



## Arkansas Ethics Commission

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### Opinion No. 94-EC-002

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Pursuant to the authority granted by Arkansas Code Annotated Section 7-9-411, the Arkansas Ethics Commission may issue advisory opinions interpreting and clarifying the requirements of the Disclosure Act for Public Initiatives, Referendums and Measures Referred to Voters, Ark. Code Ann. Section 7-4-901, et seq (hereinafter "the Act.") Because it has determined that the issue addressed herein is of immediate importance, the Commission hereby adopts the following interpretive opinion on its own initiative.

Under the requirements of Arkansas Code Annotated Section 7-9-407, must an organization, business, firm, company, group of persons, etc., which makes expenditures in excess of two hundred fifty dollars (\$250) for the purpose of influencing the qualification, passage or defeat of a ballot question or legislative question, even if the expenditure(s) are made on behalf of another person or entity, or are made with funds supplied by another person or entity, file disclosure reports?

Yes. According to A.C.A. 7-9-402, which is the definitions section of the Act, any person who makes expenditures for the purpose of attempting to influence the qualification, passage or defeat of a ballot question qualifies as a "ballot question committee." The definition of a "person" under this section of the law includes all business or organizational entities. An "expenditure" is defined to include any payment or advance of money or promise to pay for goods, services, materials or facilities associated with an effort to influence the qualifications, passage or defeat of a ballot question.

Therefore, except for a few very narrow exceptions which are defined in 7-9-402(4), any business, firm or organization which pays or promises to pay for expenses generated in connection with a voter issue campaign qualifies as a ballot question committee within the specific definition of the statute. Further under A.C.A. 7-9-406, any ballot question committee that receives or spends more than \$250.00 for the purpose of influencing the qualification, passage or defeat of a ballot question is required by law to file a financial report in accordance with the requirements of A.C.A. 7-9-407.

It is the Commission's viewpoint that the purpose of the Act is to provide the general public detailed and usable information concerning the actual sums of money that are being contributed and spent in connection with voter issues. The Commission finds that committee financial reports disclosing only blanket lump sum expenditures to one firm or vendor, when that firm or vendor does not file separate financial disclosure reports, is an insufficient itemization under the law and defeats the intent of the Act.

In accordance with this opinion, the Commission shall require that any ballot question committee financial reports filed since January 1, 1994, as well as all reports filed hereafter, must comply with the requirements stated herein. Those committees whose previously filed reports are not in compliance with this opinion shall have thirty days from the date of this opinion in which to do one of the following: 1) file amended financial reports which itemize the committee's expenditures in a reasonable manner consistent with A.C.A. 7-9-407; or, 2) ensure that the firm or vendor receiving lump sum payments from the committee files separate financial report(s) which properly itemize expenditures in accordance with A.C.A. 7-9-407. It shall be the responsibility of the existing ballot question committee to ensure that the required amendments or new filings are done within the thirty day period. Any committee failing to bring their financial reports into compliance with the requirements of this opinion shall be subject to investigation and possible public sanction by the Commission.

Sincerely,



O. Jerome Green  
Chairman

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