

Arkansas Voters Approve Corporate Contributions Ban; Expand Lobbyist Gift Prohibition

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The 2014 elections resulted in big changes for many politicians, and not only for those who won new or different offices or lost their current ones. As a result of voters passing Issue 3, politicians in Arkansas are now also subject to a new ban on accepting corporate contributions, expanded prohibitions on gifts from lobbyists, and, if they serve in the statehouse, an extended cooling-off period for contacting their former colleagues should they pursue a different career in lobbying. One potential tradeoff for these additional restrictions: the passage of the ballot measure also means Arkansas state legislators will now have longer term limits.

Up until recently, corporations had been permitted to contribute directly to state and local candidates in Arkansas on the same basis as individuals (up to \$2,000 per election). After the passage of Issue 3, corporate contributions to candidates are no longer permitted. However, candidates are still permitted to accept contributions from “approved political action committees,” (PACs) defined as PACs that accept no more than \$5,000 in contributions per calendar year from any person. Based on the plain language of the measure, it appears that corporations may still contribute to “approved political action committees.”

Issue 3 also expands the lobbyist gift prohibition for gifts to certain state officials. Up until now, the gift ban that applied specifically to lobbyists in Arkansas had been relatively limited, and covered only the provision of food or beverages by lobbyists to public officials and employees under certain circumstances. With the new changes enacted by Issue 3, lobbyists—as well as their employers, principals, and agents—are now generally prohibited from giving any gifts to the Governor, Lieutenant Governor, Secretary of State, State Treasurer, State Auditor, Attorney General, Land Commissioner, General Assembly member, or member of the newly created Independent Citizens Commission (which is to review and adjust the salaries of state elected officials and make recommendations regarding per diem and reimbursements). The new gift ban contains certain exceptions, however, including one carried over from the preexisting lobbyist gift rules.

Unlike most of the changes brought about by the recent election, which won't take effect until January or the start of the next legislative session, the changes to the Arkansas ethics laws went into effect immediately after the election was certified.