

ARKANSAS ETHICS COMMISSION

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ADVISORY OPINION NO. 98-EC-018 Issued August 27, 1998

ISSUE:

May groups solicit their members and supporters for contributions to a particular ballot question committee, Arkansans to Protect Police Libraries Education and Services (hereinafter "A.P.P.L.E.S."), without having to file as a separate ballot question committee as long as the contributions are itemized by A.P.P.L.E.S. on its Committee Financial Reports?

BRIEF ANSWER:

Yes. Groups which are members of an existing ballot question committee may solicit their members and supporters for contributions to the ballot question committee without having to file as a separate ballot question committee provided the contributions are itemized by the ballot question committee. *See also* Advisory Opinion No. 98-EC-011.

FACTUAL BACKGROUND:

An existing ballot question committee known as A.P.P.L.E.S. has several member groups¹ which seek to raise funds for A.P.P.L.E.S. from their members and supporters. Many of the member groups of A.P.P.L.E.S. receive public funds. A.P.P.L.E.S. seeks clarification of the methods its member groups may use to raise funds for A.P.P.L.E.S.

¹ According to a filing made with the Commission on August 26, 1998, the membership list of A.P.P.L.E.S. consists of the following member groups: Arkansas Association of Educational Administrators, Arkansas Children's Hospital, Arkansas Educational Association, Arkansas Forestry Association, Arkansas Hospital Association, Arkansas Library Association, Arkansas Municipal League, Arkansas Professional Firefighters, Arkansas Realtors Association, Arkansas Seniors Organized for Progress, Arkansas State Chamber/AIA, Craighead County Jonesboro Public Library and the Jackson County Library.

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DISCUSSION:

In 1989, the General Assembly passed the Disclosure Act for Public Initiatives, Referendums, and Measures Referred to Voters. This Act is codified at Ark. Code Ann. § 7-9-401, *et seq.* and, in general terms, requires public disclosure of contributions and expenditures related to attempts to secure the qualification, passage or defeat of a ballot measures such as the one seeking to abolish ad valorem property taxes which A.P.P.L.E.S. opposes.

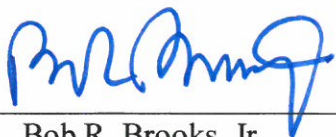
Ark. Code Ann. § 7-9-407(2)(A)(vii) requires ballot question committees to itemize the name and street address of each person from whom a contribution exceeding one hundred dollars (\$100) was received together with the amount contributed, the date of receipt, and the cumulative amount contributed by that person for each ballot question. When receiving contributions, A.P.P.L.E.S. should itemize each contribution over \$100 on its Committee Financial Report in accordance with Ark. Code Ann. § 7-9-407(2)(A)(vii).

The issue of whether or not a contributor to a ballot question committee would have to file separately as a ballot question committee was addressed by the Commission in Advisory Opinion No. 98-EC-011 issued on June 19, 1998. In general, the only way that a contributor to A.P.P.L.E.S. would qualify as a separate ballot question committee would be if the contributor was not an individual its contribution both exceeded \$10,000 **and** constituted two percent or more of its annual revenues, operating expenses, or funds.

When groups which are members of A.P.P.L.E.S. solicit funds from their members and supporters, the Commission believes the best practice would be to have the contributors make their checks payable directly to A.P.P.L.E.S. rather than to the member group itself. If contributions are made in this fashion, a complete record of the financial transactions will exist, making public disclosure easier. Moreover, this method would avoid any problems resulting from the commingling of private contributions and public funds. The alternative method of collecting numerous contributions, depositing them into the member group's bank account, and then writing a check to A.P.P.L.E.S. drawn on the member group's account would serve to circumvent the public disclosure requirements.

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

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by: 

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Executive Director