

ARKANSAS ETHICS COMMISSION

910 West Second Street, Suite 100
Little Rock, Arkansas 72201
(501) 324-9600 Fax (501) 324-9606
Toll Free 1-800-422-7773

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Staff Attorney

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ADVISORY OPINION NO. 98-EC-011 Issued June 19, 1998

ISSUE:

Under what conditions may a ballot question committee accept a contribution or contributions in excess of \$10,000 from a "person", as defined in Ark. Code Ann. § 7-9-402(8), other than an individual?

DISCUSSION:

In 1989, the Seventy-Ninth General Assembly of the State of Arkansas passed and approved the Disclosure Act for Public Initiatives, Referendums, and Measures Referred to Voters. This Act (codified as Ark. Code Ann. § 7-9-401 et seq.) requires public disclosure of important matters related to the qualification, passage or defeat of ballot questions and the passage or defeat of legislative questions referred to voters.

The issue presented in this advisory opinion calls for an analysis of Ark. Code Ann. § 7-9-402(2). Therein, the term "ballot question committee" is defined as follows:


any person, other than an individual, located within or outside Arkansas, who receives contributions or makes expenditures for the purpose of attempting to influence the qualification, passage, or defeat of any ballot question. Provided further, a person other than an individual, located within or outside Arkansas, also qualifies as a ballot question committee if two percent (2%) or more of its annual revenues, operating expenses, or funds are used to make a contribution or contributions to another ballot question committee and such contributions exceed ten thousand dollars (\$10,000) in value.

Pursuant to the foregoing, a person,¹ other than an individual, located within or outside Arkansas, meets the definition of a "ballot question committee" if such person either (i) receives contributions or makes expenditures for the purpose of attempting to influence the qualification, passage or defeat of any ballot question, or (ii) uses two percent (2%) or more of its annual revenues, operating expenses or funds to make a contribution or contributions to another ballot question committee and such contribution(s) exceeds ten thousand dollars (\$10,000) in value.

Under this twofold definition, a ballot question committee may accept a contribution or contributions in excess of \$10,000 from any person. The point to be clarified is that if the person who is making the contribution or contributions in excess of \$10,000 is not an individual and uses two percent (2%) or more of its annual revenues, operating expenses or funds to make the contribution or contributions, then said person would also qualify as a ballot question committee and, therefore, be subject to the reporting requirements of the Act.

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

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By: 
Graham F. Sloan
Staff Attorney

¹ As defined in Ark. Code Ann. § 7-9-402(8), the term "person" means:

any individual, business, proprietorship, firm, partnership, joint venture, syndicate, business trust, labor organization, company, corporation, association, committee, or any other organization or group of persons acting in concert.