



November 7, 2014
2014 Edition, Issue XXIV

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Arkansas Bans Corporate Contributions to Candidates and Prohibits Gifts From Lobbyists

On November 4, 2014, Arkansas voters passed a constitutional amendment extending term limits for state legislators and tightening ethics laws. The amendment prohibits candidates from accepting corporate contributions, restricts gifts from lobbyists and lobbyist employers, and prohibits former members of the General Assembly from registering as a lobbyist for at least two years following the expiration of his or her term of office. Further details on the changes to the campaign finance and gift laws are described below.

Campaign Finance

The ballot measure amends the Arkansas Constitution to prohibit state and local candidates from accepting contributions from sources other than individuals, state and county party committees, legislative caucus committees, and registered political action committees. This means candidates are not permitted to accept contributions from corporations and unregistered political action committees, among others. Prior to this amendment’s passing, corporations were permitted to give up to \$2,000 per state or local candidate per election.

The amendments do not directly address the ability of PACs and state and county party committees to accept corporate contributions. The Arkansas Ethics Commission does not yet have jurisdiction over the constitutional amendments. The state legislature, which (barring a special session) is not expected to convene until January, would need to confer that authority. However, based on the plain language of the amendments and our informal discussions with the executive director of the commission, we think the permissibility of and limits on contributions to party committees and PACs by corporations under Arkansas’ existing campaign finance law is undisturbed. We will continue to monitor for further developments.

Under existing law, there is a \$5,000 per calendar year limit for contributions to county political party committees and to PACs. There is no limit on contributions to the state account of state political party committees.

Gifts

Under the new law, certain enumerated officials (*i.e.*, governor, lieutenant governor, secretary of state, treasurer, auditor, attorney general, commissioner of state lands, members of the General Assembly and members of the independent citizens commissions that set salaries for elected constitutional officers) are prohibited from accepting gifts from lobbyists and lobbyist employers. This gift restriction uses the same definitions for lobbyist and lobbying as used in the state lobby law. Exemptions to this ban include, but are not limited to, the following:

- informational material;
- food or drink available at a planned activity to which a specific governmental body (*e.g.*, an office, department, commission, legislative body or agency) is invited; and

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- anything of value that is readily available to the general public at no cost.

The ballot measure states that the changes were to take effect November 5, 2014.

The text of the measure is available at: <http://www.arkleg.state.ar.us/assembly/2013/2013R/Bills/HJR1009.pdf>

Please let us know if you have any questions.