# Campaign Finance Training- 2024 Election Cycle

The Arkansas Ethics Commission

# Table of Contents


I. Campaign Contribution and Expenditure Reports
II. Different Categories of Candidates for Public Office
    - Candidates for County, Municipal, or School Board Offices
    - Candidates for State or District Office
III. Campaign Finance and Disclosure
IV. Restricted Activities for Public Servants



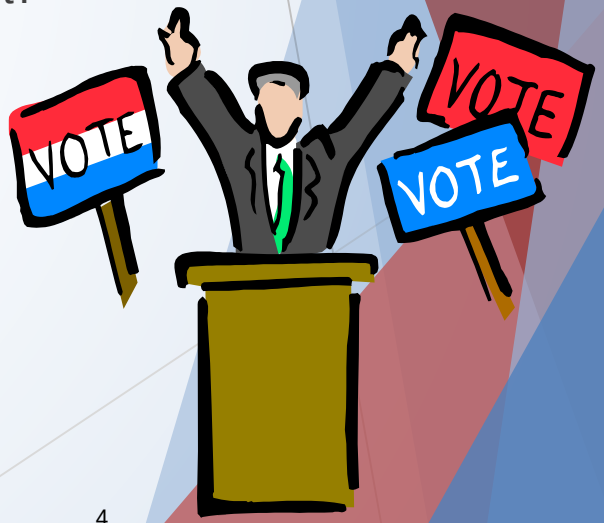

# Campaign Contribution and Expenditure Reports

# Campaign Contribution and Expenditure Reports

- Your campaign will have Contribution and Expenditure Reports due to report the money raised and spent for your campaign.
  - Ark. Code Ann. § 7-6-207- Reports of Contributions- Candidates for State and District Office
  - Ark. Code Ann. § 7-6-208- Reports of Contributions- Candidates for School District, Township, or municipal office
  - Ark. Code Ann. § 7-6-209- Reports of Contributions- Candidates for County Office

- The types of reports required to be filed depend upon the office being sought.

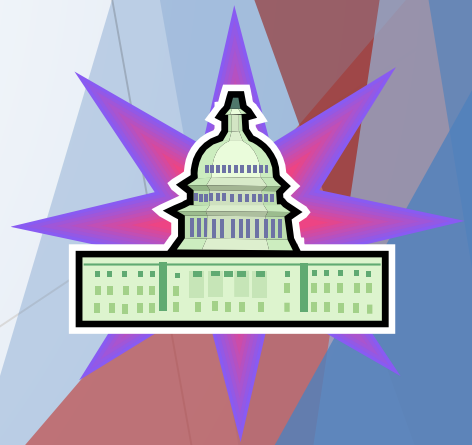
- Generally, candidates fit into one of <u>two</u> categories:
  - Those running for county, municipal, or school board office.
  - Those running for state or district office.



# Where to file??



- Where do candidates for county, municipal, or school board office file reports?
  - County Clerk
- Where do candidates for state or district office file reports?
  - Secretary of State



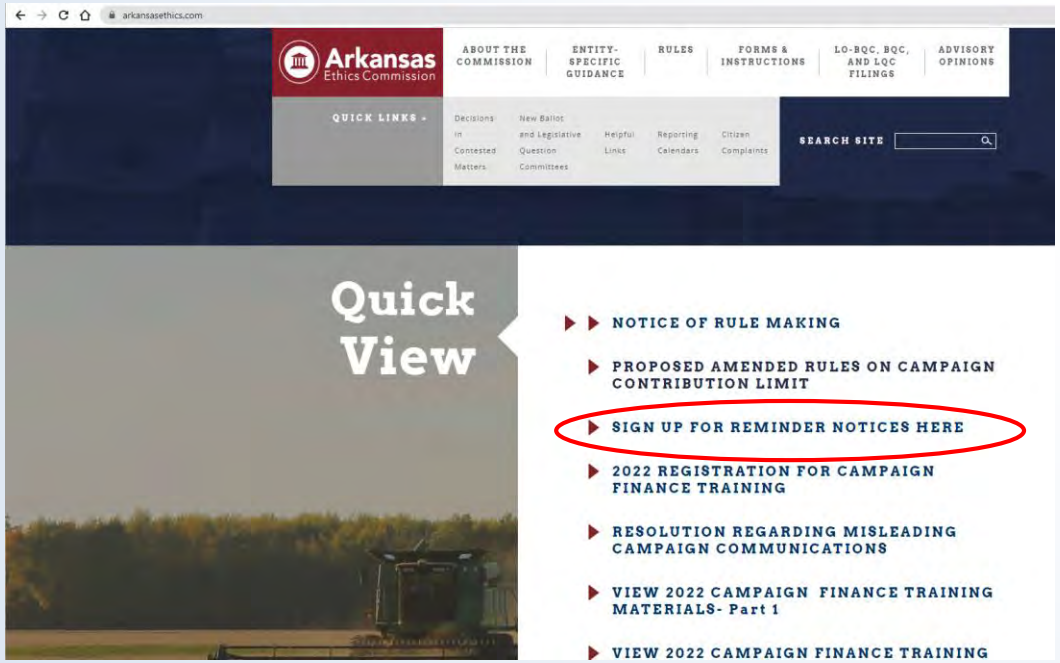
# Campaign Contribution and Expenditure Reports

- Where/how do State and District Candidates file their reports in 2023-2024?
  - A report is timely filed if it is filed in electronic form through the official website of the Secretary of State (sos.Arkansas.gov) or in paper form with the Secretary of State on or before the date that the report is due.
  - There is a new online filing system, scheduled to go live in September of 2023. Visit the Secretary of State's website to get your campaign's online filing account set up before your first/next report is due.
    - The SOS elections Division number is 501-682-5070.



# New Reminder Program!

- You and your campaign can sign up for the Ethics Commission's electronic reminder program at ArkansasEthics.com. Once signed up, you will receive a reminder email prior to due dates for C&E reports.
- The old, brightly colored postcard reminder system has been cut because of budgetary constraints.



# Campaign Contribution and Expenditure Reports

- When Reports are Due: Please see the calendars issued by the Ethics Commission for specific dates. When your first report is due will depend on when you start spending or raising money for your campaign. There is a calendar for each type of election.

- Who Must File: Everyone! Candidates for office, whether opposed or unopposed, regardless of how much they spent and regardless of the source of the money they spent (including the candidate's own funds), must file AT LEAST ONE report, a Final Report.

- Where They are Filed:
  - State and district candidates file their campaign finance reports and Statements of Financial Interest with the Secretary of State.
  - County, Municipal, and School Board candidates file their campaign finance reports with the County Clerk.
  - County and school board candidates file their SFIs with the County Clerk.
  - Municipal candidates file their SFI with the City Clerk.

# Campaign Contribution and Expenditure Reports




## REPORTING CALENDARS

2023 Reporting Calendar County Political Party Committee

2023 Reporting Calendar Political Action Committee

2023 Reporting Calendar Political Party

2023 Reporting Calendar (Annual School -May)

2023 Reporting Calendar (Annual School-November)

2024 Reporting Calendar (State or District)

2024 Reporting Calendar (Nonpartisan Judicial and Prosecuting Attorney)

2024 Reporting Calendar (County)

2024 Reporting Calendar (Municipal Participating in Party Primary)

2024 Reporting Calendar (Nonpartisan Municipal Mayor/Council)

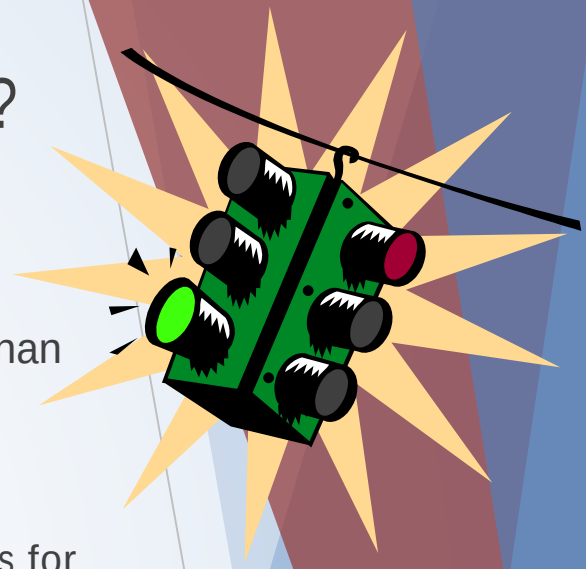
2024 Reporting Calendar (Municipal City Administrator)

2024 Reporting Calendar (Municipal City Manager)

2024 Reporting Calendar (Annual School-May)

2024 Reporting Calendar (Annual School-November)

# When may a candidate start raising campaign funds? Whenever they are ready.*



Under Arkansas law, candidates could not raise contributions more than two (2) years before the election at which he or she seeks nomination or election.

- Act 254 of 2021 opened a new window. Candidates for public office are now permitted to raise campaign contributions more than two (2) years before an election.
- Repealed Ark. Code Ann. § 7-6-203 (e)
- (Approved: 3/4/21)
- ~~(e) It shall be unlawful for any candidate for public office, any person acting in the candidate's behalf, or any exploratory committee to solicit or accept campaign contributions more than two (2) years before an election at which the candidate seeks nomination or election. This subsection shall not prohibit the solicitation or acceptance of a contribution for the sole purpose of raising funds to retire a previous campaign debt.~~
- In keeping with *Jones v. Jegley*, 947 F.3d 1100 (8th Cir. 2020)

* Except judicial candidates. See Slides 12 and 13.

## What did not change?

- Campaign contribution limits still apply.
- Campaign contributions and campaign finance records from each election should still be segregated from personal and business funds.
- There is still a list of permissible contributors. Any contributor not on the list of permissible contributors is a prohibited contributor and contributions should not be accepted from them.



- **When may a judicial candidate's** campaign committee begin raising campaign funds?
  - Campaign committees of candidates for judicial office may not solicit or accept campaign contributions more than one hundred eighty (180) days before an election.
  - With respect to the general election for judicial offices on March 5, 2024, committees of judicial candidates may start raising funds on September 7, 2023.



*Judicial Discipline & Disability Commission*

# PRESS RELEASE

POINT OF CONTACT: EMILY ABBOTT
PHONE: 501-682-1050

**FOR IMMEDIATE RELEASE**

JULY 21, 2023

Upon the approval of the Judicial Discipline & Disability Commission, Executive Director Emily Abbott announces the following relevant dates for the upcoming 2024 nonpartisan judicial elections:

| | |
|---|---|
| **July 23, 2023** | First day for nonpartisan candidates wishing to file by petition to begin circulating petitions. Ark. Code § 7-10-103(c)(1)(B) |
| **September 7, 2023** | Fundraising may begin. See Code of Judicial Conduct, Rules 4.1, 4.2, 4.4 |
| **September 14, 2023** | First day for nonpartisan judicial candidates to file petitions for ballot access in the nonpartisan election without paying a filing fee. Political practices pledge to be filed with petition. Ark. Code § 7-6-102(a)(6); Ark. Code § 7-10-103(c)(1)(A)(i) |
| **September 21, 2023** | Deadline for nonpartisan judicial candidates to file petitions for ballot access in the nonpartisan election without paying a filing fee. Political practices pledge to be filed with petition. Ark. Code § 7-6-102(a)(6); § 7-10-103(c)(1)(A)(i) |
| **November 6, 2023** | The period for paying fees and filing political practices pledges for nonpartisan offices not filing by petition shall end at 3:00 pm on the last day of the party filing period. Ark. Code § 7-10-103(b)(2)(B) |
| **November 20, 2023** | Non-incumbent candidates for elective office shall file the statement of financial interest for the previous calendar year on the first Monday following the close of the period to file as a candidate. Ark. Code § 21-8-701(c)(1)(A); Ark. Code § 21-8-703(a) |
| **January 31, 2024** | Deadline for incumbent office holders to file a statement of financial interest for 2023. Ark. Code § 21-8-701(c)(1)(A); Ark. Code § 21-8-703(a) |
| **February 19, 2024** | Early voting begins. |
| **March 5, 2024** | ELECTION DAY |
| **April 19, 2024** | 45 days after the election.<br>See Code of Judicial Conduct, Rule 4.4 |

All candidates for judicial office should review the Code of Judicial Conduct, specifically Canon 4, and encourage those working on their campaigns to do the same. Candidates are responsible for ensuring that their campaign committees comply with the Code of Judicial Conduct and other applicable election and fundraising laws and regulations, including the appropriate completion of Campaign Contribution and Expenditure Reports if a candidate's representative completes the reports.

For more information, candidates should consult materials provided by the Secretary of State, the Arkansas Ethics Commission, and the Arkansas Board of Election Commissioners.

The JDDC will host free training sessions for judicial candidates and campaign committees on August 18, 2023, and September 8, 2023, from 11:30am – 1:00pm. For more information or to register, please email JDDC@Arkansas.gov.

Emily Abbott
Executive Director



- When is a candidate required to begin reporting?
  - Except for final reports, a candidate does not have to start filing reports until he or she has received contributions in excess of $500 or made expenditures in excess of $500.
  - The crossing of the $500 threshold is a one-time event.




- Is the payment of the filing fee from the **candidate's personal funds considered either a** contribution or an expenditure?
  - In calculating the amount of contributions received or expenditures made, the payment of the filing fee from the candidate's personal funds is not considered either a contribution or an expenditure.
  - Once the threshold has otherwise been met or a final report becomes due, the filing fee is required to be reported.

- How should the payment of the filing fee with personal funds be reported?
  - A candidate who has paid the filing fee with his or her personal funds would report such funds as either a loan or a contribution to the campaign from the candidate and also as a campaign expenditure, or as a non-money/in-kind contribution (reporting it this way would limit your ability to be reimbursed).



# Act 254 of 2021
# Disclosure of Campaign Bank Account:

- Amended to add an additional subsection, Ark. Code Ann. § 7-6-207 (f)(1)
- (f)(1) For each financial institution the candidate and committee working on the candidate's behalf use for the purposes of receiving contributions or making expenditures within this state, the following information shall be submitted to the Secretary of State with the initial report filed under this section:
  - (A) The full name of the financial institution; and
  - (B) For the financial institution, the:
    - (i) Street address;
    - (ii) City;
    - (iii) State; and
    - (iv) United States postal zip code of the financial institution.
- (2) The information disclosed under subdivision (f)(1) of this section:
  - (A) Shall be made available to the commission upon request;
  - (B) Is not a public record; and
  - (C) Is exempt from disclosure under the Freedom of Information Act of 1967, § 25-19-101 et seq.



# What has not changed?

- Candidates for public office already had to have campaign funds in a separate bank account from all other funds.
- Candidates for public office already had to file the Statement of Financial Interest, disclosing the location of all of their personal holdings that exceed $1,000 in value.




# Candidates for County, Municipal, or School Board Office



- Types of Reports
  - Non-Election Year
    - Annual Report (If the campaign has crossed the $500 mark by the end of 2023.)
  - Election Year
    - Preelection
    - Final

- When are reports deemed filed?
  - A report is timely filed when it is received in the county clerk's office no later than the date the report is due.

# Preelection Reports



- When are preelection reports due and what is the period of time covered?
  - Due no later than seven (7) days prior to each election.
  - Covers all campaign activity between the period covered by previous report, if any, and the period ten (10) days before the election.



This Photo by Unknown

- Are there any exceptions to filing a preelection report?



  - Unopposed candidates
  - Opposed candidates who have not triggered the $500 reporting threshold.



# Final Reports

- When is the final report for a particular election due?
  - Due the last day of the month after the month in which the election was held.

- Are there any exceptions to the filing of a final report?
  - There are NO EXCEPTIONS to the filing of a final report for a primary, general, or runoff election.




# Candidates for State or District Office

# Which includes candidates for:

- State-wide elected office/constitutional office
- State Senators
- State House of Representatives
- Supreme Court, Court of Appeals, Circuit Judge, & District Judge
- Prosecuting Attorney

- Types of Reports
  - Non-Election Year
    - Quarterly
    - Monthly, beginning in the forth(4th) quarter
  - Election Year
    - Monthly
    - Pre-Election
    - Final



NOTE: There are pre-election and final reports for the primary AND the general elections.

- During Non-Election Year
  - When are quarterly reports due?
    - Due no later than fifteen (15) days after the end of each quarter.
- During Election Year
  - When are monthly reports due?
    - Due no later than ~~fifteen (15)~~ twenty (20) days after the end of each month.

- When are preelection reports due and what is the period of time covered?
  - Due no later than seven (7) days prior to each election.
  - Covers all campaign activity between the period covered by previous report and the period ten (10) days before the election.
  - A candidate who is unopposed in an election is not required to file a preelection report.

- Who must file a preelection report?
  - Opposed candidates who have triggered the $500 reporting threshold.
  - CAUTION: Preelection reports must be received in the Secretary of State's office on or before the due date.

- When is the Final Report for a particular election due?
  - Due the end of the next month after the end of the month in which the election was held. (For example, April 30, June 30, or December 31, etc.)
- Are there any exceptions to the filing of a final report?
  - There are no exceptions to the filing of a final report for a primary, general, or runoff election.

# Campaign Finance and Disclosure



- What is the campaign contribution limit?
  - $3,300 per person per election from:
    1) An Individual
    2) A political party that meets the definition of a political party under § 7-1-101
    3) A political party that meets the requirements of § 7-7-205
    4) A county political party committee
    5) A legislative caucus committee
    6) An *approved* political action committee

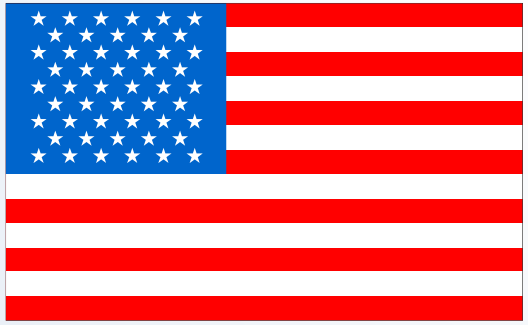


See: Ark. Code Ann. § 7-6-203

- A candidate may accept a campaign contribution or contributions up to the maximum amount from any permissible contributor for each election in which he or she is a candidate, whether opposed or unopposed.



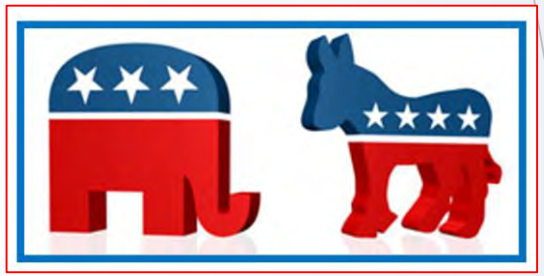
- Campaign contributions may not be made by or accepted from:
  - Individuals who are not citizens of the United States nor businesses.



- Are political action committees subject to the $3,300 contribution limit?

  - Approved PACs are subject to the $3,300 contribution limit.
  - A PAC which does not meet the requirements of an approved PAC constitutes a prohibited PAC.
  - Candidates may not accept contributions from prohibited PACs.
  - To see if a PAC is registered, find its registration form on the Secretary of State's website.

- What about political parties?
  - A party may contribute up to $3,300 to each of the party's candidates per election.



- What about County Political Party Committees?
  - County Political Party Committees are subject to the $3,300 contribution limit.

- How much may a candidate contribute to his or her own campaign?
- Ark. Code Ann. 7-6-203 (c)



  - The $3,300 limit does not apply to a candidate's own contributions from personal funds.
  - In other words, there is no limit on the amount of personal funds a candidate may contribute to his or her own campaign.
  - But, it is all reportable!!

- Does the $3,300 limit apply to loans from financial institutions?
  - The $3,300 limit does not apply to personal loans made by financial institutions to a candidate to be applied to the candidate's campaign.
  - There is no limit on the amount a candidate may personally borrow from a financial institution for use in his or her campaign.
  - Ark. Code Ann. 7-6-203 (c)






- If a candidate is putting personal funds into his or her campaign, how should those funds be reported?
  - In one of two (2) ways:
    - Loan
    - Contribution
  - There is a big difference, in that a candidate may use campaign funds to repay himself or herself if such funds are reported as a loan.

## 11. LOAN INFORMATION

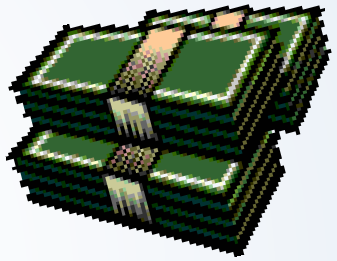
Please Type or Print

Do not list loans previously reported

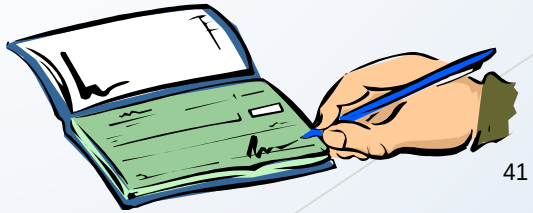
| DATE | NAME AND ADDRESS OF LENDING INSTITUTION | GUARANTOR(S) IF ANY | AMOUNT |
|---|---|---|---|
| 7/1/23 | Community Bank | | $10,000 |
| 8/15/23 | Ms. Jane Candidate | | $750 |
| 9/8/23 | Ms. Jane Candidate | | $9,000 |
| 9/17/23 | Mr. Joe Contributor | | $3,300 |
| 9/25/23 | Ms. Jane Candidate | | $200 |
| | | | |
| | | | |
| | | 12. TOTAL LOANS DURING REPORTING PERIOD | $ |

Note: Loans from anyone but the candidate or the bank are capped at the contribution limit.

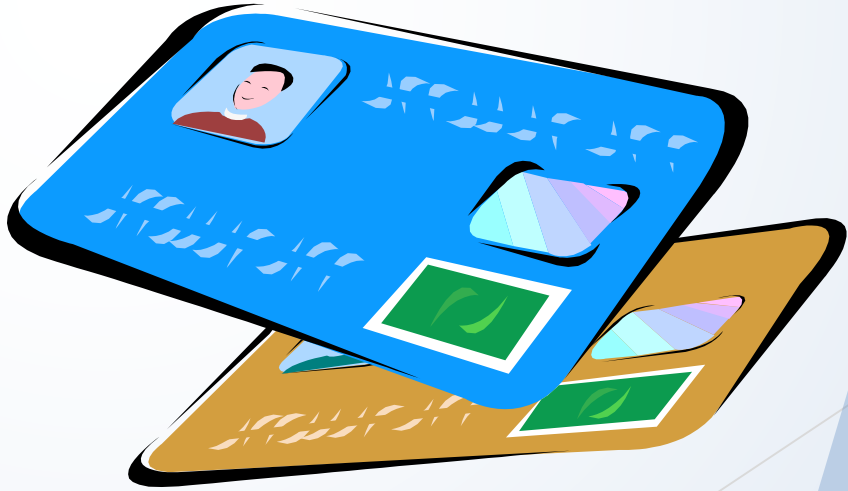
- What are the limits on the use of cash?
  - Contributions - $100
  - Expenditures - $50



- All contributions or expenditures in excess of these amounts must be made by written instrument.
- (Ark. Code Ann. § 7-6-204)



- What about a contribution made by credit card or debit card? (Ark. Code Ann. § 7-6-204)
  - "Written instrument" includes without limitation a paper record signed by the cardholder that has:
    - Valid name
    - Complete address
    - Place of business
    - Employer
    - Occupation



- What about a contribution made through the internet? (Ark. Code Ann. § 7-6-204)
  - "Written instrument" also includes an electronic record created and transmitted by the cardholder that contains the following information for the cardholder:
    - Valid name
    - Complete address
    - Place of business
    - Employer
    - Occupation



- Are there any exceptions to the limits on using cash?
- (Ark. Code Ann. § 7-6-204)



  - The payment of the filing fee may be in cash even though the amount exceeds $50.
  - The candidate is required to obtain a receipt and report the payment as a campaign expenditure.





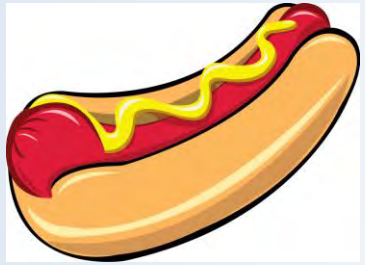
- What about anonymous contributions?
  - A candidate may not keep an anonymous contribution of $50 or more and is required to give such contributions to the Secretary of State for deposit in the State Treasury as general revenues.
  - Ark. Code Ann. § 7-6-205

# What are “in-kind” contributions?

- A person makes an “in-kind” contribution when, in connection with the nomination or election of a specific candidate, he or she purchases, sells or provides a service, to or on behalf of a candidate, without charge or for a charge which is less than the fair market value of the item or service provided.
- Ark. Code Ann. § 7-6-205

# Campaign Finance and Disclosure

- ONLY from permissible contributors!!!
- Valued no more than $3,300!!!
- Value must be added to any monetary contributions from a contributor for purposes of the contribution limit!!!

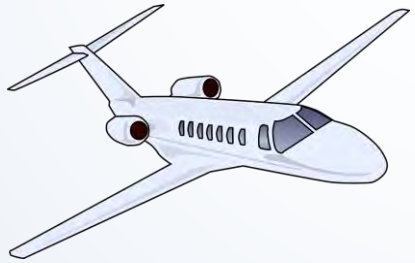















- **What is the value of an "in-kind"** contribution?
  - The value of an "in-kind" contribution is its fair market value if it had been purchased, sold or leased in the ordinary course of business.



- NOTE: There is an exception to the reporting of “in-kind” contributions for volunteer services provided free of charge. This exception applies to both manual tasks and specialized services.

# Campaign Finance and Disclosure

- When is itemization required with respect to contributions and expenditures?
  - Contributions in excess of ~~$50~~ $200
  - Expenditures in excess of $100



- How are contributions over ~~$50~~ $200 handled for reporting purposes?
  - Each person, including the candidate, who made a contribution or contributions which, in the aggregate, exceeded ~~$50~~ $200 must be listed.
  - For each person listed, you must provide the following information:
    - Name and address
    - Place of business/employer/occupation
    - Date and amount of contribution.
  - Ark. Code Ann. § 7-6-207
  - Act 753 of 2023 amended the itemization thresholds.

- How are expenditures over $100 handled for reporting purposes?
  - Each expenditure which exceeds $100 must be itemized.
  - For each such expenditure, you must provide the following information:
    - Name and address of the person, including the candidate, to whom expenditure was made
    - Date and amount of expenditure
  - Ark. Code Ann. § 7-6-207

- How are contributions and expenditures which fall below the itemization thresholds reported?



  - There are lines on the various reporting forms for the lump-sum disclosure of such “non-itemized” contributions and expenditures.
  - NOTE: In addition, the reporting forms contain a section for the reporting of all campaign expenditures by category.

## 19. CAMPAIGN EXPENDITURES BY CATEGORY

Please Type or Print

| CATEGORY | TOTAL AMOUNT |
|---|---|
| Filing Fee | |
| Television Advertising | |
| Radio Advertising | |
| Newspaper Advertising | |
| Other Advertising | |
| Office Supplies | |
| Rent | |
| Utilities | |
| Telephone | |
| Postage | |
| Direct Mail | |
| Travel Expenses | |
| Entertainment | |
| Fundraising | |
| Repayment of Loans | |
| Returned Contributions | |
| Consultant Fees | |
| Polls | |
| Paid Campaign Workers | |
| Other (list) | |
| Payment of fine for 3rd late filing | $1000. |
| | |
| | |
| | |
| | |
| | |
| | |
| 20. TOTAL CAMPAIGN EXPENDITURES | |




- When is a campaign contribution deemed to have been accepted?
  - A campaign contribution is deemed accepted when it has been delivered to a candidate (or a person acting on the candidate's behalf) and is not returned within a reasonable time.
  - The question of what is a "reasonable time" depends upon the facts of a particular situation but normally should not be more than five (5) business days.

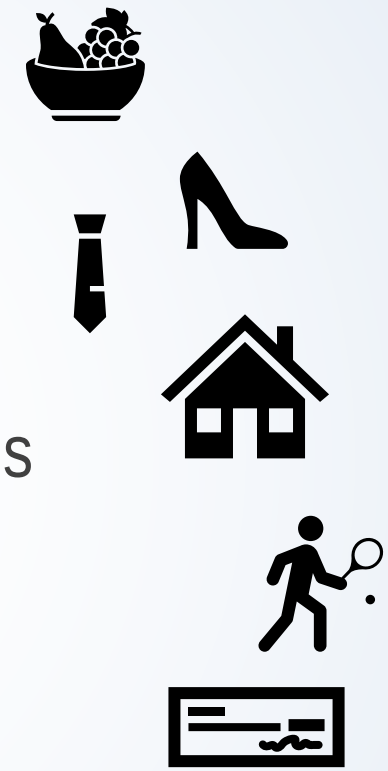
# When is a campaign expenditure deemed to have been made?



- An expenditure is deemed made on the date the amount is readily ascertainable by the person making the expenditure.
- If the amount of an expenditure is not known or readily ascertainable under normal business practices until receipt of a periodic bill, the date of the expenditure is the date the bill is received.
- An expenditure by credit card must be included in the report for the period during which the charge was made, not in the report for the period during which the statement from the credit card company or charge account was received.

- Are there prohibited uses of campaign **funds? …Yes!**
  - A candidate may not use campaign funds to fulfill any commitment, obligation or expense that would exist regardless of the candidate's campaign.
  - Ark. Code Ann. § 7-6-203

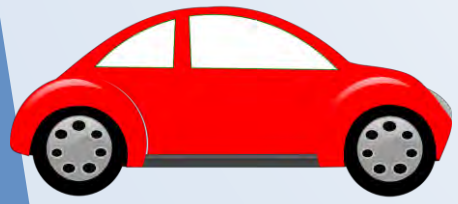
- Campaign funds may not be used for personal expenses such as:
  - Household food items and supplies
  - Clothing
  - Mortgage, rent, and utility payments
  - Membership dues to a country club, health club, or recreational facility
  - Contributions to the campaign of others.



- May reimbursement be sought for automobile usage?
  - The payment of travel expenses associated with automobile usage during a campaign is allowable.
  - If campaign funds are used for reimbursement of automobile travel, the following must be observed:
    - The campaign may reimburse the candidate and/or campaign workers for actual miles driven relating to campaign activity at a reasonable mileage rate not to exceed the rate at which the State of Arkansas reimburses its employees for private automobile mileage for official business travel.



- Reimbursement for automobile usage (continued)
  - The campaign must maintain records showing the date of travel, destination(s) involved, purpose of travel, and odometer readings of each trip for which reimbursement is paid.
  - Maintenance costs should be paid from personal funds, not campaign funds, as the rate per mile necessarily includes depreciation and anticipated maintenance costs.








# May a candidate employ campaign workers?

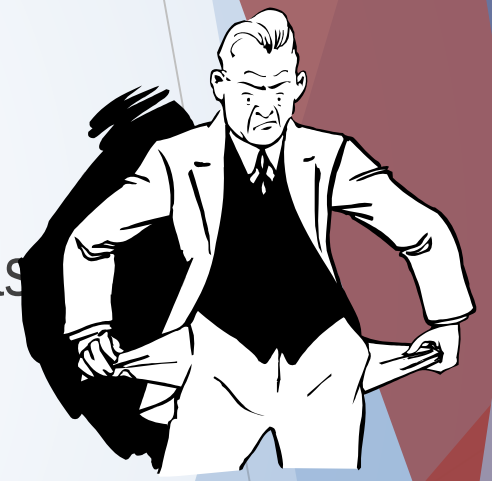
- A candidate may use campaign funds to hire employees to work for his or her campaign and may pay such employees reasonable wages or expenses for campaign-related activities.
- A candidate who is unopposed may not use campaign funds to employ family members.
- The reporting form contains a section which requires disclosure of the name of each person hired as a campaign worker even if the amount paid does not exceed $100.

- How long must records concerning contributions and expenditures be maintained?
  - Four (4) years





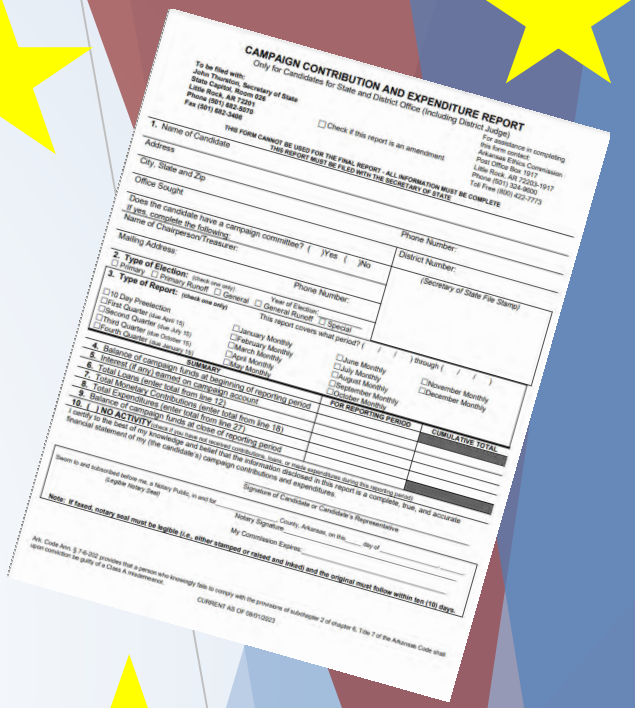
- What happens if your campaign ends in debt?
  - A candidate whose campaign ends in debt may solicit funds and hold fundraisers to retire campaign debt.
  - Contributors must be given notice that the contributions are for debt retirement.
  - Contributions received to retire debt are treated as contributions for the prior election and the contribution limits continue to apply.
  - A candidate cannot have remaining campaign funds and debt at the same time. Those remaining campaign funds must be used to repay the campaign debt.



- What happens if your **campaign doesn't end in** debt?
  - A candidate who is not in debt may not accept campaign contributions after the date of the election.






CAMPAIGN CONTRIBUTION AND EXPENDITURE REPORT
Only for Candidates for State and District Office (including District Judge)

- What happens if your campaign ends with funds remaining?
  - Nonjudicial candidates may keep campaign funds as remaining campaign funds.
  - Those candidates who choose to retain remaining campaign funds should continue filing reports.

# How may a candidate dispose of remaining funds?

- A candidate with remaining campaign funds may turn them over to either:
  - The state treasurer for benefit of the general revenue fund
  - A political party or caucus
  - A Section 501(c)(3) charity
  - Cities of the first or second class, or incorporated towns
  - The contributors to the campaign



- How should the disposition of remaining campaign funds be reported?
  - The final report for candidates contains a section to disclose the method by which a candidate has disposed of remaining campaign funds. If the money is not disposed of before the final report is due, the candidate shall continue to file reports and disclosure any disbursements on future C&E reports.

# What about leftover campaign signs and materials?

- A candidate may retain campaign signs, campaign literature, and other printed campaign materials that:
  - Were purchased by the campaign;
  - Were reported on the appropriate contribution and expenditure report for the campaign at the time of the purchase; and
  - Are retained for use in a future campaign by the same candidate.



- A candidate:
  - May reuse such campaign signs, campaign literature, and other printed campaign materials in future campaigns; and
  - Is not required to list the campaign signs, campaign literature, and other printed campaign materials under subsection (a) of this section in future reports filed under this subchapter.





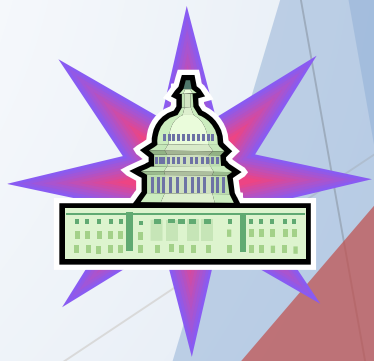

- What should a candidate do with remaining campaign funds?
  - Remaining campaign funds must be placed in a separate account from all other business and personal funds.
  - Such funds may be used for officeholder expenses or future campaigns.
  - Remaining Campaign funds may be disposed of in the same manner as surplus funds.

- How long may remaining campaign funds be retained?
  - Remaining campaign funds may be retained for a period of ten (10) years after the last election in which the candidate's name appeared on the ballot or, if applicable, not more than ten (10) years after the last day the person held office.

- What are the reporting requirements with respect to remaining campaign funds?
  - If a candidate keeps remaining campaign funds after an election, the candidate shall continue filing the reports required by this subsection.

- Where are remaining campaign fund reports filed?
  - County/Municipal Candidates or Officeholders file with:
    - County Clerk
  - State/District Candidates or Officeholders file with:
    - Secretary of State





# -Printed Campaign Materials-

**Disclosure Requirements for Printed Campaign Materials**

Act 787 of 2017 amended Ark. Code § 7-6-228 (which concerns campaign signs and materials) and added an additional subsection which reads as follows:

> (c)(1) Campaign signs, campaign literature, and other printed campaign materials under this section shall clearly contain the words "Paid for by" followed by the name of the candidate, committee, or person who paid for the campaign sign, campaign literature, or other printed campaign materials.

As defined in Ark. Code Ann. § 7-1-101(31)(A), "Printed campaign materials" means:

(i) Literature mailed to an elector that is intended to or calculated to influence the vote of an elector in an election in this state, including without limitation signs, banners, flyers, and pamphlets; and

(ii) Yard signs and push cards intended to or calculated to influence the vote of an elector in an election in this state.

"Printed campaign materials" does not mean political paraphernalia, including without limitation stickers, buttons, pens, T- shirts, nail files, or other similar trinkets.

This requirement applies only to campaign signs, campaign literature, and other printed campaign materials created by or sponsored by a political candidate or the campaign of a political candidate, a political action committee, or an independent expenditure committee.

A candidate running for reelection to the same office he or she currently holds who possesses or creates a campaign sign, campaign literature, or other printed campaign material that does not comply with this Act is exempt from compliance with this act if the campaign sign, campaign literature, or other printed campaign material was created before the effective date of this Act (August 1, 2017).

Moreover, when the printed campaign material is a two-side sign, the "Paid for by" language required by Ark. Code Ann. § 7-6-228 shall appear on <u>both sides of the sign</u>.
(See Act 307 of 2023)

*This memo is also available at ArkansasEthics.com.

# Advertisements…

(See Ark. Code Ann. § 7-1-103)

- All articles, statements, or communications appearing in any newspaper printed or circulated in this state intended or calculated to influence the vote of any elector in any election and for the publication of which a consideration is paid or to be paid shall clearly contain the words "Paid Political Advertisement", "Paid Political Ad", or "Paid for by" the candidate, committee, or person who paid for the message. Both the persons placing and the persons publishing the articles, statements, or communications shall be responsible for including the required disclaimer.
- All articles, statements, or communications appearing in any radio, television, or any other electronic medium intended or calculated to influence the vote of any elector in any election and for the publication of which a consideration is paid or to be paid shall clearly contain the words "Paid Political Advertisement" or "Paid Political Ad" or "Paid for by", "Sponsored by", or "Furnished by" the true sponsor of the advertisement. Both the persons placing and the persons publishing the articles, statements, or communications shall be responsible for including the required disclaimer.

# New law this cycle designed to increase timely compliance → Act 753 of 2023

- Ark. Code Ann.§ 7-6-232. Delinquent reports.
- (a) The Arkansas Ethics Commission shall review the timeliness of reports filed with the Secretary of State by all candidates for state or district office pursuant to § 7-6-207.
- (b)(1) If a candidate for state or district office has failed to file a required report, the commission shall notify the candidate in writing that the report is delinquent and request that the report be filed within thirty (30) days of the report's original due date. (2) The notice under subdivision (b)(1) of this section shall be sent by regular mail to the candidate.
- (c)(1) The third and subsequent time during an election cycle that a candidate is sent written notice of a delinquent report and fails to file the report within thirty (30) days of the report's original due date, the commission shall bring a complaint against the candidate and, if a violation is found, impose a fine of one thousand dollars ($1,000) unless good cause be shown for the violation. (2) In addition to imposing a fine, the commission shall also be authorized to take one (1) or more of the following actions: (A) Issue a public letter of caution, warning, or reprimand; (B) Order the candidate to file one or more reports; or (C) Report the matter and make recommendations to proper law enforcement authorities.

## Statement of Financial Interest

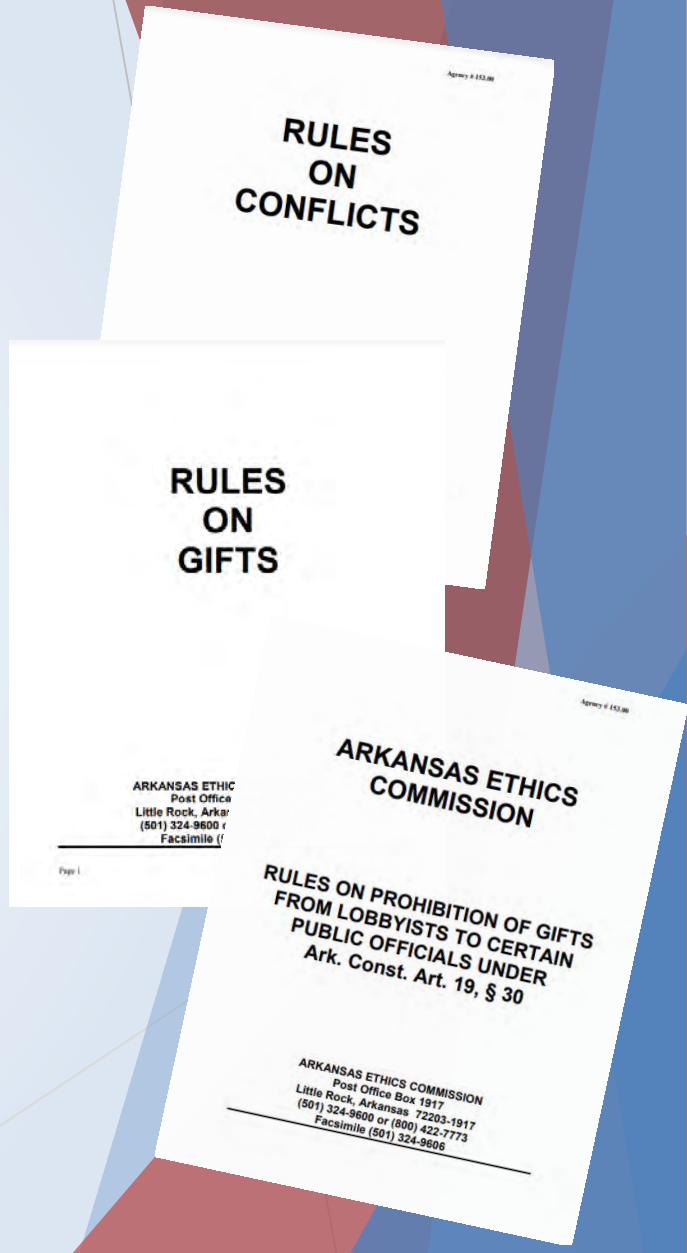
- As a candidate for public office, you had a Statement of Financial Interest (SFI) due the Monday after close of the filing period for calendar year 2022.
  - Blank versions of the SFI, along with instructions on completing is, are available at ArkansasEthics.com.
- As a candidate for public office, you have another Statement of Financial Interest (SFI) due on or before January 31, 2024, for calendar year 2023.
- After you win , you will have another SFI due each January.

# Also, After You Win, Please Review:

- The Rules on Conflicts (ArkansasEthics.com)
- The Rules on Gifts
- The Rules on Prohibition on Gifts from Lobbyist to Certain Public officials (for state and district elected officials)










# Restricted Campaign Activities for Public Servants

- There are certain restrictions applicable **to "Public Servants".**

- Who qualifies as a Public Servant?
  - The term "Public Servant" is defined in Ark. Code Ann. §21-8-402 (18) to mean:
    - All public officials
    - All public employees, and
    - All public appointees

# "Public Official"

- Under Ark. Code Ann. §21-8-402 (17), "Public Official" means a legislator or any other person holding an elective office of any governmental body whether elected or appointed to the office, and shall include such persons during the time period between the date they were elected and the date they took office.

- **“Public Employee”**
  - Under Ark. Code Ann. § 21-8-402 (16)(A), “public employee” means an individual who is employed by a governmental body or who is appointed to serve a governmental body.

# "Public Appointee"

- Ark. Code Ann. § 21-8-402 (15)
  - "Public Appointee" means an individual who is appointed to a governmental body.
  - "Public Appointee" shall not include individuals appointed to an elected office.

# Devoting time or labor toward a campaign

- Ark. Code Ann. § 7-1-103(a)(2)(A)(i) states:

  It shall be unlawful for any public servant… to devote ANY time or labor during usual office hours toward the campaign of any other candidate for office or for the nomination to any office.

- Ark. Code Ann. § 7-1-103 (a)(2)(A)(ii) states:

  Devoting ANY time or labor during usual office hours towards the campaign of any other candidate for office or for the nomination to any office includes without limitation the gathering of signatures for a nominating petition.




- Circulating Initiative or Referendum Petitions
- Ark. Code Ann. § 7-1-103(a)(2)(B) states:

  It shall be unlawful for any public servant… to circulate an initiative or referendum petition or to solicit signatures on an initiative or referendum petition in any public office of the state, county, or municipal governments of Arkansas or during the usual office hours or while on duty for any state agency or any county or municipal government in Arkansas.

- Coercing others to devote time or labor towards a campaign

- Ark. Code Ann. § 7-1-103(a)(2)(C) provides:

  It shall be unlawful for any public servant… to coerce, by threats or otherwise, any public employee into devoting time or labor toward the campaign of any candidate for office or for the nomination to any office.

- Distributing campaign materials out of a public room or office

- Ark. Code Ann. § 7-1-103 (a)(3)(A) further provides:

  It shall be unlawful for any public servant… to use any office or room furnished at public expense to distribute any letters, circulars, or other campaign materials *unless* such office or room is regularly used by members of the public for such purposes without regard to political affiliation.

- Using personal property provided with public funds
  - Ark. Code Ann. § 7-1-103 (a)(3)(A) states:

    It shall further be unlawful for any public servant to use for campaign purposes any item of personal property provided with public funds.
  - Ark. Code Ann. § 7-1-103 (a)(3)(B)

    As used in this subdivision, "campaign materials" and "campaign purposes" refer to:
    - The campaign of a candidate for public office; and
    - Efforts to support or oppose a ballot measure, (except as provided in §7-1-111).






- Assessments, subscriptions, and contributions
  - Ark. Code Ann. § 7-1-103(a)(4) states:
    - It shall be unlawful for any person to assess any public employee for any political purpose whatever OR
    - to coerce by threats or otherwise any public employees into making a subscription or contribution for any political purpose.

# Placing campaign Materials on Government Vehicles




- Ark. Code Ann. § 7-1-103(a)(6) states:

  It shall be unlawful for any campaign banners, campaign signs, or other campaign literature to be placed on any cars, trucks, tractors, or other vehicles belonging to the State of Arkansas or any municipality, county, or school district in the state.

- Criminal Penalties Ark. Code Ann. § 7-1-103
  - Subsection (b)(1) of § 7-1-103 provides that:

    Except as otherwise provided, the violation of any provision of this section shall be a Class A misdemeanor.
  - Subsection (b)(2)(A) goes on to provide that:

    Any persons convicted under the provisions of this section shall thereafter be ineligible to hold any office or employment in any of the departments in this state.



- Criminal Penalties Ark. Code Ann. § 7-1-103
  - Subsection (b)(2)(B)(i) provides further that:

    If any person is convicted under the provisions of this section while employed by any departments of this state, he or she shall be removed from employment immediately.
  - Subsection (b)(2)(B)(ii) of Ark. Code Ann. § 7-1-103 goes on to provide that:

    If any person is convicted under the provisions of this section while holding public office, the conviction shall be deemed misfeasance and malfeasance in office and shall subject the person to impeachment.

# Other Helpful Resources:

- The Arkansas Ethics Commission Rules on Campaign Finance & Disclosure (www.ArkansasEthics.Com)
- The Running for Public Office Handbook (www.SoS.Arkansas.gov)
- The Judicial Election Guide (www.ARcourts.gov)

This publication provides guidance on certain aspects of Arkansas law. This publication is not intended to replace the law or to change its meaning, nor does this publication create or confer any rights for or on any person or bind the Arkansas Ethics Commission or the public.

# The reader is also encouraged to consult the Arkansas Code sections provided below, applicable court decisions, and the Commission Rules and Commission Advisory Opinions, which are available at ArkansasEthics.com.

- Sections 28, 29, and 30 of Article 19 of the Arkansas Constitution;
- Ark. Code Ann. § 3-8-701 *et seq*. **(entitled "Disclosure Act for Initiative Proceedings");**
- Ark. Code Ann. § 7-1-103(a)(1)-**(4), (6) and (7) (concerning "Elections");**
- Ark. Code Ann. § 7-6-201 *et seq.* **(entitled "Campaign Financing");**
- Ark. Code Ann. § 7-9-401 *et seq.* **(entitled "Disclosure Act for Public Initiatives, Referenda, and Measures Referred to Voters");**
- Ark. Code Ann. § 19-11-**718 (concerning "Special State Employees – Conflicts of Interest")**
- Ark. Code Ann. § 21-1-401 *et seq.* **(concerning "Constitutional Officers and Their Spouses");**
- Ark. Code Ann. § 21-8-301 through § 21-8-**903 (referred to as "The Disclosure Act for Lobbyists** and State and Local Officials");
- Ark. Code Ann. § 21-8-1001 *et seq.* **(pertaining to "State Boards, Commissions, and Entities Receiving State Funds"); and**
- Ark. Code Ann. § 23-115-501(e) and § 23-115-**601(j) (concerning "Arkansas Scholarship Lottery Act" vendor/retailer gift/compensation prohibition).**

For further information, please contact the Arkansas Ethics Commission:

Phone: (501) 324-9600 Or Toll-Free: (800) 422-7773
501 Woodlane Street, Suite 301N
Little Rock, AR 72201

# Campaign Training 2023-2024 Election Cycle

Arkansas Ethics Commission

THE END