



ETHICS COMMISSION

2023 ECR 01

Political Party Committees

REQUEST

- Consider the definition of “influence elections” in Art. IX, § 40 of the Oklahoma Constitution, specifically related to whether it excludes operational costs, non-campaign political expenses, and building maintenance funds.**
- Analyze the purpose of restrictions on political transfers and “surplus fund” restrictions between political parties and elected officials.**
- Examine the structure of county party and auxiliary group registration and whether state parties should continue to maintain liability for their reporting activity.**
- Consider contribution limits to funds provided to political parties, specifically whether those limits should be significantly increased, or simply eliminated.**
- Other items**

POLITICAL PARTY

Rule 2.2 (16) “Political party” means political party recognized under the laws of Oklahoma.

Laws on political party recognized in Oklahoma law.

26 O.S. 1-107: parties of candidates on 1974 General Election Ballot & those formed according to law.

26 O.S. 1-108: File Notice of Intent to form Party with Secretary of Election Board...Petition with 3% signatures of registered voters of total votes cast in most recent gubernatorial election.

3 OKLAHOMA POLITICAL PARTIES

Oklahoma currently recognizes three political parties:

Republican Party

Democratic Party

Libertarian Party

POLITICAL PARTY Partisan Elections

June

Primary Elections

August

Runoff Primary
Election

November

General Election

26 O.S. 1-102: Primary Elections determine each party's candidates for the partisan elected offices to be filled at the next general election.

26 O.S. 1-103: Runoff Primary Elections used for races where primary election does not determine general election candidate by majority of all votes cast at primary for the party

POLITICAL PARTY COMMITTEE

Ethics Rule 2.2(17):

A Political Committee authorized by a recognized Oklahoma political party ...

– to –

accept contributions and make expenditures on *behalf of* that political party

Includes committees of: the State, Congressional District, County, Precinct, & Other (committee/entity recognized in the party's bylaws, etc.)

“others”: “College” Party Committees, “Young” party committees, “women” party committees, etc.

National Party



State Party



Congressional District



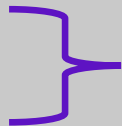
County



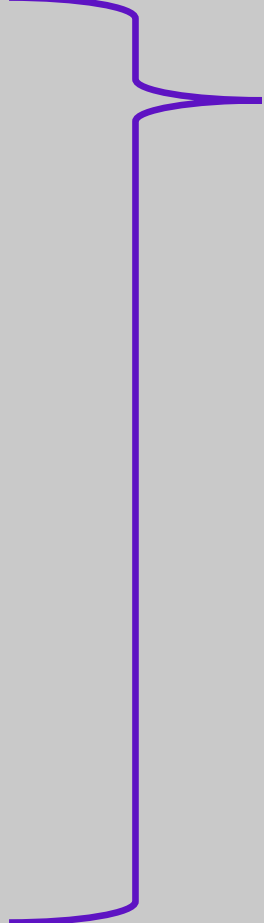
Precinct



**Other Oklahoma Party
Committees Not Named Above**



NATIONAL LEVEL



**STATE PARTY
COMMITTEE
STRUCTURE**

National Party

} NATIONAL LEVEL

State Party

Congressional District

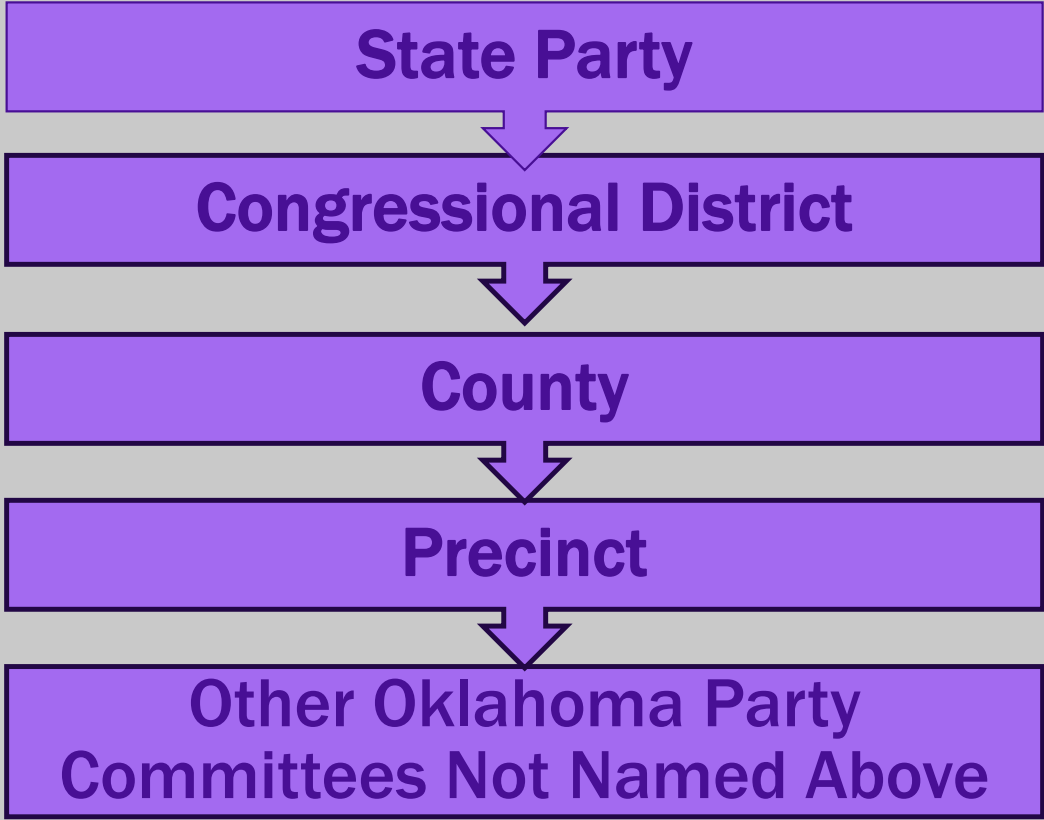
County

Precinct

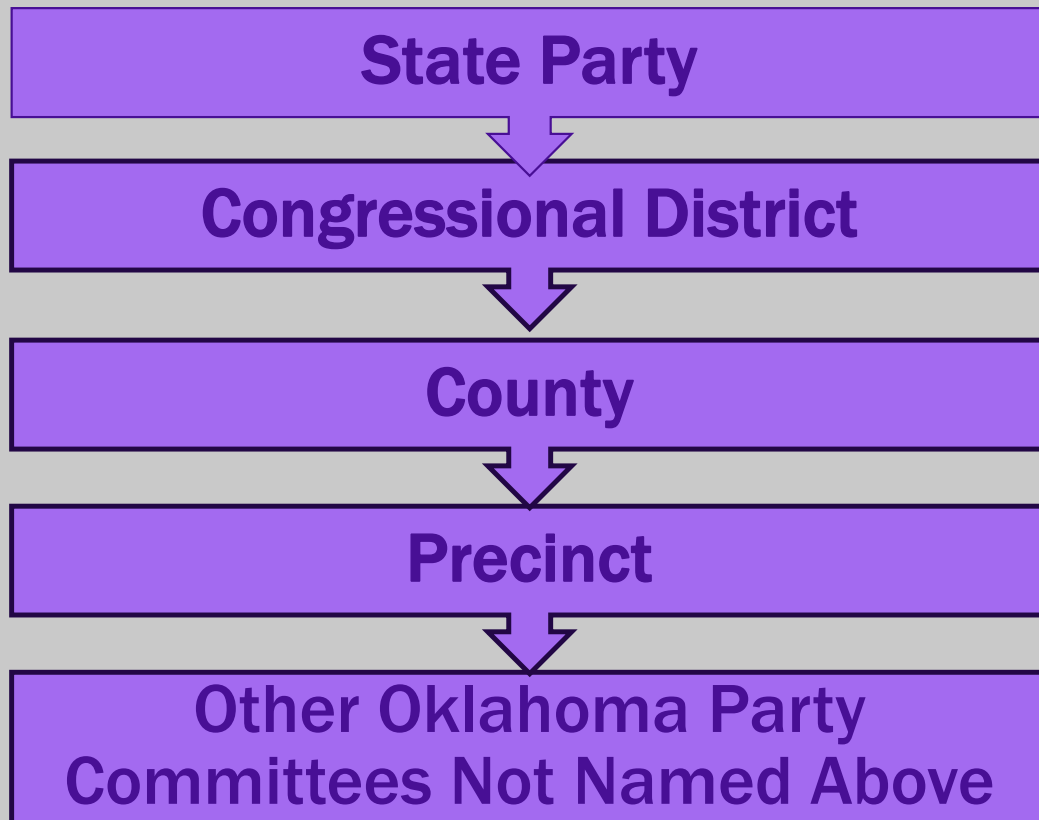
**Other Oklahoma Party
Committees Not Named Above**

**State Party
Committee Structure**

Until 2015 all PPCs
committees were
subject to same
registration and
reporting
requirements



Until 2015 all PPCs committees registered annually & and filed regular reports with the Commission



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OEC observed PPCs were largest group of non-compliant filers and sought to determine why and identify solutions.

Relevant issues:

- **Changes in officers often led to issues with access to records**
- **No access to records resulted in late report or reports that were not filed.**
- **Non-familiarity with Rules led to repeated issues with accuracy of reporting and significant staff time to assist in corrections**
- **Staff analysis identified much of the activity reported by the non-state level committees was not direct campaign activity & many committees rarely, if ever, engaged in direct campaign activity**

Commission Amended Rules

- **Respects the difference between state and local party committees**
- **Developed registration and reporting requirements for each**
- **Revised Guardian System to reflect changes**

State Party Committees

Congressional District

County

Precinct

**Other Oklahoma Party
Committees Not Named Above**

**Local Party
Committees**

2015 Rule Changes Split Registration & Reporting

State Party



1. Files SO in odd-numbered years (after state party has biennial convention)
* Amendments required as SO info changes to keep info current
2. Pays annual administration fee
3. Files quarterly reports
4. Files pre-election IE/EC reports as needed

LOCAL Party



1. Registers & Reports only if it
 - a. Makes a contribution to a state candidate committee
 - b. Makes an Independent Expenditure
 - c. Makes an Electioneering Communication
2. Designed as “one and done” reporting

COMMITTEE

STRUCTURE

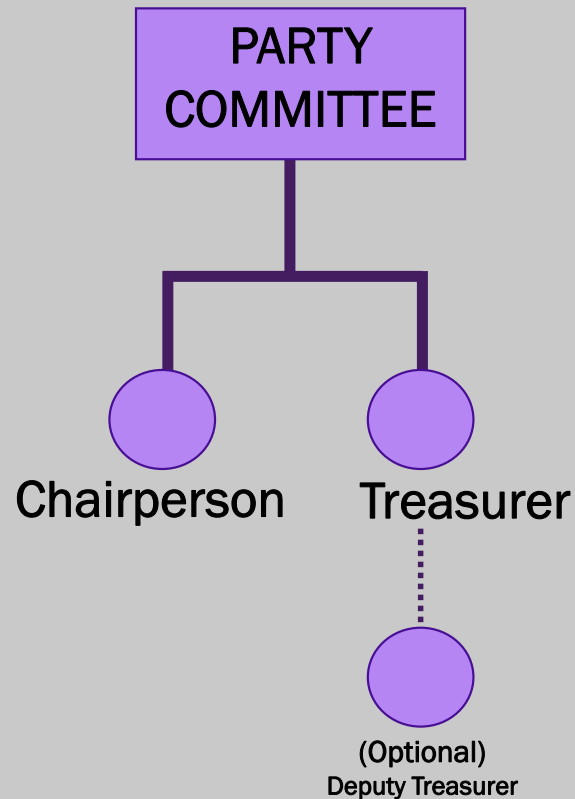
PARTY COMMITTEE OFFICERS

Ethics Rule 2.104: Require Committees to have, at a minimum, a Chairperson and Treasurer.

Deputy Treasurers may be listed and show who fills in for the Treasurer in the event of a vacancy

Individualized contact information must be provided on the Statement of Organization "S.O."

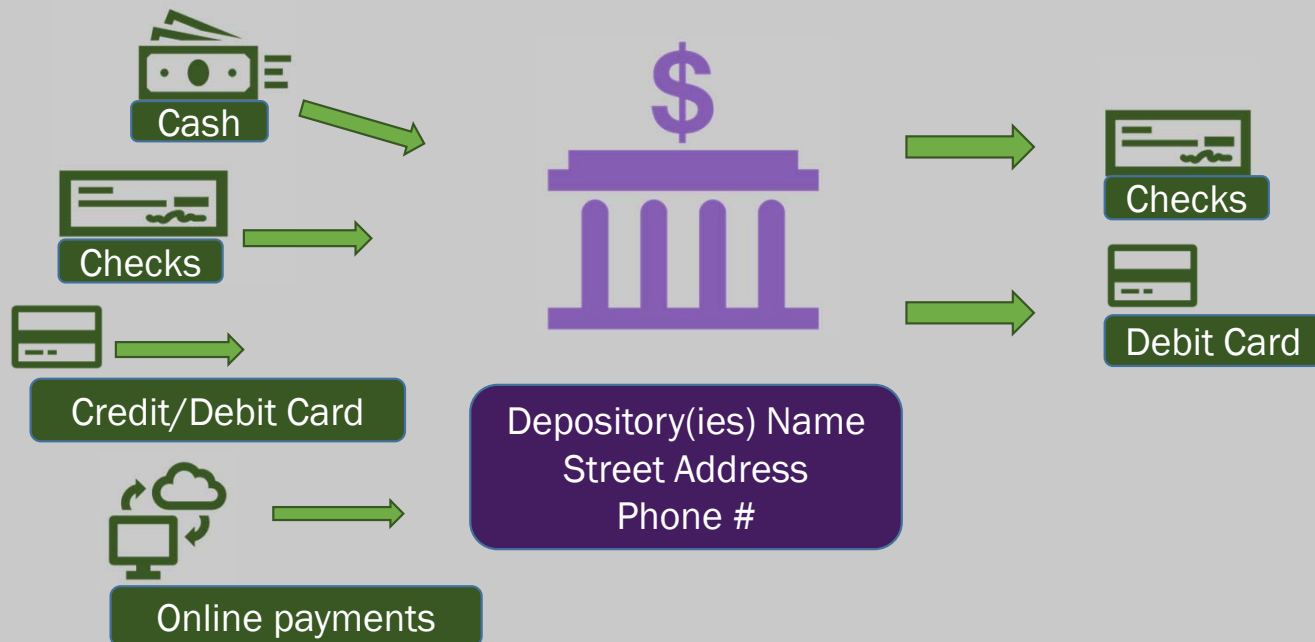
Name
Street Addresses
Phone #
Email addresses



Other officers may serve but are not included on the "SO"

COMMITTEE DEPOSITORIES

Rule 2.95. Committees must maintain depositories in the name of the Committee as listed on the SO. All funds must be deposited into the Depository. Expenditures from the Depository may only be made by Check or Debit Card.



COMMITTEE

FINANCES

CONTRIBUTIONS- CONSTITUTION

Oklahoma Constitution, Art. 9:

Sec. 40: No *corporation* organized or doing business in this State shall be permitted *to influence elections* or official duty by *contributions of money or anything of value*.

Sec. 1: As used in this article, the term “corporation” or “company” shall include all associations and joint stock companies having any power or privileges, not possessed by individuals...

Several Attorney General Opinions construe this provision recognizing corporate contributions (monetary or in kind) are prohibited to candidates, candidate committees, and other committees that could make contributions to candidates.

CONTRIBUTIONS

Rule 2.17. General Rule for Contributions.

(A) Unless otherwise prohibited or limited by law or these Rules, a contribution to a political party...may be made by any individual or other person or entity. A child under the age of eighteen (18) may make a contribution only if the contribution is attributed to his or her parent (or equally between two parents) or guardian.

Rule 2.91. Contributions Must be Voluntary. A political party committee...shall not accept a contribution or make an expenditure (1) by using anything of value secured by physical force, job discrimination, financial reprisals or threats of the same or (2) in exchange for any advantage or promise of an advantage conditioned upon making a contribution, or reprisal or threat of reprisal related to the failure to make a contribution.

Rule 2.18. No contribution shall be made in the name of another.

CONTRIBUTIONS-ETHICS RULES

Rule 2.2 Definitions

6. “Contribution” means any gift, subscription, loan, guarantee or forgiveness of a loan, conveyance, advance, payment, distribution or deposit of money made to, or anything of value given to, or an expenditure other than an independent expenditure made on behalf of, a political party, political action committee or candidate committee, but shall not include the value of services provided without compensation by an individual who volunteers those services;

CONTRIBUTIONS-ETHICS RULES

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Contributions are either:



Monetary



In-Kind

Goods, services, discounts

CONTRIBUTIONS

Rule 2.31. Contributions to Political Party.

[Annual limits] No person shall make, and no political party shall accept, a contribution to any political party committee in excess of Ten Thousand Dollars (\$10,000.00) in any calendar year,...[aggregate limits apply] -Double the limits of PAC contributions.

[Limits are per party not per committee:] For purposes of this limitation, contributions to a state committee, a Congressional District committee, a county committee, a precinct committee or any other committee or entity of the party officially recognized in the party's bylaws or similar governing document shall be aggregated. *Except* "Levin Funds" which shall not be aggregated.

[Earmarked contributions treatment] A contribution to a political party committee that is designated directly or indirectly to be used for the benefit of a particular candidate or candidates shall be considered a contribution by the contributor to the candidate or candidates.

[Exception for certain candidate costs] If a political party committee sells goods or services to a candidate committee for *ordinary and necessary campaign expenses* as defined in Rule 2.43, the expenditure by the candidate committee shall not be considered as a contribution to the political party committee; **[break even costs only].**

WHO **MAY** MAKE CONTRIBUTIONS TO A POLITICAL PARTY COMMITTEE



Any individual
May contribute
\$10,000 per year



Limited PAC
May contribute **\$10,000/yr**
Unless it's a 1/25 PAC which
has a limit of **\$5,000/yr**



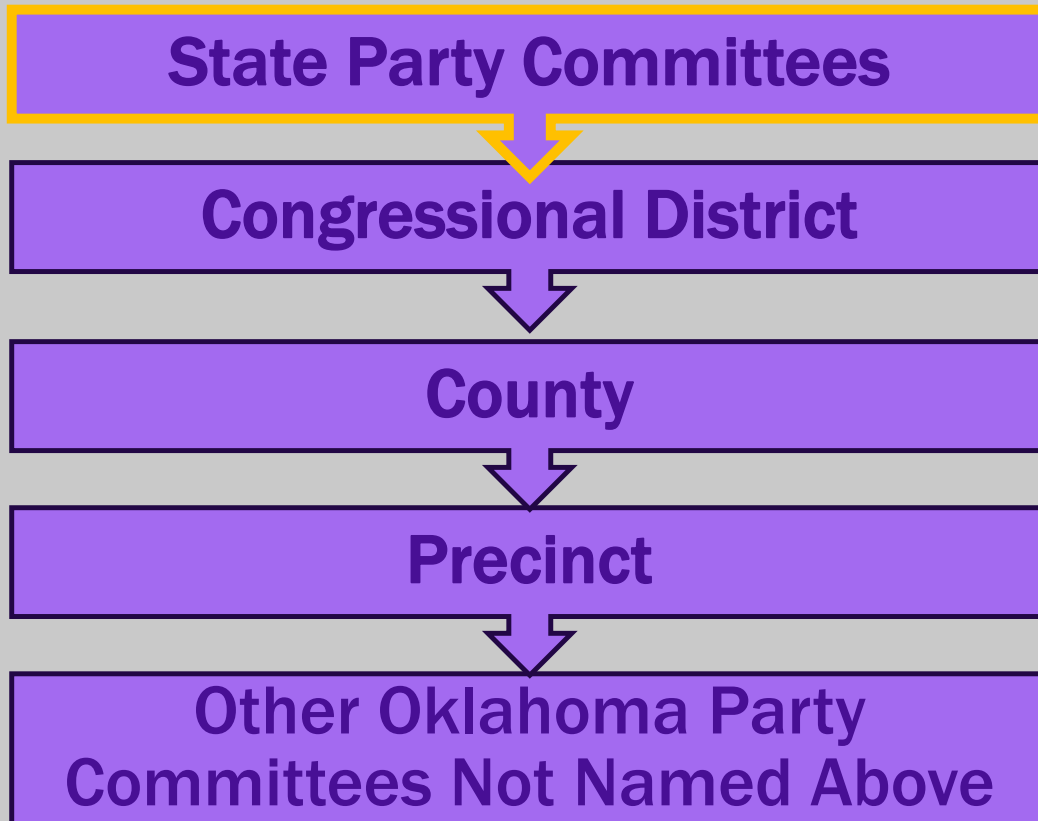
Candidate Committee
Surplus Funds ONLY
\$25,000

CANDIDATES CONTRIBUTE THROUGH SURPLUS FUNDS TO A PPC.

Surplus funds are
only available to
candidates
AFTER the race is
decided as to
that candidate

- ▶ Candidate committees can give up to a total of \$25,000 from surplus funds in total to a party (regardless of # of committees)
- ▶ (NO contributions otherwise)

Expenditures of funds between Party Committees



Expenditures from one PPC to another are not *contributions* but are transfers
no limits

WHO **CANNOT** MAKE CONTRIBUTIONS TO A POLITICAL PARTY COMMITTEE



Corporations



Labor Unions



Foreign Nationals



Unlimited PACs

History:

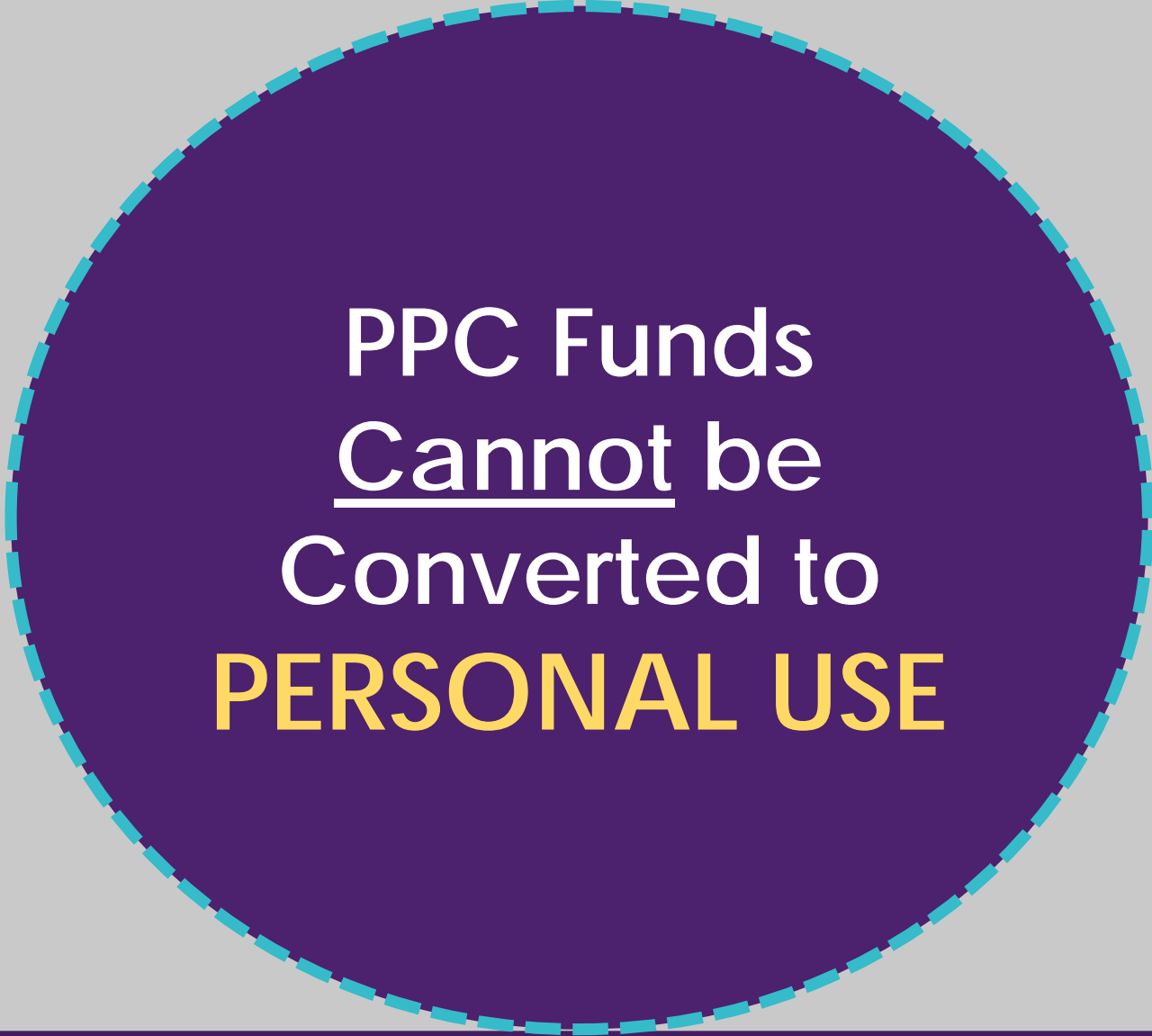
Party structure designed for parties to support candidates in election to partisan office.

- **Candidate committees can expend surplus funds to party committees**
- **2013 Ethics Rule Revisions established at what point candidate committees have surplus funds.**
- **2016 GOP Advisory Opinion Request led to study and Rule Revisions.**
 - **Various scenarios on the timing of expenditure of candidate funds to party committees**
 - **Whether such expenditure is a contribution**
 - **What are Applicable limits?**
- **Commission accepted the request but ultimately decided to engage in Rule making rather than issue an Advisory Op.**

- ▶ **Candidate can purchase goods or services from PPC **at cost** (PPC cannot receive a profit)**
- ▶ **Ticketed events example**

PPC EXPENDITURES

- 1** Contributions to Candidates (Non-Judicial offices only)
(Agg. w/all PPC)
Limited to \$25,000 per Candidate for Statewide Office (PARTY limit)
Limited to \$10,000 per Candidate for Other State Office (PARTY limit)
- 2** Modest Items in Recognition of Volunteers and Contributors
- 3** Ordinary and Necessary Expenses
- 4** Independent Expenditures & Electioneering Communications



PPC Funds
Cannot be
Converted to
PERSONAL USE

**MODEST, CAMPAIGN-RELATED ITEMS IN
RECOGNITION OF
VOLUNTEERS & CONTRIBUTORS**



Items Must be of Modest Value

**REPORTS OF
CONTRIBUTIONS &
EXPENDITURES**

REPORTING CONTRIBUTIONS & EXPENDITURES



- ▶ First Report of Contributions & Expenditures Due during corresponding reporting period for date Statement of Org. (SO) Was Filed or Should Have Been Filed
- ▶ All Reports are Filed Electronically in **The Guardian System**
- ▶ All Reports Due on Date Specified **Regardless of Weekends and Holidays**

REPORTING SCHEDULE FOR STATE LEVEL PPCS

1st Quarter

- Covers: Jan. 1 – March 31
- Filing Dates: April 1-30

2nd Quarter

- Covers: April 1 – June 30
- Filing Dates: July 1-31

3rd Quarter

- Covers: July 1-30
- Filing Dates: Oct. 1-31

4th Quarter

- Covers: Oct. 1 – Dec. 31
- Filing Dates: Jan. 1-31

PRE-ELECTION IE/EC REPORTING

WHEN CAMPAIGN ADVERTISING FOR/AGAINST CANDIDATES IS \$5,000 OR MORE

Elections Always on Tuesday

- 2nd Tuesday Before Election starts Pre-Election Reporting.
- 2nd Tuesday – Monday (June 14 – June 20)
 - Report all IE/EC activity made prior to the 2nd Tuesday (June 14)
- 2nd Tuesday through Election Day
 - Next business day(NBD) reporting
 - Only concerned with activity during the last two weeks
 - 1st report due when over \$5,000 in IEs/ECs are made
 - 2nd & Subsequent reports due NBD regardless of value

JUNE 2022

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

June 28 Primary Reporting

June 14—June 20: IE and EC Pre-election Report due

Include activity BEFORE June 14.

June 14– June 26: IE and EC Reporting: Next Business Day

June 14 — June 28

REPORTING SCHEDULE FOR LOCAL PPCS

Contribution & Expenditure Report due in any year when a triggering event occurs

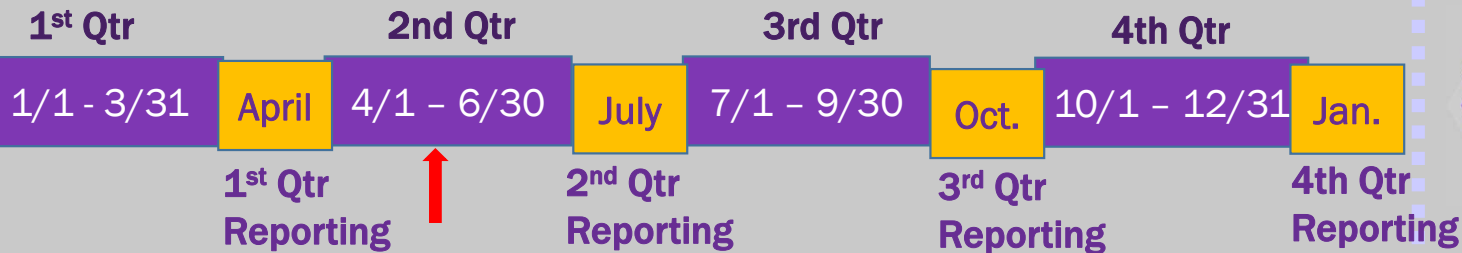
Local PPCs may have one report due in a year, multiple reports, or no reports depending upon the number of triggering events that occur.

First Contribution & Expenditure Report will Cover the beginning of the year (Jan. 1st) until the end of the period covered in the quarterly filing period that the triggering event occurred

LOCAL PPC FIRST FILING EXAMPLE

TRIGGERING EVENT: County X PPC gave \$100 to a state candidate on May 1. County X PPC must:
(1) File an SO; & (2) File a report

County X PPC not required to renew registration or file reports in 2023 unless another triggering event occurs



**SO & Report Due
Covering 1st & 2nd Quarter
Jan. 1 - June 30, 2022 (2Q)**

**REGISTRATION EXPIRES DEC. 31,
2022**

State Party Committees

Congressional District

County

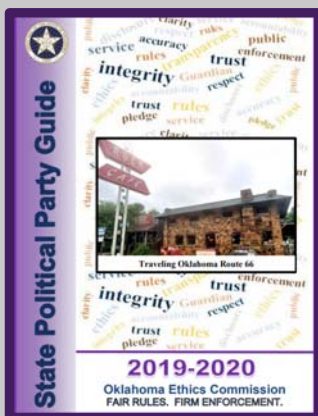
Precinct

**Other Oklahoma Party
Committees Not Named Above**

**Local committees
may avoid
registering &
reporting
requirements by
utilizing state
party and transfer
rules**

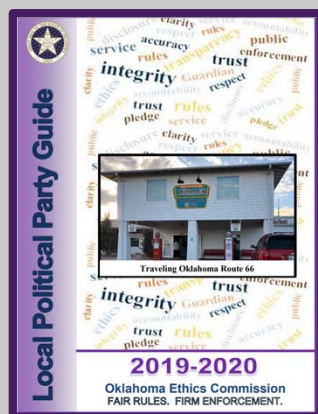
PARTY SPECIFIC REPORTING CALENDARS & OTHER RESOURCES FOUND ON ETHICS WEBSITE

State Political Party Guide



2019-2020
Oklahoma Ethics Commission
FAIR RULES. FIRM ENFORCEMENT.

Local Political Party Guide



2019-2020
Oklahoma Ethics Commission
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STATE POLITICAL PARTY COMMITTEES

Only the (3) State Party Committees are currently required to register and file regular reports in Oklahoma: Oklahoma Republican Party, Democratic Party of Oklahoma and the Libertarian Party of Oklahoma. For registration and reporting requirements of local party committees see the “Local Political Party Committee” section below.



Reporting
Calendars



State Party
Guide



Contribution
Chart

LOCAL POLITICAL PARTY COMMITTEES

Congressional District, County, Precinct and Other Party Committees Officially Recognized by the State Party

Local Party Committees are required to file a Report of Contributions and Expenditures **only** 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.

Please review the **Local Political Party Guide** before registering or renewing your committee.



Reporting
Calendars




Local Party
Guide




Contribution
Chart

ETHICS GUIDES




State Political Party Guide




Traveling Oklahoma Route 66

2019-2020

Oklahoma Ethics Commission
FAIR RULES. FIRM ENFORCEMENT.



Local Political Party Guide



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QUESTIONS?