

**SENATE CHAMBER**  
**STATE OF OKLAHOMA**

DISPOSITION

FLOOR AMENDMENT

No. \_\_\_\_\_

\_\_\_\_\_

COMMITTEE AMENDMENT

\_\_\_\_\_

(Date)

Mr./Madame President:

I move to amend House Bill No. 3996, by substituting the attached floor substitute for the title, enacting clause and entire body of the measure.

Submitted by:

\_\_\_\_\_  
Senator Thompson

Thompson-MD-FS-Req#4124  
5/11/2020 1:39 PM

(Floor Amendments Only) Date and Time Filed: \_\_\_\_\_

Untimely

Amendment Cycle Extended

Secondary Amendment

1 STATE OF OKLAHOMA

2 2nd Session of the 57th Legislature (2020)

3 FLOOR SUBSTITUTE  
4 FOR ENGROSSED

5 HOUSE BILL NO. 3996

By: Wright of the House

and

Rader of the Senate

7  
8 FLOOR SUBSTITUTE

9 [ ethics rules - expenditures - definition -  
10 contributions for personal use - effective date ]

11  
12 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

13 SECTION 1. AMENDATORY Rule 2.2 of the Rules of the  
14 Ethics Commission (74 O.S. Supp. 2019, Chapter 62, App. I), is  
15 amended to read as follows:

16 Rule 2.2. Definitions.

17 As used in Rule 2:

18 1. "Campaign" means all activities for or against the election  
19 of a candidate for elective state office or for or against a state  
20 question;

21 2. "Candidate" means an individual who has filed or should have  
22 filed a statement of organization for a candidate committee for  
23 state office with the Commission as required by these Rules. A  
24 candidate committee shall include committees for candidates for

1 partisan elective offices, for nonpartisan judicial offices and for  
2 judicial retention offices;

3 3. "Candidate committee" means the only committee authorized by  
4 a candidate to accept contributions or make expenditures on behalf  
5 of the candidate's campaign, including the campaign of a judicial  
6 retention candidate;

7 4. "Clearly identified candidate" means a candidate whose name,  
8 nickname, photograph or drawing appears, or whose identity is  
9 otherwise apparent by unambiguous reference;

10 5. "Commission" means the Oklahoma Ethics Commission;

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

18 7. "Electioneering communication" means any communication or  
19 series of communications that is sent by Internet advertising,  
20 direct mail, broadcast by radio, television, cable or satellite, or  
21 appears in a newspaper or magazine that (a) refers to a clearly  
22 identified candidate for state office, (b) is made within sixty (60)  
23 days before a general election (including a special general  
24 election) or thirty (30) days before a primary or runoff primary

1 election (including a special primary or runoff primary election)  
2 for the office sought by the candidate, (c) that is targeted to the  
3 relevant electorate and (d) does not explicitly advocate the  
4 election or defeat of any candidate. "Relevant electorate" shall  
5 mean twenty-five thousand (25,000) or more persons in the State of  
6 Oklahoma in the case of a candidate for statewide elective office,  
7 two thousand five hundred (2,500) or more persons in the district  
8 the candidate seeks to represent in the case of a candidate for the  
9 Oklahoma State House of Representatives or judge of the District  
10 Court, and five thousand (5,000) or more persons in the district the  
11 candidate seeks to represent in the case of all other elective state  
12 offices;

13 8. "Expenditure" means a purchase, payment, distribution, loan,  
14 advance, compensation, reimbursement, fee, deposit or gift made by a  
15 political party, political action committee, candidate committee or  
16 other individual or entity that is used to expressly advocate the  
17 election, retention or defeat of one or more clearly identified  
18 candidates or for or against one or more state questions.  
19 Expenditure shall also mean a purchase, payment, distribution,  
20 compensation, reimbursement, fee, deposit or gift for personal use  
21 as defined in Rule 2.39;

22 9. "Family member" shall include spouse, children (including  
23 stepchildren), mother, father, sister or brother;

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1           10. "Independent expenditure" means an expenditure made by a  
2 person for a communication expressly advocating the election or  
3 defeat of a clearly identified candidate or a vote for or against  
4 the retention of a judicial retention candidate that is not made in  
5 coordination with, cooperation with, consultation with, or concert  
6 with, or at the request or suggestion of, a candidate, a candidate  
7 committee, or their agents, or a political party committee or its  
8 agents. An independent expenditure shall not include the display of  
9 a noncommercial yard sign, lapel pin, button, bumper sticker or  
10 similar de minimis display of support or opposition to a political  
11 party or a candidate;

12           11. "Independent judicial retention committee" means a  
13 political action committee organized exclusively for the purpose of  
14 making independent expenditures or electioneering communications  
15 supporting or opposing the retention of a candidate for judicial  
16 retention;

17           12. "Labor union" means an organization of workers formed for  
18 the purpose of advancing its members' interests in respect to wages,  
19 benefits and working conditions;

20           13. "Limited committee" means a political action committee  
21 organized to make contributions to candidates. A limited committee  
22 may make independent expenditures or electioneering communications,  
23 but may not accept contributions in excess of the limits prescribed  
24 for limited committees;

1 14. "Officeholder expenses" means ordinary and necessary  
2 expenses incurred in connection with a candidate's duties as the  
3 holder of a state elective office, provided that the expenses are  
4 not otherwise reimbursed or paid for by the state. "Ordinary and  
5 necessary expenses" are those that would not exist but for the fact  
6 that the candidate was elected to and holds a state elective office;

7 15. "Political action committee" means a limited or unlimited  
8 committee that has filed or should have filed a statement of  
9 organization with the Commission as required by these Rules;

10 16. "Political party" means a political party recognized under  
11 laws of this state;

12 17. "Political party committee" means a committee authorized by  
13 the political party to accept contributions or make expenditures on  
14 behalf of the political party. A political party committee may  
15 include a state committee, a Congressional District committee, a  
16 county committee, a precinct committee or any other committee or  
17 entity of the party officially recognized in the party's bylaws or  
18 similar governing document;

19 18. "State question communication" means an expenditure made by  
20 a person for a communication or series of communications that is  
21 sent by internet advertising, direct mail, broadcast by radio  
22 television, cable or satellite, or appears in a newspaper, magazine,  
23 or other printed medium supporting or opposing a state question that  
24 is made within sixty (60) days before the election deciding the

1 state question. A state question communication shall not include  
2 the display of a noncommercial yard sign, lapel pin, button, bumper  
3 sticker or similar de minimis display of support or opposition to a  
4 state question;

5 19. "State question" means an initiative or referendum petition  
6 for which the Governor has issued a proclamation setting the date on  
7 which an election shall be held or a legislative referendum referred  
8 by the Legislature for a vote of the people; and

9 20. "Unlimited committee" means an independent judicial  
10 retention committee, a political action committee organized  
11 exclusively for the purpose of making independent expenditures or  
12 electioneering communications or a political action committee  
13 organized exclusively for the purpose of advocating the approval or  
14 defeat of a state question.

15 SECTION 2. AMENDATORY Rule 2.39 of the Rules of the  
16 Ethics Commission (74 O.S. Supp. 2019, Chapter 62, App. I), is  
17 amended to read as follows:

18 Rule 2.39. Personal Use of Contributions Prohibited.

19 ~~No contributions~~ Contributions accepted by a political party  
20 committee, a political action committee or a candidate committee may  
21 be converted by any person to personal use as long as any  
22 expenditure from such conversion is reported pursuant to the Rules  
23 of the Ethics Commission. "Personal use" includes any use of funds  
24 to fulfill a commitment, obligation or expense of any person that

1 would exist irrespective of a political party's activities, a  
2 political action committee's activities or a candidate's campaign or  
3 responsibilities as holder of a state elective office, as the case  
4 may be. "Personal use" by a candidate includes, but is not limited  
5 to, food purchased for daily consumption in the candidate's home or  
6 supplies needed to maintain the household; clothing (excluding  
7 campaign clothing of low monetary value such as T-shirts or caps);  
8 mortgage, rent or utility payments for the candidate's personal  
9 residence, even if part of the residence is being used for the  
10 campaign; use of a motor vehicle for noncampaign purposes or non-  
11 officeholder expenses; interest on a loan made by the candidate or  
12 the candidate's spouse to the campaign; costs of a vacation or other  
13 trip not related to the campaign or officeholder expenses; admission  
14 to athletic events, concerts, theater or other forms of  
15 entertainment ~~(except for events that are part of the campaign);~~  
16 dues in country clubs, health clubs, recreational facilities or  
17 other nonpolitical organizations and earnings from investment of  
18 contributions other than as permitted by these Rules.

19 SECTION 3. AMENDATORY Rule 2.43 of the Rules of the  
20 Ethics Commission (74 O.S. Supp. 2019, Chapter 62, App. I), is  
21 amended to read as follows:

22 Rule 2.43. Candidate Committee Expenditures.

23 Contributions to a candidate committee may be used to make  
24 expenditures for personal use as defined in Rule 2.39, ordinary and

1 necessary campaign expenses, for contributions to another candidate  
2 committee, for operating expenses of the committee or for other  
3 purposes not otherwise prohibited by law or these Rules. "Ordinary  
4 and necessary campaign expenses" as used in this section are those  
5 that would not exist but for the candidate's campaign, including but  
6 not limited to staff salaries, campaign consulting fees, rent (other  
7 than for the candidate's residence or part of a residence), travel,  
8 advertising, telephones, office supplies and equipment, fundraising,  
9 individual memberships in political organizations, individual  
10 memberships in civic or charitable organizations, legal fees for the  
11 campaign, payment for campaign accounting or bookkeeping services or  
12 campaign finance reporting services and repayment of the principal  
13 and interest on a loan as permitted by these Rules. Expenditures  
14 made to a family member of the candidate for services provided to  
15 the campaign shall be no more than customary compensation for those  
16 services. Expenditures made to reimburse a candidate for personal  
17 expenditures made on behalf of the candidate committee must be made  
18 within ninety (90) days of the original expenditure and must be  
19 reported in detail as required by Rule 2.106.

20 SECTION 4. AMENDATORY Rule 2.44 of the Rules of the  
21 Ethics Commission (74 O.S. Supp. 2019, Chapter 62, App. I), is  
22 amended to read as follows:

23 Rule 2.44. Officeholder Expenses.  
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1 Contributions to a candidate committee of a candidate who is  
2 elected to the office for which the contributions were accepted may  
3 be used to make expenditures for officeholder expenses and  
4 expenditures for personal use as defined by Rule 2.39 until the  
5 expiration of the term, resignation or other vacation of the office.  
6 When an officeholder dissolves one (1) candidate committee as  
7 provided in these Rules and contemporaneously files a Statement of  
8 Organization for a different candidate committee prior to the  
9 expiration of the term for which he or she has been elected and  
10 transfers funds from the first committee to the second committee,  
11 the officeholder may pay officeholder expenses until the expiration  
12 of the term not to exceed the amount transferred.

13 SECTION 5. This act shall become effective November 1, 2020.

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15 57-2-4124 MD 5/11/2020 1:39:09 PM

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