

# Oklahoma Ethics Commission

*FAIR RULES. FIRM ENFORCEMENT.*



## Guide for Political Party Committees

**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.” All Guides are updated annually in July. This Guide was updated on July 1, 2016.

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### 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 Rules of the Oklahoma Ethics Commission as applied to political party committees effective July 1, 2016. It is written by the Commission staff to assist in compliance with the 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 political party committees. Individuals in positions of responsibility with political party committees should become familiar with the relevant Constitutional and statutory provisions as well as with the Ethics Rules.

### This Guide Is Limited to Oklahoma Ethics Law

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

### Advisory Opinions

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

### Registration and Compliance Fees

The Commission publishes registration and administration fees for political party committees on its website. The registration fee for political party committees is \$100.00. [Rule 6.19](#).

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](#).

### 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 Commission filing system in which all reports are filed. The Guardian System may be accessed at <https://guardian.ok.gov> or through the Ethics Commission website at [www.ethics.ok.gov](http://www.ethics.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, 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” from the dropdown menu.

**Commission Website**

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

**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:

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

Information regarding the Commissioners, the Ethics Commission staff, and the Commission meeting agendas and minutes may be located on the Commission’s Internet website at [www.ethics.ok.gov](http://www.ethics.ok.gov).

## II. Defining Political Party Committees

### **Political Party Must Be Recognized Under Oklahoma Law**

A political party committee is a committee authorized by a political party, which is recognized under laws of the State of Oklahoma, to accept contributions and make expenditures on behalf of the political party. [Rule 2.2\(16\) and \(17\)](#).

### **Political Party Committee Includes Different Levels**

A political party committee may include a state committee, a Congressional District committee, a county committee or a precinct committee. It may also include any other committee or entity of the party officially recognized in the party's bylaws or similar governing document, such as the Oklahoma Federation of Young Republicans or the Oklahoma Federation of Democratic Women's Clubs. [Rule 2.2\(17\)](#).

It is important to understand on which level the political party committee stands because this will determine when the political party committee must register and file Reports of Contributions and Expenditures. For example, state political party committees have different registration and reporting requirements than all other party committees. Please see the "How to Get Started" and the "Making Reports of Contributions and Expenditures" sections in this Guide for more information.

### **Unofficial Political Party Organizations**

Unofficial groups that organize to support political parties or their candidates may form political action committees. These unofficial groups, which are not accorded recognition by the state party, are not "political party committees" under the rules of the Ethics Commission, and will not register as a political party committee. Therefore, if these organizations raise or spend more than \$1,000, then they will be required to register and report with the Ethics Commission as a political action committee. Please see the Guide for Political Action Committees located on the Ethics Commission website at [www.ethics.ok.gov](http://www.ethics.ok.gov) under the "Ethics Laws, Guides and Forms" tab.

## III. How to Get Started – When to File a Statement of Organization

State political party committees have registration and reporting requirements that differ from that of congressional district, county, precinct and other party committees. A state committee registers, pays annual registration and administration fees, and files quarterly reports throughout its existence. A non-state party committee registers, pays registration and administration fees, and files reports only when engaged in specific activity.

### **State Political Party Committee Statement of Organization**

A state political party committee must register with the Commission in July of any odd-numbered year by filing a Statement of Organization and paying a registration fee. [Rule 2.104](#). The registration fee for state political party committees is \$100.00. [Rule 6.19](#). This is an annual fee payable in July of even and odd numbered years.

### **Congressional District, County, Precinct and Other Party Committee Statement of Organization**

Congressional District, county, precinct party committees and any other political party committees that are officially recognized by the party's bylaws or a similar document are

required to register and file a Report of Contributions and Expenditures when the committee performs **one** of the following “triggering events”:

1. Make an independent expenditure;
2. Make an electioneering communication; or
3. Make a contribution in any amount to a candidate for any state office.

Once a triggering event occurs, the committee is required to first register with the Ethics Commission by filing a Statement of Organization electronically in The Guardian System and paying a registration fee. [Rule 2.104](#). The registration fee for political party committees is \$100.00. [Rule 6.19](#). Once registration is complete, the committee must then file a Report on Contributions and Expenditures with the Commission. [Rule 2.104](#).

If a committee does not perform one of the triggering events listed above, then that committee is not required to register with the Ethics Commission and pay the registration fee. Committees are only required to file once it performs one of the triggering events.

These registration and reporting requirements are specific to official political party committees that are officially recognized by a State political party. Other partisan committees that are not recognized by a State party are political action committees and follow the registration and reporting requirements for political action committees. [Rule 2.104](#).

#### **What Information Is Needed for the Statement of Organization**

The following information is required to file a Statement of Organization:

1. The name of the Chair.
2. The name of the Treasurer.
3. The name of a Deputy Treasurer, if a Deputy Treasurer is appointed.
4. The full name of the committee.
5. The mailing address and if applicable, residence address, electronic mailing address, telephone numbers and Internet website, if applicable, of the committee, the Chair, the Treasurer and, if applicable, the Deputy Treasurer.
6. The full name and address of each depository in which the committee will maintain an account. [Rule 2.104](#).

##### **a. Duties of the Officers**

The Treasurer is required to keep the 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. When acting in place of the Treasurer, the Deputy Treasurer should perform similar duties.

The Treasurer of the committee is responsible for notifying the Commission of any changes with the committee. If any committee information changes, such as a change in officers or a change in an officer’s contact information, the Treasurer must amend the Statement of Organization within 10 days of the change. [Rule 2.104](#).

**b. How Long Records Should Be Kept**

All records and documents must be maintained for a period of four years. These records must be made available to the Commission upon request. [Rule 6.12](#).

**Campaign Depositories**

A political party committee must establish at least one campaign depository in a financial institution that ordinarily conducts business within the State of Oklahoma. In other words, a separate account for the committee must be established to prevent commingling of committee funds and funds of any other entity. [Rule 2.94](#).

The account must be maintained in the name of the committee as it is registered with the Ethics Commission. All contributions to the committee, except in-kind contributions, must be deposited in the account. All expenditures made by the committee should be made by check or debit card signed by the Treasurer or Deputy Treasurer of the committee. [Rule 2.95](#).

**File the Statement of Organization in The Guardian System**

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 may be accessed through the Ethics Commission website or at <https://guardian.ok.gov>.

For more information on filing in The Guardian System, see the documents and the YouTube videos with step-by-step instructions in The Guardian System. To access this information, log-in to The Guardian System, click on the “Resources” tab and then click on “Publications” from the dropdown menu. [Rule 2.121](#).

**Amending the Statement of Organization**

For any change in the information on the Statement of Organization, the Treasurer is responsible for filing an Amended Statement of Organization in The Guardian System within 10 days of the change. [Rule 2.104](#).

## IV. Understanding Contributions

**What a Contribution Is**

A contribution generally is anything of value given to a political party committee. Contributions may be either (1) monetary or (2) “in-kind.” Monetary contributions are made in cash (\$50 or less per person) or through “written instruments”—such as a personal check or a credit card authorization. “In kind” contributions are goods or services provided to the committee. [Rule 2.2\(6\)](#).

**a. Contributions Must Be Voluntary**

When soliciting contributions, a political party committee must make clear that the contribution is voluntary and that the person being solicited will not be given any advantage or disadvantage based on whether or not a contribution is made or the amount of a contribution. [Rule 2.91](#).

**b. Contributions Cannot Be Reported in the Name of Another Person**

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

**c. Earmarked Contributions Are Contributions to Candidates**

A contribution to a political party 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. [Rule 2.33\(A\)](#).

**d. Contributions Include the Sale of Goods or Services**

A committee that engages in the selling of goods or services must keep records of the purchases and purchasers. The payment for the goods or services is a contribution to the committee and is subject to the same reporting requirements and contribution limits as all other contributions. The name, address, occupation, and employer of the purchaser must be provided for reporting purposes.

**e. When an Expenditure Is a Contribution**

Contributions include expenditures made on behalf of a candidate committee by a political party committee, except independent expenditures. For example, if a political party committee purchased a newspaper advertisement urging the election of a particular candidate and did so in coordination with the candidate, the cost of the advertisement would be a contribution to that candidate committee. [Rule 2.2\(6\)](#).

**f. Volunteer Service Is Not a Contribution**

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

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

**Cash Contributions and Anonymous Contributions**

The maximum amount of a cash contribution is \$50. This is an aggregate amount, i.e., all cash contributions from a single contributor added together may not exceed \$50. The maximum amount of an anonymous contribution is \$50. If an anonymous contribution in excess of \$50 is received, the amount of the contribution in excess of \$50 must be deposited with the State Treasurer to the general revenue fund of the state. [Rules 2.19](#) and [2.20](#).

**Who May Make Contributions**

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

**a. Limited Liability Company Contributions**

A limited liability company may make contributions to a political party committee. The owners of a limited liability company are called “members.” A limited liability company may not make a contribution to a political party 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 member of the limited liability company in proportion to the member’s

ownership interest. For example, if a limited liability company owned by two members equally made a contribution to a political party committee, the political party committee could accept a check from the limited liability company but would report a contribution for half the amount of the check from each of the two members as individuals. [Rule 2.105](#).

#### **b. Partnership Contributions**

A partnership may make contributions to a political party committee. However, a partnership may not make a contribution to a political party committee if one or more partners is a corporation. [Rule 2.25](#). Contributions by a partnership are reported as contributions from each 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 political party committee, the political party 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 2.105](#).

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

Corporations and labor unions may not contribute to political party committees, and political party 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 \(this statute is in the Criminal Code, not in the Ethics Rules\)](#); [Rule 2.23](#).

#### **Accepting and Depositing Contributions**

A contribution is deemed to have been accepted by a political party 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 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 political party committee must be returned to the contributor and reported to the Commission as having been accepted and refunded. [Rule 2.22](#).

## **V. Special Fund-Raising Events**

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

An individual who hosts a political party committee fund-raising event in his or her residence and uses personal funds in doing so may spend up to \$1,000 without making a contribution to the committee. The exclusion may be used one time per year and may not exceed \$1,000. 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 party. Any personal funds expended above the \$1,000 limit are considered in-kind contributions subject to any limits or 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. [Rule 2.60](#).

If a husband and wife each spend personal funds (even if those are combined personal funds of the two), then each individual has a \$1,000 exemption. This rule states "an individual" may spend personal funds, and the Ethics Rules apply contribution limits to individuals rather than to families. Thus, an exemption under this Rule for an individual would be granted for each individual that participates in the fund-raiser. The rule requires the fund-raiser to take place in

the residence of the host, and the funds expended must be personal funds. If those conditions are met, then a husband and wife could each spend up to \$1,000 on a fund-raiser in their residence. This exemption will apply for one fund-raiser for the husband and one fund-raiser for the wife. That exemption can be applied to the same fund-raiser or to two separate fund-raisers; however, if both the husband and wife are identified as hosts of the fund-raiser and joint funds are used to pay for the fund-raiser, then they have each used their single event exemption.

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

There is a similar exclusion for an individual who hosts a political party committee fund-raising event in an office or other nonresidential building and uses personal funds in doing so. The exclusion may be used one time per year and may not exceed \$1,000. Any personal funds expended above the \$1,000 limit are considered in-kind contributions subject to any 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**

If a political party committee uses a golf event to raise funds for the committee, any goods or services donated to a golf fund-raising event are considered as contributions based on the fair market value of the goods or services. Any fee paid to participate in the event is a contribution. No goods or services may be donated, nor goods or services purchased, by a corporation or labor union. [Rule 2.62.](#)

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

If a political party committee uses auctions or other sales to raise money for their committee, any goods or services donated to such an event are contributions to the 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 a fee paid, by a corporation or labor union. [Rule 2.63.](#)

### **Licenses and Taxes**

When a political party committee sells goods or services, such activities are subject to applicable licenses and taxes provided by law. [Rule 2.64.](#)

## **VI. Loans**

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

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

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

A loan by a person other than a commercial financial institution to a political party 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 2.66.](#)

## VII. Receiving Contributions

### **Prohibited Contributions to Political Party Committee**

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

### **Limits on Contributions to Political Party Committee**

The maximum amount that any person may contribute to a political party committee during any calendar year is \$10,000. The limit applies to both the individual making the contribution and the political party committee accepting it. The limit is an individual limit, so an eligible individual and a spouse could contribute \$10,000 each during a calendar year. For purposes of calculating the limit, contributions to any state committee, Congressional District committee, county committee, precinct committee or any other committee or entity of the party officially recognized in the party's bylaws or similar governing document are aggregated. For example, an individual who contributed \$5,000 to a state party committee and \$5,000 to one of the party's county committees in the same calendar year would have reached the limit. [Rule 2.31](#).

### **Contributions by Limited Committee to a Political Party Committee**

A limited political action committee may contribute no more than \$10,000 in any calendar year to a political party committee. The limit applies to both the political action committee making the contribution and the political party committee accepting it. For purposes of calculating the limit, contributions to any state committee, Congressional District committee, county committee, precinct committee or any other committee or entity of the party officially recognized in the party's bylaws or similar governing document are aggregated. For example, a PAC that contributed \$5,000 to a state party committee and \$5,000 to one of the party's county committees in the same calendar year would have reached the limit. [Rules 2.31](#) and [2.33\(B\)](#).

### **Lower Contribution Limits for Certain Limited Committees**

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 is subject to contribution limits lower than limited committees with a longer existence and more contributors. Such a committee, also known as a 1/25 PAC, may make no more than \$5,000 in contributions to a political party committee and is prohibited from making a contribution to another limited committee. [Rule 2.34 \(A\)](#).

### **Contributions of Surplus Funds by a Candidate to a Political Party Committee**

A candidate for state office may contribute up to \$25,000 in surplus funds to a political party committee. 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. The candidate, at his or her discretion, may determine that such funds are not required for campaign expenses or officeholder expenses. [Rule 2.48](#).

## VIII. Expenditures

### **Contributions by Political Party Committee to Candidates**

A political party committee may not contribute more than \$25,000 to a candidate for statewide office nor more than \$10,000 to a candidate for any other state office prior to any general election. For purposes of calculating the limit, contributions by any state committee,

Congressional District committee, county committee, precinct committee or any other committee or entity of the party officially recognized in the party's bylaws or similar governing document are aggregated. [Rule 2.32](#).

Political party committees can only make contributions to a candidate committee and are prohibited from making contributions to Political Action Committees.

### **Contributions to Judicial Candidates Prohibited**

No political party shall make, and no candidate shall accept, a contribution to any candidate for judicial office. [Rule 2.32](#).

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

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

## **IX. Other Expenditures by a Political Party Committee**

### **Personal Use Prohibited**

No person may convert political party committee funds to personal use. "Personal use" includes any use of funds to fulfill a commitment, obligation or expense of an individual or other person that would exist irrespective of the political party's activities. [Rule 2.39](#).

### **Ordinary and Necessary Expenses**

A political party committee may use contributions to make expenditures for ordinary and necessary campaign expenses, for operating expenses of the political party and for purposes not otherwise prohibited by law or the Rules that further purposes of the committee. [Rule 2.40](#).

### **Transfers Between Political Party Committees are neither Contributions nor Expenditures**

Transfers between a federal, state, district, county or precinct party committee shall not be considered as contributions or expenditures, but are reported on the Report of Contributions and Expenditures. [Rule 2.104](#).

### **Making Independent Expenditures**

A political party committee may make unlimited independent expenditures that expressly advocate the election or defeat of a candidate or candidates. [Rule 2.50](#).

### **Making Electioneering Communications**

A political party committee may make unlimited electioneering communications. [Rule 2.51](#).

## **X. Disclosure Requirements for Advertising**

### **Political Party Electronic Advertising**

Whenever a political party committee makes an expenditure for advertising through any Internet advertising, or video, radio, television, cable or satellite broadcast, the communication must state, either orally or in writing of sufficient size and contrast to be clearly readable, "Authorized and paid for by [Name of Political Party]." [Rule 2.53](#).

**Political Party Print Advertising**

Whenever a political party makes an expenditure for advertising through Internet advertising, direct mail, magazine advertising, newspaper advertising or any other printed medium, the communication must state in writing of sufficient size and contrast to be clearly readable, "Authorized and paid for by [Name of Political Party]." [Rule 2.54](#).

**Disclosure Not Required for Some Advertising**

No disclosure is required for bumper stickers, campaign buttons, t-shirts, aerial advertising or similar advertisements where such disclosure would be impractical. [Rule 2.58](#).

**Disclosure Requirements for Independent Expenditures**

Whenever an independent expenditure is made, the political party committee making the independent expenditure must be identified. The language that must be used is: "Not authorized by any candidate or candidate committee. Authorized and paid for by," which is followed by the name of the political party committee, the committee's permanent street address and telephone number. If the independent expenditure is made by Internet advertising, or by video, radio, television, cable or satellite broadcast, the disclosure may be given either orally or in writing. If it is in writing, it must be of sufficient size and contrast to be clearly readable by the person reading the communication. If the independent expenditure is made through Internet advertising, direct mail, magazine advertisement, newspaper advertisement or any other printed medium, the disclosure must be in writing and meet the same standard for readability. [Rules 2.57](#) and [2.58](#).

**Disclosure Requirements for Electioneering Communications**

Whenever an electioneering communication is made, the political party committee making the electioneering communication must be identified. The language that must be used is: "Not authorized by any candidate or candidate committee. Authorized and paid for by," which is followed by the name of the political party committee, the committee's permanent street address and telephone number. If the electioneering communication is made by Internet advertising, or by video, radio, television, cable or satellite broadcast, the disclosure may be given either orally or in writing. If it is in writing, it must be of sufficient size and contrast to be clearly readable by the person reading the communication. If the electioneering expenditure is made through Internet advertising, direct mail, magazine advertisement, newspaper advertisement or any other printed medium, the disclosure must be in writing and meet the same standard for readability. [Rules 2.57](#) and [2.58](#).

## **XI. Reports of Contributions and Expenditures Due Dates**

**State Political Party Committee Reporting**

Once registered with the Ethics Commission, a state political party committee must file quarterly Reports of Contributions and Expenditures with the Commission. The reporting dates and time periods covered for state political party committees are:

Filing Dates	Period Covered	Type of Report Due
<b>Registration/Renewal Period in July of Any Odd-Numbered Year</b>		
April 1 – 30	Jan. 1 – March 31	1 <sup>st</sup> Quarter Contributions and Expenditures Report
July 1 – 31	April 1 – June 30	2 <sup>nd</sup> Quarter Contributions and Expenditures Report
Oct. 1 – 31	July 1 – Sept. 30	3 <sup>rd</sup> Quarter Contributions and Expenditures Report
Jan. 1 – 31	Oct. 1 – Dec. 31	4 <sup>th</sup> Quarter Contributions and Expenditures 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 political party committee is dissolving and filing a Final Report of Contributions and Expenditures. Except for good cause shown, a political party committee that files more than one quarterly report after the date that it is due shall be deemed to have intentionally failed to file the report in violation of these Rules. [Rule 2.100](#).

The Executive Director is authorized to issue compliance orders, including late filing fees, to obtain compliance with these Rules. A person affected by a compliance order may request a hearing to be conducted by an administrative law judge. [Rule 6.19](#). The Executive Director is authorized to require additional information on the Reports of Contributions and Expenditures that is consistent with the intent and purpose of the rules. [Rule 2.93](#).

### **Congressional District, County, Precinct and Other Party Committees**

Congressional District, county, precinct and other party committees are required to file Reports of Contributions and Expenditures in any year when the committee does one of the following “triggering events”:

1. Makes an independent expenditure;
2. Makes an electioneering communication; or
3. Makes a contribution in any amount to a candidate for any state office.

Once the committee has registered, it must file a Report of Contributions and Expenditures with the Commission during the next quarterly reporting filing period after the triggering event.

Reports are due during the quarterly filing period for the quarter in which the triggering event occurs. The first report by a committee will cover the time period of January 1 of the year of the date of the triggering event through the end of the reporting period for the quarter of the triggering event. Any subsequent reports will begin with the reporting period of the quarter following the quarter for which a report has been filed and continue through the end of the reporting period during which a triggering event occurred.

**Example:** X committee makes a contribution to a candidate for state office (triggering event) on April 14, 2015. The next quarterly filing period is July 1 through July 31, 2015. Therefore, X committee needs to file a Report of Contributions and Expenditures between July 1 and July 31 that covers the period of January 1 to June 30, 2015.

In election years, Independent Expenditure Reports may be triggered in addition to the any required Quarterly reports. See sections on how independent expenditure and electioneering communication reports are filed for more information.

A Statement of Organization and \$100 registration fee will be required prior to filing a Report of Contributions and Expenditures. The Statement of Organization is filed online in The Guardian System. Payment of the registration fee can be made online to sent to the Ethics Commission offices.

Non-state political party committees that are not yet required to register may use The Guardian System for record keeping purposes (e.g., keep track of all contributions, expenditures, etc.). To do this, register in The Guardian System and do not pay the registration fee; instead, click the red “Finished” button. The Ethics Commission will conditionally accept your registration. Then, committee contributions and expenditures may be entered into the system. Based on the information inputted into the system, The Guardian System will notify the committee if it is required pay the registration fee and file subsequent Contribution and Expenditures Reports. This will assist non-state political party committees with record keeping and will notify the committee when or if other reports are required.

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

Reports of Contributions and Expenditure include the following:

Information on all receipts, including monetary contributions, in-kind contributions, transfers from other political party committees, refunds and other receipts;

Information on all expenditures made, including independent expenditures and electioneering communications, refunds made and transfers to other political party committees; and

Information on all contributions to candidate committees. [Rule 2.105](#).

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

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

The name, address, occupation and employer of any person other than a political action committee making a contribution to the political party committee exceeding \$50 in the aggregate and

The name and address of any person or entity to which an expenditure of more than \$200 in the aggregate was made.

It is imperative that the Treasurer keep detailed and accurate records of all political party committee transactions to ensure that the Treasurer has the information necessary to correctly account for all the receipts and expenditures by 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 political party committee must be reported as if the expenditures had been made directly by the committee itself. That makes it necessary to identify all of the expenditures made by such persons on behalf of the political party committee 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 a political party committee may receive a contribution from a limited liability company or a partnership, the contributions must be reported as if the contributions were made by the members or partners, respectively. To accurately report the political party 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 2.104](#).

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

Detailed information on completing Reports of Contributions and Expenditures may be found on in The Guardian System, <https://guardian.ok.gov>. To access the step-by-step documents and the YouTube videos in The Guardian System, click on the Resources tab and then click on "Publications."

### **Compliance Fees**

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 a political party committee is as follows:

1. \$100.00 for **first** day of late filing
2. \$100.00 per day for each of the next **five days after the first day** of late filing
3. \$400.00 on the **seventh** day of late filing

A committee affected by a compliance order may request a hearing to be conducted by an administrative law judge. Information on how to request such hearing is made available with the compliance order. [Rule 6.19](#).

## **XII. Independent Expenditures**

### **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, or a political party committee or its agents. [Rule 2.2\(10\)](#).

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

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

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

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

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

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

**Consequences of Coordination**

If any person makes, or contracts to make, any expenditure for an independent expenditure and such expenditure is coordinated with a candidate or a candidate committee in any way, the expenditure is considered as a contribution to the candidate committee and as an expenditure by the candidate committee. [Rule 2.107\(H\)](#). 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.

**How Independent Expenditures Are Reported**

If an independent expenditure of \$5,000 or more is made by a political party committee at least 15 days prior to any primary, runoff primary or general election, that expenditure must be reported by the political party committee at the same time that candidates file pre-election reports. The \$5,000 trigger is an aggregate number of all independent expenditures made by the political party committee. [Rule 2.107\(A\)](#). Dates for pre-election reports may be found on the Ethics Commission website at [www.ethics.ok.gov](http://www.ethics.ok.gov).

If an independent expenditure of \$5,000 or more is made by a political party committee 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\(B\)](#).

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](#).

**Help in Completing Reports of Independent Expenditures**

Detailed information on completing reports of independent expenditures may be found on the Ethics Commission’s website, [www.ok.gov/ethics](http://www.ok.gov/ethics), under the “Campaign Finance Reporting” tab.

### **XIII. Electioneering Communications**

**What an Electioneering Communication Is**

An electioneering communication can be 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; radio, television, cable or satellite broadcast or newspaper or magazine advertising. It 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 any candidate, whereas an independent expenditure does. [Rule 2.2\(7\) and \(11\)](#).

**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 mentions a candidate’s name that is outside the relevant time period or that is made through a different means of communication, such as telephone, 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, is targeted to the relevant audience through a television broadcast that is made 31 days before a primary election but does not advocate the election or defeat of a candidate is issue advocacy. That same communication, made 30 days before the same primary election becomes an electioneering communication.

**Who May Make Electioneering Communications**

A political party committee may make electioneering communications consistent with the purposes of the committee. Electioneering communications also may be made by other persons, such as political action committees, 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 2.49](#).

**No Limits on Electioneering Communications**

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

**How Electioneering Communications Are Reported**

If an electioneering communication of \$5,000 or more is made by a political party committee at least 15 days prior to any primary, runoff primary or general election, that expenditure must be reported by the political party committee at the same time that candidates file pre-election reports. [Rule 2.108\(A\)](#). Dates for pre-election reports may be found on the Ethics Commission website at [www.ok.gov/ethics](http://www.ok.gov/ethics).

If an electioneering communication of \$5,000 or more is made by a political party committee 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\(B\)](#).

**Help With Completing Reports of Electioneering Communications**

Detailed information on completing reports of electioneering communications may be found on the Ethics Commission’s website, [www.ok.gov/ethics](http://www.ok.gov/ethics), under the “Campaign Finance Reporting” tab.

## **XIV. Dissolving the Political Party Committee**

**When the Committee May Dissolve**

A political party committee may dissolve when the political party ceases to be recognized under the laws of the State of Oklahoma. The committee must file a Final Report of Contributions and Expenditures that shows no funds remaining in the committee. [Rule 2.113](#).

**a. Disposition of Surplus Funds**

Surplus funds of a political party committee are funds not otherwise obligated when a political party ceases to be recognized under laws of the State of Oklahoma. Surplus funds may be

- Returned to any contributor, as long as the amount returned does not exceed the contributor's contribution during the last calendar year in which the contributor made a contribution; or
- Contributed to a charitable organization as described in Section 501(c)(3) of the Internal Revenue Code.

Any funds that remain under the political party committee's control 90 days after the party ceases to be recognized must be deposited in the general revenue fund of the State of Oklahoma. [Rule 2.46](#).

#### **b. Disposition of Assets**

The political party committee must dispose of assets acquired by the political party committee through purchase or in-kind contributions, including but not limited to furniture, computer equipment and similar items. If an individual retains those assets, that would amount to converting contributions to personal use in violation of the Ethics Rules. An individual may purchase such assets from the committee but only if the person pays fair market value for such purchases. [Rule 2.117](#).

#### **c. Resolution of Debt**

If a political party committee has debt at the time of its dissolution, that debt must be resolved in a commercially reasonable manner before the political party 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 political party committee. [Rule 2.116](#).

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

A Final Report of Contributions and Expenditures is identical to other Reports of Contributions and Expenditures except that it requires information about the resolution of debt and disposition of tangible assets, if any. A Final Report 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](#).