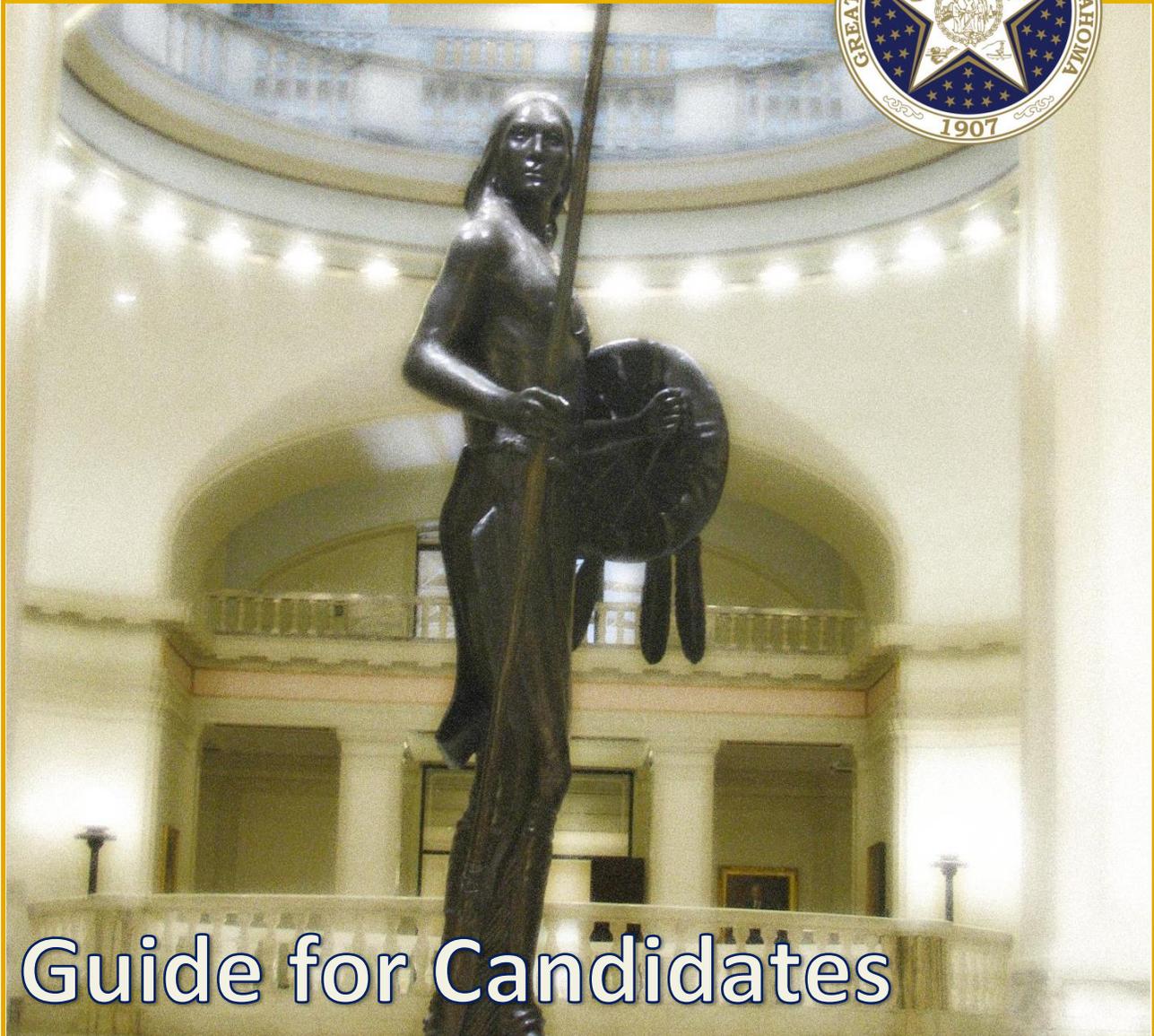


# Oklahoma Ethics Commission

*FAIR RULES. FIRM ENFORCEMENT.*



## Guide for Candidates

**2016-2017**

“This publication is issued by the Oklahoma Ethics Commission as authorized by Executive Director, Ashley Kemp, pursuant to Ethics Rule 1.8, and is located at the following website: <http://www.ethics.ok.gov>. This publication has been submitted in compliance with Section 3-114 of Title 65 of the Oklahoma Statutes.” Guides are updated annually in July. This Guide was updated on July 1, 2016.

## Table of Contents

The Commissioners.....	5
I. Introduction.....	5
How to Use This Guide.....	5
Limited Scope.....	5
This Guide Is Limited to Oklahoma Campaigns for State Offices .....	5
Advisory Opinions .....	5
Commission Website .....	5
Registration and Compliance Fees.....	5
Training and Education Fees.....	6
The Guardian System.....	6
Contacting the Commission .....	6
II. Ethics Commission Resources .....	7
Ethics Rules and Guides .....	7
Ethics Continuing Education Programs.....	7
Ethics “Helpful Tips” .....	7
III. Exploratory Activities.....	7
IV. Understanding “Candidates” and Candidate Committees.....	8
Individuals Who Are Considered Candidates Under the Ethics Rules .....	8
Candidate Committee Formation:.....	8
a. New Campaign .....	8
b. From Old Campaign to New Campaign .....	8
When a Statement of Organization Must Be Filed .....	8
Where a Statement of Organization Must Be Filed.....	9
Contents of the Statement of Organization .....	9
Committee Officers.....	9
a. Candidate May Not Serve as Officer of Another Committee .....	10
b. Officer Duties.....	10
How Long Records Should Be Kept.....	10
When the Candidate Committee Cannot Accept or Expend Funds .....	10
Campaign Depositories.....	10
a. Contributions Should be Put Into the Depository, and Expenditures Should Come Out of Depository .....	10

Amending the Statement of Organization.....	11
a. Vacancies in Candidate Committee Offices .....	11
Special Requirements for Judicial Candidates .....	11
V. Understanding Contributions.....	11
What a Contribution Is.....	11
a. Contributions Must Be Voluntary and Cannot Be Reported in the Name of Another Person... 11	
b. Earmarked Contributions Are Contributions to Candidates.....	11
c. When an Expenditure Is a Contribution .....	11
d. Volunteer Services Are Not Contributions .....	12
Accepting and Depositing Contributions .....	12
Who May Make Contributions to a Candidate Committee? .....	12
a. Any Individual .....	12
b. A Candidate to His or Her Own Candidate Committee.....	12
c. Another Candidate Committee.....	12
d. Limited Liability Company .....	12
e. Partnership .....	13
f. Limited Committee (Limited PAC) .....	13
g. 1/25 Political Action Committee (1/25 PAC).....	13
h. Out-of-State Political Action Committee.....	13
i. Federal Political Action Committee .....	13
j. Political Party .....	14
Prohibited Contributions .....	14
a. Corporate and Labor Union Contributions Prohibited.....	14
b. Contributions from Foreign Nationals Are Prohibited .....	14
c. Unlimited Committees Prohibited from Contributing to Candidates.....	14
d. Federal Candidate Committee Contributions Prohibited .....	14
e. No Contributions During Blackout Period from Lobbyists and Lobbyist Principals .....	14
VI. Contribution Limits.....	15
Candidates Prohibited From Receiving Excessive Contributions.....	15
a. Individual Contributions to Candidates.....	15
b. Cash Contributions and Anonymous Contributions.....	16
c. Candidate May Make Unlimited Contributions to His or Her Own Committee .....	17

d.	Special Limit on Nontaxable Gifts .....	17
e.	Contributions from Another Candidate Committee .....	17
f.	Contributions from Political Parties to Candidates .....	17
g.	Contributions from Limited Political Action Committee to Candidates .....	17
h.	Contributions from 1/25 Political Action Committees to Candidates .....	18
i.	Contributions from Out-of-State Political Action Committees.....	19
VII.	Special Fund-Raising Events.....	19
	Joint Candidate Fund-Raising Events.....	19
	Residence Used for Fund-Raiser .....	19
	Non-Residential Buildings Used for Fund-Raiser .....	19
	Golf Fund-Raising Events .....	20
	Fund-Raising Auctions.....	20
	Sales of Goods or Services .....	20
VIII.	Prohibited Activities Involving Public Funds, Property or Time .....	20
	a. General Prohibitions of Public Funds, Property and Time .....	20
	b. Other Rules Specifically Regarding Elected State Officers and Staff .....	22
IX.	Loans .....	23
	a. Required Two-Step Process: (1) Contemporaneous Documentation and (2) Report Loan from Candidate to Committee in Report of Contributions and Expenditures.....	23
X.	Understanding Expenditures.....	24
	What an Expenditure Is .....	24
	General Rules for Making Expenditures .....	24
	a. Ordinary and Necessary Campaign Expenses (Expenditures Due to Campaign) .....	24
	b. Expenditures Made to Family Members.....	24
	c. Personal Use of Campaign Funds Prohibited.....	25
	d. Contributions to Another Candidate Committee .....	25
	e. Contributions May Be Used to Pay Certain Officeholder Expenses (Expenditures Once Elected). .....	25
	f. Calculating Expenses for Motor Vehicle Travel .....	26
	g. Calculating Expenses for Air Travel.....	26
	h. Modest Items May Be Given in Recognition of Contributions .....	27
XI.	Making Reports of Contributions and Expenditures .....	27
	Obligation to Make Reports.....	27

Filing Reports in The Guardian System .....	27
Filing the First Report.....	28
Quarterly Reports Required in Non-Election Years .....	28
Quarterly and Pre-Election Reports Required in Election Years.....	29
All Candidates Must File Pre-Election Reports .....	29
Filing Dates Are on the Website .....	29
Special Election Reporting Dates .....	29
Reports Due Between Pre-Election Time Period and Election Day .....	30
Contents of Reports of Contributions and Expenditures .....	30
Resources for Filing Reports of Contributions and Expenditures in The Guardian System.....	31
XII. Disclosure Requirements for Campaign Advertising.....	31
Electronic Communications Disclosure Requirements.....	31
Printed Communications Disclosure Requirements .....	32
Disclosure Not Required for Certain Items .....	32
XIII. Personal Financial Disclosure Statement (PFD) .....	32
XIV. Understanding Independent Expenditures, Electioneering Communications, and the Risks of Coordination. 32	
What an Independent Expenditure Is.....	32
a. What an Independent Expenditure Is Not .....	32
b. Who May Make Independent Expenditures.....	32
What an Electioneering Communication Is .....	33
a. What an Electioneering Communication Is Not .....	33
b. Who May Make Electioneering Communications.....	33
No Limits on Electioneering Communications.....	33
What Constitutes Coordination, Cooperation, Consultation or “Acting In Concert” .....	33
Consequences of Coordination.....	33
How Independent Expenditures or Electioneering Communications Are Reported.....	34
XV. Dissolving the Candidate Committee .....	34
Candidate Committee May Dissolve at Any Time .....	34
Required Dissolution of Candidate Committee .....	34
Final Report of Contributions and Expenditures .....	34
a. Surplus Funds .....	35
b. Disposition of Assets .....	35
c. Resolution of Debt .....	35

### **The Commissioners**

- **Jo Pettigrew** – Chair, re-appointed by Governor Mary Fallin, 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
- **Holly Easterling** – appointed by Chief Justice John Reif of the Oklahoma Supreme Court, term expires July 2021
- **Cathy Stocker** – appointed by Attorney General Scott Pruitt, term expires July 2017

## **I. Introduction**

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

This Guide summarizes the Rules of the Oklahoma Ethics Commission, as applied to candidates for state office, effective July 1, 2016. It is written by the Commission staff to assist with compliance of the Ethics Rules, as authorized by [Rule 1.8](#). This 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 campaigns for state office. Individuals considering becoming candidates for state office should become familiar with the relevant Constitutional and statutory provisions as well as with the Ethics Rules.

### **This Guide Is Limited to Oklahoma Campaigns for State Offices**

This Guide only addresses Oklahoma law—specifically the Rules of the Oklahoma Ethics Commission—and is limited to campaigns for state offices. It does not address campaigns for federal, county, municipal or school district office.

Guides for county, municipal or school district candidates are available on the Ethics Commission website at [www.ethics.ok.gov](http://www.ethics.ok.gov) under the “Ethics Laws, Guides, & Forms” tab. More information for county, municipal or school district candidates is also available on the Ethics website under the “County, Municipal & School Reporting” tab.

### **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 sent to the Oklahoma Ethics Commission.

### **Commission Website**

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

### **Registration and Compliance Fees**

Candidates are required to pay a registration and administration fee upon filing a Statement of Organization. The Commission will publish registration and administration fees for candidate committees on its website under the “Campaign Finance Reporting” tab. [Rule 6.19](#). The registration and

administration fee for candidate committees opened between July 1, 2016 and June 30, 2017 is \$100.00. [Rule 6.19](#).

The Executive Director is also authorized to issue compliance orders to obtain compliance with the Ethics Rules, including late filing fees. A person affected by a compliance order may request a hearing to be conducted by an administrative law judge. [Rule 6.19](#).

### **Training and Education Fees**

The Executive Director is authorized to establish and collect fees for participation in training and educational seminars, classes, and similar programs and materials. [Rule 1.8](#).

### **The Guardian System**

The Guardian System is the Ethics Commission filing system in which all reports are filed. The Guardian System may be accessed through the Ethics Commission homepage under the “Campaign Finance Reporting” tab or at [guardian.ok.gov](http://guardian.ok.gov).

The Guardian System is accessible 24 hours a day, 7 days a week. All reports are due in The Guardian System on the specified filing date, **regardless of weekends and holidays**.

For more information on how to use The Guardian System, please see the documents and the YouTube videos with step-by-step instructions on The Guardian System website. This information may be located in The Guardian System by clicking on the “Resources” tab and then clicking on “Publications” in the dropdown menu. Also, training for The Guardian System will be provided throughout the year. Visit the Ethics website under the “Agency Information & Continuing Education” tab for training dates and information.

### **Contacting the Commission**

The Ethics Commission office is located in Room B-5 of the State Capitol. The Commission’s hours are Monday through Friday from 8:30 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

Ethics Commission meetings are typically held on the second Friday of every month. Information regarding the Commissioners, the Ethics Commission staff, and the Commission meeting agendas and minutes are located on the Commission’s Internet website at [www.ethics.ok.gov](http://www.ethics.ok.gov) under the “Agency Information and Continuing Education” tab.

## II. Ethics Commission Resources

### **Ethics Rules and Guides**

The Ethics Commission provides the text of its Rules and relevant Guides on its website at [www.ethics.ok.gov](http://www.ethics.ok.gov). The Guides provide an overview of the Rules to assist in compliance with the rules. The Ethics Laws and the Guides are available under the “Ethics Laws, Guides and Forms” tab on the Ethics website.

### **Ethics Continuing Education Programs**

The Ethics Commission also holds several continuing education programs to assist with the understanding and compliance of the Ethics Rules. More information on the continuing education dates, times, and fees is available on the Ethics website under the “Agency Information & Continuing Education” tab.

### **Ethics “Helpful Tips”**

The Ethics Commission frequently posts “Helpful Tips” on its homepage. These tips provide answers to frequently asked questions.

## III. 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 state office or offices. During this exploratory phase, an individual may accept contributions, subject to the limits of a candidate committee and make expenditures limited to exploratory activities without designating a candidate committee. When engaged in such activities, the individual must maintain all the records that are required of a candidate committee.

There are limits on the amounts of funds that can be accepted or expended in exploratory activities. For statewide office, the limit is \$25,000.00. For all other state offices, the limit is \$10,000.00.

If that limit is exceeded, the individual must either (1) file a statement of organization for a candidate committee with the Ethics Commission or (2) cease all exploratory activities.

If the individual becomes a candidate and forms a candidate 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 candidate committee.

If all exploratory activities cease and the individual decides not to seek state office, it is not necessary to file a Statement of Organization. However, no individual may conduct exploratory activities for a state office or offices more than one time between general elections. [Rule 2.78](#).

## IV. Understanding “Candidates” and Candidate Committees

### **Individuals Who Are Considered Candidates Under the Ethics Rules**

An individual who has filed a Declaration of Candidacy with the State Election Board to have his or her name placed on the ballot may or may not be considered a “candidate” under the Ethics Rules, depending on other factors discussed hereafter.

Under the Ethics Rules, a candidate is an individual who has filed or should have filed a Statement of Organization for a candidate committee with the Ethics Commission. A Statement of Organization can be filed at any time, but a Statement of Organization is required within 10 days after the candidate has accepted or spent in excess of \$1,000 for his or her campaign. [Rule 2.70](#).

### **Candidate Committee Formation:**

#### **a. New Campaign**

Every candidate is required to have a candidate committee. A candidate committee 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](#). A candidate committee includes committees for partisan elective offices (e.g., Governor, State Senator, District Attorney), for nonpartisan judicial offices (e.g., District Judge), and for judicial retention offices (e.g., Justice of the Supreme Court). [Rule 2.2\(2\)](#).

A candidate committee is registered by filing a Statement of Organization with the Ethics Commission. [Rule 2.68](#). The candidate committee name must include at least the name of the candidate (i.e., full name, first name, middle name, or last name) and the year of the election. For example: “John Smith for House 2016” or “John Smith for Senate 2016,” or “Smith 2016.” [Rule 2.75](#).

#### **b. From Old Campaign to New Campaign**

A candidate may have no more than one candidate committee for any state office at any time. However, there is an exception for candidates closing one committee from an old campaign and starting a new committee for a new campaign. After filing a Statement of Organization for the second committee for the new campaign, a candidate may maintain both the first candidate committee (old campaign) and the second candidate committee (new campaign) for state 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. Furthermore, transfers may only be made from state candidate committee to state candidate committee. Transfers may not be made from a state candidate committee to a county, municipal or school district candidate committee.

[Rule 2.69](#).

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

A Statement of Organization for a candidate committee may be filed with the Ethics Commission at any time. However, a Statement of Organization must be filed 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 state office never accepts or spends more than \$1,000.00, then there is no requirement to file a Statement of Organization with the Ethics Commission. [Rule 2.70](#).

Candidates are required to pay a registration and administration fee when they file a Statement of Organization with the Ethics Commission. The Commission will publish registration and administration fees for candidate committees on its website under the “Campaign Finance Reporting” tab. The registration fee for candidate committees opened between July 1, 2016 to June 30, 2017 is \$100.00. [Rule 6.19](#).

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

All Statements of Organization must be filed electronically in The Guardian System, unless otherwise ordered by the Commission or the Executive Director of the Commission. The Guardian System is located on the Ethics Commission homepage under the “Campaign Finance Reporting” tab or at <http://guardian.ok.gov>. [Rule 2.121](#). A document that is filed electronically is considered timely filed if it is filed at any time on the date specified. [Rule 1.4](#).

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

The Statement of Organization for a candidate 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 applicable, the name of the Deputy Treasurer;
3. the name of the committee, which must at least include the candidate’s name (i.e., the full name, first name, middle name or last name of the candidate) and the year of the general election or special election at which the office will be filled (e.g., Jane Doe 2016, Doe for Senate 2016 or Jane for House 2016) ;
4. the official and complete name of the state 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 (email), telephone numbers and Internet website, if applicable, of the candidate committee, the candidate, the Chair, Treasurer, and, if applicable, the Deputy Treasurer; and
7. the full name and address of each depository in which the committee will maintain an account (e.g., First Bank, 555 Oklahoma City, OKC, 73105).

[Rule 2.75](#).

#### **Committee Officers**

A candidate committee must have both a Chair and a Treasurer. However, the same person may serve as both, and 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](#).

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

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

**b. Officer Duties**

The Treasurer is legally responsible for keeping the candidate 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 for a four-year period. These records must be made available to the Commission upon request. [Rule 2.73](#).

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

A candidate 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 candidate 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 candidate committee as it is registered with the Ethics Commission.

If a candidate transitions to a new candidate committee for the same or different state office, the committee is required to shut down the current bank account and open a new campaign depository account with the name of the new committee. [Rules 2.94](#) and [2.95](#).

**a. Contributions Should be Put Into the Depository, and Expenditures Should Come Out of Depository**

All contributions to the candidate committee, except in-kind contributions, must be deposited in the account. All expenditures made by the candidate committee must be made by check or debit card signed by the candidate, Treasurer or Deputy Treasurer of the candidate committee. A signature on the receipt from a debit card purchase will suffice. Also, it is best practice for committee checks to include the name of the committee and the Ethics number. The Ethics number is the last four digits of your username to log into The Guardian System.

The account may earn interest paid by the financial institution, but the funds cannot be otherwise invested. [Rules 2.94](#) and [2.95](#).

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

The candidate is responsible for notifying the Commission of any change in information provided in the Statement of Organization by filing an Amended Statement of Organization in The Guardian System within 10 days of any change. [Rule 2.75](#). However, an Amended Statement of Organization is required within 5 days after a committee officer vacancy is filled. [Rule 2.74](#).

#### **a. Vacancies in Candidate 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 Ethics Commission in The Guardian System within 5 days after the vacancy is filled. [Rule 2.74](#).

### **Special Requirements for Judicial Candidates**

Candidates for elective judicial offices, including judicial offices subject to retention, are subject to the Ethics Rules as all other candidates for state office. However, under the [Code of Judicial Conduct, 5 O.S. Ch. 1, App. 4, Rule 4.4\(A\)](#), the judicial candidate is responsible for ensuring that his or her campaign committee complies with the Ethics Rules and with other provisions of the Code of Judicial Conduct. Judicial candidates are not required to file Reports of Contributions and Expenditures when they are prohibited from soliciting or accepting contributions (60 days after their last election). However, once judicial candidates can solicit and accept contributions for an election, they are required to file Reports of Contributions and Expenditures. [Rule 2.100](#).

## **V. Understanding Contributions**

### **What a Contribution Is**

A contribution generally is anything of value given to a candidate 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 provided to the candidate committee. [Rule 2.2\(6\)](#).

#### **a. Contributions Must Be Voluntary and Cannot Be Reported in the Name of Another Person**

Contributions must be voluntarily given to the candidate committee by a contributor. Contributions should not be coerced or induced. [Rule 2.91](#).

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](#).

#### **b. 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\(A\)](#).

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

Contributions include expenditures made on behalf of a candidate 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\(6\)](#).

**d. Volunteer Services Are Not Contributions**

The value of volunteer services is not considered a contribution by an individual who volunteers their 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, 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](#). When a commercial entity uses telephone, electronic mail, social media, or similar devices or services, it is considered an in-kind contribution, unless the candidate committee pays for the use. [Rule 2.111](#).

**Accepting and Depositing Contributions**

A contribution is deemed to have been accepted by a candidate 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 it has been received by the candidate committee must be returned to the contributor and reported to the Commission in a Report of Contributions and Expenditures as having been accepted and refunded. [Rule 2.22](#).

**Who May Make Contributions to a Candidate Committee?****a. Any Individual**

Generally, any individual or other person—except corporations and labor unions—may make contributions to a candidate 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](#).

**b. A Candidate to His or Her Own Candidate Committee**

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

**c. Another Candidate Committee**

A candidate committee may make a contribution to another candidate committee, subject to the specified contribution limits. [Rule 2.37\(F\)](#). The contribution limit is currently \$2,700 in the aggregate for the campaign.

**d. Limited Liability Company**

A limited liability company may make contributions to a candidate 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 candidate 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 each member’s ownership interest. For example, if a limited liability company is owned equally by two members—member 1 and member 2—and it made a \$1,000 contribution to a candidate committee, the candidate committee could accept the check from the limited liability company, but the candidate committee would report the contribution as coming from each member as an individual. In other words, the committee would report \$500 as coming from member 1 and \$500 from member 2 because each member has a 50% ownership interest. [Rule 2.106](#).

However, if one or more of the LLC members is a corporation, the candidate committee cannot accept the contribution. In other words, if member 1 is an individual but member 2 is a corporation, the LLC cannot make a contribution to the candidate committee because the contribution includes prohibited corporate funds.

**e. Partnership**

A partnership may make contributions to a candidate committee; however, a partnership may not make a contribution to a candidate 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 candidate committee, the candidate 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](#). In other words, if a candidate committee receives a \$1,000 check from the partnership with two partners, the contribution is reported as coming from each individual partner—\$500 from partner 1 and \$500 from partner 2 because each partner has a 50% ownership interest.

However, if one or more of the partners is a corporation, the candidate committee cannot accept the contribution. In other words, if partner 1 is an individual but partner 2 is a corporation, the partnership cannot make a contribution to the candidate committee because the contribution would include prohibited corporate funds.

**f. Limited Committee (Limited PAC)**

A limited committee may contribute to a candidate committee, subject to the contribution limits. [Rule 2.33\(F\)-\(I\)](#). A limited committee is a political action committee (PAC) organized to make contributions to candidates, and is subject to contribution limits. A candidate committee will report the PAC's Ethics identification number in its Report of Contributions and Expenditures. [Rule 2.2\(13\)](#) and [2.95](#).

**g. 1/25 Political Action Committee (1/25 PAC)**

A "1/25 PAC" is a limited political action 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. A candidate committee may receive contributions from a 1/25 PAC, subject to the specified contribution limits. [Rule 2.34\(D\) \(E\) \(F\) and \(G\)](#).

**h. Out-of-State Political Action Committee**

A candidate committee may accept a contribution from a political action committee (PAC) registered in another state, provided the political action committee would be eligible to make contributions to the candidate if it was registered in Oklahoma. The out-of-state PAC will be required to file written proof of its registration in the other state before making contributions to a candidate for an Oklahoma candidate(s) for state office. The registration number assigned by the other state to the out-of-state PAC is required. [Rule 2.99](#) and [2.92](#).

**i. Federal Political Action Committee**

A candidate committee may accept a contribution from a political action committee (PAC) registered with the Federal Election Commission (FEC), subject to limits of the Ethics Rules. However, a candidate committee may not accept a contribution from the authorized committee of a candidate for federal office. The FEC registration number for the Federal PAC is required. This can be found on the FEC website at [www.fec.gov](http://www.fec.gov). [Rules 2.30](#) and [2.98](#).

**j. Political Party**

A candidate committee may receive contributions from political party committees. A judicial candidate committee may not accept contributions from political party committees. [Rule 2.32](#).

**Prohibited Contributions****a. Corporate and Labor Union Contributions Prohibited**

Corporations and labor unions may not contribute to candidate committees, and candidate 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](#); and [Rule 2.23](#).

**i. Communications by a Corporation or Labor Union Not Considered as Contributions**

Communications by a corporation intended to be received only by its stockholders, directors, officers or employees and their spouses, or 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](#).

**b. Contributions from Foreign Nationals Are Prohibited**

Federal law prohibits foreign nationals from making contributions to candidates.

**c. Unlimited Committees Prohibited from Contributing to Candidates**

A "limited committee" is a political action committee organized to make contributions to candidates. An "unlimited committee" is a political action committee organized for the purpose of making independent expenditures or electioneering communications. An unlimited committee may also be organized for the purpose of being an independent judicial retention committee or a political action committee organized exclusively for the purpose of advocating the approval or defeat of a state question. [Rule 2.2\(13\)](#) and [\(19\)](#).

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

**d. Federal Candidate Committee Contributions Prohibited**

A candidate committee cannot accept a contribution from an authorized committee of a candidate for federal office. [Rule 2.30](#).

**e. No Contributions During Blackout Period from Lobbyists and Lobbyist Principals**

No lobbyist or lobbyist principal may make or promise to make a contribution to, or solicit or promise to solicit a contribution for a member of the Legislature or a candidate for state legislative office during any regular legislative session, beginning the first Monday in February, through its adjournment and for 5 calendar days following sine die adjournment. A member of the Legislature or a candidate for state legislative office may not intentionally solicit or accept a contribution from a lobbyist or lobbyist principal during the same time period. [21 O.S. § 187.1](#). This provision does not prevent a political action committee affiliated with a lobbyist principal corporation or labor union from making a contribution. A violation of this rule is a Criminal Code violation, which will result in criminal penalties, which are outside the scope of the Ethics Commission.

## VI. Contribution Limits

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

No candidate or candidate committee may receive contributions from a political party, political action committee (PAC) 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](#).

#### **a. Individual Contributions to Candidates**

An individual may make a contribution of up to \$2,700 to a candidate committee prior to an election. When a candidate is unopposed, an individual may make a maximum contribution of \$2,700 for the campaign.

Whether or not an individual has made a prior contribution, the individual may contribute up to \$2,700 to a candidate 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. [Rule 2.37\(B\)](#).

Similarly, an individual may contribute an additional \$2,700 to a candidate 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. [Rule 2.37\(C\)](#).

After the general election, a contributor that has not provided previous contributions or has contributed less than \$2,700 in the aggregate can make an additional contribution to a candidate committee that amounts to \$2,700 when aggregated with prior contributions. [Rule 2.37\(D\)](#).

These limits are individual limits, so the individual's spouse also could contribute up to \$2,700 to a candidate 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.

The maximum contribution from an individual to a candidate committee is

- \$2,700 if the candidate's name appears only on the primary election ballot or only on the general 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
- After the general election, a contributor that has not previously contributed or has contributed less than \$2,700 in the aggregate can make an additional contribution to a candidate committee that does not exceed \$2,700 when aggregated with prior contributions.

The maximum contribution limits are specific to each election. For example, Susan, an individual contributor, gave a \$1,000 contribution prior to the primary election to Pam, a candidate for state office. Pam's name appeared on the ballot at the primary election. After the primary election, Pam's name was placed on the ballot for the runoff primary election. Susan, the contributor, can make an additional contribution of \$2,700 to Pam—or a total of \$3,700 in the aggregate for both elections—prior to the runoff primary election. Assuming the Pam's name does not appear on the general election ballot, Susan cannot give another contribution to Pam after the runoff primary election.

Similarly, John, an individual contributor, gave a contribution of \$2,700 prior to the primary election to Jane, a candidate for state office. Jane's name appeared on the ballot at the primary election. After the primary election, Jane's name was placed on the ballot for the runoff primary election. John can give an additional contribution of \$2,700—or a total of \$5,400—after the primary election but before the runoff primary election. Assuming Jane's name does not appear on the general election ballot, John cannot give another contribution to Jane after the runoff primary election. [Rule 2.37](#).

***i. 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 [Rule 2.37\(H\)](#). The next adjustment will be considered before July 1, 2017.

***ii. Contributions from a Joint Checking Account***

Committees that receive contributions by a check drawn on a joint checking account must determine from the contributor(s) how much of the contribution to allocate to each account holder. If a contribution is to be split equally the contribution should be reported by evenly dividing the total amount on the check by the individuals on the check and reporting them as separate contributions from each individual. The contribution should not be listed as a single contribution from the combined individuals on the report. If the contributor specifies the contribution is only from one spouse listed on the check, then the report should attribute the entire amount to the designated contributor.

For example, Susan, a candidate for state office, received a \$1,000 check from John and Jane Smith. Susan needs to find out from the Smiths how much of the contribution to allocate to each individual. Susan calls the Smiths and learns that John would like to provide the entire \$1,000 to Susan's committee. Susan must report the \$1,000 contribution as coming from John Smith, not as a \$1,000 contribution from John and Jane Smith.

***b. 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. [Rule 2.19](#) The candidate must still receive the name, address, occupation and employer of the contributor.

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. [Rule 2.20](#).

Candidates must make “best efforts” to identify contributors. If a contributor can be identified by “best efforts,” the candidate must make such efforts to identify the contributor and report the contribution in accordance with these rules.

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

A candidate may contribute an unlimited amount to his or her candidate committee from his or her personal funds or from joint funds of the candidate and the candidate’s spouse. [Rule 2.38](#). Those funds should be deposited into the depository prior to expenditure from the candidate committee.

**d. Special Limit on Nontaxable Gifts**

A gift or gifts 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 candidate committee to the extent that the gift or gifts exceed gifts from the same donor in three of the preceding 5 calendar years, assuming the candidate makes a similar contribution to his or her campaign. [Rule 2.38](#).

**e. Contributions from Another Candidate Committee**

A candidate committee may receive a contribution from another candidate 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 candidate committee can receive a contribution of no more than \$2,700 altogether from another candidate committee, regardless of the number of elections at which the recipient candidate’s name appears on the ballot. [Rule 2.37\(F\)](#).

**f. Contributions from Political Parties to Candidates**

A candidate committee may receive contributions from political party committees. A judicial candidate committee may not accept contributions from political party committees.

The maximum amount that a political party committee may contribute is \$25,000 to a candidate for statewide office and \$10,000 to a candidate for any other state 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. [Rule 2.32](#).

**g. Contributions from Limited Political Action Committee to Candidates**

A limited committee may contribute no more than \$5,000 to a candidate committee prior to a primary election.

Whether or not a limited committee has made a prior contribution, the committee may contribute \$5,000 to a candidate 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, a limited committee may contribute an additional \$5,000 to a candidate 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 candidate 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 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 to a candidate 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 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 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 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 could give no more contributions after the runoff primary election. [Rule 2.33](#).

#### **h. Contributions from 1/25 Political Action Committees to Candidates**

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 a 1/25 committee, is subject to contribution limits lower than limited committees with a longer existence and more contributors. Such limited committees may make contributions to candidate 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 a 1/25 limited committee to a candidate committee is:

- \$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.

**i. Contributions from Out-of-State Political Action Committees**

A candidate committee may accept a contribution from a political action committee (PAC) registered in another state, provide the political action committee would be eligible to make contributions to the candidate if it was registered in Oklahoma. [Rule 2.99](#). The contribution limits for limited and 1/25 committees apply to the contributions from out-of-state committees.

## VII. Special Fund-Raising Events

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

Two or more candidates for state office, except judicial 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 candidate committees may not be commingled. Each contribution must be made to an individual candidate 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 for a candidate's campaign. [Rule 2.60](#).

### **Non-Residential Buildings 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](#).

### **Golf Fund-Raising Events**

A candidate committee may use golf events for fund-raising purposes. Any goods or services donated to a golf fund-raising event are considered as contributions to the committee based on the fair market value of the goods or services. Any fee paid to participate in the event is also a contribution. No goods or services may be donated, nor a fee paid, by a corporation or labor union. [Rule 2.62](#). Any discount on use of the course will be a contribution to the committee unless the same discount is available to all others who hold golf fundraising events.

### **Fund-Raising Auctions**

A candidate may use auctions for fund-raising purposes. Any goods or services donated to such an event are contributions to the candidate 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](#).

### **Sales of Goods or Services**

When a candidate committee sells goods or services, every sale is a contribution to the committee. The committee must receive the same contributor information, as with any other contribution received, in order to ensure proper reporting. Such sales activities are subject to applicable licenses and taxes provided by law. [Rule 2.64](#).

## **VIII. Prohibited Activities Involving Public Funds, Property or Time**

Several Rules prohibit certain campaign activities in state or other public facilities. In addition, other Rules prohibit the use of state or other public resources for campaign activities.

### **a. General Prohibitions of Public Funds, Property and Time**

No state officer or employee may use or authorize the use of public funds, property or time to solicit, receive or accept funds for a political committee. If unsolicited funds are tendered to a candidate in violation of this Rule, the funds may not be accepted by the intended recipient and must be returned to the sender as soon as possible. [Rule 2.3](#).

No person may use or authorize the use of public funds, property or time to engage in activities designed to influence the results of an election for state office. This prohibition, however, does not prevent an elected state officer from expressing his or her opinion or position on any issue. [Rule 2.4](#).

#### ***i. Use of Public Property for Political Purposes***

Public meeting rooms, auditoriums, parks, colleges and other educational campuses and similar spaces may be used for political purposes provided that certain conditions are met. If a fee is customarily charged with use of the facility, that fee must be charged for use of the facility for political activities. If the facility is made available to one candidate, it must be made available to all candidates for the same state office in the order in which requests are received. These requirements do not mandate that any public facility be used for political purposes, nor do these requirements limit the use of traditional public forums for political purposes. [Rule 2.8](#).

#### ***ii. Use of Public Facilities for Voter Registration Activities***

Voter registration activities may be conducted in public facilities, provided those activities are not used in any way to encourage registration in a particular political party or support of or opposition to a candidate or candidates. [Rule 2.10](#).

**iii. Solicitation on State of Oklahoma Property That Is Used to Conduct Official State Business**

No person may solicit or accept a contribution for a political committee in any area of the state capitol building under any circumstances. Further, no person shall solicit or accept a contribution for a political committee in any office or other space owned, leased, or occupied by the State of Oklahoma that ordinarily is used for the conduct of official state business. This does not include college campuses and public meeting rooms, auditoriums, or similar meeting areas that are available for use by the public at large. [Rule 2.6.](#)

**iv. Distribution of Campaign Materials on State Property That Is Used to Conduct Official State Business**

No materials designed to influence the results of an election for state office or a state question can be posted in the state capitol building or in any office or other space owned, leased or occupied by the State of Oklahoma that ordinarily is used for the conduct of official state business, except as permitted by law or these Rules. However, when state facilities are being used for political purposes, as provided in these Rules, such materials may be posted for a reasonable period of time. [Rule 2.7.](#)

**v. Prohibitions on Campaign Activities During Work Hours and/or In Work Attire**

State officers and employees are prohibited from engaging in activities designed to influence the results of an election for state office during work hours. State officers and employees are prohibited from engaging in such activities at any time when wearing a uniform or identification that identifies the person as a state officer or employee. These prohibitions do not apply to an elected state officer. [Rule 2.9.](#)

**vi. State-Owned Property and Services Prohibited from Being Used For Campaign Purposes**

State officers and employees are prohibited from using a state-owned telephone, state electronic mail or other state equipment, property or services to advocate the election or defeat of a clearly identified candidate for state office. [Rule 2.14.](#)

State officers and employees may not use a state-owned telephone, state electronic mail or other state property or services to make a contribution to a political party, a political action committee, a candidate or a state question campaign. [Rule 2.15.](#)

No Internet social media account maintained in the name of a state officer as a state officer or state agency may be used for political purposes. The prohibition includes the solicitation, receiving or acceptance of contributions. It also prohibits advocating the election or defeat of a clearly identified candidate for any elective office or a vote for or against a state question or other question to be voted upon at an election. Such accounts may not be converted to use by a candidate committee. [Rule 2.16.](#)

**Example 1:** John Smith, an incumbent and candidate for state office, has a Facebook account under the name Senator Smith. The Facebook account is used primarily to communicate with constituents. Senator Smith posts a status update on this Facebook account that says, "Vote Smith for Senate 2016!" This would be an improper use of the Facebook account tied to Smith's position as a state officer because it advocates the election of a clearly identified candidate. Conversely, John Smith could post that same statement—"Vote Smith for Senate 2016!"—on his personal Facebook page that is under the name John Smith and is used primarily for personal purposes.

**Example 2:** John Smith is running for state representative. He creates a Facebook page under the name John Smith to assist with campaign communications. John Smith is elected to office. He decides to change the name on the Facebook page to Representative John Smith and uses that page to

communicate with constituents while in office. Campaign season comes around again and John runs for office again. Since John has been using his Facebook account for state officer purposes, he cannot convert that Facebook account back to a campaign page to use for campaign purposes. Consequently, John cannot use or allow his candidate committee to use that account for campaign purposes.

A state officer or employee, who is not otherwise prohibited from doing so, may use his or her personal telephone, electronic mail, Internet social media or similar electronic devices or services for campaign communications. Use of such personal equipment is considered as a volunteer service to the campaign. [Rule 2.110](#).

**vii. What to Do If Unsolicited Campaign Communication Received on State Property**

When an unsolicited campaign communication is received on a state-owned telephone, state electronic mail (email) or other state equipment or services, the recipient state officer or employee may do one of the following:

1. not respond;
2. if the option is available, unsubscribe; or
3. send a reply that substantially states: "Your message has been sent to a (telephone, electronic mail, etc.) that is the property of the State of Oklahoma. This is a request for you to immediately terminate any such communications." [Rule 2.109](#).

**b. Other Rules Specifically Regarding Elected State Officers and Staff**

Elected state officers may use public funds, property or time to electronically or otherwise produce and distribute newsletters or similar informational materials to constituents and others, provided those materials do not advocate the election or defeat of a clearly identified candidate or candidates for any elective office or offices or a vote for or against a state question or other question to be voted upon at an election. [Rule 2.11](#).

Elected state officers, other than judicial officers, may use public funds, property or time to post materials in their offices indicating their opinions or positions on issues, provided these materials do not advocate the election or defeat of a clearly identified candidate for any elective office or a vote for or against a state question or other question to be voted upon at an election. Display of a photograph or similar depiction of a current or former elected federal or state officer, including autographed photographs or similar depictions, is permitted. [Rule 2.12](#).

An elected state officer may not knowingly solicit, directly or indirectly, a contribution to his or her campaign from any state officer or employee employed by the elected state officer's agency or any person who works for the elected state officer's agency through a third-party contract. [Rule 2.5](#).

State employees whose regular duties include scheduling meetings, activities and events for elected state officers may schedule political activities or events for that elected state officer. [Rule 2.13](#).

## IX. Loans

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

A loan to a candidate committee by a commercial financial institution that normally engages in the business of making loans is not considered a contribution if (1) the loan is made in the regular course of business and (2) 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 candidate 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 Loans to or Receive Loans from Candidates**

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

### **Candidate Committee May Not Make Loans to Other Candidate Committees**

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

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

A candidate may make a loan to his or her candidate 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 a candidate can be loan to his or her own candidate committee.

#### **a. Required Two-Step Process: (1) Contemporaneous Documentation and (2) Report Loan from Candidate to Committee in Report of Contributions and Expenditures**

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 (i.e., at the same time) with the transfer of funds into the candidate committee's account. The document must be signed and dated by all parties involved. The loan from the candidate must also be indicated in the candidate's Report of Contributions and Expenditures.

Such a loan may be repaid from contributions received by the candidate committee, but the candidate committee shall not be permitted to pay any interest on the loan.

If the candidate transfers his or her personal funds or joint funds of the candidate and the candidate's spouse to the candidate committee without a contemporaneously-executed written loan document, the candidate 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 candidate committee's 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 and expenditures by the candidate committee. [Rule 2.67](#).

**Example 1:** Tom is a candidate for state office. He is the only officer in his committee. In other words, he serves as both the Chair and Treasurer of his candidate committee. Tom wants to loan his campaign

\$200. Tom makes a document that states the terms of the agreement. He signs and dates the document as the candidate and Treasurer. He then puts \$200 of his personal funds into the candidate committee depository (i.e., committee account). He also files a Report of Contributions and Expenditures and indicates on the report that he, as the candidate, made a personal loan to his candidate committee. Tom has appropriately performed the two-step loan process and will be able to pay back the loan with committee funds according to the terms of the loan.

**Example 2:** Same example, except Tom is the candidate and Chair and Jane is the Treasurer. The difference in this example and the previous one is that the document that Tom created with the terms needs to be dated and signed by Tom, the candidate, and Jane, the Treasurer.

**Example 3:** Tom is a candidate for state office. He is the only officer in the committee. He purchases \$200 worth of materials with his personal funds for campaign signs. He later makes, signs, and dates a document with the terms of the \$200 loan from his personal funds to his candidate committee. He also files a Report of Contributions and Expenditures and indicates on the report that he, as the candidate, made a personal loan to his candidate committee. Tom has not made a loan to the candidate committee because he failed to first transfer his personal funds into the candidate committee's account. Tom has made a contribution to his campaign account.

## X. Understanding Expenditures

### **What an Expenditure Is**

An expenditure is a purchase, payment, distribution, loan, advance, compensation, reimbursement, fee, deposit or gift made by the candidate committee. [Rule 2.2\(8\)](#).

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

Contributions to a candidate committee may be used to make expenditures for the following:

1. ordinary and necessary campaign expenses;
2. contributions to another candidate committee;
3. operating expenses of the committee; or
4. other purposes not otherwise prohibited by law or the Ethics Rules. [Rule 2.2\(8\)](#) and [2.43](#).

#### **a. Ordinary and Necessary Campaign Expenses (Expenditures Due to Campaign)**

“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](#).

#### **b. Expenditures Made to Family Members**

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

### c. Personal Use of Campaign Funds Prohibited

Contributions accepted by a candidate 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](#).

### d. Contributions to Another Candidate Committee

A candidate committee may make a contribution to another candidate 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 candidate committee can make a contribution of no more than \$2,700 altogether to another candidate committee, regardless of the number of elections at which the recipient candidate’s name appears on the ballot. [Rule 2.37\(F\)](#).

### e. Contributions May Be Used to Pay Certain Officeholder Expenses (Expenditures Once Elected)

Contributions to a candidate committee of a candidate who is elected to office for which the contributions were accepted may be used to make expenditures for officeholder expenses. In other words, these are expenses incurred as a result of the candidate’s *election to state office*, not expenses due to the candidate’s campaign. These expenses are reported to the Commission as “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 candidate committee and contemporaneously files a Statement of Organization for a different candidate 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.

Again, officeholder expenses are ordinary and necessary expenses incurred in connection with a candidate’s duties as the holder of a state 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 state elective office. [Rules 2.44](#) and [2.2\(14\)](#).

**f. 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.

**i. Rental of Motor Vehicle for Campaign Purposes**

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.

**ii. Use of Personal Vehicle for Campaign Purposes**

If a motor vehicle is used for campaign purposes or officeholder expenses and for any other purpose—including personal use—the candidate 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. Candidate committee funds cannot be used to purchase fuel. Candidate committee funds may only be used to reimburse candidates for mileage.

When there is a mixed use between personal use and campaign use, the mileage reimbursement includes all operating costs, including gasoline and repairs. Thus, campaign funds cannot be used for repairs to a motor vehicle (except as the repairs are included in the mileage reimbursement). Gasoline should never be purchased with a campaign debit card, campaign credit card, or any other campaign funds when there is mixed use of a vehicle. A mileage log or other documentation must be kept showing the reimbursement is for campaign or office holder expense.

**iii. Purchase or Lease of a Motor Vehicle for Campaign Purposes**

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\(A\)-\(C\)](#).

All expenses associated with the purchase or lease and operation of a motor vehicle may be paid with contributions to a candidate 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 state office. This provision is not effective if the motor vehicle is used for any other purpose, including but not limited to personal use.

**g. Calculating Expenses for Air Travel**

Calculating expenses for air travel is determined by the factual circumstances of the air travel.

Travel on an air carrier is calculated at the actual cost of the fare. If air travel is first class, business class or equivalent class, the expenditure is calculated at the cost of any lower fare available on the same flight.

Air travel on an aircraft operated by a commercial carrier is calculated based on the usual charter fare or rental charge.

Air travel on an aircraft operated by a private individual is calculated based on the usual charter fare or rental charge of a commercial carrier.

Air travel on an aircraft operated by the candidate or a family member of the candidate is calculated as a contribution by the candidate to the campaign, based on the usual charter fare or rental charge of a commercial carrier, unless the aircraft is rented, in which case the cost is calculated as the rental charge. [Rule 2.45\(D\)-\(G\)](#).

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

A candidate committee may provide coffee mugs, t-shirts, caps and similar items free of charge to volunteers or contributors to candidate committee. Expenditures for such items are considered as campaign expenditures by the candidate committee. If a candidate 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. Any purchase of goods or services sold is reported as contributions to the candidate committee. The name, address, occupation and employer for each purchaser must be received and reported.

## **XI. Making Reports of Contributions and Expenditures**

### **Obligation to Make Reports**

Once a candidate committee has filed a Statement of Organization with the Ethics Commission, 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. [Rule 2.100](#).

The Executive Director is authorized to issue compliance orders to obtain compliance with these Rules, including late filing fees. A person affected by a compliance order may request a hearing to be conducted by an administrative law judge. [Rule 6.19](#).

From July 1, 2016 to June 30, 2017, the late filing fee schedule for Candidate Committees is as follows:

- \$100.00 for the **first** day of late filing
- \$100.00 per day for each of the next **five days after the first day** of late filing
- \$400.00 on the **seventh** day of late filing

For Continuing Reports of Contributions by candidate committees:

- \$200 each day, **up to five days**

### **Filing Reports in The Guardian System**

All Reports of Contributions and Expenditures must be filed electronically in The Guardian System, unless otherwise ordered by the Commission or the Executive Director of the Commission. Access to Reports of Contributions and Expenditures may be found on The Guardian System <https://guardian.ok.gov>. [Rule 2.121](#). Documents filed electronically are considered timely filed if filed at any time on the date specified. [Rule 1.4](#).

All reports are due no later than the date specified even when the due date falls on a holiday or weekend (e.g., report due on Halloween or a Saturday). Ethics Commission staff is only available during the Commission's regular hours of operation. Commission staff is unavailable on the weekends and on official state holidays.

For more information on The Guardian System and filing Reports of Contributions and Expenditures, see the documents and the YouTube videos with step-by-step instructions in The Guardian System. To locate this information, log in to The Guardian System, click on the “Resources” tab, and then click on “Publications” in the drop-down menu.

Please note that the Executive Director is authorized to require additional information on the Reports of Contributions and Expenditures. [Rule 2.93](#).

### **Filing the First Report**

The first Report of Contributions and Expenditures by a candidate committee shall be filed 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](#).

A committee that fails to register timely and misses one or more reports must notify the Commission staff to have the missed reports added to their schedules.

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

Committees are formed for specific elections. For years other than the year of elections for which a committee is formed, Reports of Contributions and Expenditures by candidate committees are made on a quarterly basis. Additionally, 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.

For example, Candidate Smith forms a committee for 2016 elections called “Smith for Senate 2016.” Candidate Smith’s committee would file quarterly reports in the years other than 2016, including 2018 which is an election year.

The reporting dates and time periods covered in a calendar year that is not an election year are as follows:

<b>Filing Dates</b>	<b>Period Covered</b>	<b>Type of Report Due</b>
April 1 – 30	Jan. 1 – March 31	1 <sup>st</sup> Quarter Report
July 1 – July 31	April 1 – June 30	2 <sup>nd</sup> Quarter Report
Oct. 1 – 31	July 1 – Sept. 30	3 <sup>rd</sup> Quarter Report
Jan. 1 – 31	Oct. 1 – Dec. 31	4 <sup>th</sup> Quarter Report

*\*To view the current reporting calendar [click here](#) or access the reporting calendar under the “Campaign Finance Reporting” tab on the Ethics website.*

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. Although reports cannot be filed prior to a filing period, contributions and expenditures may be updated continuously in The Guardian System.

Judicial candidates who are prohibited from soliciting or accepting contributions 60 days after their last election are not required to file Reports of Contributions or Expenditures during this prohibition. Once

the judicial candidate can solicit and accept contributions, then they are required to file Reports of Contributions or Expenditures. [Rule 2.100](#).

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

In the years of the election for which the committee was formed, candidate committees follow a filing schedule that is based on the dates of the primary, runoff and general elections. The reporting dates and time periods covered are as follows:

<b>Filing Date</b>	<b>Period Covered</b>	<b>Type of Report</b>
April 1 – 30	Jan. 1 – March 31	1 <sup>st</sup> Quarter Contributions and Expenditures Report
8-14 days before the primary election	April 1 – 15 days before primary election	Pre-Election Report of Contributions and Expenditures
8-14 days before runoff primary election	15 days before primary – 15 days before runoff primary election	Pre-Runoff Report of Contributions and Expenditures
8-14 days before general election	15 days before primary election – 15 days before the general election	Pre-General Report of Contributions and Expenditures
Jan. 1 – 31	End of pre-general election reporting period – Dec. 31	Partial Quarter Report of Contributions and Expenditures

*\*To view the current reporting calendar [click here](#) or access the reporting calendar under the “Campaign Finance Reporting” tab on the Ethics website.*

### **Rule 2.101.**

**Example 1:** Candidate X forms a 2016 committee in December of 2015. Candidate X will need to file a 4<sup>th</sup> Quarter Report in January of 2016 that covers Oct. 1 – Dec. 31, 2015. In April of 2016, Candidate X will file a 1<sup>st</sup> Quarter Contributions and Expenditures Report in April. The candidate will continue to follow the election year reporting schedule.

**Example 2:** Candidate Y forms a 2016 committee in January of 2016. Candidate Y will need to file a 1<sup>st</sup> Quarter Contributions and Expenditures Report in April. The candidate will continue to follow the election year reporting schedule.

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

All candidates must file pre-election reports, regardless of whether their name appears on the ballot at a particular election. [Rule 2.101](#).

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

A complete schedule of filing dates is provided on the Ethics Commission’s website at [www.ethics.ok.gov](http://www.ethics.ok.gov). [Rule 2.101](#).

### **Special Election Reporting Dates**

For a special election to fill a vacancy, each candidate 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 candidate committee is dissolved and a Final Report of Contributions and Expenditures is filed.

Except for good cause shown, any candidate committee that files more than one Report of Contributions and Expenditures after the date it is due is deemed to have intentionally failed to file the report in violation of these Rules. [Rule 2.101](#).

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

A candidate committee is required to file Continuing Reports 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 Report must identify the name, address, occupation and employer of the contributor 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 Continuing Reports of Contributions. [Rule 2.102](#).

**Example:** Candidate John is in the runoff election. Candidate Jane is not. Both John’s candidate committee and Jane’s candidate committee need to file a Pre-Runoff Contributions and Expenditures Report. However, John’s candidate committee, not Jane’s candidate committee, should file a Continuing Report of Contributions and Expenditures because John is in the runoff election.

### **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](#).

Reports of Contributions and Expenditures require significant detail. For example, Reports of Contributions and Expenditures include, but is not limited to, the following:

- The name, address, occupation and employer of any individual 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 one person;
- The name and Ethics Commission identification number of a PAC, political party committee or candidate 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, political party or candidate committee;
- The total of all contributions made during the time period covered by the Report;

- Information on all loans made to the committee or repaid by the committee; and
- The name and address of any person or entity to whom an expenditure 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 candidate 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 candidate 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, as individuals. 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](#).

### **Resources for Filing Reports of Contributions and Expenditures in The Guardian System**

Detailed information on filing Reports of Contributions and Expenditures is accessible in The Guardian System at <https://guardian.ok.gov> by clicking on the "Resources" tab and selecting "Publications" from the drop-down menu.

Guardian System training is offered by the Ethics Commission staff throughout the year. More information on Ethics Commission training and continuing education programs is available on its website under the "Agency Information & Continuing Education" tab. Private training with Ethics Commission staff may be requested. However, The Guardian System training will not be offered during the last 5 days of a quarterly or pre-election reporting period.

## **XII. Disclosure Requirements for Campaign Advertising**

### **Electronic Communications Disclosure Requirements**

Whenever a candidate 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 the following, 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 candidate 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 as follows: “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](#).

## **XIII. Personal Financial Disclosure Statement (PFD)**

Effective July 1, 2016, the only individuals who are required to file a financial disclosure statement are state officers who are *elected or subject to retention to judicial office*. Candidates are no longer required to file financial disclosure statements.

## **XIV. Understanding Independent Expenditures, Electioneering Communications, and the Risks of Coordination**

Third parties, not candidate committees, engage in independent expenditures or electioneering communications. Generally, an independent expenditure or electioneering communication is a communication that advocates the election or defeat of a candidate or references a clearly identified candidate and meets certain distribution criteria. If a candidate, candidate committee, agent, etc., coordinates with a third party who is engaged in an independent expenditure or an electioneering communication, the expenditure becomes a contribution to the candidate committee. This will often cause excessive contribution limits or prohibited corporate contributions.

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

An independent expenditure is an expenditure made by a person that expressly advocates (1) the election or defeat of a clearly identified candidate or (2) a vote for or against the retention of a candidate for judicial retention. An independent expenditure cannot be made in coordination with, cooperation with, consultation with, or concert with, or at the request or suggestion of, a candidate, a candidate committee or their agents. [Rule 2.2\(10\)](#).

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

An independent expenditure is not a contribution to a candidate or a candidate committee. [Rule 2.2\(6\)](#). An independent expenditure also 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\(10\)](#).

#### **b. Who May Make Independent Expenditures**

Any limited 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](#).

**What an Electioneering Communication Is**

An electioneering communication is a single communication or a series of communications that refers to a clearly identified candidate for state office and is made within 60 days prior to a general election or 30 days prior to a primary or runoff election.

An electioneering communication must be sent by Internet advertising or direct mail; broadcast by radio, television, cable or satellite; or appear in newspaper or magazine advertising.

The communication must be targeted to the “relevant electorate.” The “relevant electorate” is 25,000 or more persons for a statewide office, 2,500 or more persons for State Representative or District Judge and 5,000 or more persons for all other state offices.

An electioneering communication is distinguishable from an independent expenditure in that an electioneering communication does not explicitly advocate the election or defeat of a clearly identified candidate. [Rule 2.2\(7\) and \(11\)](#).

**a. What an Electioneering Communication Is Not**

An electioneering communication is not “issue advocacy,” although the two terms often are very similar in substance. A communication that references a candidate that is outside the relevant time period or that is made through a different means of communication is not an electioneering communication. However, such a communication, if made through the identified channels, may become an electioneering communication by operation of law if it meets the time, means and relevant electorate requirements. In other words, for example, a communication that mentions a candidate’s name targeted to the relevant audience through a television broadcast made 31 days before a primary election is issue advocacy. That same communication, made 30 days before the same primary election becomes an electioneering communication. Communications by telephone are not electioneering communications regardless of timing but may be considered an independent expenditure.

**b. Who May Make Electioneering Communications**

Any limited committee or unlimited committee may make electioneering communications consistent with the purposes of the committee. Electioneering communications also may be made by other persons, such as individuals, partnerships, limited liability companies and corporations. [Rule 2.52](#). A candidate may make an electioneering communication only in his or her own campaign. [Rule 2.51](#). Such communications are reported as an expenditure, not an electioneering communication.

**No Limits on Electioneering Communications**

There are no limits to the amount of funds that may be spent on electioneering communications or independent expenditures. [Rule 2.50](#) and [Rule 2.52](#).

**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 or electioneering communication is in fact made in coordination with, cooperation with, consultation with, or concert with, or at their request or suggestion of, a

candidate, a candidate committee or their agents or a political party committee or its agents, then the “expenditure” becomes a contribution to the candidate committee and is reported as an expenditure by the candidate committee. [Rule 2.2\(6\)](#), [2.2\(10\)](#), [2.107\(H\)](#), and [2.108\(H\)](#). 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. [Rule 2.38](#).

### **How Independent Expenditures or Electioneering Communications Are Reported**

If an independent expenditure or an electioneering communication 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 at the same time that candidates file pre-election reports. [Rule 2.107\(A\)](#) and [Rule 2.108\(A\)](#).

If an independent expenditure or electioneering communication 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\(B\)](#) and [Rule 2.108\(B\)](#).

If the person making the independent expenditure or electioneering communication is a non-profit corporation that has not been officially approved by the United States Internal Revenue Service (IRS) for tax exempt status under 501(c) of Title 26 of the United States Code, the report must include the name, address and principal activity of each person contributing funds in excess of \$50.00 in the aggregate to the corporation during the current calendar year, the preceding calendar year, and the amount of any such contribution(s) that have not been previously reported. This will be reported along with a cumulative total of all contributions made by each person since the first report was filed for the election for which the independent expenditure or electioneering communication is being made. [Rule 2.107\(F\)](#) and [2.108\(F\)](#).

## **XV. Dissolving the Candidate Committee**

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

A candidate 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 PAC. [Rule 2.115](#).

A candidate committee remains obligated to file all required reports until their committee is dissolved. A candidate committee that does not dissolve and stops filing required reports is subject to a compliance order. [Rule 6.19](#).

### **Required Dissolution of Candidate Committee**

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

### **Final Report of Contributions and Expenditures**

A Final Report may be filed at any time in The Guardian System. 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](#).

If you do not file a Final Report in The Guardian System, you may still be subject to compliance orders. [Rule 6.19](#).

**a. Surplus Funds**

The candidate, at his or her discretion, may determine that certain funds are not required for campaign expenses or officeholder expenses. These funds are “surplus funds.” Surplus funds of a candidate committee may be designated only following the election at which the office for which the candidate committee has been determined. [Rule 2.48](#).

**i. Uses of Surplus Funds**

Surplus funds may be expended as follows:

- 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 state elective office, excluding a judicial 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](#).

**iii. Disposition of Surplus Funds**

Surplus funds remaining in the candidate 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, will be deposited in the general revenue fund of the State of Oklahoma. [Rule 2.48](#).

**b. Disposition of Assets**

The candidate committee must dispose of assets acquired by the candidate 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 or a candidate’s family member may purchase such assets from the candidate committee but only if the candidate or candidate’s family member pays fair market value for such purchases. [Rule 2.117](#). Any sale of assets is reported as an “other fund” and disposed of with all other remaining funds.

**c. Resolution of Debt**

If a candidate committee has debt at the time of its dissolution, that debt must be resolved in a commercially reasonable manner before the candidate 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](#).