

# ARKANSAS ETHICS COMMISSION

910 West Second Street, Suite 100  
Post Office Box 1917  
Little Rock, Arkansas 72203-1917  
(501) 324-9600 Fax (501) 324-9606  
Toll Free (800) 422-7773

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## ADVISORY OPINION NO. 2003-EC-004 Issued December 19, 2003

The Arkansas Ethics Commission is issuing this advisory opinion on its own initiative to clarify the manner in which contributions received by a political party<sup>1</sup> for use in federal elections should be accounted for and reported by the party on its political party quarterly reporting form. The need for such clarification arises from the different manner in which political parties have treated the reporting of contributions used for federal elections.

During the 84<sup>th</sup> General Assembly, the reporting requirements applicable to political parties were changed. Act 1730 of 2003 amended Ark. Code Ann. § 7-6-223 to provide that organized political parties shall file a quarterly report with the Secretary of State within fifteen (15) calendar days after the end of each calendar quarter.

In addition to changing the frequency of reporting, the required contents of reports were changed to include:

- (1) The **total** amount of contributions received by the political party during the preceding calendar quarter;
- (2) An itemization, including the name, address, employer, and occupation of each person who made a contribution or contributions to the political party which, in the aggregate, exceeded fifty dollars (\$50.00) in the preceding calendar quarter, as well as the amount received and date of receipt;
- (3) The total amount of money disbursed by the political party during the preceding calendar quarter; and
- (4) An itemization, including the amount of the disbursement, the name and address of the person to whom the disbursement was made, and the date the disbursement was made for each single disbursement that exceeded one hundred dollars (\$100). (Emphasis supplied.)

Prior to the 2003 amendment, political parties were required to report contributions on an annual basis, with itemization of the name, address, employer, and occupation of each

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<sup>1</sup> "Political party" is defined as "any group of voters which at the last-preceding general election polled for its candidate for Governor in the state or nominees for presidential electors at least three percent (3%) of the entire vote cast for the office." Ark. Code Ann. § 7-1-101(18)(A).

person who made a contribution or contributions to the political party or any authorized committee, which in the aggregate exceeded two hundred and fifty dollars (\$250) in the preceding calendar year. The reports filed by the parties both prior to and after the 2003 amendment require the disclosure of "contributions" received by the party.

"Contribution" is defined in Ark. Code Ann. § 7-6-201(4) as follows:

(4)(A) "Contribution" means, whether direct or indirect, advances, deposits, or transfers of funds, contracts, or obligations, whether or not legally enforceable, payments, gifts, subscriptions, assessments, payment for services, dues, advancements, forbearance, loans, pledge or promise of money or anything of value, whether or not legally enforceable, to a candidate, committee, or holder of elective office, made for the purpose of influencing the nomination or election of any candidate; and


(B) "Contribution" includes the purchase of tickets for events such as dinners, luncheons, rallies, and similar fundraising events; the granting of discounts or rebates by television and radio stations and newspapers not extended on an equal basis to all candidates for the same office; and any payments for the services of any person serving as an agent of a candidate or committee by a person other than the candidate or committee or persons whose expenditures the candidates or committee must report under this subchapter. The term "contribution" further includes any transfer of anything of value received by a committee from another committee.

(C) "Contribution" shall not include noncompensated, nonreimbursed, volunteer personal services or travel;

The term "contribution," as defined by Ark. Code Ann. § 7-6-201, makes no reference to the purpose for which the contribution is received in determining whether or not the money or item is indeed a "contribution" which is required to be reported. Rather, the definition includes "anything of value received by a committee." Accordingly, it is the Commission's opinion that all "contributions" received by a political party should be reported by the party on its contribution reports filed quarterly (previously, annually) with the Secretary of State, notwithstanding the fact that the party may choose to place such contribution in a designated account for use in federal elections. In other words, the fact that a contribution may ultimately be used by the party in a federal election does not remove it from the definition of "contribution."

This advisory opinion is issued by the Commission pursuant to Ark. Code Ann. §7-6-217(g)(2).

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By:   
Rita S. Looney, Chief Counsel