



OKLAHOMA ETHICS COMMISSION
REVISED CONSTITUTIONAL ETHICS RULES

AS PROMULGATED BY THE OKLAHOMA ETHICS
COMMISSION
January 27, 2017

Submitted to the Legislature and the Governor
in accordance with Title 29 Okla. Const. § 3
this
6th day of February, 2017.

New Ethics Rules and Amendments to effective Ethics Rules, codified in Title 74, Appendix I, as provided by Article 29, Section 3 of the Constitution of the State of Oklahoma.

RULE 2 CAMPAIGN FINANCE

SECTION 1. AMENDATORY Ethics Rule 2.2, codified in the Oklahoma Statutes as Rule 2.2 of Title 74, Appendix I, unless there is created a duplication in numbering, is amended as follows:

As used in Rule 2:

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

2. "Candidate" means an individual who has filed or should have filed a statement of organization for a candidate committee for state office with the Commission as required by these Rules. A candidate committee shall include committees for candidates for partisan elective offices, for nonpartisan judicial offices and for judicial retention offices;

3. "Candidate committee" means the only committee authorized by a candidate to accept contributions or make expenditures on behalf of the candidate's

campaign, including the campaign of a judicial retention candidate;

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

5. "Commission" means the Oklahoma Ethics Commission;

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;

7. "Electioneering communication" means any communication or series of communications that is sent by Internet advertising, direct mail, broadcast by

radio, television, cable or satellite, or appears in a newspaper or magazine that (a) refers to a clearly identified candidate for state office, (b) is made within sixty (60) days before a general election (including a special general election) or thirty (30) days before a primary or runoff primary election (including a special primary or runoff primary election) for the office sought by the candidate, (c) that is targeted to the relevant electorate and (d) does not explicitly advocate the election or defeat of any candidate. "Relevant electorate" shall mean twenty-five thousand (25,000) or more persons in the State of Oklahoma in the case of a candidate for statewide elective office, two thousand five hundred (2,500) or more persons in the district the candidate seeks to represent in the case of a candidate for the Oklahoma State House of Representatives or judge of the District Court, and five thousand (5,000) or more persons in the district the candidate seeks to represent in the case of all other elective state offices;

8. "Expenditure" means a purchase, payment, distribution, loan, advance, compensation, reimbursement, fee, deposit or gift made by a political party, political action committee, candidate committee or other individual or entity that is used to expressly advocate the election, retention or defeat of one or more clearly identified candidates or for or against one or more state questions;

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

10. "Independent expenditure" means an expenditure made by a person for a communication expressly advocating the election or defeat of a clearly identified candidate or a vote for or against the retention of a judicial retention candidate that is not 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. An independent expenditure shall not include

the display of a noncommercial yard sign, lapel pin, button, bumper sticker or similar de minimis display of support or opposition to a political party or a candidate;

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

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

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

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

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

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

17. "Political party committee" means a committee authorized by the political party to accept contributions or make expenditures on behalf of the political party. A political party committee may include 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;

18. "State question communication" means an expenditure made by a person for a communication or series of communications that is sent by internet advertising, direct mail, broadcast by radio television, cable or satellite, or appears in a newspaper, magazine, or other printed medium supporting or opposing a state question that is made within sixty (60) days before the election deciding the state question. A state question communication shall not include the display of a noncommercial yard sign, lapel pin, button, bumper sticker or similar de minimis display of support or opposition to a state question;

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

~~1920~~. "Unlimited committee" means an independent judicial retention committee, a political action committee organized exclusively for the purpose of making independent expenditures or electioneering communications or a political action committee organized exclusively for the purpose of advocating the approval or defeat of a state question.

SECTION 2. AMENDATORY Ethics Rule 2.31, codified in the Oklahoma Statutes as Rule 2.31 of Title 74, Appendix I, unless there is created a duplication in numbering, is amended as follows:

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, except as otherwise permitted by law or these Rules. For purposes of this limitation, "contribution" shall include multiple contributions, the amounts of which shall be aggregated. 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. Funds to be used for federal election activity, as defined in 2 U.S.C. Section 431(20) and subject to requirements of 2 U.S.C. Section 441i, commonly referred to as "Levin Funds", shall not be aggregated with other contributions to a political party committee. 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. 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; provided further, that to the extent that it is practicable, the amount charged to a candidate

committee for such goods or services shall not exceed the cost to the political party committee.

SECTION 3. AMENDATORY Ethics Rule 2.43, codified in the Oklahoma Statutes as Rule 2.43 of Title 74, Appendix I, unless there is created a duplication in numbering, is amended as follows:

Contributions to a candidate committee may be used to make expenditures for ordinary and necessary campaign expenses, for contributions to another candidate committee, for operating expenses of the committee or for other purposes not otherwise prohibited by law or these Rules. "Ordinary and necessary campaign expenses" as used in this section are those that would not exist but for the candidate's campaign, including but not limited to staff salaries, campaign consulting fees, rent (other than for the candidate's residence or part of a residence), travel, advertising, telephones, office supplies and equipment, fundraising, individual memberships in political organizations, individual memberships in civic or charitable organizations, legal fees for the

campaign, payment for campaign accounting or bookkeeping services or campaign finance reporting services and repayment of the principal and interest on a loan as permitted by these Rules. Expenditures made to a family member of the candidate for services provided to the campaign shall be no more than customary compensation for those services. Expenditures made to reimburse a candidate for personal expenditures made on behalf of the candidate committee must be made within ninety (90) days of the original expenditure and must be reported in detail as required by Rule 2.106.

SECTION 4. AMENDATORY Ethics Rule 2.48, codified in the Oklahoma Statutes as Rule 2.48 of Title 74, Appendix I, unless there is created a duplication in numbering, is amended as follows:

Surplus funds of a candidate committee are those funds not otherwise obligated following the election at which the office for which the candidate committee was formed has been determined which, in the candidate's discretion, are not required to be used

for campaign expenses or officeholder expenses. Such surplus funds may be:

(A) Retained in any amount for use in a future campaign for the next succeeding term for the same office;

(B) Retained for a future campaign for a different state elective office, excluding a judicial office;

(C) Donated to a charitable organization as described in Section 501(c)(3) of Title 26 of the United States Code as it currently exists or as it may be amended;

(D) Returned to any contributor, as long as the amount returned does not exceed the contributor's aggregate contribution during the immediately preceding primary, runoff primary and general elections; ~~or~~

(E) Contributed to a political party committee in any amount not to exceed Twenty-five Thousand Dollars (\$25,000.00) in the aggregate; ~~or~~

(F) Used to purchase item(s) for donation to a charitable organization as described in Section 501(c)(3) of Title 26 of the United States Code as it currently exists or as it may be amended; provided:

- (1) the donated item(s) are sold by the charitable organization for fundraising purposes;
- (2) the purchase of the item(s) for donation is reported on a Contributions and Expenditures Report which includes a description and cost of the item(s) purchased;
- (3) the donation of the item(s) is reported on a Contributions and Expenditures Report as an in-kind expenditure to the charitable organization which includes a description and the value of the item(s) donated; and
- (4) the donated item(s) may not be purchased or used by the candidate whose committee is donating the item,

any other candidate, a committee, or
officer, board member or employee of
the charitable organization; or

(G) Donated in accordance with the provisions of
Title 60 O.S. § 381, et seq., to the State of
Oklahoma, or, to any county, city, town or school
district within the State of Oklahoma.

Any surplus funds remaining in the candidate committee's possession within ninety (90) days after the expiration of the term to which the candidate was elected or, for candidates who were not elected, within ninety (90) days after the second year following the general election, shall be deposited in the general revenue fund of the state.

SECTION 5. AMENDATORY Ethics Rule 2.57, codified in the Oklahoma Statutes as Rule 2.57 of Title 74, Appendix I, unless there is created a duplication in numbering, is amended as follows:

(A) Whenever an independent expenditure or electioneering communication is made for the purpose of communication through any Internet advertising, or

video, radio, television, cable or satellite broadcast, the communication shall state, either orally or in writing of sufficient size and contrast to be clearly readable by the recipient of the communication: "Not authorized by any candidate or candidate committee. Authorized and paid for by" to be followed by the name of the person who paid for the communication, the person's permanent street address and telephone number.

(B) Whenever a state question communication is made for the purpose of communication through any Internet advertising, or video, radio, television, cable or satellite broadcast, the communication shall state, either orally or in writing of sufficient size and contrast to be clearly readable by the recipient of the communication: "Authorized and paid for by" to be followed by the name of the person who paid for the communication, the person's permanent street address and telephone number.

SECTION 6. AMENDATORY Ethics Rule 2.58, codified in the Oklahoma Statutes as Rule 2.58 of Title 74,

Appendix I, unless there is created a duplication in numbering, is amended as follows:

(A) Whenever an independent expenditure or electioneering communication is made for the purpose of a communication through Internet advertising, direct mail, magazine advertisement, newspaper advertisement or any other printed medium, the communication shall state in writing of sufficient size and contrast to be clearly readable by the recipient of the communication: "Not authorized by any candidate or candidate committee. Authorized and paid for by" to be followed by the name of the person who paid for the communication, the person's permanent street address and telephone number. This provision shall not apply to bumper stickers, campaign buttons, t-shirts, aerial advertising or similar advertisements of such a nature that inclusion of a disclaimer would be impractical.

(B) Whenever a state question communication is made for the purpose of a communication through Internet advertising, direct mail, magazine

advertisement, newspaper advertisement or any other printed medium, the communication shall state in writing of sufficient size and contrast to be clearly readable by the recipient of the communication: "Authorized and paid for by" to be followed by the name of the person who paid for the communication, the person's permanent street address and telephone number. This provision shall not apply to bumper stickers, campaign buttons, t-shirts, aerial advertising or similar advertisements of such a nature that inclusion of a disclaimer would be impractical.

SECTION 7. AMENDATORY Ethics Rule 2.85, codified in the Oklahoma Statutes as Rule 2.85 of Title 74, Appendix I, unless there is created a duplication in numbering, is amended as follows:

The Statement of Organization for a political action committee shall include, but shall not be limited to, the following information: (1) The names of the Chair, Treasurer and, if applicable, Deputy Treasurer of the committee; (2) the full name of the committee, which shall not be an acronym and which

shall not be the same as any other political action committee or sufficiently similar to the name of any other political action committee so that the two could be easily confused and which shall include the identifying state question number assigned by the State of Oklahoma for a committee formed to support or oppose a state question; (3) the name and address of any affiliated corporation or labor union; (4) the purpose or purposes of the committee, including but not limited to an indication of whether the committee is a limited committee or unlimited 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, Treasurer and, if applicable, Deputy Treasurer and (6) the full name and address of each depository in which the committee will maintain an account. The committee may also list an acronym, which shall not be the same as any other political action committee or sufficiently similar to the name of any other political action committee so that the two could be

easily confused. The Treasurer shall be responsible for notifying the Commission of any change in information provided on the Statement of Organization by filing an Amended Statement of Organization within ten (10) days of a change being made. An Amended Statement of Organization shall contain the same information as the Statement of Organization.

SECTION 8. AMENDATORY Ethics Rule 2.95, codified in the Oklahoma Statutes as Rule 2.95 of Title 74, Appendix I, unless there is created a duplication in numbering, is amended as follows:

Every candidate committee, political action committee and political party committee shall maintain a campaign account in each campaign depository in the name of the committee as it is registered with the Commission. All contributions to a committee except in-kind contributions, including contributions by a candidate to his or her candidate committee, shall be deposited in a campaign account. All expenditures made by a committee shall be made on a check or by debit card, signed by the candidate, Treasurer or Deputy

Treasurer of a candidate committee and by the Treasurer or Deputy Treasurer of a political action committee. Provided, however, a candidate may authorize other individuals to sign checks or debit cards for the candidate's committee; however, the candidate, the Treasurer and Deputy Treasurer shall remain responsible for the lawful expenditure of committee funds. Checks for a political action committee shall include the identification number of the committee assigned by the Commission. A campaign account may earn interest paid by the financial institution in which the account is maintained, but campaign funds shall not be invested in any other way. Contributions from corporations, labor unions, a limited liability company that has one or more corporate members or a partnership that has one or more corporate partners shall not be commingled with other contributions made to a candidate committee, a limited committee or a political party committee.

SECTION 9. AMENDATORY Ethics Rule 2.106, codified in the Oklahoma Statutes as Rule 2.106 of Title 74,

Appendix I, unless there is created a duplication in numbering, is amended as follows:

A Report of Contributions and Expenditures by a candidate committee shall include, but not be limited to, the following information:

(A) (1) the candidate's name, the name of the committee and the time period covered by the report;

(2) the total of any surplus funds transferred from a candidate committee for a previous campaign of the same candidate;

(3) the total of all monetary contributions accepted during the time period covered by the report, and the aggregate total of all monetary contributions accepted;

(4) the total of all monetary contributions from political action committees accepted during the time period covered by the report, and the aggregate total of all monetary contributions from political action committees accepted;

(5) the total of all other funds accepted during the time period covered by the report, and the aggregate total of all other funds accepted;

(6) the total of all monetary contributions or funds accepted from any source during the time period covered by the report, and the aggregate total of all monetary contributions or funds accepted;

(7) the total value of all in-kind contributions accepted during the time period covered by the report, and the aggregate total value of all in-kind contributions accepted;

(8) the total of all expenditures made during the time period covered by the report, and the aggregate total of all expenditures made;

(9) the total of all refunds made during the time period covered by the report, and the aggregate total of all refunds made;

(10) the beginning balance of the campaign account for the reporting period, and the closing balance of the campaign account at the end of the reporting period.

(B) (1) The name, address, occupation and employer of any person other than a political action committee making a contribution or contributions exceeding Fifty Dollars (\$50.00) in value in the aggregate, the date and amount of any monetary or in-kind contributions made during the time period covered by the report, and the aggregate total of all contributions accepted from the person;

(2) the total of all contributions accepted during the time period covered by the report from contributors making contributions of no more than Fifty Dollars (\$50.00) in the aggregate, and the aggregate total of all such contributions;

(3) the name and Commission identification number of a political action committee or candidate committee making a contribution or contributions, the date and amount of any monetary or in-kind contributions made during the time period covered by the report, and the aggregate total of all contributions accepted from the political action committee;

(4) the name, address, occupation and employer, if applicable, of a contributor to whom a refund was made during the time period covered by the report, the date and amount of the refund, and the aggregate total of all contributions refunded to the contributor;

(5) loans made to the committee during the time period covered by the report, including loans by the candidate and by commercial financial institutions; the name, address and, if applicable, occupation and employer, of the person making the loan; the amount of the loan, the date the loan was made, the interest rate for the loan, the repayment terms for the loan and the total of all loans made to the committee; any payments on loans during the time period covered by the report, the amount of the payment, the date the payment was made and the remaining balance of the loan following the payment, and the total of all payments made on all loans to the committee and the remaining balance on all loans to the committee;

(6) the name and address of any person or entity to whom an expenditure of more than Two Hundred

Dollars (\$200.00) in the aggregate was made during the time period covered by the report, a description of the goods or services purchased with the expenditure, and the aggregate total of all expenditures made to the person or entity. Split purchasing for the purpose of evading reporting an expenditure shall be prohibited. Expenditures made to compensate consultants and similar individuals or organizations shall be reported by identifying the type of services provided to the campaign by the consultants. Expenditures made by political consultants and other third parties on behalf of the committee shall be reported as if the expenditures were made by the committee. Expenditures made by using a credit card shall be reported by itemizing each individual expenditure of more than Two Hundred Dollars (\$200.00). All expenditures made to reimburse a candidate for personal expenditures made on behalf of the committee shall be itemized in detail, regardless of value.

Contributions accepted from a limited liability company shall be reported as contributions from the individual members of the limited liability company in proportions equal to their ownership interest in the limited liability company. Contributions accepted from a partnership shall be reported as contributions from the individual partners of the partnership in proportions equal to their ownership interest in the partnership.

SECTION 10. NEW LAW A new Ethics Rule to be codified in the Oklahoma Statutes as Rule 2.109 of Title 74, Appendix I, unless there is created a duplication in numbering, reads as follows:

(A) Any person other than an individual, including a political action committee, that makes a state question communication of Five Thousand Dollars (\$5,000.00) or more in the aggregate at least fifteen (15) days prior to an election shall be required to file a report with the Commission at the same time that candidate committees are required to file pre-election reports for the applicable election.

(B) Any person other than an individual, including a political action committee, that makes a state question communication of Five Thousand Dollars (\$5,000.00) or more in the aggregate during the period beginning no more than fourteen (14) days prior to any election and ending on the day of the election shall make a report to the Commission no later than the business day following the day the expenditure is made.

(C) Each report filed by a person other than a political action committee shall include the name and address of the person making the state question communication and the name, street address, telephone number, and office or title of the individual filing the report.

(D) Each report filed shall include the name of the political action committee or the person making the state question communication; the amount, date and a brief description or statement of the state question communication; and identification of the specific

state question supported or opposed, indicating whether the state question was supported or opposed.

(E) If the person making the state question communication, other than a political action committee, received funds from any other person for the purpose of making state question communications, the report shall include the name, address and principal business activity of each person contributing funds in excess of Fifty Dollars (\$50.00) in the aggregate and the amount of any such contribution or contributions that have not been previously reported, together with a cumulative total of all contributions made by each person since the first report was filed for the election for which the state question communication was made. As used in this section, "for the purpose of" means that the funds are either (1) received by an organization or corporation in response to a solicitation specifically requesting funds to pay for a state question communication; or (2) specifically designated for expenditures supporting or opposing a state question by the donor.

(F) If the person making the state question communication is a non-profit corporation that has not been officially approved by the United States Internal Revenue Service for tax exempt status under Section 501(c) of Title 26 of the United States Code as it currently exists or as it may be amended, the report shall include the name, address and principal business activity of each person contributing funds in excess of Fifty Dollars (\$50.00) in the aggregate to the corporation during the current calendar year and the preceding calendar year and the amount of any such contribution or contributions that have not been previously reported, together with a cumulative total of all contributions made by each person since the first report was filed for the election for which the state question communication is made.

(G) Reports required by this section shall not relieve the person making the report from filing other reports required by these Rules.

SECTION 11. RENUMBERING Ethics Rules 2.109 through 2.121, codified in the Oklahoma Statutes,

Title 74, Appendix I, unless there is created a duplication in numbering, are amended to be renumbered as Rules 2.110 through 2.122.

RULE 4 CONFLICTS OF INTEREST

SECTION 12. AMENDATORY Ethics Rule 4.2, codified in the Oklahoma Statutes as Rule 4.2 of Title 74, Appendix I, unless there is created a duplication in numbering, is amended as follows:

As used in Rule 4:

1. "Agency" means any entity of state government created by the Constitution or laws of the State of Oklahoma and supported in whole or in part by state funds or entrusted with the expending of state funds or administering of state property or otherwise exercising the sovereign power of the State of Oklahoma, including but not limited to all such offices, departments, institutions, boards, bureaus, commissions, agencies, authorities and instrumentalities of the State of Oklahoma. "Agency" shall not mean any city, county, rural electric cooperative or tribal housing authority created under

the Oklahoma Housing Authorities Act nor any state entity that performs only advisory functions and that cannot independently exercise the sovereign power of the State of Oklahoma;

2. "Charitable organization" is one described in Section 501(c)(3) of Title 26 of the United States Code as it currently exists or as it may be amended;

3. "Commission" shall mean the Oklahoma Ethics Commission;

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

5. "Gift" means property transferred to or service provided for another without compensation of equal value;

~~6. "Material financial interest" shall mean:~~

~~(a) an interest that could result in directly or indirectly receiving a substantial pecuniary gain or sustaining a substantial pecuniary loss as a result of a filer's ownership or interest in a business entity,~~

~~or as a result of a filer's salary, gratuity or other compensation or remuneration; or~~

~~(b) an ownership interest in a private business, including but not limited to a closely held corporation, limited liability company, Subchapter S corporation or partnership for which the filer or the filer's spouse or dependents is a director, officer, owner, manager, employee, or agent or any private business, closely held corporation or limited liability company in which the filer or the filer's spouse or dependents owns or has owned stock, another form of equity interest, stock options, debt instruments, or has received dividends or income worth Five Thousand Dollars (\$5,000.00) or more at any point during the preceding calendar year; or~~

~~(c) an ownership interest of five percent (5%) or more in a publicly held corporation by a filer or the filer's spouse; or~~

~~(d) an ownership interest in a publicly held corporation from which dividends of Fifty Thousand Dollars (\$50,000.00) or more were derived during the~~

~~preceding calendar year by the filer or the filer's spouse or dependents, or~~

~~(e) an ownership interest in a Subchapter S corporation or partnership from which income of Fifty Thousand Dollars (\$50,000.00) or more was derived; or~~

~~(f) an interest that arises as a result of the filer's or the filer's spouse or dependents' service as a director, officer, representative, agent or employee of a publicly held corporation during the preceding calendar year.~~

~~"Material financial interest" shall not mean (1) an interest in a mutual fund or other community investment vehicle in which the filer or the filer's spouse or dependents exercises no control over the acquisition or sale of particular holdings or (2) an interest in a pension plan, 401k, individual retirement account or other retirement investment vehicle that makes diversified investments over which the filer or the filer's spouse or dependents exercises no control over the acquisition or sale of particular holdings;~~

6.~~(7)~~ "Vendor" means any seller or prospective seller of any property or service to the State of Oklahoma; and

7.~~(8)~~ "Vendor's agent" means a representative of a vendor.

SECTION 13. AMENDATORY Ethics Rule 4.7, codified in the Oklahoma Statutes as Rule 4.7 of Title 74, Appendix I, unless there is created a duplication in numbering, is amended as follows:

In the event a state officer or employee:

(1) knows that a particular matter involving specific parties is likely to have a direct and predictable effect on the material financial interests ~~(1)~~ of the state officer or employee or ~~(2)~~ of his or her family member~~;~~; or ~~(3)~~

(2) ~~if the state officer or employee~~ knows that a person with whom he or she has a business relationship other than a routine consumer transaction is a party to or represents a party to such matter~~;~~; ~~and~~ or

(3) ~~where the state officer or employee~~ determines that the circumstances would cause a

reasonable person with knowledge of the relevant facts to question his or her impartiality in the matter;7;

the state officer or employee shall not participate in the matter unless he or she is required to do so by law or permitted to do so by these Rules. This provision shall not apply when the effect of the matter applies equally to all members of a profession, occupation or large class. In considering whether a relationship would cause a reasonable person to question his or her impartiality, the state officer or employee may seek the advice of the Commission. The Commission may exercise discretion in determining whether or not to provide such advice or may delegate responsibility to the Executive Director to provide such advice. Such advice, if given by the Commission or the Executive Director, shall bind the Commission. Failure to seek such advice shall have no relevance in any subsequent proceeding involving that individual. A particular matter will have a direct and predictable effect on a material financial interest if there is a close causal link between any decision or action to be

taken in the matter and any expected effect of the matter on the material financial interest, even though the effect is not immediate. It shall not apply to a chain of causation if it is attenuated or is contingent on the occurrence of events that are speculative or that are independent of, and unrelated to, the matter.

For purposes of this Rule, a "material financial interest" shall mean:

1. an ownership interest in a private business, including but not limited to, a closely held corporation, limited liability company, Subchapter S corporation or partnership for which the state officer or employee or his or her family member is a director, officer, owner, manager, employee, or agent or any private business, closely held corporation or limited liability company in which the state officer or employee or his or her family member owns or has owned stock, another form of equity interest, stock options, debt instruments, or has received dividends or income

worth Twenty Thousand Dollars (\$20,000.00) or more at any point during the preceding calendar year; or

2. an ownership interest of five percent (5%) or more in a publicly traded corporation or other business entity by a state officer or employee or his or her family member at any point during the preceding calendar year; or

3. an ownership interest in a publicly traded corporation or other business entity from which dividends or income, not to include salary, of Fifty Thousand Dollars (\$50,000.00) or more were derived during the preceding calendar year by the state officer or employee or his or her family member; or

4. an interest that arises as a result of the state officer's or employee's or his or her family member's service as a director or officer of a publicly traded corporation or other business entity at any time during the preceding calendar year; or

5. any sources of income derived from employment, other than compensation pertaining to the office for which the state officer or employee or his

or her family member holds, in the amount of Twenty Thousand Dollars (\$20,000.00) or more by the state officer or employee or his or her family member.

For purposes of this Rule a "material financial interest" shall not mean (1) an interest in a mutual fund or other community investment vehicle in which the state officer or employee or his or her family member exercises no control over the acquisition or sale of particular holdings, or (2) an interest in a pension plan, 401k, individual retirement account or other retirement investment vehicle that makes diversified investments over which the state officer or employee or his or her family member exercises no control over the acquisition or sale of particular holdings.

RULE 5 LOBBYING REGISTRATION AND REPORTING

SECTION 14. AMENDATORY Ethics Rule 5.3, codified in the Oklahoma Statutes as Rule 5.3 of Title 74, Appendix I, unless there is created a duplication in numbering, is amended as follows:

Each legislative liaison or legislative lobbyist shall be required to register with the Ethics Commission each year that the legislative liaison or legislative lobbyist engages in lobbying. Each legislative liaison or legislative lobbyist shall register or renew his or her registration with the Commission and pay any applicable fees no earlier than December 1 of each year nor later than ~~December~~ January 31 15 of ~~each~~ the following year for the calendar year beginning ~~the following~~ January 1 or within five (5) days after engaging in lobbying on behalf of one or more lobbyist principals ~~and pay a registration fee of One Hundred Dollars (\$100.00) and an additional processing fee for using a credit card.~~ Each legislative liaison or legislative lobbyist may ~~be reimbursed for the registration fee and service fee by a lobbyist principal.~~ Registration by legislative liaisons or legislative lobbyists shall be filed electronically, unless otherwise ordered by the Commission or the Executive Director of the Commission. Information on the registration shall

include the legislative liaison or legislative lobbyist's name, business address, including electronic mail address and business telephone numbers, the name and address of each lobbyist principal by whom the liaison or lobbyist is employed or retained and the date of the registration.

SECTION 15. AMENDATORY Ethics Rule 5.5, codified in the Oklahoma Statutes as Rule 5.5 of Title 74, Appendix I, unless there is created a duplication in numbering, is amended as follows:

Each executive lobbyist shall be required to register with the Ethics Commission. An executive lobbyist may register and pay any applicable fees no earlier than December 1 of each year nor later than ~~December~~ January 31 15 of ~~each~~ the following year for the calendar year beginning ~~the following~~ January 1 or within five (5) days after engaging in lobbying on behalf of one or more lobbyist principals. Registration by executive lobbyists shall be filed electronically, unless otherwise ordered by the Commission or the Executive Director of the

Commission. Information on the registration shall include the executive lobbyist's name, business address, including electronic mail address and business telephone numbers, the name and address of each lobbyist principal by whom the lobbyist is employed or retained, the agency or agencies before which the lobbyist is lobbying and the date of the registration. The executive lobbyist may terminate his or her registration at any time by electronically filing a notice of termination on a form provided by the Commission and filing a final Executive Lobbyist Report. An executive lobbyist whose registration has not been terminated by November 30 of any year shall be required to register ~~no earlier than December 1 nor later than December 31 of that year to continue his or her registration through December and~~ as provided in this subsection for the calendar year beginning the following January 1. Until terminated, the registration shall remain effective, and the executive lobbyist shall be required to file Executive Lobbyist Reports as provided by these Rules.

SECTION 16. AMENDATORY Ethics Rule 5.6, codified in the Oklahoma Statutes as Rule 5.6 of Title 74, Appendix I, unless there is created a duplication in numbering, is amended as follows:

Except as provided in these Rules, a legislative liaison, a legislative lobbyist or a lobbyist principal by whom the legislative liaison or legislative lobbyist is employed or retained shall provide no gift to the Governor, a legislator or any employee of the Governor or the Legislature. The Governor, a legislator or any employee of the Governor or the Legislature shall not knowingly accept anything of value from a legislative liaison, a legislative lobbyist or a lobbyist principal by whom the legislative liaison or legislative lobbyist is employed or retained except as permitted by these Rules. Except as provided in these Rules, an executive lobbyist or a lobbyist principal by whom the executive lobbyist is employed or retained shall provide nothing of value to any officer or employee of an agency that is the subject of the executive

lobbyist's lobbying activities. No officer or employee of an agency that is subject to an executive lobbyist's lobbying activities shall knowingly accept anything of value from an executive lobbyist or a lobbyist principal by whom an executive lobbyist is employed except as permitted by these Rules. In no event shall a legislative liaison, a legislative lobbyist, an executive lobbyist or a lobbyist principal indirectly provide anything of value to any state officer or employee by providing a thing of value to a family member of the state officer or employee, other than as permitted by these Rules. In no event shall the costs of a thing of value provided by a legislative liaison or legislative lobbyist to the Governor, a legislator or any employee of the Governor or the Legislature permitted by these Rules be divided or shared with other legislative liaisons or legislative lobbyists in filing a report required by these Rules unless otherwise provided by these Rules. Agencies may provide two (2) tickets or admissions to any conference, seminar, lecture or

similar event held within the boundaries of the State of Oklahoma and sponsored in whole or in part by the agency to the Governor, any legislator or any employee of the Governor or Legislature, provided the tickets or admissions are used by the recipient and a family member of the recipient. For all other gifts provided by a legislative liaison, legislative lobbyist or executive lobbyist that include meals or attendance at an event, the lobbyist or legislative liaison must attend the meal or event with the recipient.

SECTION 17. AMENDATORY Ethics Rule 5.8, codified in the Oklahoma Statutes as Rule 5.8 of Title 74, Appendix I, unless there is created a duplication in numbering, is amended as follows:

A legislative liaison or a legislative lobbyist may make a gift to the Governor or any legislator or any employee of the Governor or the Legislature in recognition of infrequently occurring occasions of personal significance. The gift shall be given and received contemporaneously with the occasion or at times when such gifts are traditionally given. Such

gifts may be made to a family member of the Governor or any legislator or any employee of the Governor or the Legislature, provided such family member is a party to a marriage, serious illness, birth or adoption of a child or retirement. Such gifts to any individual recipient may not exceed ~~Two~~ One Hundred Dollars ~~(\$200.00)~~ (\$100.00) in the aggregate in any calendar year from any legislative liaison or legislative lobbyist. Any such gifts shall be reported to the Commission and aggregated with meals, and the aggregate total of meals and other gifts provided to an individual recipient by a legislative liaison or legislative lobbyist may not exceed Five Hundred Dollars (\$500.00).

SECTION 18. AMENDATORY Ethics Rule 5.11, codified in the Oklahoma Statutes as Rule 5.11 of Title 74, Appendix I, unless there is created a duplication in numbering, is amended as follows:

An executive lobbyist may make a gift to a state officer or employee of an agency for which he or she is registered or should be registered as an executive

lobbyist in recognition of infrequently occurring occasions of personal significance. The gift shall be given and received contemporaneously with the occasion or at times when such gifts are traditionally given. Such gifts may be made to a family member of a state officer or employee of an agency for which he or she is registered or should be registered as an executive lobbyist, provided such family member is a party to a marriage, serious illness, birth or adoption of a child or retirement. Such gifts to any individual recipient may not exceed ~~Two~~ One Hundred Dollars ~~(\$200.00)~~ (\$100.00) in the aggregate in any calendar year from any executive lobbyist. Any such gifts shall be reported to the Commission and aggregated with meals, and the aggregate total of meals and other gifts provided to an individual recipient by an executive lobbyist may not exceed Five Hundred Dollars (\$500.00).

SECTION 19. AMENDATORY Ethics Rule 5.19, codified in the Oklahoma Statutes as Rule 5.19 of Title 74,

Appendix I, unless there is created a duplication in numbering, is amended as follows:

Each legislative liaison and legislative lobbyist shall file a Legislative Lobbyist Report on the following dates for the following time periods:

(1) Before the ~~sixth~~ sixteenth day of January for the period beginning July 1 and ending December 31 of the preceding year.

(2) Before the sixth day of February, March, April, May, ~~and~~ June, and before the sixteenth day of July for the preceding month.

Except for good cause shown, any legislative liaison or legislative lobbyist who, during a calendar year, files more than one Legislative Lobbyist Report after the date it is due shall be deemed to have intentionally failed to file the report in violation of these Rules.

SECTION 20. AMENDATORY Ethics Rule 5.20, codified in the Oklahoma Statutes as Rule 5.20 of Title 74, Appendix I, unless there is created a duplication in numbering, is amended as follows:

Each executive lobbyist shall file an Executive Lobbyist Report before the ~~sixth~~ sixteenth day of January, April, July and October for the preceding calendar quarter. Except for good cause shown, any executive lobbyist who, during a calendar year, files more than one Executive Lobbyist Report after the date it is due shall be deemed to have intentionally failed to file the report in violation of these Rules. An executive lobbyist who also is registered as a legislative lobbyist may choose to file reports as an executive lobbyist on the same dates that he or she files reports as a legislative lobbyist.

SECTION 21. EFFECTIVE DATES. Sections 16, 17, and 18 shall become effective January 1, 2018; all other sections shall become effective immediately.