

**RECOMMENDATION TO THE LEGISLATURE**

Oklahoma Statutes Title 74 Section 4256 should be amended as follows:

A. Every candidate or candidate committee for state or county office and every other committee failing to file registrations and reports of contributions and expenditures or statements of inactivity on or before the days specified in Chapter 10 of the Rules of the Ethics Commission shall be assessed by the Ethics Commission a late filing fee of up to One Hundred Dollars (\$100.00) for each day after a report of contributions and expenditures is due that said report remains unfiled; provided, the total amount of such fees assessed per report shall not exceed One Thousand Dollars (\$1,000.00).

B. Committees campaigning for or against an initiative or referendum petition, legislative referendum, or a state question who fail to file reports of contributions and expenditures on or before the days specified in Chapter 10 of the Rules of the Ethics Commission shall be assessed by the Ethics Commission a late filing fee of up to One Thousand Dollars (\$1,000.00) for each day after a report of contributions and expenditures is due that said report remains unfiled; provided, the total amount of such fee assessed per report filing shall not exceed Ten Thousand Dollars (\$10,000.00).

C. Every person failing to file a statement of financial interests or financial disclosure statement on or before the days specified in Chapter 15 of the Rules of the Ethics Commission shall be assessed by the Ethics Commission a late filing fee of up to One Hundred Dollars (\$100.00) for each day the statement remains unfiled; provided, the total amount of such fees assessed per statement shall not exceed One Thousand Dollars (\$1,000.00).

D. The treasurer, except for treasurers for candidates or candidate committees, may be liable for the late fee. Failure to file a registration, report or statement shall be deemed to be a separate offense for each day that the registration, report or statement remains unfiled after it becomes due. The first ~~Twenty-five Thousand Dollars (\$25,000.00)~~ \_\_\_\_\_ (\$ \_\_\_\_\_) per calendar year derived from fees collected pursuant to the provisions of this section shall be deposited with the State Treasurer to the credit of the Ethics Commission Fund and any amount in excess of ~~Twenty-five Thousand Dollars (\$25,000.00)~~ \_\_\_\_\_ (\$ \_\_\_\_\_) per calendar year shall be deposited in the General Revenue Fund. Candidates or candidate committees shall not pay such fees from campaign funds.

Standard 257:30-1-5. **Settlement Agreements and Late Filing Fee Assessments.**

(a) The Commission may resolve any possible violation of this chapter by the following:

- (1) after prior notice and an opportunity to be heard, issuing a private reprimand to the Respondent for an inadvertent violation;
- (2) after prior notice and an opportunity to be heard, issuing a public reprimand to the Respondent;
- (3) electing to enter into a settlement agreement.

A public reprimand and a settlement agreement shall be a matter of public record.

(b) The Commission may, at any time, enter into a settlement agreement with the Respondent to resolve any complaint or investigation. A settlement agreement, unless violated, shall be a bar to any other action by the Commission on the violation or violations specifically covered by the settlement agreement.

(c) A settlement agreement may include, but shall not be limited to:

- (1) a requirement that the Respondent pay a civil penalty in accordance with Section 11 of Chapter 1 of this title;
- (2) a requirement that the Respondent's conduct be conformed to the requirements of this title;
- (3) forfeiture of gifts, receipts or profits obtained through a violation of this title; or
- (4) a combination of the above, as necessary and appropriate, consistent with this title.

(d) The Commission shall assess late filing fees as prescribed by Title 74, Section 4256 of the Oklahoma Statutes. The Executive Director of the Commission shall post notice of each assessment for public view in the offices of the Commission. The Executive Director shall notify any candidate or committee or other person assessed such late filing fees of the assessment and shall advise such candidate or committee of the right to object to the late filing fee assessment by filing a protest with the Commission within thirty (30) days after posting of the notice in the offices of the Commission. If no protest is filed within thirty (30) days, the assessment shall be final.

(e) If a protest is filed, the Commission may schedule a hearing on the protest, or it may assign to a Hearing Officer appointed by the Commission the authority to conduct an evidentiary hearing on the protest. If the Commission assigns a Hearing Officer the authority to conduct an evidentiary hearing on a protest, the Hearing Officer's authority shall be limited to making a recommendation to the Commission. A Hearing Officer shall make a recommendation reducing the late filing fees only upon a determination (1) that the required registrations or reports were not filed after the required date or (2) that the late filing was justified by compelling evidence such as serious illness or injury, including illness or injury to an immediate family member, which evidence shall be stated in the Hearing Officer's recommendation. The Commission alone shall determine the amount of the late fee assessment.

Standard 257:10-1-20. **Use of Campaign Contributions and Use of Surplus Funds.**

(a) **Candidate committees .**

(1) **Use of campaign contributions .** Contributions accepted by a candidate committee may not be converted by any person to any personal use, but shall be used, together with any interest income earned on such contributions, to defray any campaign expenditures or any ordinary and necessary nonreimbursed expenses incurred by the person in connection with his duties as a holder of the state office, including, but not limited to,

- (A) payment of debts of a former election campaign of the same candidate,
- (B) payment of expenses for use in a future election campaign of the same candidate,
- (C) for political activity,
- (D) for community activity or
- (E) for nonreimbursed office related expenses.

Said contributions shall not be used for any other purposes except as permitted in Paragraph (3) of this subsection.

(2) **Designation of use of surplus funds** . A candidate whose candidate committee has an unexpended balance of funds not otherwise obligated for the purposes specified in Paragraph (1) of this subsection shall designate how the surplus funds are to be distributed. Uses are limited to those included in Paragraph (3) of this subsection and shall be set forth on the committee's statement of organization. Surplus funds may not be expended for any other purpose. The designated use or uses for surplus funds may be changed by the candidate committee by filing an amended statement of organization, provided that no contributions received prior to the date the amended statement of organization is filed with the Commission may be used for the amended use or uses.

(3) **Use of surplus funds** . The surplus funds may:

(A) be deposited with the State Treasurer to the credit of the General Revenue Fund;

(B) be returned to the contributors pursuant to any formula approved by the candidate; provided, any amount returned to a contributor shall not exceed the amount of the original contribution;

(C) be contributed to a charitable organization;

(D) be retained by the candidate or candidate committee for use in a future election for a six-year period following the General Election for the same or a different office;

(E) be used to defend legal actions or proceedings arising out of the campaign, election, or the performance of the candidate's official duties as a state officer; provided that such funds shall not be used to defend criminal charges;

(F) be used for a community activity;

(G) be used for political activity;

(H) be transferred to the state, county or congressional district committee of a political party, or to an organization affiliated with a state, county or congressional district committee of a political party that is specifically identified in the rules, bylaws or similar provisions of the state political party central committee; ~~not to include an affiliated or connected entity of a political party~~ provided the aggregate total of surplus funds transferred to a state, county or congressional district committee of a political party, or an organization affiliated with a state, county or congressional district committee of a political party, shall not exceed Five Thousand Dollars (\$5,000.00) per calendar year; or

(I) be distributed using a combination of these options.

(b) **Other committees** .

1. **Use of campaign contributions** . Contributions accepted by any committee, other than a candidate committee, may not be converted by any person to any personal use and shall be used to defray any campaign expenditures and to further the committee's purposes. Said contributions shall not be used for any other purposes except as permitted in Paragraph (2) or (3) of this subsection. Such a committee with an unexpended balance of funds not otherwise obligated for the payment of expenses to further the committee's purposes shall designate how the surplus funds are to be disposed of on the committee's statement of organization. Surplus funds may not be expended for any other purpose. The designated use or uses for surplus funds may be changed by the committee by filing an amended statement of organization, provided that no contributions received prior to the date the amended statement of organization is filed with the Commission may be used for the amended use or uses.

(2) **Use of surplus funds by committees supporting or opposing candidates** . Surplus funds of committees, other than candidate committees, formed solely to support or oppose candidates may be:

(A) deposited with the State Treasurer to the credit of the General Revenue Fund;

(B) returned to the contributors pursuant to any formula approved by the committee; provided, any amount returned to a contributor shall not exceed the amount of the original contribution; or

(C) donated to another committee.

(3) **Use of surplus funds by committees supporting or opposing ballot measures** . Surplus funds of committees formed to support or oppose ballot measures may be:

(A) deposited with the State Treasurer to the credit of the General Revenue Fund;

(B) returned to the contributors pursuant to any formula approved by the committee; provided, any amount returned to a contributor shall not exceed the amount of the original contribution; or

(C) donated to other committees formed solely to support or oppose ballot measures;

(D) donated to a charitable organization; or

(E) donated to a community activity.

**Standard 257:1-1-2. Definitions.**

...

**"Anything of value", "Thing of value" or "Things of value "**

...

(2) These terms do not include:

...

(G) food and beverage consumed on the occasion when participating in a charitable, civic, or community event, ~~or at any event to which all members of the Legislature are invited, which bears a relationship to the state officer's or state employee's office and the officer or employee is attending in an official capacity;~~

...

(V) food and beverage provided at any event to which all members of the Legislature are invited, provided this provision shall apply no more than one time per calendar year for any lobbyist or lobbyist principal;

(W) food and beverage provided at any meeting of the political caucus of either House of the Legislature, provided the House involved has not adjourned for the day, during a regular or special legislative session; food and beverage provided at any event to which all members of a committee or subcommittee of either House of the Legislature identified in the Rules or Journal of the respective House are invited and which is attended by a majority of members of the committee or subcommittee. Any lobbyist or lobbyist principal may provide food and beverage to any meeting of a political caucus or to any event to which all members of a subcommittee of either House are invited as contemplated by this subsection; provided, however, if a lobbyist or lobbyist principal provide food and beverage to the same political caucus of either House or to an event to which all members of the same committee or same subcommittee of either House are invited more than one time during a calendar year, the second such meeting or event and any subsequent meetings or events shall not be subject to the exception to the definition of "things of value" provided by this subsection.

**Standard 257:23-1-2. Anything of Value Reporting by Lobbyists - Preservation of Accounts, Books, etc.**

(a) **Required reports** . Every lobbyist shall file reports required by this section with the Ethics Commission concerning the activities specified in this section. The reports shall be filed whether or not the person has taken any action which is required to be reported pursuant to the provisions of this section. The reports shall be filed between the first and twentieth day of January and the first and twentieth day of July of each calendar year which shall cover the activities during the period following the last report.

...

(d) **Contents of reports** . The information to be reported pursuant to the provisions of Subsection (b) of this section shall be as follows:

- (1) The name and position of the state officer or state employee to whom the thing of value was given;
- (2) The date the thing of value was given;
- (3) The nature of the thing of value given;
- (4) The amount of the expenditure made by the lobbyist or lobbyist principal for the thing of value; and
- (5) The name of the lobbyist principal or lobbyist principals on whose behalf the thing of value was given, if any.

(6) The date and total expenditure for food and beverage provided at any event to which all members of the Legislature are invited; the date and total expenditure for food and beverage provided at any meeting of the political caucus of either House of the Legislature, identifying the caucus; the date and total expenditure for food and beverage provided at an event to which all members of a legislative committee or subcommittee of either House of the Legislature identified in the Rules or Journal of the respective House are invited and which is attended by a majority of members of the committee or subcommittee. A lobbyist reporting the date and total expenditure for food and beverage provided at any of the foregoing events need not report the names of individuals who participated, but must maintain in his or her records a list of all participants at an event to which all members of a legislative committee or subcommittee are invited.