

ARKANSAS ETHICS COMMISSION  
OPINION NUMBER 97-EC-012(A)

ISSUED: August 21, 1997

ISSUE PRESENTED:

*Can a county political party lend steel fence posts to political candidates without the loan counting as a contribution to those candidates' campaigns?*

BRIEF RESPONSE:

No. Such an arrangement would be a contribution to the candidate's campaign, thereby counting against the contribution limits of Initiated Act One of 1996 and would need to be reported as an in-kind contribution from the county political committee.

FACTS PRESENTED:

A candidate for General Assembly intends to use steel posts for yard signs that are on loan from his local county committee in his next race. The county committee owns the steel posts. The candidate wants to know if this "loan" from the county committee would count as a contribution to his campaign.

DISCUSSION:

Ark. Code Ann. § 7-6-201(2) defines the term "contribution" to include loans made to a candidate made for the purpose of influencing the nomination or election of any candidate. Ark. Code Ann. § 7-6-207(b)(1)(D) requires that a candidate disclose on his/her Campaign Contribution and Expenditure report "a description of non-money items contributed."

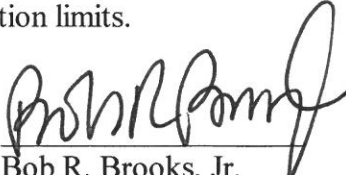
In the present example, a county committee's loan of steel posts for yard signs to the candidate is clearly made for the purpose of influencing the election of the candidate to the General Assembly.

The loan is, therefore, a reportable contribution counting towards the limit of \$100/per person per election for candidates to the General Assembly established in Initiated Act One of 1996.

It is permissible for a candidate to accept the loan as long as the reasonable fair market value of the posts does not exceed \$100/per election (primary, run-off [if applicable], general) and s/he discloses the receipt of the non-money items as a contribution on his/her Contribution and Expenditure reports.

SUMMARY:

A loan from a county political committee of steel posts for yard signs to a candidate is a reportable contribution that counts towards the established contribution limits.

  
Bob R. Brooks, Jr.  
Executive Director