

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 56th Legislature (2017)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 1417

By: Russ

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8 COMMITTEE SUBSTITUTE

9 An Act relating to state government; amending Rules
10 2.33, 2.34, 2.106, 6.10 and 6.12 of the Rules of the
11 Ethics Commission (74 O.S. Supp. 2016, Chapter 62,
12 App. 1), which relate to Rules of the Ethics
13 Commission; modifying contributions to and by certain
14 committees; providing for opportunity to amend
15 certain reports; providing for time limit before
16 Commission takes certain actions; providing for use
17 of attorneys employed by Ethics Commission; making
18 each party responsible for legal fees and costs; and
19 providing an effective date.

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

SECTION 1. AMENDATORY Rule 2.33 of the Rules of the
Ethics Commission (74 O.S. Supp. 2016, Chapter 62, App. 1), is
amended to read as follows:

Rule 2.33 (A) No person shall make, and no limited committee
shall accept, a contribution to any limited committee in excess of
Five Thousand Dollars (\$5,000.00) in any calendar year, except as
otherwise permitted by law or these Rules. A contribution to a

1 limited committee that is designated directly or indirectly to be
2 used for the benefit of a particular candidate or candidates shall
3 be considered a contribution by the contributor to the candidate or
4 candidates.

5 (B) No limited committee shall make, and no political party
6 committee shall accept, a contribution to the political party
7 committee in excess of Ten Thousand Dollars (\$10,000.00) in any
8 calendar year.

9 (C) No limited committee shall make, and no other limited
10 committee shall accept, a contribution to another limited committee
11 in excess of Five Thousand Dollars (\$5,000.00) in any calendar year.

12 (D) No limited committee shall make, and no candidate committee
13 shall accept, a contribution to any candidate committee in excess of
14 Five Thousand Dollars (\$5,000.00) prior to a primary election.

15 (E) No limited committee shall make, and no candidate committee
16 shall accept, a contribution to any candidate committee of a
17 candidate whose name will appear on the ballot for a runoff primary
18 election in excess of Five Thousand Dollars (\$5,000.00) prior to a
19 runoff primary election. Provided, however, after the primary
20 election a limited committee that has made a contribution of Five
21 Thousand Dollars (\$5,000.00) or less to the candidate committee
22 prior to the primary election may make an additional contribution of
23 no more than Five Thousand Dollars (\$5,000.00) to the candidate
24 committee prior to the runoff primary election.

1 (F) No limited committee shall make, and no candidate committee
2 shall accept, a contribution to any candidate committee prior to a
3 general election in excess of Five Thousand Dollars (\$5,000.00).
4 Provided, however, after the primary election or runoff primary
5 election, whichever is the last for determining a political party's
6 nominee, a limited committee that has made a contribution of Five
7 Thousand Dollars (\$5,000.00) or less to the candidate committee
8 prior to the primary election or runoff primary election, or both,
9 may make an additional contribution of no more than Five Thousand
10 Dollars (\$5,000.00) to the candidate committee prior to the general
11 election.

12 (G) After the general election, a limited committee that has
13 made no contribution to a candidate or a contribution of less than
14 Five Thousand Dollars (\$5,000.00) in the aggregate under the
15 provisions of ~~subsections~~ subsection (D), (E) or (F) may make ~~a~~ an
16 additional contribution or contributions in an amount or amounts
17 that, aggregated with any prior contributions, do not exceed ~~of no~~
18 ~~more than~~ Five Thousand Dollars (\$5,000.00) to that candidate
19 committee.

20 (H) No limited committee shall make a total contribution to a
21 candidate in excess of the aggregate contribution limits of
22 subsections (D), (E) and (F) or in excess of Five Thousand Dollars
23 (\$5,000.00) to the candidate committee of a candidate who is
24 unopposed for election.

1 (I) For purposes of this section, "contribution" shall include
2 multiple contributions, the amounts of which shall be aggregated.

3 (J) A limited committee may make contributions to candidates
4 for county, municipal or school district office as permitted by law.

5 SECTION 2. AMENDATORY Rule 2.34 of the Rules of the
6 Ethics Commission (74 O.S. Supp. 2016, Chapter 62, App. 1), is
7 amended to read as follows:

8 Rule 2.34 (A) No limited committee that has been registered
9 with the Commission for less than a year prior to a primary election
10 or that has fewer than twenty-five (25) contributors shall make, and
11 no political party committee shall accept, a contribution to the
12 political party committee in excess of Five Thousand Dollars
13 (\$5,000.00) in any calendar year.

14 (B) No limited committee that has been registered with the
15 Commission for less than a year prior to a primary election or that
16 has fewer than twenty-five (25) contributors shall make a
17 contribution to another limited committee.

18 (C) No limited committee that has been registered with the
19 Commission for less than a year prior to a primary election or that
20 has fewer than twenty-five (25) contributors shall make, and no
21 candidate committee shall accept, a contribution to any candidate
22 committee in excess of Two Thousand Five Hundred Dollars (\$2,500.00)
23 prior to a primary election.

1 (D) No limited committee that has been registered with the
2 Commission for less than a year prior to a primary election or that
3 has fewer than twenty-five (25) contributors shall make, and no
4 candidate committee shall accept, a contribution to any candidate
5 committee of a candidate whose name will appear on the ballot for a
6 runoff primary election in excess of Two Thousand Five Hundred
7 Dollars (\$2,500.00) prior to a runoff primary election. Provided,
8 however, after the primary election a limited committee that has
9 been registered with the Commission for less than a year prior to a
10 primary election or that has fewer than twenty-five (25)
11 contributors that has made a contribution of Two Thousand Five
12 Hundred Dollars (\$2,500.00) or less to the candidate committee prior
13 to the primary election may make an additional contribution of no
14 more than Two Thousand Five Hundred Dollars (\$2,500.00) to the
15 candidate committee prior to the runoff primary election.

16 (E) No limited committee that has been registered with the
17 Commission for less than a year prior to a primary election or that
18 has fewer than twenty-five (25) contributors shall make, and no
19 candidate committee shall accept, a contribution to any candidate
20 committee prior to a general election in excess of Two Thousand Five
21 Hundred Dollars (\$2,500.00). Provided, however, after the primary
22 election or runoff primary election, whichever is the last for
23 determining a political party's nominee, a limited committee that
24 has been registered with the Commission for less than a year prior

1 to a primary election or that has fewer than twenty-five (25)
2 contributors that has made a contribution of Two Thousand Five
3 Hundred Dollars (\$2,500.00) or less to the candidate committee prior
4 to the primary election or runoff primary election, or both, may
5 make an additional contribution of no more than Two Thousand Five
6 Hundred Dollars (\$2,500.00) to the candidate committee prior to the
7 general election.

8 (F) After the general election, a limited committee that has
9 been registered with the Commission for less than a year prior to a
10 primary election or that has fewer than twenty-five (25)
11 contributors that has made no contribution to a candidate committee
12 or a contribution of less than Two Thousand Five Hundred Dollars
13 (\$2,500.00) in the aggregate under the provisions of ~~subsections~~
14 subsection (C), (D) or (E) may make a an additional contribution or
15 contributions in an amount or amounts that, aggregated with any
16 prior contributions, do not exceed ~~of no more than~~ Two Thousand Five
17 Hundred Dollars (\$2,500.00) to that candidate committee.

18 (G) No limited committee that has been registered with the
19 Commission for less than a year prior to a primary election or that
20 has fewer than twenty-five (25) contributors shall make a total
21 contribution to a candidate in excess of the aggregate contribution
22 limits of subsections (C), (D) and (E) or in excess of Two Thousand
23 Five Hundred Dollars (\$2,500.00) to the candidate committee of a
24 candidate who is unopposed for election.

1 (H) For purposes of this section, "contribution" shall include
2 multiple contributions, the amounts of which shall be aggregated.

3 SECTION 3. AMENDATORY Rule 2.106 of the Rules of the
4 Ethics Commission (74 O.S. Supp. 2016, Chapter 62, App. 1), is
5 amended to read as follows:

6 Rule 2.106 A Report of Contributions and Expenditures by a
7 candidate committee shall include, but not be limited to, the
8 following information:

9 A. (1) the candidate's name, the name of the committee and the
10 time period covered by the report;

11 (2) the total of any surplus funds transferred from a candidate
12 committee for a previous campaign of the same candidate;

13 (3) the total of all monetary contributions accepted during the
14 time period covered by the report, and the aggregate total of all
15 monetary contributions accepted;

16 (4) the total of all monetary contributions from political
17 action committees accepted during the time period covered by the
18 report, and the aggregate total of all monetary contributions from
19 political action committees accepted;

20 (5) the total of all other funds accepted during the time
21 period covered by the report, and the aggregate total of all other
22 funds accepted;

1 (6) the total of all monetary contributions or funds accepted
2 from any source during the time period covered by the report, and
3 the aggregate total of all monetary contributions or funds accepted;

4 (7) the total value of all in-kind contributions accepted
5 during the time period covered by the report, and the aggregate
6 total value of all in-kind contributions accepted;

7 (8) the total of all expenditures made during the time period
8 covered by the report, and the aggregate total of all expenditures
9 made;

10 (9) the total of all refunds made during the time period
11 covered by the report, and the aggregate total of all refunds made;

12 (10) the beginning balance of the campaign account for the
13 reporting period, and the closing balance of the campaign account at
14 the end of the reporting period.

15 B. (1) The name, address, occupation and employer of any
16 person other than a political action committee making a contribution
17 or contributions exceeding Fifty Dollars (\$50.00) in value in the
18 aggregate, the date and amount of any monetary or in-kind
19 contributions made during the time period covered by the report, and
20 the aggregate total of all contributions accepted from the person;

21 (2) the total of all contributions accepted during the time
22 period covered by the report from contributors making contributions
23 of no more than Fifty Dollars (\$50.00) in the aggregate, and the
24 aggregate total of all such contributions;

1 (3) the name and Commission identification number of a
2 political action committee or candidate committee making a
3 contribution or contributions, the date and amount of any monetary
4 or in-kind contributions made during the time period covered by the
5 report, and the aggregate total of all contributions accepted from
6 the political action committee;

7 (4) the name, address, occupation and employer, if applicable,
8 of a contributor to whom a refund was made during the time period
9 covered by the report, the date and amount of the refund, and the
10 aggregate total of all contributions refunded to the contributor;

11 (5) loans made to the committee during the time period covered
12 by the report, including loans by the candidate and by commercial
13 financial institutions; the name, address and, if applicable,
14 occupation and employer, of the person making the loan; the amount
15 of the loan, the date the loan was made, the interest rate for the
16 loan, the repayment terms for the loan and the total of all loans
17 made to the committee; any payments on loans during the time period
18 covered by the report, the amount of the payment, the date the
19 payment was made and the remaining balance of the loan following the
20 payment, and the total of all payments made on all loans to the
21 committee and the remaining balance on all loans to the committee;

22 (6) the name and address of any person or entity to whom an
23 expenditure of more than Two Hundred Dollars (\$200.00) in the
24 aggregate was made during the time period covered by the report, a

1 description of the goods or services purchased with the expenditure,
2 and the aggregate total of all expenditures made to the person or
3 entity. Split purchasing for the purpose of evading reporting an
4 expenditure shall be prohibited. Expenditures made to compensate
5 consultants and similar individuals or organizations shall be
6 reported by identifying the type of services provided to the
7 campaign by the consultants. Expenditures made by political
8 consultants and other third parties on behalf of the committee shall
9 be reported as if the expenditures were made by the committee.
10 Expenditures made by using a credit card shall be reported by
11 itemizing each individual expenditure of more than Two Hundred
12 Dollars (\$200.00).

13 Contributions accepted from a limited liability company shall be
14 reported as contributions from the individual members of the limited
15 liability company in proportions equal to their ownership interest
16 in the limited liability company. Contributions accepted from a
17 partnership shall be reported as contributions from the individual
18 partners of the partnership in proportions equal to their ownership
19 interest in the partnership.

20 C. A filer shall be afforded the opportunity to amend a Report
21 of Contributions and Expenditures by a candidate committee at any
22 time to correct an oversight or error.
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1 SECTION 4. AMENDATORY Rule 6.10 of the Rules of the
2 Ethics Commission (74 O.S. Supp. 2016, Chapter 62, App. 1), is
3 amended to read as follows:

4 Rule 6.10 ~~At any time during~~ After one hundred twenty (120)
5 days from the start of a formal investigation or at the conclusion
6 of a formal investigation, the Commission may:

7 (1) Terminate the investigation and take no further action;

8 (2) Authorize the Executive Director to cause the individual or
9 individuals or entity alleged to have violated these Rules to be
10 prosecuted in the District Court of the county where the violation
11 of these Rules is alleged to have occurred by filing a civil
12 petition as provided by the Constitution and laws of the State of
13 Oklahoma; or

14 (3) Offer a settlement agreement as provided by Article XXIX,
15 Section 4 of the Constitution of the State of Oklahoma. Should a
16 settlement agreement not be consummated, the Commission may
17 authorize a prosecution to be commenced as provided in Subsection
18 (2) of this Rule.

19 If a prosecution or a settlement agreement is authorized prior
20 to conclusion of a formal investigation, the Commission may continue
21 the investigation. Termination of a formal investigation as
22 provided in Subsection (1) of this Rule shall not bar reopening the
23 same investigation based upon newly discovered evidence or other
24 good cause. In no event shall the Commission authorize the

1 prosecution of a civil lawsuit in the District Court until any
2 person who is alleged to have violated these Rules has had an
3 opportunity to respond in writing to allegations of any violation.
4 Such person shall be given notice of the allegations in writing and
5 shall have ~~twenty (20)~~ thirty (30) days in which to file a written
6 response. Upon application, such person shall be granted no more
7 than one extension of ~~twenty (20)~~ thirty (30) additional days in
8 which to file a response. Any additional response shall be granted
9 at the exclusive discretion of the Commission. Failure to respond
10 shall be deemed an admission of the allegations. Such person and/or
11 an attorney representing such person also shall be granted an
12 opportunity to personally appear before the Commission to make an
13 oral response, provided such response is within the time frame
14 provided for a written response.

15 SECTION 5. AMENDATORY Rule 6.12 of the Rules of the
16 Ethics Commission (74 O.S. 2016, Chapter 62, App. 1) is amended to
17 read as follows:

18 Rule 6.12 A. If authorized by the Commission as provided in
19 Rule 6.10(2) of these Rules, a civil lawsuit shall be filed in the
20 District Court no more than ~~four (4)~~ three (3) years after the date
21 the violation of these Rules is alleged to have occurred. Provided,
22 however, that a civil lawsuit shall be filed in the District Court
23 no more than ~~four (4)~~ three (3) years from the date any document
24 required to be filed with the Commission was required or the date

1 the document was in fact filed, whichever period expires later.
2 Provided further, there shall be no time limitation if fraud or
3 concealment prevents discovery of the alleged violation.

4 B. The Commission shall utilize attorneys currently employed by
5 the Commission, to the extent reasonably possible, in a civil
6 lawsuit provided for in this section.

7 C. The parties shall be responsible for their own legal fees
8 and costs in any civil lawsuit provided for in this section.

9 SECTION 6. This act shall become effective November 1, 2017.

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11 COMMITTEE REPORT BY: COMMITTEE ON ELECTIONS AND ETHICS, dated
12 03/02/2017 - DO PASS, As Amended.
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