Modification and Repealer of Ethics Rules: To modify Ethics Rules applicable to candidate committees formed for elections held prior to January 1, 2015 by providing a mandatory dissolution date, modifying uses of surplus funds and treatment of debt of those committees, and providing a repeal of Ethics Rules applicable to candidate committees formed for elections held prior to January 1, 2015.

257:10-1-13. Required Reports of Contributions and Expenditures

(a) Periodic reports by all committees.

(1) Except as provided in Paragraphs (2) and (3) of this subsection, the treasurer of each committee or, in the treasurer's absence, the deputy treasurer, other than those specified in Paragraph (3) of this subsection, shall file quarterly reports of contributions and expenditures no later than January 31, April 30, July 31, and October 31, and include all contributions accepted and expenditures made as of December 31, March 31, June 30, and September 30, respectively. Quarterly reporting periods may be extended to include the month following the end of the quarter when filing a quarterly and final report on the same form but shall be filed no later than the due dates provided in this subsection. The first report filed by a candidate committee shall be the next report due following the filing of a statement of organization.
(2) If a committee has accepted no contributions and has made no expenditures during a reporting period, the treasurer or, in the treasurer's absence, the deputy treasurer shall file a statement of inactivity.

(3) The treasurer or, in the treasurer's absence, the deputy treasurer of each committee supporting or opposing a ballot measure, or supporting or opposing a candidate and a ballot measure, shall file monthly reports of contributions accepted and expenditures made no later than the tenth (10th) day of each month and include all contributions and expenditures made the previous month. The first report filed by such a committee shall be the next report due following the filing of a statement of organization.

(b) Pre-election reports by all committees.

(1) A committee shall file a pre-election report for each primary, runoff primary and general election held pursuant to Sections 1-101, 1-102 and 1-103 of Title 26 of the Oklahoma Statutes and for any special election, including a special primary election, if any, for which a registered committee accepts a contribution or makes an expenditure in support of or in opposition to a candidate for office in that election cycle or a ballot measure on the ballot in that election.

(2) A pre-election report shall be filed no later than eight (8) days and no earlier than fourteen (14) days before an
election. This pre-election report shall include information for all transactions made since the end of the last reporting period through fifteen (15) days before the date of the election. In the event that the pre-election report filed prior to the Primary is due before the previous quarterly report, the report filed prior to the Primary shall include information for all transactions made for the previous quarter through a period fifteen (15) days before the date of the election.

(3) The pre-election report filed prior to the Primary in an election year shall cover a reporting period beginning April 1 and ending the fifteenth day prior to the Primary. The pre-election reports filed prior to the Primary, Runoff Primary and General Elections shall substitute for the quarterly report due by July 31 and October 31 for a candidate committee during an election year of the candidate or a committee supporting or opposing only candidates in an election cycle.

(4) The first quarterly report due after a General Election in which a committee-supported or opposed candidates on the ballot shall cover a period beginning with the first day following the end of the reporting period of the pre-election report for the General Election and end with the last day of the quarter.

(e) Exemptions

(1) Federal committees. Committees registered under the laws of the United States, who contribute more than $500 in the
aggregate or make expenditures exceeding $500 in the aggregate
in support of or in opposition to a candidate for state office
in an election cycle, in filing the reports prescribed by this
chapter, may disclose only contributions from Oklahoma residents
or contributions to Oklahoma state campaigns for the period
prior to and reporting periods following the period during which
the contribution to a state candidate for state office was made.

(2) Out-of-state committees. An out-of-state committee shall
report contributions accepted on a last-in-first-out basis in an
amount which equals or exceeds the amount of expenditures made
in this state with respect to elections governed by this
chapter. Such a committee shall also report all contributions
from Oklahoma contributors within the twelve-month period
preceding the last date of the reporting period.

(3) Exemption for candidate committees with minimal activity.
A candidate committee which does not accept contributions
exceeding $500 in the aggregate may file an affidavit with the
Ethics Commission stating the committee will not accept
contributions or make expenditures exceeding $500 in the
aggregate which shall exempt such candidate committee from
filing required reports. If the committee later determines it
will exceed the threshold, it shall file a statement of
organization within five (5) days following the activity and
file the next and all succeeding required reports until
dissolution.

(4) Exemption for candidate committee with minimal calendar
year activity

(A) Statement of intent for minimal calendar year
activity. A statement of intent for minimal calendar year
activity may be filed by a candidate committee by April 30 of
any year for the same year, other than the year of the General
Election during which the office sought will be filled. The
statement of intent must include the name and address of the
candidate committee; the treasurer’s name, address and telephone
number; and a statement that the committee does not intend to
accept contributions nor make expenditures exceeding $500 during
the calendar year. It must be certified and signed by the
treasurer. If the committee later determines it has exceeded
$500 in contributions or expenditures during the calendar year
for which the statement was filed, it shall file an amended
statement of organization within five (5) days of such time and
file the next and all succeeding required quarterly reports.

(B) Annual report. All required disclosure for which a
statement of intent for minimal calendar year activity is filed
must be reported for the calendar year period covered by the
statement of intent for minimal calendar year activity on a
campaign contributions and expenditures report and must be filed

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between January 1 and 31 following the end of the calendar year
for which the statement was filed.

257:10-1-18. Report Filing Requirements
(a) Reports may must be filed on a form or electronically
transmitted to the Commission office.
(b) Except for a report submitted under Subsection (c) of this
section, a paper copy of a report filed shall be typed or
printed in black ink on forms supplied by the Commission, or on
legible direct reproductions of the forms.
(c) A report may be filed with the Commission on a computerized
printout if the following requirements are satisfied:
(1) the Commission reviews and approves the proposed format for
use by the committee before the format is used to file a report;
(2) the printer used is of a double-strike or laser quality;
(3) individual sheets are separated; and
(4) the Commission reviews and approves a proposed amendment to
the format for use by the committee before the amended format is
used to file a report.

257:10-1-19. Dissolution Procedures
(a) Candidate committees. A candidate committee is required to
dissolve not later than December 31, 2021. may not dissolve
until:

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(1) after a Primary Election, Special Primary or a Run-off Primary Election in which the candidate who designated the committee is elected or defeated;

(2) after the General Election or Special General Election in which such candidate's name appears on the ballot;

(3) after the last day for filing a declaration of candidacy for such candidate who is unopposed in the Primary, Run-off Primary and General Election or Special Primary and Special General Election;

(4) after such candidate's name has been stricken from the ballot pursuant to Section 5-127 of Title 26 of the Oklahoma Statutes;

(5) after withdrawal of such candidate's candidacy pursuant to Sections 5-115 or 5-116 of Title 26 of the Oklahoma Statutes; or

(6) after the committee determines that it will not accept contributions or make expenditures.

(b) Other committees. A political action committee or a party committee may dissolve only after it determines that it will not accept contributions or make expenditures. A committee formed to support or oppose one or more related ballot measures shall not accept contributions or make expenditures toward a new unrelated ballot measure but may file a final report transferring surplus funds to a new committee formed for such
purpose which shall register and report as required by this
chapter.

(4) Final report. Upon dissolution, a committee shall file a
final report. A final campaign contributions and expenditures
report may be filed, by paper form or electronically transmitted
at the time or before a scheduled filing is due. A final report
and a quarterly report may be filed on the same form or the
final report may be filed separately. A quarterly report,
designated as a final report, shall include contributions or
expenditures, if any, which occur from the end of the quarterly
reporting period until the time the report is filed without
changing the due dates of quarterly reports as provided in
Subsection (a) of Section 13 of this chapter. The form or
electronic transmittal must be marked or designated "final".

(4)(c) Treatment of debt. If a committee owes or is owed
money, the committee may dissolve, but must report the status of
the debts on the same dates as campaign contributions and
expenditures reports would be due until all debts are resolved.
Methods of resolution must also be detailed, but the Final
Report of Contributions and Expenditures shall describe in
detail the resolution of the debt. Resolution of debt shall be
made in a commercially reasonable manner. Resolution of debt to
a corporation or to any other person for the purpose of evading
prohibitions or limitations of these Rules shall be considered a
contribution to the committee in the amount of the forgiven debt.

(a) Committee assets. Committee assets shall be disposed of according to Section 20 of this chapter before dissolution.

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

(a) Candidate committees.

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

(A) payment of debts of a former election campaign of the same candidate,
(B) payment of expenses for use in a future election campaign of the same candidate,
(C) for political activity,
(D) for community activity,
(E) for nonreimbursed office-related expenses, or
(F) for tickets for the Speaker's Ball.
Said contributions and shall not be used for any other purposes except as permitted in Paragraph (3) (2) of this subsection.

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

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

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

(B) be returned to the contributors pursuant to any formula approved by the candidate; provided, any amount returned to a contributor shall not exceed the amount of the original contribution.
(C) be contributed to a 501 (c)(3) charitable organization;

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

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

(F) be used for a community activity;

(G) be used for political activity;

(H)(C) be transferred contributed to the state, county or congressional district committee of a political party, not to include an affiliated or connected entity of a political party; or

(D) be distributed using a combination of these options; or

(J) be used for tickets for the Speaker's Ball.

(b) Other committees.

(l) Use of campaign contributions. Contributions accepted by any committee, other than a candidate committee, may not be converted by any person to any personal use and shall be used to defray any campaign expenditures and to further the committee's purposes. Said contributions shall not be used for any other

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

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

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

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

(3) Use of surplus funds by committees supporting or opposing
ballot measures. Surplus funds of committees formed to support
or oppose ballot measures may be:
(A) deposited with the State Treasurer to the credit of the General Revenue Fund;
(B) returned to the contributors pursuant to any formula approved by the committee; provided, any amount returned to a contributor shall not exceed the amount of the original contribution; or
(C) donated to a charitable organization; or
(D) donated to a community activity.
(4) Use of surplus funds by political action committees—making only independent expenditures or electioneering communications.
Surplus funds of political action committees formed to make only independent expenditures or electioneering communications may be
(A) deposited with the State Treasurer to the credit of the General Revenue Fund;
(B) returned to the contributors pursuant to any formula approved by the committee; provided, any amount returned to a contributor shall not exceed the amount of the original contribution;
(C) donated to other political action committees formed solely to make independent expenditures or electioneering communications;
(D) donated to a charitable organization; or
(E) donated to a community activity.
Oklahoma Ethics Commission Rule Amendment: 2021-01


Effective Date and Operational Date: These changes will become effective upon Sine Die Adjournment of the 2021 Regular Legislative Session, and, except as provided in the Repealer, will also become operational on that date.

Promulgated this 11th day of December, 2020

Amended: ☒ No ☐ Yes, Amendments Adopted: __________________________

Signed on Behalf of Commission:

[Signature]
Chair Stocker

Delivery to Legislature: In accordance with Oklahoma Constitution Article 29, § 3, the Executive Director shall cause promulgated Ethics Rules, including new, modified, or repealed Rules, to be delivered to the Governor and Legislature on the second day of the Legislative Session following the promulgation of the Rule(s).