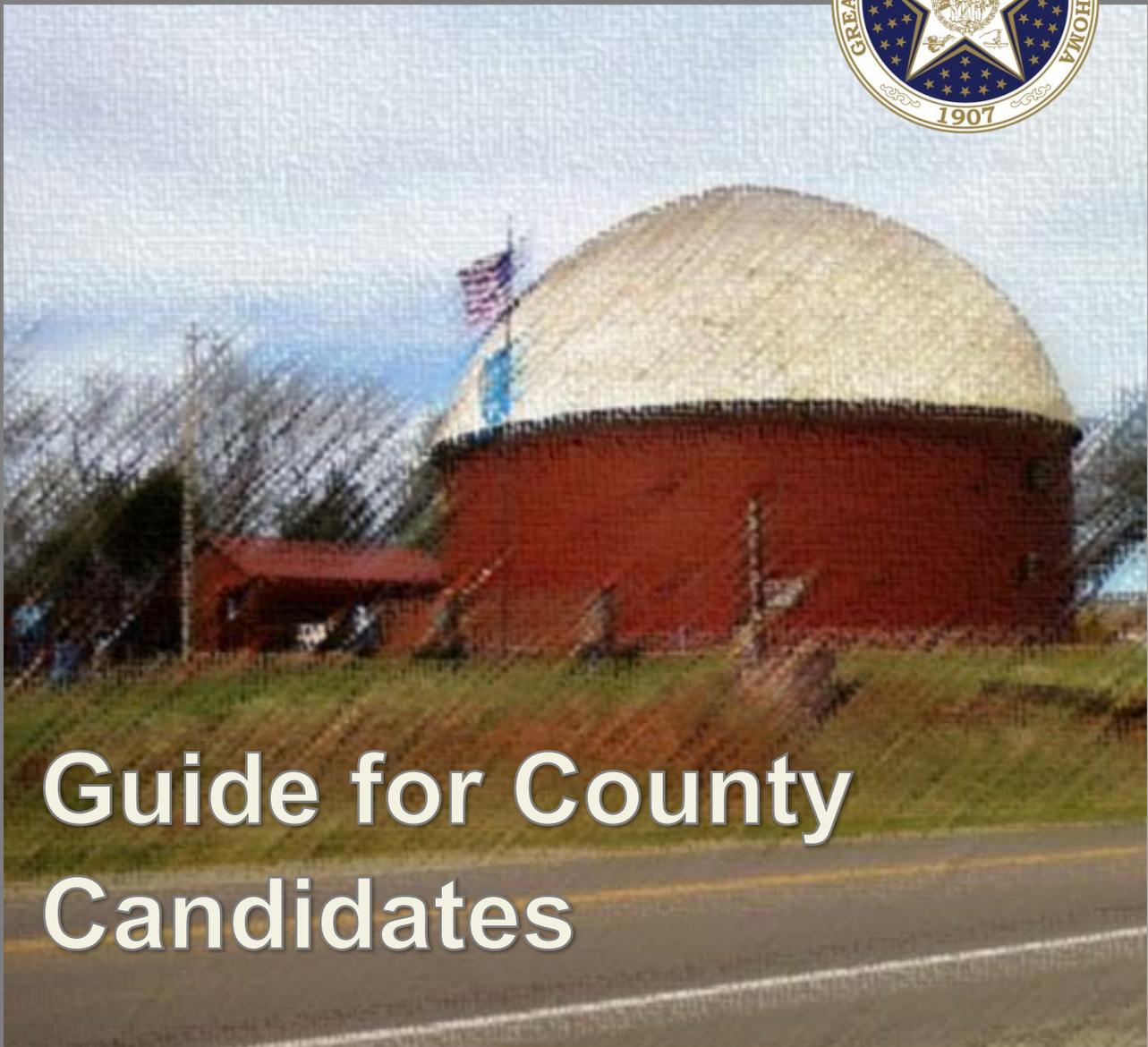


**Oklahoma Ethics Commission**  
*FAIR RULES. FIRM ENFORCEMENT.*



**Guide for County  
Candidates**

**JULY 2015**

“This publication is issued by the Oklahoma Ethics Commission as authorized by Executive Director, Lee Slater, pursuant to Ethics Rule 1.8, and is located at the following website: <http://www.ok.gov/ethics>. This publication has been submitted in compliance with Section 3-114 of Title 65 of the Oklahoma Statutes.”

**Contents**

Introduction .....v

    How to Use This Guide.....v

    Limited Scope.....v

    This Guide Is Limited to Oklahoma Ethics Law .....v

    Advisory Opinions .....v

    Commission Website.....v

    Contacting the Commission.....v

Commissioners .....vi

Understanding “Candidates” and Campaign Committees..... 1

    Individuals Who Are Considered Candidates..... 1

    Campaign Committees ..... 1

    One Campaign Committee at Any Time ..... 1

    When a Statement of Organization Must Be Filed ..... 1

    Filing of the Statement of Organization..... 1

    Statements of Organization Must Be Accompanied by Processing Fee..... 1

    Contents of the Statement of Organization ..... 1

    Statements of Organization Must Be Notarized ..... 2

    Amending the Statement of Organization ..... 2

Committee Officer Information ..... 2

    Committee Officers..... 2

    Vacancies in Campaign Committee Offices ..... 2

    Candidate May Not Serve as Officer of Another Committee ..... 3

    Duties of the Officers ..... 3

    How Long Records Should Be Kept ..... 3

    When the Campaign Committee Cannot Accept or Expend Funds..... 3

    Campaign Depositories ..... 3

    Exploratory Activities ..... 3

Financial Disclosure Statements ..... 4

    When Statements Are Filed by Candidates ..... 4

    Continuing Requirement for Candidates ..... 4

    Financial Disclosure Statements Must Be Notarized..... 4

    Filing of Financial Disclosure Statements ..... 4

    Information Required on Financial Disclosure Statements..... 5

    Material Financial Interest..... 6

    Amending a Statement ..... 6

Making Reports of Contributions and Expenditures..... 7

Obligation to Make Reports ..... 7

Filing of Reports of Contributions and Expenditures ..... 7

Quarterly Reports Required in Non-Election Years..... 7

Quarterly and Pre-Election Reports Required in Election Years ..... 7

All Candidates Must File Pre-Election Reports ..... 8

Filing Dates Are on Website ..... 8

Special Election Reporting Dates ..... 8

Reports Due Between Pre-Election Time Period and Election Day..... 8

Filing the First Report ..... 9

Contents of Reports of Contributions and Expenditures ..... 9

Details in Reports of Contributions and Expenditures ..... 9

Help in Completing Reports of Contributions and Expenditures.....10

Understanding Contributions.....10

    What a Contribution Is .....10

    When an Expenditure Is a Contribution .....10

    Volunteer Services .....10

    Communications by a Corporation or Labor Union .....10

    Who May Make Contributions.....11

    Corporate and Labor Union Contributions Prohibited.....11

    Limited Liability Company Contributions .....11

    Partnership Contributions .....11

    Contributions Cannot Be Reported in the Name of Another Person.....11

    Cash Contributions and Anonymous Contributions.....11

    Accepting and Depositing Contributions .....12

    Earmarked Contributions Are Contributions to Candidates .....12

    Contributions to County Candidates by Federal Committees.....12

    Modest Items May Be Given in Recognition of Contributions.....12

Special Fund-Raising Events .....12

    Joint Candidate Fund-Raising Events.....12

    Residence Used for Fund-Raiser.....12

    Non-Residence Used for Fund-Raiser .....13

    Golfing Fund-Raising Events .....13

    Fund-Raising Auctions and Sales.....13

Loans.....13

    Loans by Commercial Financial Institutions .....13

    Loans by Non-Financial Institutions Are Contributions.....13

PACs May Not Make Loan to or Receive Loan from Campaign Committees ..... 13

Campaign Committee May Not Make Loans to Other Campaign committees..... 13

Candidates May Make Unlimited Loans to Their Own Campaign Committees..... 14

Receiving Contributions ..... 14

    Corporations and Labor Unions Prohibited from Contributing to Candidates ..... 14

    Limited and Unlimited Committees ..... 14

    Unlimited Committees Prohibited from Contributing to Candidates..... 14

    Foreign Nationals Prohibited from Contributing to Candidates..... 15

    Individual Contributions to Candidates..... 15

    Maximum Individual Contributions Indexed to Inflation ..... 16

    Candidate May Make Unlimited Contributions to His or Her Own Committee ..... 16

    Special Limit on Nontaxable Gifts ..... 16

    Limited Liability Company Contributions ..... 16

    Partnership Contributions ..... 16

    Contributions from Political Parties ..... 17

    Contributions by Limited Committee or County Political Committees to Candidates ..... 17

    Limited Committees Registered Less Than a Year or with Fewer Than 25 Contributors (1/25) ..... 18

    Contributions by Federal Committees..... 18

    Contributions from Out-of-State Political Action Committees ..... 18

    Candidates Prohibited From Receiving Excessive Contributions ..... 19

Making Expenditures..... 19

    General Rules for Making Expenditures ..... 19

    Ordinary and Necessary Campaign Expenses ..... 19

    Expenditures Made to Family Members..... 19

    Personal Use of Campaign Funds Prohibited ..... 19

    Contributions to Another Candidate’s Campaign Committee ..... 20

    Contributions May Be Used to Pay Certain Officeholder Expenses ..... 20

    Calculating Expenses for Motor Vehicle Travel..... 20

Understanding Independent Expenditures ..... 21

    What an Independent Expenditure Is..... 21

    What an Independent Expenditure Is Not ..... 21

    Who May Make Independent Expenditures ..... 21

    No Limits on Independent Expenditures ..... 21

    What Constitutes Coordination, Cooperation, Consultation or “Acting In Concert”..... 21

    Consequences of Coordination ..... 21

    How Independent Expenditures Are Reported..... 22

Disclosure Requirements for Campaign Advertising .....22

    Electronic Communications Disclosure Requirements.....22

    Printed Communications Disclosure Requirements .....22

    Disclosure Not Required for Certain Items.....22

Dissolving the Campaign Committee .....22

    Campaign Committee May Dissolve at Any Time .....22

    Required Dissolution of Campaign Committee .....22

    Surplus Funds .....23

    Uses of Surplus Funds .....23

    Disposition of Surplus Funds .....23

    Disposition of Assets .....23

    Resolution of Debt .....23

    Final Report of Contributions and Expenditures.....24

## Introduction

### **How to Use This Guide**

This Guide summarizes The Oklahoma Ethics Commission Rules as applied to candidates for county offices effective July 1, 2015. It is written by the Commission staff to assist in compliance with the Rules, as authorized by [Rule 1.8](#). The Guide is not a substitute for the law. If there is a conflict between this Guide and the Constitution, statutes or Rules, then the Constitution, statutes or Rules prevail.

### **Limited Scope**

This Guide is not intended to provide comprehensive information about all Ethics Rules and other relevant law concerning county campaign committees. Individuals in positions of responsibility with county campaign committees should become familiar with the relevant Constitutional and statutory provisions as well as with the Ethics Rules.

### **This Guide Is Limited to Oklahoma Ethics Law**

This Guide addresses only Oklahoma law, especially Rules of the Oklahoma Ethics Commission, and is limited to county campaign committees in their roles in campaigns for county offices.

### **Advisory Opinions**

[Rule 1.7](#) authorizes the Commission to issue official advisory opinions interpreting its Rules. Such advisory opinions are binding on the Commission. Ordinarily, the Commission will consider an advisory opinion only as it applies to the person requesting the opinion, rather than third parties. Requests for advisory opinions may be addressed to the following:

Oklahoma Ethics Commission  
2300 N. Lincoln Blvd., Rm B-5  
Oklahoma City, OK 73105

### **Commission Website**

Additional information on compliance with the Rules may be found on the Commission's Internet website at [www.ok.gov/ethics](http://www.ok.gov/ethics).

### **Contacting the Commission**

The Commission offices are located in Room B-5 of the State Capitol. The Commission's hours are Monday through Friday from 8 a.m. to 5 p.m.

The Ethics Commission contact information is as follows:

- Telephone number: (405) 521-3451
- Fax number: (405) 521-4905
- E-mail: [ethics@ethics.ok.gov](mailto:ethics@ethics.ok.gov).
- Address: 2300 N. Lincoln Blvd., Rm B-5, Oklahoma City, OK 73105

Information regarding the Commissioners, the Ethics Commission staff, and the Commission meeting agenda and minutes may be located on the Commission's Internet website at <http://www.ok.gov/ethics>.

**Commissioners**

**Cathy Stocker** – Chair, appointed by Attorney General Scott Pruitt, term expires July 2017

**John Hawkins** – Vice-Chair, appointed by Senate President Pro Tempore Brian Bingman, term expires July 2019

**Karen Long** – re-appointed by Speaker of the House Jeff Hickman, term expires July 2019

**Jo Pettigrew** – re-appointed by Governor Fallin, term expires July 2017

**Tom Walker** – appointed by Chief Justice Steven Taylor, term expires July 2016

## Understanding “Candidates” and Campaign Committees

### **Individuals Who Are Considered Candidates**

A candidate is an individual who has filed or should have filed a Statement of Organization for a campaign committee with the County Election Board. A campaign committee includes committees for all elective county offices for which Declarations of Candidacy are filed with the County Election Board. A candidate may or may not have filed a Declaration of Candidacy with the County Election Board to have his or her name placed on the ballot. An individual who has filed a Declaration of Candidacy with the County Election Board may or may not be considered a “candidate” under the Ethics Rules, depending upon other factors discussed hereafter.

### **Campaign Committees**

Every candidate is required to have a campaign committee. It is the only committee authorized by a candidate to accept contributions or make expenditures on behalf of the candidate’s campaign. [Rules 2.2\(3\)](#) and [2.68](#).

### **One Campaign Committee at Any Time**

A candidate may have no more than one candidate committee for any county office at any time. However, after filing a Statement of Organization for a second committee, a candidate may maintain both the first candidate committee and the second candidate committee for county office for 60 days. Funds or debt, or both, may be transferred from the first committee to the second committee. However, a candidate may not continue to raise funds for the first committee once the second committee is opened. [Rule 2.69](#). Transfers can only be made from the county campaign committee to a county campaign committee.

### **When a Statement of Organization Must Be Filed**

A Statement of Organization for a campaign committee may be filed with the County Election Board at any time. However, a Statement of Organization must be filed with the County Election Board within 10 days after a candidate has accepted or spent more than \$1,000 for his or her campaign. If an individual who is seeking county office never accepts or spends more than \$1,000.00, then there is no requirement to file a Statement of Organization. [Rule 2.70](#).

### **Filing of the Statement of Organization**

County candidates must file a Statement of Organization with the County Election Board. Blank copies of the Statement of Organization are available on the Commission’s website at [www.ok.gov/ethics](http://www.ok.gov/ethics) under the “County, Municipal & School Reporting” tab. [Rule 2.121](#). [Rule 1.4](#).

### **Statements of Organization Must Be Accompanied by Processing Fee**

The Statement of Organization must be accompanied by a check drawn upon the campaign committee’s account of a one-time Fifty Dollar (\$50.00) fee made out to the County Election Board.

### **Contents of the Statement of Organization**

The Statement of Organization for a committee includes the following information:

- (1) the name of the candidate as it will appear on the ballot;

- (2) the name of the Chair and Treasurer of the committee and, if a Deputy Treasurer is appointed, the name of the Deputy Treasurer;
- (3) the name of the committee, which must include the year of the general election or special election at which the office will be filled and the name of the candidate as it will appear on the ballot;
- (4) the official and complete name of the county elective office to which the candidate seeks election;
- (5) the candidate's party affiliation, if any;
- (6) the mailing address and, if applicable, the residence address, electronic mailing address, telephone numbers and Internet website, if applicable, of the campaign committee itself, the candidate, the Chair, Treasurer and Deputy Treasurer; and
- (7) the full name and address of each depository in which the committee will maintain an account.

[Rule 2.75.](#)

### **Statements of Organization Must Be Notarized**

All Statements of Organization must be notarized.

### **Amending the Statement of Organization**

The candidate is responsible for notifying the County Election Board of any change in information provided in the Statement of Organization by filing an Amended Statement of Organization within 10 days of a change being made. [Rule 2.75.](#)

## **Committee Officer Information**

### **Committee Officers**

A campaign committee must have both a Chair and a Treasurer. However, the same person may serve as both chair and treasurer. The candidate may serve as either the Chair or Treasurer, or both. The designation of a Deputy Treasurer, who may perform the duties of the Treasurer in the Treasurer's absence, is optional. The Treasurer and Deputy Treasurer must be residents of Oklahoma. The candidate may choose to name other officers for his or her committee, but these officers will not be shown on the Statement of Organization. All officers serve at the pleasure of the candidate, who may dismiss any of them at any time for any reason or no reason. [Rule 2.71.](#)

### **Vacancies in Campaign Committee Offices**

Any vacancy in the office of Chair, Treasurer or Deputy Treasurer must be filled within 30 days, and an amended Statement of Organization must be filed with the County Election Board within five days after the vacancy is filled. [Rule 2.74.](#)

**Candidate May Not Serve as Officer of Another Committee**

A candidate may not serve as the officer of any other committee, including a political action committee. [Rule 2.71](#).

**Duties of the Officers**

The Treasurer is responsible legally for keeping the campaign committee's financial records and accounts, including all contributions accepted, all deposit slips or other evidence of acceptance of contributions, all expenditures made, all receipts, canceled checks or other evidence of payment of expenditures and all other documents necessary to file Reports of Contributions and Expenditures. The Treasurer also is responsible for timely and accurate filing of all Reports of Contributions and Expenditures. [Rule 2.73](#). When acting in place of the Treasurer, the Deputy Treasurer performs similar duties. The duties of any other officers may be determined by the candidate. However, these determinations cannot relieve the Treasurer or Deputy Treasurer of their legal obligations and responsibilities. Nor do the duties of the Treasurer or Deputy Treasurer relieve the candidate of his or her obligation to ensure compliance with the Ethics Rules.

**How Long Records Should Be Kept**

All records and documents required to be kept by the Treasurer must be maintained a four-year period. These records must be made available to the Ethics Commission upon request. [Rule 2.73](#).

**When the Campaign Committee Cannot Accept or Expend Funds**

A campaign committee may not accept or expend funds when there is a vacancy in the offices of both the Treasurer and Deputy Treasurer. [Rule 2.72](#).

**Campaign Depositories**

The campaign committee must establish at least one campaign depository, e.g., a bank checking account, in a financial institution that ordinarily conducts business within the State of Oklahoma. The account must be maintained in the name of the campaign committee as it is registered with the County Election Board. All contributions to the campaign committee, except in-kind contributions, must be deposited in the account. All expenditures made by the campaign committee must be made by check or debit card signed by the Treasurer or Deputy Treasurer of the campaign committee. The account may earn interest paid by the financial institution, but the funds cannot be otherwise invested. [Rules 2.94](#) and [2.95](#).

**Exploratory Activities**

Under limited circumstances, an individual may conduct exploratory activities, such as polling or other techniques designed exclusively to assist the individual in making a decision as to whether to seek any county office or offices. During this exploratory phase, an individual may accept contributions, subject to the limits of a campaign committee, and make expenditures limited to exploratory activities without designating a campaign committee. When engaged in such activities, the individual must maintain all the records that are required of a campaign committee.

There are limits on the amounts of funds that can be accepted or expended in exploratory activities. For all county offices, the limit is \$10,000.00.

If that limit is exceeded, the individual must either (1) file a Statement of Organization for a campaign committee with the County Election Board or (2) cease all exploratory activities.

If the individual becomes a candidate and forms a campaign committee, then all contributions received and expenditures made for exploratory activities are subject to the maximum contribution limits and are included in the first Report of Contributions and Expenditures filed by the campaign committee.

If all exploratory activities cease and the individual decides not to seek county office, it is not necessary to file a Statement of Organization. However, no individual may conduct exploratory activities for a county office or offices more than one time between general elections.

## Financial Disclosure Statements

### **When Statements Are Filed by Candidates**

A candidate is required to file a Financial Disclosure Statement at the same time he or she files a Statement of Organization for a campaign committee with the County Election Board.

Elected county officers who already have filed a Financial Disclosure Statement during the calendar year for which they are filing a Statement of Organization are not required to file an additional Financial Disclosure Statement. [Rule 3.6](#).

### **Continuing Requirement for Candidates**

Candidates are required to file Financial Disclosure Statements each year as long as they remain candidates. [Rule 3.6](#).

Financial Disclosure Statements ordinarily are filed no later than May 15 of each calendar year for the preceding calendar year. [Rule 3.5](#).

An extension of no more than 30 days will be granted upon an application in writing filed with the County Election Board within 10 days prior to the last day for filing the Financial Disclosure Statement. [Rule 3.5](#).

### **Financial Disclosure Statements Must Be Notarized**

All Financial Disclosure Statements must be notarized.

### **Filing of Financial Disclosure Statements**

All Financial Disclosure Statements must be turned in to the County Election Board. Blank copies of Financial Disclosure Statements may be downloaded from the Ethics Commission's Internet website at [www.ok.gov/ethics](http://www.ok.gov/ethics).

**Information Required on Financial Disclosure Statements**

Not all the information included on the Financial Disclosure Statements will apply to all candidates who file. For example, candidates will not have an “appointing authority.”

Information that is required, if applicable, is as follows:

1. Name, mailing address, work place telephone number and electronic mail address of the filer.
2. Name of office held or sought by the filer, or name of the agency and position held by the filer.
3. Expiration of term of office.
4. Appointing authority.
5. Name, mailing address and category of business, profession or industry of the filer’s private employer; or, if the filer is self-employed, the name, mailing address and category of business, profession or industry of the filer’s self-employment; or, if the filer is retired, the name, mailing address and category of the filer’s last employment, including self-employment.
6. The name of any state agency providing a salary or similar compensation amounting to \$5,000 or more during the preceding calendar year received by the filer or the filer’s spouse or dependents.
7. A list, by category, of business, profession or industry or any other entity providing income of any kind which the filer or the filer’s spouse or dependents received in the amount of \$5,000 during the preceding calendar year.
8. A list, by category of business, profession or industry, of entities including mutual funds or similar securities, in which the filer held securities valued at \$5,000 or more at any time during the preceding calendar year.
9. Any business or professional relationships with registered lobbyists that resulted in income in any amount to the filer or the filer’s spouse or dependents during the preceding calendar year, stating with specificity the nature of the relationship.
10. Every office, directorship, trusteeship or similar position held by the filer in an entity doing business with any state agency during the preceding calendar year and the agency with which the entity was doing business.
11. Professional or occupational permits or licenses held by the filer.
12. Contracts (other than a contract of employment) between a state agency and the filer or the filer’s spouse or dependents or any entity in which the filer or the filer’s spouse or dependents has a material financial interest.
13. Whether the filer, the filer’s spouse or dependents or an entity in which the filer or the filer’s spouse or dependents has a material financial interest is regulated or licensed by the agency with which the filer is associated.
14. Whether the employer of the filer or the filer’s spouse or dependents is regulated or licensed by the agency and, if so, the name and mailing address of the individual or entity so regulated or licensed.

If no information has changed since the filer last filed a Financial Disclosure Statement, there is an opportunity to indicate that fact rather than filling out the entire form again. [Rule 3.11](#).

**Material Financial Interest**

The term “material financial interest” is defined in the Rules to include:

- (a) an interest that could result in directly or indirectly receiving a substantial pecuniary gain or sustaining a substantial pecuniary loss as a result of a filer’s ownership or interest in a business entity, or as a result of a filer’s salary, gratuity or other compensation or remuneration; or
- (b) an ownership interest in a private business, including but not limited to, a closely held corporation, limited liability company, Subchapter S corporation or partnership for which the filer or the filer’s spouse or dependents is a director, officer, owner, manager, employee, or agent or any private business, closely held corporation or limited liability company in which the filer or the filer’s spouse or dependent owns or has owned stock, another form of equity interest, stock options, debt instruments, or has received dividends or income worth Five Thousand Dollars (\$5,000.00) or more at any point during the preceding calendar year; or
- (c) an ownership interest of five percent (5%) or more in a publicly held corporation by a filer or the filer’s spouse; or
- (d) an ownership interest in a publicly held corporation from which dividends of Fifty Thousand Dollars (\$50,000.00) or more were derived during the preceding calendar year by the filer or the filer’s spouse or dependents; or
- (e) an ownership interest in a Subchapter S corporation or partnership from which income of Fifty Thousand Dollars (\$50,000.00) or more was derived; or
- (f) an interest that arises as a result of the filer’s or the filer’s spouse or dependents’ service as a director, officer, representative, agent or employee of a publicly held corporation during the preceding calendar year.

“Material financial interest” does not mean (1) an interest in a mutual fund or other community investment vehicle in which the filer or the filer’s spouse or dependents exercises no control over the acquisition or sale of particular holdings, or (2) an interest in a pension plan, 401k, individual retirement account or other retirement investment vehicle that makes diversified investments over which the filer or the filer’s spouse or dependents exercises no control over the acquisition or sale of particular holdings. [Rule 3.2\(6\)](#).

**Amending a Statement**

A filer may amend his or her Financial Disclosure Statement by filing an Amended Financial Disclosure Statement at any time. The amendment must be for the purpose of correcting a bona fide oversight or error on the Statement previously filed. The filer must certify that the filing of an Amended Financial Disclosure Statement is not made for the purpose of reporting information that was intentionally omitted or misstated. If the certification is true, the filer will not be deemed to have violated the Ethics Rules by having made an erroneous prior filing. [Rule 3.7](#).

## Making Reports of Contributions and Expenditures

### **Obligation to Make Reports**

Once a campaign committee has filed a Statement of Organization with the County Election Board, the committee is required to make periodic Reports of Contributions and Expenditures until the committee is dissolved and a Final Report of Contributions and Expenditures is made.

### **Filing of Reports of Contributions and Expenditures**

All Reports of Contributions and Expenditures must be turned in to the County Election Board. [Rule 1.4](#). Copies of Reports of Contributions and Expenditures may be downloaded from the Ethics Commission's website at [www.ok.gov/ethics](http://www.ok.gov/ethics), under the "County, Municipal & School Reporting" tab.

### **Quarterly Reports Required in Non-Election Years**

Reports of Contributions and Expenditures by campaign committees are made on a quarterly basis in non-election years. The reporting dates and time periods covered are as follows:

April 1-30 for the period beginning January 1 and ending March 31 of the same year;

July 1-31 for the period beginning April 1 and ending June 30 of the same year;

October 1-31 for the period beginning July 1 and ending September 30 of the same year and

January 1-31 for the period beginning at the end of the pre-general election reporting period from the preceding year and ending December 31 of the preceding calendar year.

Quarterly reports due in January, April, July or October cannot be filed early, unless the candidate committee is dissolving and filing a Final Report of Contributions and Expenditures. A candidate committee that files more than one quarterly report after the date that it is due is deemed to have intentionally failed to file the report in violation of these Rules, unless good cause is shown. [Rule 2.100](#).

### **Quarterly and Pre-Election Reports Required in Election Years**

In election years, Reports of Contributions and Expenditures by campaign committees are made for the last quarter of the preceding year and the first quarter of the even-numbered year and for fixed periods preceding the primary election, runoff primary election and general election. The reporting dates and time periods covered are:

January 1-31 for the period beginning October 1 of the preceding year and ending December 31 of the preceding year;

April 1-30 for the period beginning January 1 and ending March 31 of the same year;

No earlier than 14 days nor later than eight days before the primary election for the period beginning April 1 and ending 15 days before the primary election;

No earlier than 14 days nor later than eight days before the runoff primary election for the period beginning 15 days before the primary election and ending 15 days before the runoff primary election;

No earlier than 14 days nor later than eight days before the general election for the period beginning 15 days before the runoff primary election and ending 15 days before the general election.

January 1 – 31 for the period beginning at the end of the pre-general election reporting period from the preceding year and ending December 31 of the preceding calendar year.

[Rule 2.101.](#)

### **All Candidates Must File Pre-Election Reports**

All candidates must file pre-election Reports, regardless of whether their names appear on the ballot at a particular election.

### **Filing Dates Are on Website**

The schedule of filing dates is the same as the schedule for state offices and is provided on the Ethics Commission's website at [www.ok.gov/ethics](http://www.ok.gov/ethics). [Rule 2.101.](#)

### **Special Election Reporting Dates**

For a special election to fill a vacancy, each campaign committee must file pre-election Reports of Contributions and Expenditures on the same dates and for the same periods with respect to the special primary election, runoff primary election and general election. If there is no runoff primary election, the period covered by the pre-general election report is adjusted to begin 15 days before the primary election and end 15 days before the general election.

Candidates in special elections must continue to file quarterly reports after the general election until the campaign committee is dissolved and a Final Report of Contributions and Expenditures is filed. [Rule 2.101.](#)

### **Reports Due Between Pre-Election Time Period and Election Day**

A campaign committee is required to file a Continuing Report of Contributions for certain contributions received after the close of the pre-election reporting period until the last two days before the election. Contributions that must be reported are those that exceed \$1,000 in the aggregate.

These Reports are due within 24 hours after the contribution is accepted. In this case, "accepted" means that the contribution has been placed in a campaign depository or that an in-kind contribution has been used in the campaign.

The Reports must identify the name, address and occupation and employer of any person other than a PAC making a contribution, the amount of the contribution and the date it was made and the name of a PAC making a contribution, the amount of the contribution and the date it was made.

If a candidate's name does not appear on the ballot at the next following election, that candidate's committee is not required to file a Continuing Report of Contributions. [Rule 2.102.](#)

### **Filing the First Report**

The first Report of Contributions and Expenditures by a campaign committee shall be filed with the County Election Board at the same time as required for the quarterly or pre-election Report of Contributions and Expenditures following the filing of a Statement of Organization. The Report covers the period beginning on the date of the first contribution or expenditure and ending on the same ending date for the quarterly or pre-election period. [Rule 2.103](#).

### **Contents of Reports of Contributions and Expenditures**

Reports of Contributions and Expenditures include information on all receipts, including monetary contributions, in-kind contributions, refunds or returns and other receipts and information on all expenditures, including refunds made. [Rule 2.106](#).

### **Details in Reports of Contributions and Expenditures**

Reports of Contributions and Expenditures require significant detail. For example, Reports of Contributions and Expenditures include the following information:

The name, address, occupation and employer of any person other than a PAC making a contribution or contributions in excess of \$50 in the aggregate, the date and amount of any monetary or in-kind contributions made during the time period covered by the Report and the aggregate total of all contributions accepted from one person.

The total of all contributions made during the time period covered by the Report and the aggregate total of all contributions of no more than \$50.

The name of a PAC or campaign committee making a contribution or contributions, the date and amount of any monetary or in-kind contributions made during the time period covered by the report and the aggregate total of all contributions accepted from the PAC or campaign committee.

Information on all loans made to the committee or repaid by the committee.

The name and address of any person or entity to whom an expenditure of more than \$200 in the aggregate was made during the time period covered by the Report, a description of the goods or services purchased with the expenditure and the aggregate total of all expenditures made to the person or entity.

It is imperative that the Treasurer keep detailed and accurate records of all campaign committee transactions to ensure that the Treasurer has the information necessary to correctly account for all the receipts and expenditures of the committee.

Sometimes this responsibility goes beyond merely recording gross expenditures. For example, expenditures made by political consultants or other third parties on behalf of the candidate must be reported as if the expenditures had been made directly by the campaign committee. That makes it necessary to identify all of the expenditures made by such persons on behalf of the candidate so that expenditures of more than \$200 can be properly reported. The same is true for expenditures made by using a credit card for payment. Expenditures made by using a credit card that are more than \$200 are reported individually, not as a single credit card payment. Another example of necessary detail that goes beyond the surface is the reporting of contributions from eligible limited liability companies and partnerships. Although the candidate

may receive a contribution from a limited liability company or a partnership, the contributions must be reported as if the contributions were made by the members or partners, respectively. To accurately report the committee's activities, the Treasurer often will have to elicit details not apparent on the face of a contribution or expenditure and keep careful records in order to make the Report of Contributions and Expenditures. [Rule 2.106](#).

### **Help in Completing Reports of Contributions and Expenditures**

Detailed information on completing Reports of Contributions and Expenditures may be found on the Ethics Commission's website, [www.ok.gov/ethics](http://www.ok.gov/ethics).

## **Understanding Contributions**

### **What a Contribution Is**

A contribution generally is anything of value given to a campaign committee. Contributions may be either monetary or "in-kind." Monetary contributions are made in cash or through "written instruments" such as a personal check or a credit card authorization. "In kind" contributions are goods or services rather than monetary instruments. [Rule 2.2\(6\)](#).

### **When an Expenditure Is a Contribution**

Contributions include expenditures made on behalf of a campaign committee, except independent expenditures. For example, if a political action committee (PAC) purchased a newspaper advertisement urging the election of a particular candidate and did so with the candidate's knowledge, the expenditure would be considered an in-kind contribution by the PAC to the candidate. [Rule 2.2\(6\)](#).

### **Volunteer Services**

The value of volunteer services is not considered a contribution by an individual who volunteers those services. However, no individual or entity may "volunteer" the services of another individual. An employer, for example, cannot "volunteer" the services of an employee. [Rule 2.2\(6\)](#).

When an individual volunteers the use of a personal telephone, electronic mail, internet social media or similar electronic devices or services for campaign communications, such use is not considered a contribution but is considered as a volunteer service. [Rule 2.110](#). Use by a commercial entity of telephone, electronic mail, Internet social media or similar devices or services is considered as an in-kind contribution unless the campaign committee pays for the use. [Rule 2.111](#).

### **Communications by a Corporation or Labor Union**

Communications by a corporation intended to be received only by its stockholders, directors, officers or employees and their spouses, and communications by a labor union intended to be received only by its members and their spouses are not considered contributions. For example, a corporation or labor union may wish to make known to its employees or members, respectively, an endorsement of a particular candidate. In such a case, the endorsement would not be considered a contribution to the candidate's campaign. [Rule 2.29](#).

### **Who May Make Contributions**

Generally, any individual or other person except corporations and labor unions may make contributions to a campaign committee. Other “person” could be a partnership or a limited liability company, for example. A child under the age of 18 may make a contribution only if the contribution is attributed to his or her parent (or equally between two parents) or guardian. [Rule 2.17](#). Federal law prohibits contributions by a foreign national.

### **Corporate and Labor Union Contributions Prohibited**

Corporations and labor unions may not contribute to campaign committees, and campaign committees may not accept contributions from corporations or labor unions. This prohibition includes all types of corporations, such as for profit corporations, nonprofit corporations and professional corporations. If the entity is incorporated, the prohibition applies. [Okla. Const. art. IX, § 40](#); [21 O.S. § 187.2](#); [Rule 2.23](#).

### **Limited Liability Company Contributions**

A limited liability company may make contributions to a campaign committee, provided none of its owners is incorporated. The owners of a limited liability company are called “members.” A limited liability company may not make a contribution to a campaign committee if one or more members of the limited liability company is a corporation. [Rule 2.24](#). Contributions by a limited liability company are reported as contributions from each individual member of the limited liability company in proportion to the member’s ownership interest. For example, if a limited liability company owned by two members equally made a contribution to a campaign committee, the campaign committee could accept a check from the limited liability company but would report a contribution for half the amount of the check from each of the two members as individuals. [Rule 2.106](#).

### **Partnership Contributions**

A partnership may make contributions to a campaign committee, provided none of the partners is a corporation. A partnership may not make a contribution to a campaign committee if one or more partners is a corporation. [Rule 2.25](#). Contributions by a partnership are reported as contributions from each individual partner in proportion to the partner’s partnership interest. For example, if a partnership with two partners owning equal shares of the partnership made a contribution to a campaign committee, the campaign committee could accept a check from the partnership but would report a contribution for half the amount of the check from each of the two partners as individuals. [Rule 2.106](#).

### **Contributions Cannot Be Reported in the Name of Another Person**

A contribution must be reported in the name of the person who made the contribution. To report a contribution in the name of someone other than the person who made the contribution is called “money laundering” and is prohibited. [Rule 2.18](#).

### **Cash Contributions and Anonymous Contributions**

The maximum amount of a cash contribution is \$50. This is an aggregate amount, i.e., all cash contributions from a single contributor added together may not exceed \$50.

The maximum amount of an anonymous contribution is \$50. If an anonymous contribution in excess of \$50 is received, the amount of the contribution in excess of \$50 must be deposited with the State Treasurer to the general revenue fund of the state. [Rules 2.19](#) and [2.20](#).

### **Accepting and Depositing Contributions**

A contribution is deemed to have been accepted by a campaign committee if it is not returned within 10 business days after it has been received. [Rule 2.21](#). A “business day” generally excludes Saturdays, Sundays and official state holidays. A contribution must be deposited during that same period - 10 business days - unless it is returned. A contribution that is not deposited within 10 business days after the campaign committee has received it must be returned to the contributor and reported as having been accepted and refunded. [Rule 2.22](#).

### **Earmarked Contributions Are Contributions to Candidates**

A contribution to a political party committee or a limited political action committee that is designated, either directly or indirectly, for the benefit of a particular candidate or candidates is considered as a contribution by the contributor to the candidate or candidates. [Rules 2.31](#) and [2.33\(A\)](#).

### **Contributions to County Candidates by Federal Committees**

A campaign committee may accept a contribution from a political action committee registered with the Federal Election Commission (FEC), subject to limits of the Ethics Rules. However, a campaign committee may not accept a contribution from the authorized committee of a candidate for federal office. [Rules 2.30](#) and [2.98](#).

### **Modest Items May Be Given in Recognition of Contributions**

A campaign committee may provide coffee mugs, t-shirts, caps and similar items of modest value free of charge to volunteers or contributors to the campaign committee. Expenditures for such items are considered as campaign expenditures by the campaign committee. If a campaign committee sells goods or services, such activities are subject to applicable licenses and taxes provided by law. [Rule 2.64](#). Such goods or services must be sold for campaign purposes.

## **Special Fund-Raising Events**

### **Joint Candidate Fund-Raising Events**

Two or more candidates for county office may participate in a joint fund-raising event. Each participating candidate must be given approximately equal status in any formal solicitation of contributions, and each participating candidate must pay an equal share of the costs.

Contributions to campaign committees may not be commingled. Each contribution must be made to an individual campaign committee. [Rule 2.59](#).

### **Residence Used for Fund-Raiser**

An individual who hosts a fund-raising event for a candidate in his or her residence and uses personal funds in doing so may spend up to \$1,000 before the expenditure is considered an in-kind contribution to the candidate’s campaign. In other words, an individual could host such a fund-raising event in his or her home and spend \$1,000 on refreshments without making a contribution to the candidate. Any personal funds expended above the \$1,000 limit are considered in-kind contributions subject to regular limits and reporting requirements. For example, an individual who hosted such a fund-raising event in his or her residence and spent

\$1,500 on refreshments would be making an in-kind contribution of \$500. This \$1,000 exclusion may be used only one time by an individual for a candidate's campaign, although more than one individual may use the exclusion for the same candidate. [Rule 2.60](#).

### **Non-Residence Used for Fund-Raiser**

An individual who hosts a fund-raising event for a candidate in an office or other nonresidential building and uses personal funds in doing so may spend up to \$1,000 before the expenditure is considered an in-kind contribution. The exclusion may be used one time for a candidate's campaign and may not exceed \$1,000. Any personal funds expended above the \$1,000 limit are considered in-kind contributions subject to regular limits or reporting requirements. To qualify for the exclusion, the office or other building must be owned by or exclusively leased or rented by the individual who is receiving the exclusion. Otherwise, use of the space is considered an in-kind contribution by the owner. This provision does not permit a corporation or labor union to make an in-kind contribution that is otherwise prohibited. [Rule 2.61](#).

### **Golfing Fund-Raising Events**

A campaign committee may use golfing events for fund-raising purposes. Any goods or services donated to a golfing fund-raising event are considered as contributions based on the fair market value of the goods or services. Any fee paid to participate in the event is a contribution. No goods or services may be donated, nor a fee paid, by a corporation or labor union. [Rule 2.62](#).

### **Fund-Raising Auctions and Sales**

A candidate may use auctions or other sales for fund-raising purposes. Any goods or services donated to such an event are contributions to the campaign committee based on their fair market value. Any money paid for goods or services at such an event are contributions. No goods or services may be donated nor purchased by a corporation or labor union. [Rule 2.63](#).

## **Loans**

### **Loans by Commercial Financial Institutions**

A loan to a campaign committee by a commercial financial institution that normally engages in the business of making loans is not considered a contribution if the loan is made in the regular course of business and on the same terms ordinarily available to the public. [Rule 2.65](#).

### **Loans by Non-Financial Institutions Are Contributions**

A loan by a person other than a commercial financial institution to a campaign committee is a contribution from the lender, guarantor or endorser in the amount of the balance of the loan that has not been repaid. [Rule 2.67](#).

### **PACs May Not Make Loan to or Receive Loan from Campaign Committees**

A PAC may not make a loan to or receive a loan from a campaign committee. [Rule 2.66](#).

### **Campaign Committee May Not Make Loans to Other Campaign committees**

A campaign committee may not make a loan to another campaign committee. [Rule 2.66](#).

### **Candidates May Make Unlimited Loans to Their Own Campaign Committees**

A candidate may make a loan to his or her campaign committee from his or her personal funds or from joint funds of the candidate and the candidate's spouse. There is no limit on the amount of personal funds that can be loaned to the campaign committee.

If a candidate makes a loan to his or her committee, the terms of the loan must be in writing in a document executed contemporaneously with the transfer of funds into the campaign committee's account. The document must be signed and dated by all parties involved.

Such a loan may be repaid from contributions received by the campaign committee, but the campaign committee shall not be permitted to pay any interest on the loan. The report of contributions and expenditures must indicate a loan for the candidate to receive repayment.

If the candidate transfers his or her personal funds or joint funds of the candidate and the candidate's spouse to the campaign committee without a contemporaneously-executed written loan document, the campaign committee cannot repay the candidate for the transfer.

A candidate who makes expenditures from personal funds or joint funds of the candidate and the candidate's spouse that are not first transferred to the campaign committee's joint account shall not have made a loan to the committee and thus cannot be repaid from contributions received. Such expenditures are reported as contributions to the campaign committee by the candidate and also are shown as expenditures by the campaign committee.

## **Receiving Contributions**

### **Corporations and Labor Unions Prohibited from Contributing to Candidates**

Corporations and labor unions may not make a contribution to a campaign committee, and a campaign committee may not accept a contribution from a corporation or labor union. This prohibition includes all types of corporations, such as for profit corporations, nonprofit corporations and professional corporations. If the entity is incorporated, the prohibition applies. [Okla. Const. art. IX, § 40](#); [21 O.S. § 187.2](#); [Rule 2.23](#).

### **Limited and Unlimited Committees**

A "limited committee" is a political action committee organized to make contributions to candidates for state offices that is registered with the Ethics Commission. These limited committees also may make contributions to candidates for county office. In addition, a "county political committee" is a committee composed of one or more persons whose purpose includes the election or defeat of one or more candidates for county office but which is not required to register with the Ethics Commission or the Federal Election Commission. Both a "limited committee" and a "county political committee" are "political action committees," or "PACs." An "unlimited committee" is a political action committee organized for the purpose of making independent expenditures or electioneering communications. [Rule 2.2\(13\)](#) and [\(19\)](#).

### **Unlimited Committees Prohibited from Contributing to Candidates**

An unlimited committee may not make a contribution in any amount to a campaign committee. [Rule 2.2\(19\)](#).

### **Foreign Nationals Prohibited from Contributing to Candidates**

Federal law prohibits foreign nationals from making contributions to candidates.

### **Individual Contributions to Candidates**

An individual may make a contribution of up to \$2,700 to a campaign committee prior to a primary election.

Whether or not an individual has made a prior contribution, the individual may contribute up to \$2,700 to a campaign committee after the primary election but before the runoff primary election, but only if the candidate's name appears on the ballot at the runoff primary election.

Similarly, an individual may contribute an additional \$2,700 to a campaign committee prior to the general election if the candidate receives the party nomination in a contested primary or runoff primary election, regardless of whether the individual has made a prior contribution, but only if the candidate's name appears on the ballot at the general election.

If an individual has made no prior contributions to a campaign committee, the individual may contribute up to \$2,700 after the general election.

These limits are individual limits, so the individual's spouse also could contribute up to \$2,700 to a campaign committee at the same time as the individual did. Stated differently, a married couple could contribute up to \$5,400 at each permitted interval in the election process. However, the contributions must be reported as individual contributions.

In other words, an individual may make a maximum contribution of \$2,700 at each election a candidate's name appears on the ballot, or a total of \$2,700 for a candidate who is unopposed.

The maximum contribution from an individual to a campaign committee is

\$2,700 if the candidate's name appears only on the primary election ballot;

\$5,400 if the candidate's name appears only on the primary election and runoff primary election ballots;

\$5,400 if the candidate's name appears only on the primary election and general election ballots;

\$8,100 if the candidate's name appears on the primary election, runoff primary election and general election ballots;

\$2,700 if the candidate is unopposed; and

\$2,700 after the general election if no previous contributions have been made.

The maximum contribution limits are specific to each election. For example, if an individual had given a contribution to a candidate of \$1,000 prior to the primary election, and the candidate's name appeared on the ballot at the runoff primary election, the individual could make an additional contribution of \$2,700---or a total of \$3,700 in the aggregate for both elections---prior to the runoff primary election. However, in identical circumstances, an individual who had given a contribution of \$2,700 to the candidate prior to the primary election could give an additional contribution of

\$2,700---or a total of \$5,400---after the primary election but before the runoff primary election. Assuming the same candidate's name did not appear on the general election ballot, the individual could give no more contributions after the runoff primary election. [Rule 2.37](#).

### **Maximum Individual Contributions Indexed to Inflation**

Before July 1 of every odd-numbered year, the Ethics Commission adjusts the maximum individual contribution limit upward, rounded to the nearest \$100 increment, based on the increase in the Consumer Price Index during the preceding calendar year. The Commission increased the maximum individual contribution amount in its meeting on April 10, 2015, pursuant to Subsection (H) of Section 2.37. [Rule 2.37](#).

### **Candidate May Make Unlimited Contributions to His or Her Own Committee**

A candidate may contribute an unlimited amount to his or her campaign committee from his or her personal funds or from joint funds of the candidate and the candidate's spouse. [Rule 2.38](#).

### **Special Limit on Nontaxable Gifts**

A gift to a candidate or a candidate's spouse that are nontaxable under the United States Internal Revenue Code are considered contributions to the candidate's campaign committee to the extent that the gift exceeds a gift from the same donor in three of the preceding five calendar years, assuming the candidate makes a similar contribution to his or her campaign. [Rule 2.38](#).

### **Limited Liability Company Contributions**

A limited liability company may make contributions to a campaign committee, provided none of its owners is incorporated. The owners of a limited liability company are called "members." A limited liability company may not make a contribution to a campaign committee if one or more members of the limited liability company is a corporation. [Rule 2.24](#). Contributions by a limited liability company are reported as contributions from each individual member of the limited liability company in proportion to the member's ownership interest. For example, if a limited liability company owned by two members equally made a contribution to a campaign committee, the campaign committee could accept a check from the limited liability company but would report a contribution for half the amount of the check from each of the two members as individuals. These contributions are subject to the limits for individual contributions. [Rule 2.106](#).

### **Partnership Contributions**

A partnership may make contributions to a campaign committee, provided none of the partners is a corporation. A partnership may not make a contribution to a campaign committee if one or more partners is a corporation. [Rule 2.25](#). Contributions by a partnership are reported as contributions from each individual partner in proportion to the partner's partnership interest. For example, if a partnership with two partners owning equal shares of the partnership made a contribution to a campaign committee, the campaign committee could accept a check from the partnership but would report a contribution for half the amount of the check from each of the two partners as individuals. These contributions are subject to the limits for individual contributions. [Rule 2.106](#).

### **Contributions from Political Parties**

A campaign committee may receive contributions from political party committees. The maximum amount that a political party committee may contribute is \$10,000 to a candidate for any county office. The contribution may be made prior to any general election for the office.

The maximum amount includes the aggregate of all contributions made to the candidate by a political party committee, including the state committee, Congressional District committees, county committees and precinct committees, or any other committee or entity officially recognized in the party's bylaws or similar governing document.

### **Contributions by Limited Committee or County Political Committees to Candidates**

A limited committee or county political committee may contribute no more than \$5,000 to a campaign committee prior to a primary election.

Whether or not a limited committee or county political committee has made a prior contribution, the committee may contribute \$5,000 to a campaign committee after the primary election but before the runoff primary election, only if the candidate's name appears on the ballot at the runoff primary election.

Similarly, a limited committee or a county political committee may contribute an additional \$5,000 to a campaign committee prior to the general election if the candidate receives the party nomination in a contested primary or runoff primary election, regardless of whether the PAC had made a prior contribution, but only if the candidate's name appears on the ballot at the general election.

If the PAC has made no prior contributions to a campaign committee, it may contribute no more than \$5,000 after the general election. [Rule 2.33\(D\), \(E\), \(F\) and \(G\)](#).

In other words, a limited committee or a county political committee may make a maximum contribution of \$5,000 for each election a candidate's name appears on the ballot, or a total of \$5,000 for a candidate who is unopposed.

The maximum contribution by a limited committee or a county political committee to a campaign committee is as follows:

\$5,000 if the candidate's name appears only on the primary election ballot;

\$10,000 if the candidate's name appears only on the primary election and runoff primary election ballots;

\$10,000 if the candidate's name appears only on the primary election and general election ballots;

\$15,000 if the candidate's name appears on the primary election, runoff primary election and general election ballots;

\$5,000 if the candidate is unopposed; and

\$5,000 after the general election if no previous contributions have been made.

The maximum levels are specific to the next election. For example, if a limited committee or a county political committee had given a contribution of \$1,000 to a candidate prior to the primary election, and the candidate's name appeared on the ballot at the runoff primary election, the limited committee or county political committee could make an additional contribution of \$5,000 - or a total of \$6,000 in the aggregate for both elections - prior to the runoff primary election. However, in the identical circumstances, a limited committee or county political committee that had given a contribution of \$5,000 to the candidate prior to the primary election could give an additional contribution of \$5,000 - or a total of \$10,000 - after the primary election but before the runoff primary election. Assuming the same candidate's name did not appear on the general election ballot, the limited committee or county political committee could give no more contributions after the runoff primary election.

### **Limited Committees Registered Less Than a Year or with Fewer Than 25 Contributors (1/25)**

A limited committee that has been registered with the Ethics Commission less than a year prior to a primary election or that has fewer than 25 contributors, also known as 1/25, is subject to contribution limits lower than limited committees with a longer existence and more contributors. Such limited committees may make contributions to campaign committees subject to maximum limits exactly half the amount of maximum contributions by other limited committees, i.e., \$2,500 rather than \$5,000. [Rule 2.34\(D\)\(E\)\(F\) and \(G\)](#).

Thus, the maximum contribution by such a limited committee to a campaign committee is as follows:

\$2,500 if the candidate's name appears only on the primary election ballot;

\$5,000 if the candidate's name appears only on the primary election and runoff primary election ballots;

\$5,000 if the candidate's name appears only on the primary election and general election ballots;

\$7,500 if the candidate's name appears on the primary election, runoff primary election and general election ballots;

\$2,500 if the candidate is unopposed; and

\$2,500 after the general election if no previous contributions have been made.

### **Contributions by Federal Committees**

A campaign committee may accept a contribution from a political action committee registered with the Federal Election Commission (FEC), subject to limits of the Ethics Rules. However, a campaign committee may not accept a contribution from the authorized committee of a candidate for federal office. [Rules 2.30](#) and [2.98](#).

### **Contributions from Out-of-State Political Action Committees**

A campaign committee may accept a contribution from a political action committee registered in another state, provided the political action committee would be eligible to make contributions to the candidate if it was registered in Oklahoma. [Rule 2.99](#).

### **Candidates Prohibited From Receiving Excessive Contributions**

No candidate or campaign committee may receive contributions from a political party, political action committee or other person in excess of the limits. In other words, it is a violation of the Rules by both the contributor and the recipient if the maximum limits are exceeded. [Rule 2.38.](#)

## **Making Expenditures**

### **General Rules for Making Expenditures**

Contributions to a campaign committee may be used to make expenditures for ordinary and necessary campaign expenses, for contributions to another campaign committee, for operating expenses of the committee or for other purposes not otherwise prohibited by law of the Ethics Rules.

### **Ordinary and Necessary Campaign Expenses**

“Ordinary and necessary campaign expenses” are expenses that would not exist but for the candidate’s campaign. Examples include, but are not limited to, staff salaries, campaign consulting fees, rent (other than for the candidate’s residence or part of a residence), travel, advertising, telephones, office supplies and equipment, fundraising, individual memberships in political organizations, individual memberships in civic or charitable organizations, legal fees for the campaign, payment for campaign accounting or bookkeeping services or campaign finance reporting services and repayment of the principal and interest on a loan as permitted under the Ethics Rules. The examples are intended to be illustrative, not exhaustive. [Rule 2.43.](#)

### **Expenditures Made to Family Members**

Expenditures made by a campaign committee to a family member for services provided to the campaign may be no more than customary compensation for such services. [Rule 2.43.](#)

### **Personal Use of Campaign Funds Prohibited**

Contributions accepted by a campaign committee may not be converted by any person to personal use. “Personal use” includes any use of funds to fulfill a commitment, obligation or expense of any person that would exist irrespective of a candidate’s campaign or responsibilities as a holder of a state elective office. “Personal use” by a candidate includes, but is not limited to, food purchased for daily consumption in the candidate’s home or supplies needed to maintain the household; clothing (excluding campaign clothing of low monetary value such as T-shirts or caps); mortgage, rent or utility payments for the candidate’s personal residence, even if part of the residence is being used for the campaign; use of a motor vehicle for non-campaign purposes or non-officeholder expenses; interest on a loan made by the candidate or the candidate’s spouse to the campaign; costs of a vacation or other trip not related to the campaign or officeholder expenses; admission to athletic events, concerts, theater or other forms of entertainment (except for events that are part of the campaign); dues in country clubs, health clubs, recreational facilities or other nonpolitical organizations and earnings from investments of contributions other than as permitted by the Ethics Rules. These examples are intended to be illustrative, not exhaustive. [Rule 2.39.](#)

### **Contributions to Another Candidate's Campaign Committee**

A campaign committee may make a contribution to another candidate's campaign committee. The maximum amount of such a contribution is \$2,700 in the aggregate for all three elections or if a candidate is unopposed. In other words, a campaign committee can make a contribution of no more than \$2,700 altogether to another candidate's campaign committee, regardless of the number of elections at which the recipient candidate's name appears on the ballot. [Rule 2.37\(F\)](#).

### **Contributions May Be Used to Pay Certain Officeholder Expenses**

Contributions to a campaign committee of a candidate who is elected to office for which the contributions were accepted may be used to make expenditures for officeholder expenses.

Such expenses may be paid until expiration of the term, resignation or other vacation of the office. Contributions received for a campaign for one office cannot be used to pay officeholder expenses for a different office.

When an officeholder dissolves one campaign committee and contemporaneously files a Statement of Organization for a different campaign committee prior to the expiration of the term to which he or she was elected and transfers funds from the first committee to the second committee, the officeholder may pay officeholder expenses until the expiration of the term in an amount not to exceed the amount transferred.

Officeholder expenses are ordinary and necessary expenses incurred in connection with a candidate's duties as the holder of a county elective office, provided that the expenses are not otherwise reimbursed or paid for by the state. "Ordinary and necessary expenses" are those that would not exist but for the fact that the candidate was elected to and holds county elective office. [Rules 2.44](#) and [2.2\(14\)](#).

### **Calculating Expenses for Motor Vehicle Travel**

Calculating travel expenses for use of a motor vehicle is determined by the factual circumstances in which the motor vehicle is used.

All expenses associated with the purchase or lease and operation of a motor vehicle may be paid with contributions to a campaign committee only if the motor vehicle is used exclusively for campaign purposes or for ordinary and necessary expenses incurred in connection with the candidate's duties as the holder of an elective county office. This provision is not effective if the motor vehicle is used for any other purpose, including but not limited to personal use.

If a motor vehicle is used for both campaign and officeholder expenses, as described in the preceding paragraph, and for any other purpose - including personal use - the campaign committee may make expenditures only for mileage reimbursement at the rate authorized for the use of privately owned motor vehicles under the State Travel Reimbursement Act, or less.

Expenditures for the rental of a motor vehicle or for fares of taxicabs, buses or similar modes of transportation may be made at the actual cost of the rental or fare, provided the rental or fare is at the rate normally charged for others.

If campaign contributions are used for the purchase or lease of a motor vehicle, the motor vehicle must be purchased or leased from a dealer licensed by the Oklahoma Motor Vehicle Commission or the Oklahoma Used Motor Vehicle and Parts Commission on commercially

reasonable terms and cannot be purchased from the committee by the candidate or a family member of the candidate. [Rule 2.45](#).

## Understanding Independent Expenditures

### **What an Independent Expenditure Is**

An independent expenditure is an expenditure made by a person that expressly advocates the election or defeat of a clearly identified candidate. An independent expenditure cannot be made in coordination with, cooperation with, consultation with, or concert with, or at their request or suggestion of, a candidate, a campaign committee or their agents or a political party committee or its agents. [Rule 2.2\(10\)](#).

### **What an Independent Expenditure Is Not**

An independent expenditure is not a contribution to a candidate or a campaign committee.

An independent expenditure does not include the display of a noncommercial yard sign, lapel pin, button, bumper sticker or similar displays of support or opposition to a political party or a candidate. [Rule 2.2\(6\)](#) and [\(10\)](#).

### **Who May Make Independent Expenditures**

Any limited committee, county political committee or unlimited committee may make independent expenditures consistent with the purposes of the committee. Independent expenditures also may be made by other persons, such as individuals, partnerships, limited liability companies and corporations. [Rule 2.50](#). A candidate, of course, cannot make an independent expenditure for his or her own campaign and is prohibited from making an independent expenditure for the campaign of another candidate. [Rule 2.49](#).

### **No Limits on Independent Expenditures**

There are no limits to the amount of funds that may be spent on independent expenditures. [Rule 2.50](#).

### **What Constitutes Coordination, Cooperation, Consultation or “Acting In Concert”**

Coordination, cooperation, consultation and “acting in concert” are not defined in the Ethics Rules. Common definitions of “coordination,” “cooperation,” “consultation” and “concert” offer these descriptions, among many others: “to associate with others for mutual benefit,” “to act together,” “to confer,” “formed by mutual communication of opinion and views.” Whether or not there is coordination, cooperation or consultation in any given situation depends upon the facts.

### **Consequences of Coordination**

If an alleged “independent expenditure” is in fact made in coordination with, cooperation with, consultation with, or concert with, or at their request or suggestion of, a candidate, a campaign committee or their agents or a political party committee or its agents, then the “expenditure” becomes a contribution to the campaign committee. [Rule 2.2\(6\)](#). If the amount of the expenditure exceeds the limits for contributions, then it is a violation of the Ethics Rules by both the contributor and the recipient.

### **How Independent Expenditures Are Reported**

If an independent expenditure of \$5,000 or more is made by a PAC or any other person at least 15 days prior to any primary, runoff primary or general election, that expenditure must be reported by the PAC at the same time that candidates file pre-election reports. The \$5,000 trigger is an aggregate number of all independent expenditures made by the PAC. [Rule 2.107\(A\)](#).

If an independent expenditure of \$5,000 or more is made by a PAC or any other person no more than 14 days prior to a primary, runoff primary or general election, but no later than the day of the election, that expenditure must be reported no later than the business day following the day the expenditure is made. [Rule 2.107\(B\)](#).

## **Disclosure Requirements for Campaign Advertising**

### **Electronic Communications Disclosure Requirements**

Whenever a campaign committee makes an expenditure for the purpose of communicating through any Internet advertising or video, radio, television, cable or satellite broadcast, the communication shall state, either orally or in writing, "Authorized and paid for by NAME OF COMMITTEE." If the disclosure is in writing, it must be of sufficient size and contrast to be clearly readable by the recipient of the communication. [Rule 2.55](#).

### **Printed Communications Disclosure Requirements**

Whenever a campaign committee makes an expenditure for the purpose of communicating through any Internet advertising, or direct mail, magazine advertisement, newspaper advertisement or other printed materials, the communication shall state, "Authorized and paid for by NAME OF COMMITTEE." The disclosure must be of sufficient size and contrast to be clearly readable by the recipient of the communication. [Rule 2.56](#).

### **Disclosure Not Required for Certain Items**

No disclosure is required for items such as bumper stickers, campaign buttons, t-shirts, aerial advertising or similar advertisements where inclusion of a disclaimer would be impractical. [Rule 2.56](#).

## **Dissolving the Campaign Committee**

### **Campaign Committee May Dissolve at Any Time**

A campaign committee may dissolve at any time prior to mandatory dissolution dates by filing a Final Report of Contributions and Expenditures that shows no funds remaining in the committee. [Rule 2.115](#).

### **Required Dissolution of Campaign Committee**

A campaign committee must dissolve no later than four years after the general election for an office with a four-year term. [Rule 2.115](#).

### **Surplus Funds**

Surplus funds of a campaign committee may be designated only following the election at which the office for which the campaign committee has been determined. The candidate, at his or her discretion, may determine that such funds are not required for campaign expenses or officeholder expenses.

### **Uses of Surplus Funds**

Surplus funds may be

Retained in any amount for use in a future campaign for the next succeeding term of the same office;

Retained for a future campaign for a different county elective office;

Donated to a charitable organization as described in Section 501(c)(3) of Title 26 of the United States Code;

Returned to any contributor, as long as the amount returned does not exceed the contributor's aggregate contribution during the immediately preceding primary election, runoff primary election and general election, or

Contributed to a political party committee in any amount not to exceed \$25,000 in the aggregate.

Surplus funds may not be used for any other purpose. [Rule 2.48.](#)

### **Disposition of Surplus Funds**

Surplus funds remaining in the campaign committee's possession within 90 days after the expiration of the term to which the candidate was elected or, for candidates who were not elected, within 90 days after the second year following the general election, shall be deposited in the general revenue fund of the State of Oklahoma. [Rule 2.48.](#)

### **Disposition of Assets**

The campaign committee must dispose of assets acquired by the campaign committee through purchase or in-kind contributions, including but not limited to furniture, computer equipment and similar items. If the candidate retains those assets, that would amount to converting contributions to personal use in violation of the Ethics Rules. A candidate may purchase such assets from the campaign committee but only if the candidate pays fair market value for such purchases.

### **Resolution of Debt**

If a campaign committee has debt at the time of its dissolution, that debt must be resolved in a commercially reasonable manner before the campaign committee may dissolve. Debt may not be resolved for the purpose of evading prohibitions or limitations of the Rules. If a debt is not resolved in a commercially reasonable manner, the amount of the debt that is forgiven shall be considered a contribution to the candidate. [Rule 2.116.](#)

**Final Report of Contributions and Expenditures**

A Final Report of Contributions and Expenditures is identical to other Reports of Contributions and Expenditures except that it requires information about the resolution of debt and disposition of assets, if any. A Final Report may be filed at any time. It covers a period beginning after the last day of the immediately preceding reporting period and ending on the day before the Final Report is filed. [Rule 2.117](#).