
9 ~~lobbyist to register on behalf of the lobbyist principal for a~~
10 ~~calendar year are aggregated with each additional lobbyist, employed~~
11 ~~or retained by the same lobbyist principal. Lobbyist principals~~
12 ~~retaining or employing more than one lobbyist may designate one~~
13 ~~lobbyist to file the reports required by this section. Such reports~~
14 ~~shall include all the information required for things of value given~~
15 ~~by all lobbyists, as well as by others who are giving on behalf of~~
16 ~~the lobbyist principal. If the single report method is used, other~~
17 ~~lobbyists representing the same lobbyist principal shall indicate on~~
18 ~~their reports the identity of the individual reporting on behalf of~~
19 ~~them for the lobbyist principal, but shall not list those items on~~
20 ~~their own report.~~

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

24

- 1 ~~(1) The full name and electronic mailing address of the lobbyist~~
2 ~~or other person filing the report;~~
- 3 ~~(2) The name and position of the state officer or state employee~~
4 ~~to whom the thing of value was given;~~
- 5 ~~(3) The date the thing of value was given;~~
- 6 ~~(4) The nature of the thing of value given;~~
- 7 ~~(5) The amount of the expenditure made by the lobbyist or~~
8 ~~lobbyist principal for the thing of value;~~
- 9 ~~(6) The name of the lobbyist principal or lobbyist principals on~~
10 ~~whose behalf the thing of value was given, if any; and~~
- 11 ~~(7) The date and total expenditure for food and beverages~~
12 ~~provided at any event to which all members of the Legislature are~~
13 ~~invited; the date and total expenditure for food and beverages~~
14 ~~provided at any meeting of a political caucus of either House of the~~
15 ~~Legislature; the identity of the caucus; the date and total~~
16 ~~expenditure for food and beverages provided at an event to which all~~
17 ~~members of a legislative committee or subcommittee of either House~~
18 ~~of the Legislature identified in the Rules or Journal of the~~
19 ~~respective House are invited and which is attended by a majority of~~
20 ~~the members of the committee or subcommittee. A lobbyist reporting~~
21 ~~the date and total expenditure for food and beverages provided at~~
22 ~~any of the foregoing events need not report the names of individuals~~
23 ~~who participated, but must maintain in his or her records a list of~~
24

1 ~~all participants at an event to which all members of a legislative~~
2 ~~committee or subcommittee are invited.~~

3 ~~(e) Prohibition against dividing costs among lobbyist principals~~
4 ~~or other lobbyists.~~

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

13 ~~(f) Presence of lobbyist exception for nominal things of value.~~
14 ~~Except for a single event during any calendar year, disclosed~~
15 ~~pursuant to Paragraph (7) of Subsection (d) of this section, a~~
16 ~~lobbyist who gives a thing of value to a state officer or state~~
17 ~~employee must be present when the thing of value is accepted by the~~
18 ~~recipient unless the thing of value is of no more than ten dollars~~
19 ~~(\$10) in value.~~

20 ~~(g) Reporting of things of value given on behalf of lobbyist or~~
21 ~~lobbyist principal. A lobbyist shall also report things of value~~
22 ~~when given by other persons on behalf of the lobbyist or the~~
23 ~~lobbyist principal at the specific direction of the lobbyist or~~
24 ~~lobbyist principal if they were made with the knowledge of the~~

1 ~~lobbyist. When other persons, including lobbyist principals, give~~
2 ~~things of value that the lobbyist is required to report, the other~~
3 ~~persons shall provide a full, verified account of such things of~~
4 ~~value to the lobbyist at least seven (7) days before the reports of~~
5 ~~the lobbyists are due to be filed. When exact values are not known~~
6 ~~and not ascertainable, a good faith estimate of the fair market~~
7 ~~value shall be reported.~~

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

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

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

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

23
24

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

4 (2) a tax-exempt professional organization established by state
5 statute or rules passed by the Oklahoma Supreme Court,
6 to a state officer or state employee, who is an officer or director
7 of the organization, when receipt of anything of value results from
8 the state officer or state employee attending a function, meeting or
9 seminar on behalf of, or as a representative of, the organization.

10 SECTION 6. AMENDATORY Rule 257:23-1-3 of the Rules of
11 the Ethics Commission (74 O.S. 2011, Ch. 62, App.), is amended to
12 read as follows:

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

15 Any person who:

16 (1) is employed or retained by another for financial or other
17 compensation to perform services that include promoting, opposing or
18 attempting to influence any executive or administrative action by a
19 governmental entity, including, but not limited to, the promulgation
20 of rules and regulations and the setting of rates, other than an
21 individual whose lobbying activities are only incidental to, and are
22 not a significant part of, the services provided by such individual
23 to the client;

24

1 (2) is seeking to do business or doing business with a
2 governmental entity; or
3 (3) has an economic interest in actions or matters before or
4 affecting a governmental entity;
5 ~~shall be required to file, by paper form, the same report required~~
6 ~~to be filed by lobbyists by Section 2 of this chapter if, and only~~
7 ~~if, such person gives~~ be prohibited from giving anything or things
8 of value to a state officer or state employee ~~the cost of which~~
9 ~~exceeds fifty dollars (\$50.00) in the aggregate during a six-month~~
10 ~~period beginning January 1 and ending June 30 or beginning July 1~~
11 ~~and ending December 31.~~ This provision shall not apply, however, to
12 things of value received as a result of or arising out of employment
13 by, or doing business with, a lobbyist or lobbyist principal; and
14 things of value received from any director, stockholder, partner,
15 agent, affiliate, member, employee or officer of a lobbyist
16 principal as a result of a personal or casual relationship with the
17 recipient. Provided further, this provision shall not apply to
18 things of value given to a public member when not given as a result
19 of the public member's status as a public member.

20 SECTION 7. This act shall become effective November 1, 2014.

21

22 54-2-8670 LRB 01/13/14

23

24