

REFERENCE TITLE: campaign finance; political committee; definition

State of Arizona  
House of Representatives  
Fifty-second Legislature  
First Regular Session  
2015

# HB 2649

Introduced by  
Representative Ugenti

AN ACT

AMENDING SECTIONS 16-901, 16-902, 16-902.01, 16-904, 16-912 AND 16-916,  
ARIZONA REVISED STATUTES; RELATING TO CAMPAIGN CONTRIBUTIONS AND EXPENSES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:  
2 Section 1. Section 16-901, Arizona Revised Statutes, is amended to  
3 read:  
4 16-901. Definitions  
5 In this chapter, unless the context otherwise requires:  
6 1. "Agent" means, with respect to any person other than a candidate,  
7 any person who has oral or written authority, either express or implied, to  
8 make or authorize the making of expenditures as defined in this section on  
9 behalf of a candidate, any person who has been authorized by the treasurer of  
10 a political committee to make or authorize the making of expenditures or a  
11 political consultant for a candidate or political committee.  
12 2. "Candidate" means an individual who DOES EITHER OF THE FOLLOWING:  
13 (i) Receives or gives consent for receipt of a contribution for his  
14 nomination for or election to any office in this state other than a federal  
15 office.  
16 (ii) CIRCULATES PETITIONS FOR HIS NOMINATION FOR OR ELECTION TO ANY  
17 OFFICE IN THIS STATE OTHER THAN A FEDERAL OFFICE.  
18 3. "Candidate's campaign committee" means a political committee  
19 designated and authorized by a candidate.  
20 4. "Clearly identified candidate" means that the name, a photograph or  
21 a drawing of the candidate appears or the identity of the candidate is  
22 otherwise apparent by unambiguous reference.  
23 5. "Contribution" means any gift, subscription, loan, advance or  
24 deposit of money or anything of value made for the purpose of influencing an  
25 election including supporting or opposing the recall of a public officer or  
26 supporting or opposing the circulation of a petition for a ballot measure,  
27 question or proposition or the recall of a public officer and:  
28 (a) Includes all of the following:  
29 (i) A contribution made to retire campaign debt.  
30 (ii) Money or the fair market value of anything directly or indirectly  
31 given or loaned to an elected official for the purpose of defraying the  
32 expense of communications with constituents, regardless of whether the  
33 elected official has declared his candidacy.  
34 (iii) The entire amount paid to a political committee to attend a  
35 fund-raising or other political event and the entire amount paid to a  
36 political committee as the purchase price for a fund-raising meal or item,  
37 except that no contribution results if the actual cost of the meal or  
38 fund-raising item, based on the amount charged to the committee by the  
39 vendor, constitutes the entire amount paid by the purchaser for the meal or  
40 item, the meal or item is for the purchaser's personal use and not for resale  
41 and the actual cost is the entire amount paid by the purchaser in connection  
42 with the event. This exception does not apply to auction items.  
43 (iv) Unless specifically exempted, the provision of goods or services  
44 without charge or at a charge that is less than the usual and normal charge  
45 for such goods and services. The acquisition or use of campaign assets by a

1 committee that are paid for with the candidate's personal monies, including  
2 campaign signs and other similar promotional materials, is a contribution and  
3 is reportable by the candidate's campaign committee as a contribution to the  
4 campaign.

5 (b) Does not include any of the following:

6 (i) The value of services provided without compensation by any  
7 individual who volunteers on behalf of a candidate, a candidate's campaign  
8 committee or any other political committee.

9 (ii) Money or the value of anything directly or indirectly provided to  
10 defray the expense of an elected official meeting with constituents if the  
11 elected official is engaged in the performance of the duties of his office or  
12 provided by the state or a political subdivision to an elected official for  
13 communication with constituents if the elected official is engaged in the  
14 performance of the duties of his office.

15 (iii) The use of real or personal property, including a church or  
16 community room used on a regular basis by members of a community for  
17 noncommercial purposes, that is obtained by an individual in the course of  
18 volunteering personal services to any candidate, candidate's committee or  
19 political party, and the cost of invitations, food and beverages voluntarily  
20 provided by an individual to any candidate, candidate's campaign committee or  
21 political party in rendering voluntary personal services on the individual's  
22 residential premises or in the church or community room for candidate-related  
23 or political party-related activities, to the extent that the cumulative  
24 value of the invitations, food and beverages provided by the individual on  
25 behalf of any single candidate does not exceed one hundred dollars with  
26 respect to any single election.

27 (iv) Any unreimbursed payment for personal travel expenses made by an  
28 individual who on his own behalf volunteers his personal services to a  
29 candidate.

30 (v) The payment by a political party for party operating expenses,  
31 party staff and personnel, party newsletters and reports, voter registration  
32 and efforts to increase voter turnout, party organization building and  
33 maintenance and printing and postage expenses for slate cards, sample  
34 ballots, other written materials that substantially promote three or more  
35 nominees of the party for public office and other election activities not  
36 related to a specific candidate, except that this item does not apply to  
37 costs incurred with respect to a display of the listing of candidates made on  
38 telecommunications systems or in newspapers, magazines or similar types of  
39 general circulation advertising.

40 (vi) Independent expenditures.

41 (vii) Monies loaned by a state bank, a federally chartered depository  
42 institution or a depository institution the deposits or accounts of which are  
43 insured by the federal deposit insurance corporation or the national credit  
44 union administration, other than an overdraft made with respect to a checking  
45 or savings account, that is made in accordance with applicable law and in the

1 ordinary course of business. In order for this exemption to apply, this loan  
2 shall be deemed a loan by each endorser or guarantor, in that proportion of  
3 the unpaid balance that each endorser or guarantor bears to the total number  
4 of endorsers or guarantors, the loan shall be made on a basis that assures  
5 repayment, evidenced by a written instrument, shall be subject to a due date  
6 or amortization schedule and shall bear the usual and customary interest rate  
7 of the lending institution.

8 (viii) A gift, subscription, loan, advance or deposit of money or  
9 anything of value to a national or a state committee of a political party  
10 specifically designated to defray any cost for the construction or purchase  
11 of an office facility not acquired for the purpose of influencing the  
12 election of a candidate in any particular election.

13 (ix) Legal or accounting services rendered to or on behalf of a  
14 political committee or a candidate, if the only person paying for the  
15 services is the regular employer of the individual rendering the services and  
16 if the services are solely for the purpose of compliance with this title.

17 (x) The payment by a political party of the costs of campaign  
18 materials, including pins, bumper stickers, handbills, brochures, posters,  
19 party tabloids and yard signs, used by the party in connection with volunteer  
20 activities on behalf of any nominee of the party or the payment by a state or  
21 local committee of a political party of the costs of voter registration and  
22 get-out-the-vote activities conducted by the committee if the payments are  
23 not for the costs of campaign materials or activities used in connection with  
24 any telecommunication, newspaper, magazine, billboard, direct mail or similar  
25 type of general public communication or political advertising.

26 (xi) Transfers between political committees to distribute monies  
27 raised through a joint fund-raising effort in the same proportion to each  
28 committee's share of the fund-raising expenses and payments from one  
29 political committee to another in reimbursement of a committee's  
30 proportionate share of its expenses in connection with a joint fund-raising  
31 effort.

32 (xii) An extension of credit for goods and services made in the  
33 ordinary course of the creditor's business if the terms are substantially  
34 similar to extensions of credit to nonpolitical debtors that are of similar  
35 risk and size of obligation and if the creditor makes a commercially  
36 reasonable attempt to collect the debt, except that any extension of credit  
37 under this item made for the purpose of influencing an election that remains  
38 unsatisfied by the candidate after six months, notwithstanding good faith  
39 collection efforts by the creditor, shall be deemed receipt of a contribution  
40 by the candidate but not a contribution by the creditor.

41 (xiii) Interest or dividends earned by a political committee on any  
42 bank accounts, deposits or other investments of the political committee.

43 6. "Earmarked" means a designation, instruction or encumbrance that  
44 results in all or any part of a contribution or expenditure being made to, or

1 expended on behalf of, a clearly identified candidate or a candidate's  
2 campaign committee.

3 7. "Election" means any election for any initiative, referendum or  
4 other **BALLOT** measure, **QUESTION** or proposition or a primary, general, recall,  
5 special or runoff election for any office in this state other than the office  
6 of precinct committeeman and other than a federal office. Unless otherwise  
7 provided by law, the general election does not include the primary election.

8 8. "Expenditures" includes any purchase, payment, distribution, loan,  
9 advance, deposit or gift of money or anything of value made by a person for  
10 the purpose of influencing an election in this state including supporting or  
11 opposing the recall of a public officer or supporting or opposing the  
12 circulation of a petition for a ballot measure, question or proposition or  
13 the recall of a public officer and a contract, promise or agreement to make  
14 an expenditure resulting in an extension of credit and the value of any  
15 in-kind contribution received. Expenditure does not include any of the  
16 following:

17 (a) A news story, commentary or editorial distributed through the  
18 facilities of any telecommunications system, newspaper, magazine or other  
19 periodical publication, unless the facilities are owned or controlled by a  
20 political committee, political party or candidate.

21 (b) Nonpartisan activity designed to encourage individuals to vote or  
22 to register to vote.

23 (c) The payment by a political party of the costs of preparation,  
24 display, mailing or other distribution incurred by the party with respect to  
25 any printed slate card, sample ballot or other printed listing of three or  
26 more candidates for any public office for which an election is held, except  
27 that this subdivision does not apply to costs incurred by the party with  
28 respect to a display of any listing of candidates made on any  
29 telecommunications system or in newspapers, magazines or similar types of  
30 general public political advertising.

31 (d) The payment by a political party of the costs of campaign  
32 materials, including pins, bumper stickers, handbills, brochures, posters,  
33 party tabloids and yard signs, used by the party in connection with volunteer  
34 activities on behalf of any nominee of the party or the payment by a state or  
35 local committee of a political party of the costs of voter registration and  
36 get-out-the-vote activities conducted by the committee if the payments are  
37 not for the costs of campaign materials or activities used in connection with  
38 any telecommunications system, newspaper, magazine, billboard, direct mail or  
39 similar type of general public communication or political advertising.

40 (e) Any deposit or other payment filed with the secretary of state or  
41 any other similar officer to pay any portion of the cost of printing an  
42 argument in a publicity pamphlet advocating or opposing a ballot measure.

43 9. "Exploratory committee" means a political committee that is formed  
44 for the purpose of determining whether an individual will become a candidate

1 ~~and that receives contributions or makes expenditures of more than five~~  
2 ~~hundred dollars in connection with that purpose.~~

3 10. "Family contribution" means any contribution that is provided to a  
4 candidate's campaign committee by a parent, grandparent, spouse, child or  
5 sibling of the candidate or a parent or spouse of any of those persons.

6 11. "Filing officer" means the office that is designated by section  
7 16-916 to conduct the duties prescribed by this chapter.

8 12. "Identification" means:

9 (a) For an individual, his name and mailing address, his occupation  
10 and the name of his employer.

11 (b) For any other person, including a political committee, the full  
12 name and mailing address of the person. For a political committee,  
13 identification includes the identification number issued on the filing of a  
14 statement of organization pursuant to section 16-902.01.

15 13. "Incomplete contribution" means any contribution received by a  
16 political committee for which the contributor's mailing address, occupation,  
17 employer or identification number has not been obtained and is not in the  
18 possession of the political committee.

19 14. "Independent expenditure" means an expenditure by a person or  
20 political committee, other than a candidate's campaign committee, that  
21 expressly advocates the election or defeat of a clearly identified candidate,  
22 that is made without cooperation or consultation with any candidate or  
23 committee or agent of the candidate and that is not made in concert with or  
24 at the request or suggestion of a candidate, or any committee or agent of the  
25 candidate. Independent expenditure includes an expenditure that is subject  
26 to the requirements of section 16-917, which requires a copy of campaign  
27 literature or advertisement to be sent to a candidate named or otherwise  
28 referred to in the literature or advertisement.

29 15. "In-kind contribution" means a contribution of goods or services or  
30 anything of value and not a monetary contribution. The use by a candidate's  
31 campaign committee of a distinctive trade name, trademark or trade dress  
32 item, including a logo, that is owned by a business or other entity that is  
33 owned by that candidate or in which the candidate has a controlling interest  
34 is deemed to be an in-kind contribution to the candidate's campaign committee  
35 and shall be reported as otherwise prescribed by law.

36 16. "Itemized" means that each contribution received or expenditure  
37 made is set forth separately.

38 17. "Literature or advertisement" means information or materials that  
39 are mailed, distributed or placed in some medium of communication for the  
40 purpose of influencing the outcome of an election.

41 18. "Personal monies" means any of the following:

42 (a) Except as prescribed in paragraph 15 of this section, assets to  
43 which the candidate has a legal right of access or control at the time he  
44 becomes a candidate and with respect to which the candidate has either legal  
45 title or an equitable interest.

1 (b) Salary and other earned income from bona fide employment of the  
2 candidate, dividends and proceeds from the sale of the stocks or investments  
3 of the candidate, bequests to the candidate, income to the candidate from  
4 trusts established before candidacy, income to the candidate from trusts  
5 established by bequest after candidacy of which the candidate is a  
6 beneficiary, gifts to the candidate of a personal nature that have been  
7 customarily received before the candidacy and proceeds received by the  
8 candidate from lotteries and other legal games of chance.

9 (c) The proceeds of loans obtained by the candidate that are not  
10 contributions and for which the collateral or security is covered by  
11 subdivision (a) or (b) of this paragraph.

12 (d) Family contributions.

13 19. "Political committee" means ~~a candidate or any association or~~  
14 ~~combination of persons that is organized, conducted or combined for the~~  
15 ~~purpose of influencing the result of any election or to determine whether an~~  
16 ~~individual will become a candidate for election in this state or in any~~  
17 ~~county, city, town, district or precinct in this state, that engages in~~  
18 ~~political activity in behalf of or against a candidate for election or~~  
19 ~~retention or in support of or opposition to an initiative, referendum or~~  
20 ~~recall or any other measure or proposition and that applies for a serial~~  
21 ~~number and circulates petitions and, in the case of a candidate for public~~  
22 ~~office except those exempt pursuant to section 16-903, that receives~~  
23 ~~contributions or makes expenditures of more than two hundred fifty dollars in~~  
24 ~~connection therewith, notwithstanding that the association or combination of~~  
25 ~~persons may be part of a larger association, combination of persons or~~  
26 ~~sponsoring organization not primarily organized, conducted or combined for~~  
27 ~~the purpose of influencing the result of any election in this state or in any~~  
28 ~~county, city, town or precinct in this state. Political committee includes~~  
29 ~~the following types of committees~~ ANY OF THE FOLLOWING:

30 (a) A CANDIDATE OR A candidate's campaign committee.

31 (b) A separate, segregated fund established ~~by a corporation or labor~~  
32 ~~organization~~ pursuant to section 16-920, subsection A, paragraph 3.

33 (c) ~~A committee acting~~ AN ASSOCIATION OR COMBINATION OF PERSONS THAT  
34 CIRCULATES PETITIONS in support of ~~or opposition to~~ the qualification,  
35 ~~passage or defeat~~ of a ballot measure, question or proposition.

36 (d) ~~A committee organized to circulate or oppose a recall petition or~~  
37 ~~to influence the result of a~~ AN ASSOCIATION OR COMBINATION OF PERSONS THAT  
38 CIRCULATES A PETITION TO recall ~~election~~ A PUBLIC OFFICER.

39 (e) A political party.

40 ~~(f) A committee organized for the purpose of making independent~~  
41 ~~expenditures.~~

42 ~~(g) A committee organized in support of or opposition to one or more~~  
43 ~~candidates.~~

1 (f) AN ASSOCIATION OR COMBINATION OF PERSONS THAT MEETS BOTH OF THE  
2 FOLLOWING REQUIREMENTS:

3 (i) IS ORGANIZED, CONDUCTED OR COMBINED FOR THE PRIMARY PURPOSE OF  
4 INFLUENCING THE RESULT OF ANY ELECTION IN THIS STATE OR IN ANY COUNTY, CITY,  
5 TOWN OR OTHER POLITICAL SUBDIVISION IN THIS STATE, INCLUDING A JUDICIAL  
6 RETENTION ELECTION.

7 (ii) KNOWINGLY RECEIVES CONTRIBUTIONS OR MAKES EXPENDITURES OF MORE  
8 THAN FIVE HUNDRED DOLLARS IN CONNECTION WITH ANY ELECTION DURING A CALENDAR  
9 YEAR, INCLUDING A JUDICIAL RETENTION ELECTION.

10 ~~(h)~~ (g) A political organization.

11 ~~(i)~~ (h) An exploratory committee.

12 20. "Political organization" means an organization that is formally  
13 affiliated with and recognized by a political party including a district  
14 committee organized pursuant to section 16-823.

15 21. "Political party" means the state committee as prescribed by  
16 section 16-825 or the county committee as prescribed by section 16-821 of an  
17 organization that meets the requirements for recognition as a political party  
18 pursuant to section 16-801, 16-802 or ~~section~~ 16-804, ~~subsection A~~.

19 22. "Sponsoring organization" means any organization that establishes,  
20 administers or contributes financial support to the administration of, or  
21 that has common or overlapping membership or officers with, a political  
22 committee other than a candidate's campaign committee.

23 23. "Standing political committee" means a political committee that  
24 satisfies all of the following:

25 (a) Is active in more than one reporting jurisdiction in this state  
26 for more than one year.

27 (b) Files a statement of organization as prescribed by section  
28 16-902.01, subsection ~~E~~ F.

29 (c) Is any of the following as defined by paragraph 19 of this  
30 section:

31 (i) A separate, segregated fund.

32 (ii) A political party.

33 (iii) A POLITICAL committee AS PRESCRIBED BY PARAGRAPH 19, SUBDIVISION  
34 (f) OF THIS SECTION AND THAT IS organized for the purpose of making  
35 independent expenditures.

36 (iv) A political organization.

37 24. "Statewide office" means the office of governor, secretary of  
38 state, state treasurer, attorney general, superintendent of public  
39 instruction, corporation commissioner or mine inspector.

40 25. "Surplus monies" means those monies of a political committee  
41 remaining after all of the committee's expenditures have been made and its  
42 debts have been extinguished.



1           Sec. 2. Section 16-902, Arizona Revised Statutes, is amended to read:  
2           16-902. Organization of political committees; accounting

3           A. Each political committee shall have a chairman and treasurer. The  
4 position of chairman and treasurer of a single political committee may not be  
5 held by the same individual, except that a candidate may be chairman and  
6 treasurer of his own campaign committee.

7           B. The name of each political committee shall include the name of any  
8 sponsoring organization, and, in the case of a candidate's campaign  
9 committee, the committee's name shall include the name of the candidate, or,  
10 if for an exploratory committee, the individual, who designated the committee  
11 pursuant to section 16-903.

12           C. ~~Before~~ A political committee THAT accepts ~~a contribution~~  
13 CONTRIBUTIONS or makes ~~an expenditure~~ EXPENDITURES shall ~~designate~~ DEPOSIT  
14 CONTRIBUTIONS AND MAKE EXPENDITURES FROM one or more state banks, federally  
15 chartered depository institutions or depository institutions the deposits or  
16 accounts of which are insured by the federal deposit insurance corporation or  
17 the national credit union administration as its campaign depository or  
18 depositories. The political committee shall notify the filing officer of the  
19 ~~designation~~ NAME of the financial institution ~~either~~ at the time of filing  
20 the statement of organization pursuant to section 16-902.01 or ~~within five~~  
21 ~~business days after opening an account~~ 16-903. ON MEETING THE DEFINITION OF  
22 POLITICAL COMMITTEE PURSUANT TO SECTION 16-901, all withdrawals or  
23 disbursements from these accounts require the signature of the treasurer or a  
24 designated agent of the political committee.

25           D. If a POLITICAL committee receives contributions designated for use  
26 in the general election before the primary election, the committee must use  
27 an acceptable accounting method to distinguish between contributions received  
28 for the primary election and contributions received for the general election.  
29 Acceptable accounting methods include designating separate accounts for each  
30 election or establishing separate books and records for each election.

31           Sec. 3. Section 16-902.01, Arizona Revised Statutes, is amended to  
32 read:

33           16-902.01. Registration of political committees; contents;  
34 amendment

35           A. EXCEPT FOR A POLITICAL COMMITTEE AS DEFINED IN SECTION 16-901,  
36 PARAGRAPH 19, SUBDIVISION (f), each political committee that intends to  
37 accept contributions or make expenditures of more than five hundred dollars  
38 shall file a statement of organization with the filing officer in the format  
39 prescribed by the filing officer before accepting contributions, making  
40 expenditures, distributing any campaign literature or circulating petitions.  
41 A POLITICAL COMMITTEE AS DEFINED IN SECTION 16-901, PARAGRAPH 19, SUBDIVISION  
42 (f) SHALL FILE A STATEMENT OF ORGANIZATION WITH THE FILING OFFICER IN THE  
43 FORMAT PRESCRIBED BY THE FILING OFFICER WITHIN FIVE BUSINESS DAYS AFTER  
44 MEETING THE DEFINITION OF POLITICAL COMMITTEE.

1           B. EXCEPT FOR A POLITICAL COMMITTEE AS DEFINED IN SECTION 16-901,  
2 PARAGRAPH 19, SUBDIVISION (f), each political committee that intends to  
3 accept contributions or make expenditures of five hundred dollars or less,  
4 ~~and more than two hundred fifty dollars,~~ shall file a signed exemption  
5 statement in a form prescribed by the filing officer that states that  
6 intention before making any expenditures, accepting any contributions,  
7 distributing any campaign literature or circulating petitions. If a  
8 political committee that has filed a five hundred dollar threshold exemption  
9 statement receives contributions or makes expenditures of more than five  
10 hundred dollars, that political committee shall file a statement of  
11 organization with the filing officer in the format prescribed by the filing  
12 officer within five business days after exceeding the five hundred dollar  
13 limit.

14           ~~B.~~ C. The statement of organization of a political committee shall  
15 include all of the following:

- 16           1. The name, address and type of committee.
- 17           2. The name, address, relationship and type of any sponsoring  
18 organization.
- 19           3. The names, addresses, telephone numbers, occupations and employers  
20 of the chairman and treasurer of the committee.
- 21           4. In the case of a candidate's campaign committee, the name, address,  
22 office sought and party affiliation of the candidate.
- 23           5. A listing of all banks, safety deposit boxes or other depositories  
24 used by the committee.
- 25           6. A statement that the chairman and treasurer have read all of the  
26 applicable laws relating to campaign finance and reporting.

27           ~~C.~~ D. Except as prescribed by subsection ~~E~~ F of this section, on the  
28 filing of a statement of organization, a political committee shall be issued  
29 an identification number in the format prescribed by the filing officer.

30           ~~D.~~ E. The political committee shall file an amended statement of  
31 organization reporting any change in the information prescribed in  
32 subsections ~~B~~ C and ~~F~~ G of this section within five business days after the  
33 change.

34           ~~E.~~ F. A standing political committee shall file a statement of  
35 organization with the secretary of state and in each jurisdiction in which  
36 the committee is active, and only the secretary of state shall issue an  
37 identification number for the committee. The statement of organization shall  
38 include a statement with the notarized signature of the chairman or treasurer  
39 of the standing political committee that declares the committee's status as a  
40 standing political committee. The secretary of state may charge an annual  
41 fee for the filing.

42           ~~F.~~ G. For a political committee that makes expenditures in an attempt  
43 to influence the results of a ballot proposition election, the statement of  
44 organization shall include in the name of the political committee the  
45 official serial number for the petition, if assigned, and a statement as to

1 whether the political committee supports or opposes the passage of the ballot  
2 measure. On completion of the designation of statewide ballot propositions  
3 by number as prescribed in section 19-125, the secretary of state is  
4 authorized to and shall amend the name of the political committee by  
5 attaching to the statement of organization the ballot proposition number as a  
6 substitute for the official serial number in the name of the political  
7 committee. The secretary of state shall promptly notify the political  
8 committee of the amended political committee name and shall make that  
9 information available to the public.

10 Sec. 4. Section 16-904, Arizona Revised Statutes, is amended to read:

11 16-904. Treasurer; duties; records; civil penalty

12 A. No expenditure may be made for or on behalf of a political  
13 committee without the authorization of the treasurer or the treasurer's  
14 designated agent.

15 B. The treasurer shall maintain a record of all petty cash  
16 disbursements pursuant to subsection E, paragraph 4 of this section.

17 C. All receipts received by a political committee shall be deposited  
18 in an account ~~designated pursuant to~~ AS PRESCRIBED BY section 16-902,  
19 subsection C. All monies of a political committee shall be segregated from,  
20 and may not be commingled with, the monies of any individual other than  
21 contributions by an individual.

22 D. A political committee shall exercise its best efforts to obtain the  
23 required information for any incomplete contribution received that is  
24 required to be itemized on a campaign finance report pursuant to section  
25 16-915, subsection A, paragraph 3. A political committee will not be deemed  
26 to have exercised best efforts to obtain the required information unless the  
27 treasurer or the treasurer's agent has made at least one effort after the  
28 receipt of the contribution to obtain the missing information by a written  
29 request sent to the contributor or by oral contact with the contributor  
30 documented in writing and shall comply with the following:

31 1. The request must clearly ask for the missing information and inform  
32 the contributor that the committee is required by law to obtain the mailing  
33 address, occupation and employer of each individual contributor and the  
34 mailing address and identification number of each political committee  
35 contributor.

36 2. Any information required for the identification of a contributor  
37 received by the political committee after the contribution has been disclosed  
38 on a campaign finance report required pursuant to section 16-913 shall be  
39 reported on an amended report.

40 E. The treasurer of a political committee is the custodian of the  
41 committee's books and accounts and shall keep an account of all of the  
42 following:

43 1. All contributions or other monies received by or on behalf of the  
44 political committee.

1           2. The identification of any individual or political committee that  
2 makes any contribution together with the date and amount of each contribution  
3 and the date of deposit into a designated account.

4           3. Cumulative totals contributed by each individual or political  
5 committee.

6           4. The name and address of every person to whom any expenditure is  
7 made, the date, amount and purpose or reason for the expenditure and, except  
8 in the case of an expenditure by a candidate's campaign committee, the name  
9 of the candidate and the office sought by the candidate if the expenditure  
10 was made on behalf of or in opposition to a candidate.

11           5. All periodic or other statements for each account ~~designated~~  
12 ~~pursuant to~~ PRESCRIBED BY section 16-902, subsection C.

13           F. For any POLITICAL committee that has filed a five hundred dollar  
14 threshold exemption statement PURSUANT TO SECTION 16-902.01, SUBSECTION B:

15           1. The POLITICAL committee and treasurer shall maintain a record of  
16 all contributions received and expenditures made by the POLITICAL committee.  
17 If the POLITICAL committee exceeds the five hundred dollar limit, the  
18 POLITICAL committee shall amend its statement of organization, file a report  
19 of its contributions and expenditures pursuant to section 16-913 and comply  
20 with all reporting requirements.

21           2. For a POLITICAL committee that does not exceed its five hundred  
22 dollar threshold, the POLITICAL committee terminates at the end of the  
23 election cycle for which it was formed, shall file a termination statement as  
24 prescribed by section 16-914 and shall dispose of any surplus monies as  
25 otherwise provided by law.

26           3. A POLITICAL committee that fails to file its termination statement  
27 pursuant to paragraph 2 of this subsection is terminated by operation of law  
28 ninety days after the end of the election cycle for which it was formed and  
29 shall pay a civil penalty of one hundred dollars.

30           G. Unless specified by the contributor or contributors to the  
31 contrary, the treasurer shall record a contribution made by check, money  
32 order or other written instrument as a contribution by the person whose  
33 signature or name appears on the bottom of the instrument or who endorses the  
34 instrument before delivery to the POLITICAL committee. If a contribution is  
35 made by more than one person in a single written instrument, the treasurer  
36 shall record the amount to be attributed to each contributor as specified.

37           H. All contributions other than in-kind contributions must be made by  
38 a check drawn on the account of the actual contributor or by a money order or  
39 a cashier's check containing the name of the actual contributor or must be  
40 evidenced by a written receipt with a copy of the receipt given to the  
41 contributor and a copy maintained in the contribution records of the  
42 recipient.

43           I. The treasurer shall preserve all records required to be kept by  
44 this section and copies of all finance reports required to be filed by this

1 article for three years after the filing of the finance report covering the  
2 receipts and disbursements evidenced by the records.

3 J. On request of the attorney general, the county, city or town  
4 attorney or the filing officer, the treasurer shall provide any of the  
5 records required to be kept pursuant to this section.

6 K. A person who violates this section is subject to a civil penalty  
7 imposed as prescribed in section 16-924 of three times the amount of money  
8 that has been received, expended or promised in violation of this section or  
9 three times the value in money for an equivalent of money or other things of  
10 value that has been received, expended or promised in violation of this  
11 section.

12 Sec. 5. Section 16-912, Arizona Revised Statutes, is amended to read:  
13 16-912. Candidates and independent expenditures; campaign  
14 literature and advertisement sponsors;  
15 identification; civil penalty

16 A. A political committee that makes an expenditure for campaign  
17 literature or advertisements that expressly advocate the election or defeat  
18 of any candidate or that make any solicitation of contributions to any  
19 political committee ~~shall be registered pursuant to this chapter at the time~~  
20 ~~of distribution, placement or solicitation and~~ shall include on the  
21 literature or advertisement the words "paid for by" followed by the name of  
22 the committee that appears on its statement of organization or five hundred  
23 dollar exemption statement.

24 B. If the expenditure for the campaign literature or advertisements by  
25 a political committee is an independent expenditure, the political committee,  
26 in addition to the disclosures required by subsection A of this section,  
27 shall include on the literature or advertisement the names and telephone  
28 numbers of the three political committees making the largest contributions to  
29 the political committee making the independent expenditure. If an acronym is  
30 used to name any political committee outlined in this section, the name of  
31 any sponsoring organization of the political committee shall also be printed  
32 or spoken. For the purposes of determining the three contributors to be  
33 disclosed, only the contributions made during the calendar year in which the  
34 independent expenditure is made shall be considered.

35 C. Subsection A of this section does not apply to bumper stickers,  
36 pins, buttons, pens and similar small items on which the statements required  
37 in subsection A of this section cannot be conveniently printed or to signs  
38 paid for by a candidate with campaign monies or by a candidate's campaign  
39 committee or to a solicitation of contributions by a separate segregated fund  
40 from those persons it may solicit pursuant to sections 16-920 and 16-921.

41 D. The disclosures required pursuant to this section shall be printed  
42 clearly and legibly in a conspicuous manner. The disclosure statement shall  
43 include the words "paid for by" followed by the name of the entity making the  
44 expenditure and shall state that it is not authorized by any candidate or

1 candidate's campaign committee. Disclosure statements shall also comply with  
2 the following:

3 1. If the communication is broadcast on radio, the disclosure shall be  
4 spoken at the end of the communication.

5 2. For printed material that is delivered or provided by hand or by  
6 mail, the disclosure shall be printed clearly and legibly in a conspicuous  
7 manner.

8 3. If the communication is broadcast on a telecommunications system,  
9 the following apply:

10 (a) The disclosure shall be both written and spoken at the end of the  
11 communication, except that if the written disclosure statement is displayed  
12 for at least five seconds of a thirty second communications broadcast or ten  
13 seconds of a sixty second communications broadcast, a spoken disclosure  
14 statement is not required.

15 (b) The written disclosure statement shall be printed in letters that  
16 are displayed in a height that is equal to or greater than four ~~per-cent~~  
17 PERCENT of the vertical picture height.

18 E. A person who violates this section is subject to a civil penalty of  
19 up to three times the cost of producing and distributing the literature or  
20 advertisement. This civil penalty shall be imposed as prescribed in section  
21 16-924.

22 Sec. 6. Section 16-916, Arizona Revised Statutes, is amended to read:  
23 16-916. Filing statements of contributions and expenditures;  
24 public inspection

25 A. Except as provided in subsection B of this section, the statements,  
26 designations and reports required to be filed pursuant to this article shall  
27 be filed as follows:

28 1. In the office of the secretary of state for political committees  
29 supporting or opposing the recall of a public officer elected statewide or to  
30 the legislature, supporting the circulation of petitions for ballot measures,  
31 questions and propositions appearing on a state general election ballot or  
32 recall of public officials elected statewide or to the legislature or  
33 supporting or opposing candidates for state offices and members of the  
34 legislature, for justices of the supreme court, for judges of the court of  
35 appeals and for a statewide initiative or referendum or any measure or  
36 proposition appearing on a state general election ballot. The office of the  
37 secretary of state shall post to its website in a format that is viewable by  
38 the public the campaign finance information prescribed by this section.

39 2. With the county officer in charge of elections for political  
40 committees supporting or opposing the recall of public officers elected to  
41 county offices, school district governing boards, community college district  
42 governing boards or judges of the superior court, supporting the circulation  
43 of petitions for ballot measures, questions and propositions appearing on a  
44 county election ballot or for the recall of a public officer elected to  
45 county offices, school district governing boards, community college district

1 governing boards or judges of the superior court or supporting or opposing  
2 candidates for county offices, school district governing board members or  
3 ballot questions, community college district governing board members or  
4 ballot questions, judges of the superior court seeking retention, special  
5 taxing districts and a county initiative or referendum or any measure or  
6 proposition appearing on a county election ballot. For any county with a  
7 population of more than one hundred thousand persons that operates a website,  
8 the county officer in charge of elections shall post to that website in a  
9 format that is viewable by the public the campaign finance information  
10 prescribed by this section, which shall include the names of candidates who  
11 have filed an exemption statement pursuant to section 16-902.01, subsection  
12 ~~A~~ B with that filing officer.

13 3. With the city or town clerk for political committees supporting or  
14 opposing the recall of public officers elected to city or town offices,  
15 supporting the circulation of petitions for ballot measures, questions and  
16 propositions appearing on a city or town election ballot or recall of public  
17 officers elected for city or town offices or supporting or opposing  
18 candidates for city or town offices and for a city or town initiative or  
19 referendum or any measure or proposition appearing on a city or town election  
20 ballot. For any city or town with a population of more than two thousand  
21 five hundred persons that operates a website, the city or town shall post to  
22 that website in a format that is viewable by the public the campaign finance  
23 information prescribed by this section, which shall include the names of  
24 candidates who have filed an exemption statement pursuant to section  
25 16-902.01, subsection ~~A~~ B. For a city or town without a website, the  
26 information shall be posted on the website operated by an association of  
27 cities and towns in this state.

28 B. Campaign finance reports required pursuant to section 16-913 for  
29 the office of member of the legislature and statewide offices shall be filed  
30 with the secretary of state in the manner prescribed by the secretary of  
31 state. The secretary of state may provide through the procedures manual  
32 adopted pursuant to section 16-452 for an alternative method for providing  
33 public access to the reports prescribed by this section.

34 C. For all statements, designations and reports, the date of filing is  
35 the date of actual receipt by the officer with whom the document is required  
36 to be filed except as follows:

37 1. For documents filed by certified mail with a United States mail  
38 postmark, the date of mailing constitutes the date of filing.

39 2. For documents filed by commercial delivery services that provide a  
40 standardized delivery confirmation process, the date of delivery confirmation  
41 constitutes the date of filing.

42 3. For documents filed by commercial delivery services that provide  
43 for electronic tracking of specific delivery packages, the date of electronic  
44 confirmation of delivery constitutes the date of filing.

1           D. If the date for filing any statement, designation or report  
2 required by this article is a Saturday, a Sunday or another legal holiday,  
3 the filing deadline is the next day that is not a Saturday, a Sunday or  
4 another legal holiday.

5           Sec. 7. Retroactivity

6           Sections 16-901, 16-902, 16-902.01, 16-904, 16-912 and 16-916, Arizona  
7 Revised Statutes, as amended by this act, apply retroactively to from and  
8 after September 29, 2013.

9           Sec. 8. Emergency

10          This act is an emergency measure that is necessary to preserve the  
11 public peace, health or safety and is operative immediately as provided by  
12 law.