

# ARKANSAS ETHICS COMMISSION

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## ADVISORY OPINION NO. 2005-EC-008 Issued May 20, 2005

The Arkansas Ethics Commission is issuing this advisory opinion on its own initiative in response to a number of inquiries concerning Act 2006 of 2005.<sup>1</sup> This particular legislation amended the registration and reporting requirements applicable to political action committees and created separate registration and reporting requirements for county political party committees.

The term "county political party committee," is defined in Ark. Code Ann. § 7-6-201(6) to mean a person<sup>2</sup> that:

(A) Is organized at the county level for the purpose of supporting its affiliate party and making contributions;

(B) Is recognized by an organized political party, as defined in § 7-1-101, as being affiliated with that political party;

(C) Receives contributions from one (1) or more persons in order to make contributions to candidates, ballot question committees, legislative question committees, political parties, political action committees, or other county political party committees;

(D) Does not accept any contribution or cumulative contributions in excess of five thousand dollars (\$5,000) from any person in any calendar year; and

(E) Registers pursuant to § 7-6-226 prior to making contributions.

To qualify as a county political party committee, a committee is required to register with the Secretary of State within fifteen (15) days after accepting contributions during a calendar year which, in the aggregate, exceed five thousand dollars (\$5,000). The registration is to be annually renewed by January 15, unless the committee has ceased to exist. The committee is required to maintain for a period of four (4) years records evidencing the name, address, and place of employment of each person who contributed to the committee, along with the amount contributed, and the name and

<sup>1</sup> This Act will be codified at Ark. Code Ann. § 7-6-201 *et seq.*

<sup>2</sup> The term "person" is defined in Ark. Code Ann. § 7-6-201(14) to mean any individual, proprietorship, firm, partnership, joint venture, syndicate, labor union, business trust, company, corporation, association, committee, or any other organization or group of persons acting in concert. It shall also include organized political parties as defined in § 7-1-101, county political party committees, and legislative caucus committees.

address of each candidate who received a contribution from the committee, along with the amount contributed. Ark. Code Ann. § 7-6-226(a)(1) and (2).

A treasurer who is a qualified elector of the State of Arkansas is required to be appointed by the committee. No contribution is to be accepted from a committee and no expenditure is to be made by a committee which has not registered and which does not have a treasurer. Ark. Code Ann. § 7-6-226(a)(3). The committee is also required to designate an official depository within the State of Arkansas for the purposes of depositing all money contributions that it receives and all expenditures made. The full name and street address of the financial institution so designated is required to be disclosed on the registration form. Ark. Code Ann. § 7-6-226(b).

Within fifteen (15) calendar days after the end of each calendar quarter, each county political party committee is required to file a quarterly report with the Secretary of State, including contribution totals, itemization of contributions received and contributions made, expenditures, and any change in the committee information required on its registration form. Ark. Code Ann. § 7-7-226(c).

If a county political party committee does not meet the \$5,000 threshold, then no registration or reporting is required, and the treasurer and depository requirements are not applicable.

If a committee other than the county political party committee (e.g., a women's political committee) receives contributions in order to make contributions to candidates, then that committee is required to register as an approved political action committee ("PAC"). As defined in Ark. Code Ann. § 7-6-201(1)(A), an approved PAC means any person who:

- (i) Receives contributions from one (1) or more persons in order to make contributions to candidates, ballot question committees, legislative question committees, political parties, county political party committees, or other political action committees;
- (ii) Does not accept any contribution or cumulative contributions in excess of five thousand dollars (\$5,000) from any person in any calendar year; and
- (iii) Registers pursuant to § 7-6-215 prior to making contributions.

To qualify as an approved PAC, the committee is required to register with the Secretary of State within fifteen (15) days after accepting contributions during a calendar year which, in the aggregate, exceed five hundred dollars (\$500). The registration is to be annually renewed by January 15, unless the committee has ceased to exist. The committee is required to maintain for a period of four (4) years records evidencing the name, address, and place of employment of each person who contributed to the committee, along with the amount contributed, and the name and address of each

candidate who received a contribution from the committee, along with the amount contributed. Ark. Code Ann. § 7-6-215(a)(1) and (2).

The committee is required to appoint a treasurer who is a qualified elector of the State of Arkansas. No contribution may be accepted from a committee and no expenditure may be made by a committee which has not registered and which does not have a treasurer. Ark. Code Ann. § 7-6-215(a)(3). The committee is also required to designate an official depository within the State of Arkansas for the purposes of depositing all money contributions that it receives and all expenditures made. The full name and street address of the financial institution so designated is required to be disclosed on the registration form. Ark. Code Ann. § 7-6-215 (b)(4).

Within fifteen (15) calendar days after the end of each calendar quarter, PAC's are required to file a quarterly report with the Secretary of State, including contribution totals, itemization of contributions received and contributions made, expenditures, and any change in the committee information required on its registration form. Ark. Code Ann. § 7-6-215(c).

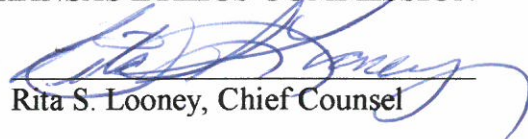
An out-of-state committee is required to comply with the registration and reporting provisions of § 7-6-215, including the appointment of a treasurer who is a qualified elector of this state and the establishment of an account in a depository within Arkansas, if the committee contributes more than five hundred dollars (\$500) in a calendar year to candidates, ballot question committees, legislative question committees, political parties, county political party committees, or other political action committees.

If a PAC does not meet the \$500 contribution threshold, then no registration or reporting is required, and the treasurer and depository requirements are not applicable.

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

**ARKANSAS ETHICS COMMISSION**

By:

  
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