

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1180

(Reference to Senate engrossed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 16-926, Arizona Revised Statutes, is amended to  
3 read:

4 16-926. Campaign finance reports; contents

5 A. A committee shall file campaign finance reports with the filing  
6 officer. The secretary of state's instructions and procedures manual  
7 adopted pursuant to section 16-452 shall prescribe the format for all  
8 reports and statements.

9 B. A campaign finance report shall set forth:

10 1. The amount of cash on hand at the beginning of the reporting  
11 period.

12 2. Total receipts during the reporting period, including:

13 (a) An itemized list of receipts in the following categories,  
14 including the source, amount and date of receipt, together with the total  
15 of all receipts in each category:

16 (i) Contributions from in-state individuals whose contributions  
17 exceed \$100 for that election cycle, including identification of the  
18 contributor's occupation and employer. Notwithstanding section 16-901,  
19 paragraph 29, subdivision (a), a person whose residential address is  
20 protected from public disclosure pursuant to section 16-153 is not required  
21 to disclose the person's residential address and shall instead provide an  
22 alternate mailing address.

23 (ii) Contributions from out-of-state individuals, including  
24 identification of the contributor's occupation and employer.

25 (iii) Contributions from candidate committees.

1 (iv) Contributions from political action committees.

2 (v) Contributions from political parties.

3 (vi) Contributions from partnerships.

4 (vii) For a political action committee or political party,  
5 contributions from corporations and limited liability companies, including  
6 identification of the corporation's or limited liability company's file  
7 number issued by the corporation commission.

8 (viii) For a political action committee or political party,  
9 contributions from labor organizations, including identification of the  
10 labor organization's file number issued by the corporation commission.

11 (ix) For a candidate committee, a candidate's contribution of  
12 personal monies.

13 (x) All loans, including identification of any endorser or guarantor  
14 other than a candidate's spouse, and the contribution amount endorsed or  
15 guaranteed by each.

16 (xi) Rebates and refunds.

17 (xii) Interest on committee monies.

18 (xiii) The fair market value of in-kind contributions received.

19 (xiv) Extensions of credit that remain outstanding, including  
20 identification of the creditor and the purpose of the extension.

21 (b) The aggregate amount of contributions from all in-state  
22 individuals whose contributions do not exceed \$100 for the election cycle.

23 3. An itemized list of all disbursements in excess of \$250 during  
24 the reporting period in the following categories, including the recipient,  
25 the recipient's address, a description of the disbursement and the amount  
26 and date of the disbursement, together with the total of all disbursements  
27 in each category:

28 (a) Disbursements for operating expenses.

29 (b) Contributions to candidate committees.

30 (c) Contributions to political action committees.

1 (d) Contributions to political parties.

2 (e) Contributions to partnerships.

3 (f) For a political action committee or political party,  
4 contributions to corporations and limited liability companies, including  
5 identification of the corporation's or limited liability company's file  
6 number issued by the corporation commission.

7 (g) For a political action committee or political party,  
8 contributions to labor organizations, including identification of the labor  
9 organization's file number issued by the corporation commission.

10 (h) Repayment of loans.

11 (i) Refunds of contributions.

12 (j) Loans made.

13 (k) The value of in-kind contributions provided.

14 (l) Independent expenditures that are made to advocate the election  
15 or defeat of a candidate, including identification of the candidate, office  
16 sought by the candidate, election date, mode of advertising and  
17 distribution or publication date.

18 (m) Expenditures to advocate the passage or defeat of a ballot  
19 measure, including identification of the ballot measure, ballot measure  
20 serial number, election date, mode of advertising and distribution or  
21 publication date.

22 (n) Expenditures to advocate for or against the issuance of a recall  
23 election order or for the election or defeat of a candidate in a recall  
24 election, including identification of the officer to be recalled or  
25 candidate supported or opposed, mode of advertising and distribution or  
26 publication date.

27 (o) Any other disbursements or expenditures.

28 4. AN ITEMIZED LIST OF ALL PERSONS WHO ARE REQUIRED TO BE REGISTERED  
29 AS A LOBBYIST, AUTHORIZED PUBLIC LOBBYIST OR DESIGNATED PUBLIC LOBBYIST  
30 PURSUANT TO TITLE 41, CHAPTER 7, ARTICLE 8.1 AND WHO THE COMMITTEE  
31 REASONABLY KNOWS HAVE FORWARDED TO THE COMMITTEE TWO OR MORE CONTRIBUTIONS  
32 THAT IN THE AGGREGATE TOTAL \$15,000 OR MORE OR WHO THE COMMITTEE HAS

1 CREDITED WITH TWO OR MORE CONTRIBUTIONS THAT IN THE AGGREGATE TOTAL \$15,000  
2 OR MORE. THE ITEMIZED LIST SHALL INCLUDE THE NAME AND ADDRESS OF THE  
3 PERSON WHO FORWARDED THE CONTRIBUTIONS OR WHO IS CREDITED WITH THE  
4 CONTRIBUTIONS, THE PERSON'S EMPLOYER AND THE AGGREGATE AMOUNT OF  
5 CONTRIBUTIONS FORWARDED BY OR RECEIVED AND CREDITED TO THAT PERSON.

6 ~~4.~~ 5. The total sum of all receipts and disbursements for the  
7 reporting period.

8 ~~5.~~ 6. A certification by the committee treasurer, issued under  
9 penalty of perjury, that the contents of the report are true and correct.

10 C. For the purposes of reporting under subsection B of this section:

11 1. A contribution is deemed to be received either on the date the  
12 committee knowingly takes possession of the contribution or the date of the  
13 check or credit card payment. For an in-kind contribution of services, the  
14 contribution is deemed made either on the date the services are performed  
15 or the date the committee receives the services.

16 2. An expenditure or disbursement is deemed made either on the date  
17 the committee authorizes the monies to be spent or the date the monies are  
18 withdrawn from the committee's account. For a transaction by check, the  
19 expenditure or disbursement is deemed made on the date the committee signs  
20 the check. For a credit card transaction on paper, the expenditure or  
21 disbursement is deemed made on the date the committee signs the  
22 authorization to charge the credit card. For an electronic transaction, an  
23 expenditure or disbursement is deemed made on the date the committee  
24 electronically authorizes the charge. For an agreement to purchase goods  
25 or services, the expenditure or disbursement is deemed made either on the  
26 date the parties enter into the agreement or the date the purchase order is  
27 issued.

28 3. A committee may record its transactions using any of the methods  
29 authorized by this subsection but for each type of contribution,  
30 expenditure or disbursement made or received, the committee shall use a  
31 consistent method of recording transactions throughout the election cycle.

1 D. The amount of an in-kind contribution of services shall be equal  
2 to the usual and normal charges for the services on the date performed.

3 E. If any receipt or disbursement is earmarked, the committee shall  
4 report the identity of the person to whom the receipt or disbursement is  
5 earmarked.

6 F. Candidate committee reports shall be cumulative for the election  
7 cycle to which they relate. Political action committee and political party  
8 reports shall be cumulative for a two-year election cycle ending in the  
9 year of a statewide general election. If there has been no change during  
10 the reporting period in an item listed in the immediately preceding report,  
11 only the amount need be carried forward.

12 G. For a political action committee that receives individual  
13 contributions through a payroll deduction plan, that committee is not  
14 required to separately itemize each contribution received from the  
15 contributor during the reporting period. In lieu of itemization, the  
16 committee may report all of the following:

17 1. The aggregate amount of contributions received from the  
18 contributor through the payroll deduction plan during the reporting period.

19 2. The individual's identity.

20 3. The amount deducted per pay period.

21 H. An entity that makes independent expenditures or ballot measure  
22 expenditures in excess of \$1,000 during a reporting period shall file an  
23 expenditure report with the filing officer for the applicable reporting  
24 period. Expenditure reports shall identify the candidate or ballot measure  
25 supported or opposed, office sought by the candidate, if any, election  
26 date, mode of advertising and first date of publication, display, delivery  
27 or broadcast of the advertisement.

28 Sec. 2. Section 16-927, Arizona Revised Statutes, is amended to  
29 read:

30 16-927. Campaign finance reporting period

31 A. A political action committee and political party shall file a  
32 campaign finance report covering each reporting period as follows:

1           1. For a calendar quarter without an election, the political action  
2 committee or political party shall file a quarterly report. The quarterly  
3 report shall be:

4           (a) Filed not later than the fifteenth day after the calendar  
5 quarter.

6           (b) Complete through the last day of the calendar quarter.

7           2. For a calendar quarter with an election, the political action  
8 committee or political party shall file a preelection and postelection  
9 report as follows:

10          (a) A preelection report shall be:

11           (i) Filed not later than ten days before the election.

12           (ii) Complete from the first day of the applicable calendar quarter  
13 through the seventeenth day before the election.

14          (b) A postelection report shall be:

15           (i) Filed not later than the fifteenth day after the applicable  
16 calendar quarter.

17           (ii) Complete from the sixteenth day before the election through the  
18 last day of the applicable calendar quarter.

19          B. A candidate committee shall file a campaign finance report only  
20 during the four calendar quarters comprising the twelve-month period  
21 preceding the general election for the office for which the candidate is  
22 seeking election, or for cities and towns, the city's or town's second,  
23 runoff or general election, however designated by the city or town. The  
24 reporting period for a candidate committee's first campaign finance report  
25 of the election cycle shall include the entire election cycle to date.

26          C. IN ADDITION TO THE REPORTS REQUIRED BY SUBSECTIONS A AND B OF  
27 THIS SECTION, A POLITICAL ACTION COMMITTEE AND A CANDIDATE COMMITTEE SHALL  
28 REPORT ON A WEB-BASED DIGITAL PLATFORM MAINTAINED BY THE SECRETARY OF STATE  
29 AS PRESCRIBED BY SECTION 41-1239 EVERY CONTRIBUTION WITHIN THIRTY BUSINESS  
30 DAYS AFTER RECEIVING THE CONTRIBUTION. THE REPORT PRESCRIBED BY THIS  
31 SUBSECTION SHALL INCLUDE ONLY THE NAME OF THE CONTRIBUTOR, THE AMOUNT OF  
32 THE CONTRIBUTION AND THE DATE OF THE CONTRIBUTION.

1           ~~C.~~ D. A committee shall file campaign finance reports until  
2 terminated.

3           Sec. 3. Section 41-1231, Arizona Revised Statutes, is amended to  
4 read:

5           41-1231. Definitions

6           In this article, unless the context otherwise requires:

7           1. "Authorized lobbyist" means any person, other than a designated  
8 lobbyist or lobbyist for compensation, who is employed by, retained by or  
9 representing a principal, with or without compensation, for the purpose of  
10 lobbying and who is listed as an authorized lobbyist by the principal in  
11 its registration pursuant to section 41-1232.

12           2. "Authorized public lobbyist" means a person, other than a  
13 designated public lobbyist, who is employed by, retained by or representing  
14 a public body, with or without compensation, for the purpose of lobbying  
15 and who is listed as an authorized public lobbyist by the public body in  
16 its registration pursuant to section 41-1232.01.

17           3. "Designated lobbyist" means the person who is designated by a  
18 principal as the single point of contact for the principal and who is  
19 listed as the designated lobbyist by the principal in its registration  
20 pursuant to section 41-1232.

21           4. "Designated public lobbyist" means the person who is designated  
22 by a public body as the single point of contact for the public body and who  
23 is listed as the designated public lobbyist by the public body in its  
24 registration pursuant to section 41-1232.01.

25           5. "Entertainment" means the amount of any expenditure paid or  
26 incurred for admission to any sporting or cultural event or for  
27 participation in any sporting or cultural activity.

28           6. "Expenditure":

29           (a) Means a payment, distribution, loan, advance, deposit or gift of  
30 money or anything of value ~~and includes a contract, promise or agreement,~~  
31 ~~whether or not legally enforceable, to make an expenditure~~ that provides a  
32 benefit to an individual state officer or state employee, **INCLUDING A**

1       CONTRACT, PROMISE OR AGREEMENT, WHETHER OR NOT LEGALLY ENFORCEABLE, TO MAKE  
2       AN EXPENDITURE, and that is incurred by or on behalf of one or more  
3       principals, public bodies, lobbyists, designated public lobbyists or  
4       authorized public lobbyists.

5               (b) INCLUDES AN EXPENDITURE FOR A GIFT OR ENTERTAINMENT.

6               7. "Family gift" means a gift to a state officer or employee or a  
7       member of the officer's or employee's household from a principal, lobbyist,  
8       designated public lobbyist or authorized public lobbyist who is a relative  
9       of the state officer or employee or a member of the household of the state  
10      officer or employee if the donor is not acting as the agent or intermediary  
11      for someone other than a person covered by this paragraph.

12              8. "Food or beverage" means the amount of any expenditure paid or  
13      incurred for food or beverages for a state officer or employee provided at  
14      a location at which the principal, public body, lobbyist, designated public  
15      lobbyist or authorized public lobbyist who made the expenditure is present.

16              9. "Gift" means a payment, distribution, expenditure, advance,  
17      deposit or donation of money, any intangible personal property or any kind  
18      of tangible personal or real property. For the purposes of this article,  
19      gift does not include:

20              (a) A gift, devise or inheritance from an individual's spouse,  
21      child, parent, grandparent, grandchild, brother, sister, parent-in-law,  
22      brother-in-law, sister-in-law, nephew, niece, aunt, uncle or first cousin  
23      or the spouse of any such individual if the donor is not acting as the  
24      agent or intermediary for someone other than a person covered by this  
25      subdivision.

26              ~~(b) Expenditures that are either properly reported or exempt from~~  
27      ~~reporting under this chapter for:~~

28              ~~(i) A speaking engagement.~~

29              ~~(ii) Food or beverages.~~



- 1           ~~(iii) Travel and lodging.~~
- 2           ~~(iv) Flowers.~~
- 3           ~~(c)~~ (b) Salary, compensation or employer-reimbursed expenses  
4 lawfully paid to a public official.
- 5           ~~(d)~~ (c) The value, cost or price of professional or consulting  
6 services that are not rendered to obtain a benefit for any registered  
7 principal, public body, lobbyist, designated public lobbyist or authorized  
8 public lobbyist or the clients of a principal or lobbyist.
- 9           ~~(e) Expenses relating to a special event or function to which all~~  
10 ~~members of the legislature, either house of the legislature or any~~  
11 ~~committee of the legislature is invited.~~
- 12           ~~(f) A plaque or other form of recognition similar to a plaque to a~~  
13 ~~state officer or state employee to signify the honorary recognition of a~~  
14 ~~service or other notable accomplishment.~~
- 15           ~~(g) Informational material such as books, reports, pamphlets,~~  
16 ~~calendars or periodicals.~~
- 17           ~~(h)~~ (d) An item that is not used and that is returned within  
18 fifteen days of receipt to the donor or that is delivered within fifteen  
19 days of receipt to a charitable organization and that is not claimed as a  
20 charitable contribution for state or federal income tax purposes.
- 21           ~~(i)~~ (e) A campaign contribution that is properly received and  
22 reported as required by law.
- 23           ~~(j) An item that is given to a state officer or employee if the~~  
24 ~~state officer or employee gives an item of approximately the same value to~~  
25 ~~the giver of the item at the same time that the item is given or on a~~  
26 ~~similar occasion as the one that prompted the original item to be given.~~
- 27           ~~(k) Gifts of a personal nature that were customarily received by an~~  
28 ~~individual from the donor before the individual became a state officer or~~  
29 ~~employee.~~
- 30           ~~(l)~~ (f) An item that is given to the general public at an event.

1           10. "Legislation" means bills, resolutions, memorials, amendments,  
2 nominations and other matters that are pending or proposed in either house  
3 of the legislature of this state.

4           11. "Lobbying":

5           (a) Means attempting to influence the passage or defeat of any  
6 legislation by directly communicating with any legislator or attempting to  
7 influence any formal rulemaking proceeding pursuant to chapter 6 of this  
8 title or rulemaking proceedings that are exempt from chapter 6 of this  
9 title by directly communicating with any state officer or employee.

10           (b) Includes, for a person who is otherwise required to be  
11 registered as a lobbyist for compensation pursuant to this article,  
12 attempting to influence the procurement of materials, services or  
13 construction by an agency as defined in section 41-1001, including the  
14 office of the governor.

15           (c) Does not include:

16           (i) Interagency communications between state agency employees.

17           (ii) Communications between a public official or employee of a  
18 public body, designated public lobbyist or authorized public lobbyist and  
19 any state officer, except for a member of the legislature, or an employee  
20 of the legislature.

21           (iii) Oral questions or comments made by a person to a state officer  
22 or employee regarding a proposed rule and made in public at a meeting or  
23 workshop that is open to the public and that is sponsored by a state  
24 agency, board, commission, council or office.

25           (iv) Communications between a public body and a self-employed person  
26 or person employed by a partnership or company regarding the procurement of  
27 materials, services or construction unless the self-employed person or  
28 person employed by a partnership or company is otherwise required to  
29 register pursuant to this article or is employed by, supervised by at any  
30 level or contracted by a person who is otherwise required to register as a  
31 lobbyist for compensation pursuant to this article.

1           12. "Lobbyist" means any person, other than a designated public  
2 lobbyist or authorized public lobbyist, who is employed by, retained by or  
3 representing a person other than himself, with or without compensation, for  
4 the purpose of lobbying and who is listed as a lobbyist by the principal in  
5 its registration pursuant to section 41-1232. Lobbyist includes a lobbyist  
6 for compensation, designated lobbyist and authorized lobbyist.

7           13. "Lobbyist for compensation" means a lobbyist who is compensated  
8 for the primary purpose of lobbying on behalf of a principal and who is  
9 listed by the principal in its registration pursuant to section 41-1232.

10           14. "Person" means an individual, partnership, committee,  
11 association or corporation and any other organization or group of persons,  
12 except legislators and political parties qualified for representation on  
13 the ballot pursuant to section 16-801 or 16-804.

14           15. "Personal hospitality" means hospitality, meals, beverages,  
15 transportation or lodging furnished but not commercially provided by a  
16 person on property or facilities owned or possessed by the person or the  
17 person's family.

18           16. "Principal" means any person, other than a public body, that  
19 employs, retains, engages or uses, with or without compensation, a  
20 lobbyist. Principal includes any subsidiary of a corporation.

21           17. "Procurement" has the same meaning prescribed in section  
22 41-2503.

23           18. "Public body" means the Arizona board of regents, a university  
24 under the jurisdiction of the Arizona board of regents, the judicial  
25 department, any state agency, board, commission or council, any county, any  
26 county elected officer who elects to appoint a designated public lobbyist  
27 or any city, town, district or other political subdivision of this state  
28 that receives and uses tax revenues and that employs, retains, engages or  
29 uses, with or without compensation, a designated public lobbyist or  
30 authorized public lobbyist.

31           19. "Public official" means a person who is duly elected, appointed  
32 or retained through election to an elected state, county or local office.

1           20. "Single expenditure" means an expenditure that provides a  
2 benefit ~~of more than twenty dollars~~ to an individual state officer or state  
3 employee and that is incurred by or on behalf of one or more principals,  
4 public bodies, lobbyists, designated public lobbyists or authorized public  
5 lobbyists.

6           21. "Speaking engagement":

7           (a) Means the amount of any expense paid or incurred for entrance  
8 fees, lodging, food and beverage, entertainment, travel and other expenses  
9 for the state officer's or employee's attendance at an event, committee,  
10 meeting, conference or seminar, including meetings of state, regional or  
11 national organizations or their committees concerned with legislative or  
12 governmental activities if the state officer or employee participates in  
13 the event as a speaker or panel participant by presenting information  
14 relating to the state officer's or employee's legislative or official  
15 duties or by performing a ceremonial function appropriate to the state  
16 officer's or employee's position.

17           (b) Does not include expenditures for an honorarium or any other  
18 similar fee paid to a speaker.

19           22. "State employee" means an employee of the legislature, a  
20 university under the jurisdiction of the Arizona board of regents, the  
21 judicial department or a state office, agency, board, commission or  
22 council.

23           23. "State officer" means a person who is duly elected, appointed or  
24 retained through election to any state office, or a member of any state  
25 board, commission or council, and includes a member of the legislature.

26           Sec. 4. Section 41-1232.02, Arizona Revised Statutes, is amended to  
27 read:

28           41-1232.02. Expenditure reporting; principals and lobbyists;  
29                                 gifts

30           A. Each principal shall report ~~annually~~  
31 WITHIN FIVE BUSINESS DAYS AFTER MAKING THE EXPENDITURES, whether or not the  
32 expenditures were made in the course of lobbying. These single

1 expenditures shall be itemized separately, and each itemization shall  
2 include the date of the expenditure, the amount of the expenditure, the  
3 name of each state officer or employee receiving or benefitting from the  
4 expenditure, the category of the expenditure and the name of the lobbyist  
5 or other person who made the expenditure on behalf of the principal. ~~In~~  
6 ~~addition each principal shall report annually the aggregate of all~~  
7 ~~expenditures of \$20 or less received by or benefitting a state officer or~~  
8 ~~employee, whether or not the expenditures were made in the course of~~  
9 ~~lobbying. The report shall be filed by March 1 and shall list the annual~~  
10 ~~expenditures made on behalf of the principal. If March 1 is a Saturday,~~  
11 ~~Sunday or other legal holiday, the report shall be filed on the next~~  
12 ~~business day.~~

13 B. Each lobbyist for compensation and designated lobbyist shall  
14 report ~~quarterly~~ all single expenditures incurred ~~in the preceding calendar~~  
15 ~~quarter~~ by the lobbyist for compensation or designated lobbyist **WITHIN FIVE**  
16 **BUSINESS DAYS AFTER MAKING THE EXPENDITURES**, whether or not the single  
17 expenditures were made in the course of lobbying. These single  
18 expenditures shall be itemized separately, and each itemization shall  
19 include the date of the expenditure, the amount of the expenditure, the  
20 name of the state officer or employee receiving or benefitting from the  
21 expenditure, the category of the expenditure and the principal on whose  
22 behalf the expenditure was made. If the expenditure was made by the  
23 lobbyist and was not made on behalf of a principal, it shall be itemized  
24 separately. ~~The quarterly report shall be filed not later than the last~~  
25 ~~day of the month following the end of the calendar quarter, unless the last~~  
26 ~~day of the month is a Saturday, Sunday or other legal holiday. In that~~  
27 ~~case, the report shall be filed on the next business day.~~

28 C. Each lobbyist for compensation and designated lobbyist shall also  
29 report ~~quarterly~~ the aggregate of all expenditures of \$20 or less received  
30 by or benefitting a state officer or employee **WITHIN FIVE BUSINESS DAYS**  
31 **AFTER MAKING THE EXPENDITURES**, whether or not the expenditures were made in  
32 the course of lobbying. The report shall list separately the aggregate of

1 expenditures made on behalf of each principal and the aggregate not made on  
2 behalf of any principal. ~~In the fourth calendar quarter, these~~  
3 ~~expenditures shall also be listed by cumulative total for the calendar~~  
4 ~~year. Each quarterly lobbyist report~~ THE LOBBYIST FOR COMPENSATION OR  
5 DESIGNATED LOBBYIST shall include all reportable expenditures made by any  
6 employee of the lobbyist for compensation or designated lobbyist,  
7 regardless of whether that employee is listed as a lobbyist on any  
8 registration filed by a principal engaging the lobbyist. ~~The quarterly~~  
9 ~~report shall be filed not later than the last day of the month following~~  
10 ~~the end of the calendar quarter, unless the last day of the month is a~~  
11 ~~Saturday, Sunday or other legal holiday. In that case, the report shall be~~  
12 ~~filed the next business day.~~

13 D. The reports required by subsections A and B of this section shall  
14 identify each single expenditure according to the following categories:

- 15 1. Food or beverages.
- 16 2. Speaking engagement.
- 17 3. Travel and lodging.
- 18 4. Flowers.
- 19 5. Other expenditures.

20 E. Expenditures by principals and lobbyists such as those for the  
21 lobbyist's personal sustenance, office expenses, filing fees, legal fees,  
22 employees' compensation, lodging and travel are not required to be  
23 reported. In addition, expenditures by a principal or a lobbyist for  
24 family gifts, personal hospitality or those items excluded from the  
25 definition of gift pursuant to section 41-1231, paragraph 9, subdivision  
26 (a), (b), (c), (d), (e) OR (f), ~~(g), (h), (i), (j), (k) or (l)~~ are not  
27 required to be reported.

28 F. All expenditures incurred by a principal or lobbyist for special  
29 events for legislators, including parties, dinners, athletic events,  
30 entertainment and other functions, to which all members of the legislature,  
31 either house of the legislature or any committee of the legislature are  
32 invited shall be reported. Expenditures are not required to be allocated

1 to individual legislators, but for each such event a description of the  
2 event and the date, location, name of the legislative body invited and  
3 total expenditures incurred shall be reported. Expenditures for special  
4 events held in conjunction with state, national or regional meetings of an  
5 organization or association concerned or dealing with legislative or other  
6 governmental activities to which all state officers or state employees in  
7 attendance at such event are invited shall be reported in the same manner.

8 G. All information required to be filed pursuant to this section  
9 with the secretary of state shall be filed in that office and preserved by  
10 the secretary of state for five years from the date of filing, after which  
11 time the information shall be destroyed. The information is a public  
12 record and open to public inspection.

13 ~~H. If a principal, lobbyist for compensation or designated lobbyist~~  
14 ~~makes no expenditures that it would otherwise be required to report during~~  
15 ~~a specified reporting period, the principal, lobbyist for compensation or~~  
16 ~~designated lobbyist may sign a form under penalty of perjury prescribed by~~  
17 ~~the secretary of state indicating that there were no expenditures during~~  
18 ~~the specific reporting period.~~

19 ~~I.~~ H. A person or organization shall not make a gift to or an  
20 expenditure on behalf of a state officer or employee through another person  
21 or organization for the purpose of disguising the identity of the person  
22 making the gift or expenditure.

23 ~~J. A principal or lobbyist or any other person acting on behalf of a~~  
24 ~~principal or lobbyist shall not give to any state officer or state employee~~  
25 ~~and a state officer or state employee shall not accept from a principal or~~  
26 ~~lobbyist either of the following:~~

27 ~~1. Gifts with a total value of more than \$10 during any calendar~~  
28 ~~year.~~

29 ~~2. Gifts that are designed to influence the state officer's or state~~  
30 ~~employee's official conduct.~~

1           Sec. 5. Section 41-1232.03, Arizona Revised Statutes, is amended to  
2 read:

3           41-1232.03. Expenditure reporting; public bodies and public  
4                                   lobbyists; gifts

5           A. Each public body shall report ~~annually~~ all single expenditures  
6 received by or benefitting a member of the legislature **WITHIN FIVE BUSINESS**  
7 **DAYS AFTER MAKING THE EXPENDITURES**, whether or not the expenditures were  
8 made in the course of lobbying. These expenditures shall be itemized  
9 separately, and each itemization shall include the date of the expenditure,  
10 the amount of the expenditure, the name of each member of the legislature  
11 receiving or benefitting from the expenditure, the category of the  
12 expenditure and the name of the designated public lobbyist or authorized  
13 public lobbyist who made the expenditure on behalf of the public body. In  
14 addition each public body shall report ~~annually~~ the aggregate of all  
15 expenditures of \$20 or less received by or benefitting a member of the  
16 legislature **WITHIN FIVE BUSINESS DAYS AFTER MAKING THE EXPENDITURES**,  
17 whether or not the expenditures were made in the course of lobbying. The  
18 report shall list all expenditures by the public body made in the course of  
19 lobbying for the personal sustenance, filing fee, legal fees, employees'  
20 compensation, meals, lodging and travel of the designated public lobbyist  
21 and all authorized public lobbyists employed or retained by, and  
22 representing, the public body. The public body shall apportion  
23 expenditures that are attributable both to lobbying and to other activities  
24 of the public body and shall report only the portion attributable to  
25 lobbying. For the purpose of reporting employee compensation, a public  
26 body, on establishing a time allocation schedule for apportioned lobbying  
27 activity based on actual experience under this article, may submit after  
28 the 1993 calendar year an affidavit to the secretary of state stating the  
29 compensation attributable to lobbying for subsequent years for the  
30 designated public lobbyist and all authorized public lobbyists whose job  
31 responsibilities have not been significantly altered since the time  
32 allocation schedule was established. ~~The report shall be filed by March 1~~



1 ~~and shall list the annual expenditures made on behalf of the public~~  
2 ~~body. If March 1 is a Saturday, Sunday or other legal holiday, the report~~  
3 ~~shall be filed on the next business day.~~

4 B. Each designated public lobbyist shall report ~~quarterly~~ all single  
5 expenditures received by or benefitting a member of the legislature ~~and~~  
6 ~~incurred in the preceding calendar quarter by the designated public~~  
7 ~~lobbyist~~ WITHIN FIVE BUSINESS DAY AFTER MAKING THE EXPENDITURES, whether or  
8 not the single expenditures were made in the course of lobbying. Each  
9 designated public ~~lobbyist's report~~ LOBBYIST shall also include all single  
10 expenditures incurred ~~in the preceding calendar quarter~~ by each authorized  
11 public lobbyist who is registered pursuant to section 41-1232.01 by the  
12 same public body that registered the designated public lobbyist. This  
13 subsection does not apply to an expenditure that was made by a designated  
14 public lobbyist or authorized public lobbyist and that was received by or  
15 benefitted an employee of a public body, if the employee is not a member or  
16 employee of the legislature or a member of the household of a member or  
17 employee of the legislature. These expenditures shall be itemized  
18 separately, and each itemization shall include the date of the expenditure,  
19 the amount of the expenditure, the name of the member or employee receiving  
20 or benefitting from the expenditure, the category of the expenditure and  
21 the public body on whose behalf the expenditure was made. If the  
22 expenditure was made by the designated public lobbyist or authorized public  
23 lobbyist and was not made on behalf of a public body, it shall be itemized  
24 separately. ~~The quarterly report shall be filed not later than the last~~  
25 ~~day of the month following the end of the calendar quarter, unless the last~~  
26 ~~day of the month is a Saturday, Sunday or other legal holiday. In that~~  
27 ~~case, the report shall be filed on the next business day.~~

28 C. Each designated public lobbyist shall also report ~~quarterly the~~  
29 ~~aggregate of~~ all expenditures of \$20 or less received by or benefitting a  
30 member of the legislature WITHIN FIVE BUSINESS DAYS AFTER MAKING THE  
31 EXPENDITURES, whether or not the expenditures were made in the course of  
32 lobbying. Each designated public lobbyist's report shall also include the

1 aggregate of all expenditures of \$20 or less that were received by or  
2 benefitted a member of the legislature and that were made by an authorized  
3 public lobbyist who is registered pursuant to section 41-1232.01 by the  
4 same public body that registered the designated public lobbyist. This  
5 subsection does not apply to an expenditure that was made by a designated  
6 public lobbyist or authorized public lobbyist and that was received by or  
7 benefitted an employee of a public body, if the employee is not a member or  
8 employee of the legislature or a member of the household of a member or  
9 employee of the legislature. The report shall list separately the  
10 aggregate of expenditures made on behalf of each public body and the  
11 aggregate not made on behalf of any public body. ~~In the fourth calendar~~  
12 ~~quarter, these expenditures shall also be listed by cumulative total for~~  
13 ~~the calendar year. Each quarterly~~ THE DESIGNATED PUBLIC lobbyist report  
14 shall include all reportable expenditures made by any employee of the  
15 designated public lobbyist or authorized public lobbyist, regardless of  
16 whether that employee is listed as a designated public lobbyist or  
17 authorized public lobbyist on any registration filed by a public body  
18 engaging the designated public lobbyist or authorized public lobbyist. ~~The~~  
19 ~~quarterly report shall be filed not later than the last day of the month~~  
20 ~~following the end of the calendar quarter, unless the last day of the month~~  
21 ~~is a Saturday, Sunday or other legal holiday. In that case, the report~~  
22 ~~shall be filed on the next business day.~~

23 D. The reports required by subsections A and B of this section shall  
24 identify the nature of each single expenditure according to the following  
25 categories:

- 26 1. Food or beverages.
- 27 2. Speaking engagement.
- 28 3. Travel and lodging.
- 29 4. Flowers.
- 30 5. Other expenditures.

1           E. Expenditures by a public body, designated public lobbyist or  
2 authorized public lobbyist for personal sustenance, family gifts, personal  
3 hospitality or those items excluded from the definition of gift pursuant to  
4 section 41-1231, paragraph 9, subdivision (a), (b), (c), (d), (e) OR  
5 (f), ~~(g), (h), (i), (j), (k) or (l)~~ are not required to be reported.

6           F. All expenditures incurred by a public body, designated public  
7 lobbyist or authorized public lobbyist in the case of special events for  
8 legislators, including parties, dinners, athletic events, entertainment and  
9 other functions, to which all members of the legislature, either house of  
10 the legislature or any committee of the legislature are invited shall be  
11 reported. Expenditures are not required to be allocated to individual  
12 legislators, but for each such event a description of the event and the  
13 date, location, name of the legislative body invited and total expenditures  
14 incurred shall be reported. Expenditures for special events held in  
15 conjunction with state, national or regional meetings of an organization or  
16 association concerned or dealing with legislative or other governmental  
17 activities to which all members or employees of the legislature in  
18 attendance at such event are invited shall be reported in the same manner.

19           G. All information required to be filed pursuant to this section  
20 with the secretary of state shall be filed in that office and preserved by  
21 the secretary of state for five years from the date of filing, after which  
22 time the information shall be destroyed. The information is a public  
23 record and open to public inspection.

24           ~~H. If a public body or designated public lobbyist makes no~~  
25 ~~expenditures that it would otherwise be required to report during a~~  
26 ~~specified reporting period, the public body or designated public lobbyist~~  
27 ~~may sign a form under penalty of perjury prescribed by the secretary of~~  
28 ~~state indicating that there were no expenditures during the specific~~  
29 ~~reporting period.~~

1           ~~I.~~ H. A person or organization shall not make a gift to or an  
2 expenditure on behalf of a member or employee of the legislature through  
3 another person or organization for the purpose of disguising the identity  
4 of the person making the gift or expenditure.

5           ~~J. A public body, designated public lobbyist or authorized public~~  
6 ~~lobbyist or any other person acting on behalf of a public body, designated~~  
7 ~~public lobbyist or authorized public lobbyist shall not give to any member~~  
8 ~~of the legislature and a member of the legislature shall not accept from a~~  
9 ~~public body, designated public lobbyist or authorized public lobbyist~~  
10 ~~either of the following:~~

11           ~~1. Gifts with a total value of more than \$10 during any calendar~~  
12 ~~year.~~

13           ~~2. Gifts that are designed to influence the member's or employee's~~  
14 ~~official conduct.~~

15           ~~K. Subsection J of this section does not apply to gifts given by a~~  
16 ~~public body, designated public lobbyist or authorized public lobbyist to an~~  
17 ~~employee of a public body, if the employee is not a public official or a~~  
18 ~~member of the household of a public official or if the gift is accepted on~~  
19 ~~behalf of the public body and remains the property of the public body.~~

20           Sec. 6. Delayed repeal

21           Section 41-1232.08, Arizona Revised Statutes, is repealed from and  
22 after December 31, 2024.

23           Sec. 7. Section 41-1239, Arizona Revised Statutes, is amended to  
24 read:

25           41-1239. Duties of secretary of state

26           A. The secretary of state shall:

27           1. Prescribe and publish the registration and registration amendment  
28 forms and the annual and quarterly expenditure forms, handbooks and rules  
29 necessary to carry out the provisions of this article.

30           2. Refer to the attorney general or county attorney for  
31 investigation any matter which the secretary of state has reason to believe  
32 constitutes a violation of any of the provisions of this article.

1           3. Provide for the cross-referencing of the registration required by  
2 sections 41-1232 and 41-1232.01 so that each lobbyist authorized by a  
3 principal pursuant to section 41-1232, subsection A and each public  
4 lobbyist authorized by a public body pursuant to section 41-1232.01,  
5 subsection A shall be identified with such principal.

6           4. Advise incumbents and nonincumbent candidates regarding campaign  
7 finance laws and public officer reporting and disclosure laws. At the  
8 request of the person asking for advice, the secretary of state shall log  
9 the request and the response.

10           5. Compile and issue an annual report of all expenditures reported  
11 by principals, public bodies, lobbyists and public lobbyists. The annual  
12 report shall accurately summarize all expenditures for lobbying but shall  
13 not double report expenditures by a lobbyist that were reimbursed and  
14 reported by a principal or public body. The report shall list the name of  
15 each principal or public body along with the name of each lobbyist or  
16 public lobbyist that is listed on the principal's registration statement.

17           6. DEVELOP AND MAINTAIN A WEB-BASED DIGITAL PLATFORM FOR LOBBYIST  
18 EXPENDITURE REPORTING AND CAMPAIGN CONTRIBUTIONS. THE DIGITAL PLATFORM  
19 SHALL BE ACCESSIBLE FROM A MOBILE APPLICATION AND ALLOW FOR THE REAL-TIME  
20 ENTRY OF LOBBYIST EXPENDITURE REPORTING AND CAMPAIGN CONTRIBUTIONS. THE  
21 SECRETARY OF STATE MAY ENTER INTO A CONTRACT WITH A THIRD PARTY TO DEVELOP  
22 AND MAINTAIN THE APPLICATION.

23           B. The secretary of state may adopt rules regarding initiative,  
24 referendum and recall. Rules adopted pursuant to this subsection apply to  
25 statewide and county initiatives, referenda and recalls.

26           Sec. 8. Section 41-1901, Arizona Revised Statutes, is amended to  
27 read:

28           41-1901. Establishment of commission

29           ~~There is established a commission to be known as~~ The INDEPENDENT  
30 commission on salaries for elective state officers, ~~hereinafter referred to~~  
31 IS ESTABLISHED AND SHALL BE KNOWN as the commission.

1           Sec. 9. Section 41-1902, Arizona Revised Statutes, is amended to  
2 read:

3           41-1902. Membership; terms; vacancies; compensation

4           A. The commission ~~is composed~~ CONSISTS of ~~five~~ SEVEN members, who  
5 shall be appointed from private life, as follows:

6           1. Two by the governor; ~~one of whom shall be designated as chairman~~  
7 ~~by the governor.~~

8           2. One by the president of the senate.

9           3. ONE BY THE MINORITY PARTY LEADER OF THE SENATE.

10          ~~3.~~ 4. One by the speaker of the house of representatives.

11          5. ONE BY THE MINORITY PARTY LEADER OF THE HOUSE OF REPRESENTATIVES.

12          ~~4.~~ 6. One by the chief justice of the supreme court. THE PERSON  
13 APPOINTED BY THE CHIEF JUSTICE OF THE SUPREME COURT IS DESIGNATED TO SERVE  
14 AS CHAIRPERSON. THE MEMBERS SHALL SELECT A VICE CHAIRPERSON FROM AMONG THE  
15 REMAINING MEMBERS.

16          B. Beginning in 2002, members shall be appointed biennially and  
17 serve ~~until they have submitted the report made pursuant to section 41-1903~~  
18 TWO-YEAR TERMS.

19          C. Any vacancy in the membership shall be filled in the manner in  
20 which the original appointment was made.

21          D. ~~The~~ COMMISSION members ~~of the commission~~ shall serve without  
22 compensation, but shall be reimbursed for travel and subsistence expenses  
23 as provided by law for state officers. The department of administration,  
24 personnel division shall provide the commission with such staff as is  
25 necessary to perform its functions and shall provide ~~record-keeping~~  
26 RECORDKEEPING facilities and other facilities as needed.

27          E. COMMISSION MEMBERS SHALL MEET ON THE CALL OF THE CHAIRPERSON OR  
28 VICE CHAIRPERSON.

1           Sec. 10. Section 41-1903, Arizona Revised Statutes, is amended to  
2 read:

3           41-1903. Function

4           A. Beginning in ~~2002~~ 2023, the commission shall ~~biennially~~ ANNUALLY  
5 conduct a review of the rates of pay of elective state officers, of  
6 justices and judges of courts of record and of clerks of the superior  
7 court. ~~Such~~ THE review by the commission shall be made for the purpose of  
8 determining and providing the pay levels appropriate to the duties and  
9 responsibilities of the respective offices and positions subject to such  
10 review. ~~THE REVIEW SHALL ALSO CONSIDER CHANGES TO THE COST OF LIVING IN~~  
11 ~~THIS STATE AND NATIONALLY.~~ The commission may hold public hearings to aid  
12 it in its work.

13           B. The commission shall submit to the governor ~~no~~ AND THE  
14 LEGISLATURE NOT later than ~~June~~ DECEMBER 1 a report of the results of each  
15 review conducted by the commission of the offices and positions subject to  
16 this chapter, together with its recommendations.

17           Sec. 11. Section 41-1904, Arizona Revised Statutes, is amended to  
18 read:

19           41-1904. Recommendations

20           ~~A. The governor shall include, in the budget next transmitted by him~~  
21 ~~to the legislature after the date of the submission of the report and~~  
22 ~~recommendations of the commission, his own recommendations with respect to~~  
23 ~~the exact rates of pay which he deems advisable for those offices and~~  
24 ~~positions subject to this chapter.~~

25           ~~B.~~ A. All or part, as the case may be, of the recommendations ~~of~~  
26 ~~the governor~~ transmitted to the GOVERNOR AND THE legislature ~~in the budget~~  
27 relating to salaries shall become effective on ~~the first Monday of January~~  
28 JULY 1 of the next calendar year following the transmittal of ~~his~~ THE  
29 recommendations ~~in the budget~~, but only to the extent that between the date  
30 of transmittal of such recommendations ~~in the budget~~ and the ~~ninetieth day~~  
31 ~~following the transmittal of his recommendations~~ CLOSE OF THE REGULAR  
32 LEGISLATIVE SESSION:

1           1. No statute has been enacted ~~which~~ THAT establishes rates of pay  
2 other than those proposed by all or part of such recommendations.

3           2. Neither house of the legislature specifically disapproves all or  
4 part of such recommendations. In case of either ~~of~~ a legislative enactment  
5 or disapproval by either house, the recommendations are effective only  
6 insofar as not altered or disapproved.

7           ~~C. Any part of the recommendations of the governor may, in  
8 accordance with express provisions of express recommendations, be made  
9 operative on a date later than the date on which such recommendations  
10 otherwise would take effect.~~

11           ~~D. The recommendations of the commission as to legislative salaries  
12 shall be certified by it to the secretary of state and the secretary of  
13 state shall submit to the qualified electors at the next regular general  
14 election the question, "Shall the recommendations of the commission on  
15 salaries for elective state officers concerning legislative salaries be  
16 accepted? Yes /\_\_\_/ No /\_\_\_/". Such recommendations if approved by the  
17 electors shall become effective at the beginning of the next regular  
18 legislative session without any other authorizing legislation.~~

19           B. BEGINNING ON THE SECOND MONDAY OF 2023 AND FOR EVERY YEAR  
20 THEREAFTER, LEGISLATIVE SALARIES SHALL BE SIXTY PERCENT OF THE GOVERNOR'S  
21 SALARY.

22           ~~E. C. The recommendations of the governor transmitted to the  
23 legislature under this chapter shall, upon ON their effective date,  
24 supersede all provisions of law in THAT conflict therewith WITH THOSE  
25 RECOMMENDATIONS. The recommendations of the governor which do take effect  
26 shall be published with the laws of the state.~~

27           Sec. 12. Appropriation; secretary of state; exemption

28           A. The sum of \$10,000,000 is appropriated from the state general  
29 fund in fiscal year 2022-2023 to the secretary of state for developing and  
30 implementing the campaign finance and lobbyist reporting systems prescribed  
31 by this act. The secretary of state shall submit quarterly to the joint



1 legislative budget committee the proposed expenditures prescribed by this  
2 subsection.

3 B. The appropriation made in subsection A of this section is exempt  
4 from the provisions of section 35-190, Arizona Revised Statutes, relating  
5 to lapsing of appropriations.

6 Sec. 13. Conditional enactment

7 This act does not become effective unless the Constitution of Arizona  
8 is amended by a vote of the people at the next general election by passage  
9 of Senate Concurrent Resolution 1018, fifty-fifth legislature, second  
10 regular session, relating to the commission on salaries for elective state  
11 officers, and for sections 16-927, 41-1231, 41-1232.02 and 41-1232.03,  
12 Arizona Revised Statutes, as amended by this act, not before from and after  
13 December 31, 2024."

14 Amend title to conform

REGINA E. COBB

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03/24/2022  
2:11 PM  
C: MR