

REFERENCE TITLE: **campaign finance; corporate recipients; registration**

State of Arizona  
House of Representatives  
Fifty-sixth Legislature  
First Regular Session  
2023

# **HB 2122**

Introduced by  
Representatives Salman: De Los Santos, Ortiz

## **AN ACT**

**AMENDING SECTION 16-916, ARIZONA REVISED STATUTES; AMENDING TITLE 16, CHAPTER 6, ARTICLE 1.4, ARIZONA REVISED STATUTES, BY ADDING SECTION 16-926.01; RELATING TO CAMPAIGN CONTRIBUTIONS.**

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 16-916, Arizona Revised Statutes, is amended to  
3 read:

4 16-916. Corporation, limited liability company and labor  
5 organization contributions; separate segregated  
6 fund; limits; requirements

7 A. EXCEPT AS PRESCRIBED IN SECTION 16-926.01, a corporation,  
8 limited liability company or labor organization shall not make  
9 contributions to a candidate committee.

10 B. A corporation, limited liability company or labor organization  
11 may make unlimited contributions to persons other than candidate  
12 committees.

13 C. A corporation, limited liability company or labor organization  
14 may sponsor a separate segregated fund. Employees, members, executives,  
15 stockholders and retirees and their families of a corporation, limited  
16 liability company or labor organization and any subsidiary or affiliate of  
17 a corporation, limited liability company or labor organization may make  
18 contributions to the separate segregated fund, subject to the following:

19 1. The separate segregated fund must register as a political action  
20 committee.

21 2. The sponsor or its affiliate may pay the administrative,  
22 personnel and fund-raising expenses of its separate segregated fund, which  
23 shall not be deemed contributions to the fund.

24 3. The sponsor or its separate segregated fund may solicit  
25 contributions from the sponsor's, sponsor's affiliates' or sponsor's  
26 subsidiaries' employees, members, executives, stockholders and retirees  
27 and their families. The following additional restrictions apply:

28 (a) With respect to an insurer, an insurer or its separate  
29 segregated fund may also solicit contributions from an insurance  
30 producer's employees, members, executives, stockholders and retirees and  
31 their families.

32 (b) With respect to a trade association or membership organization,  
33 the association or organization may solicit contributions from its  
34 members' employees, executives, stockholders, subsidiaries and retirees  
35 and their families.

36 4. A sponsor or its affiliate or a trade association or membership  
37 organization may facilitate the making of contributions to its separate  
38 segregated fund by establishing a payroll deduction system or other  
39 similar payment transfer method.

40 5. A sponsor, trade association, membership organization or  
41 separate segregated fund may rely on the federal election commission's  
42 written guidance interpreting 52 United States Code section 30118(b) and  
43 rules adopted under that section when interpreting this subsection, if  
44 otherwise consistent with this article and articles 1, 1.1, 1.3, 1.4, 1.5,  
45 1.6 and 1.7 of this chapter.

1           Sec. 2. Title 16, chapter 6, article 1.4, Arizona Revised Statutes,  
2 is amended by adding section 16-926.01, to read:

3           16-926.01. Reporting contributions made by a corporation,  
4           limited liability company or labor organization;  
5           statement; civil penalty; violation;  
6           classification; definition

7           A. NOTWITHSTANDING ANY OTHER STATUTE:

8           1. A CORPORATION, LIMITED LIABILITY COMPANY OR LABOR ORGANIZATION  
9 THAT MAKES A CONTRIBUTION IN AT LEAST THE FOLLOWING AMOUNTS TO A POLITICAL  
10 ACTION COMMITTEE OR TO ANOTHER CORPORATION, LIMITED LIABILITY COMPANY OR  
11 LABOR ORGANIZATION IN AN ATTEMPT TO INFLUENCE THE OUTCOME OF A CANDIDATE  
12 ELECTION SHALL REGISTER AND NOTIFY THE APPROPRIATE FILING OFFICER NOT  
13 LATER THAN ONE DAY AFTER MAKING THAT CONTRIBUTION, EXCLUDING SATURDAYS,  
14 SUNDAYS AND OTHER LEGAL HOLIDAYS:

15           (a) AN AGGREGATE OF \$5,000 OR MORE IN ONE OR MORE STATEWIDE RACES.

16           (b) AN AGGREGATE OF \$2,500 OR MORE IN ONE OR MORE LEGISLATIVE  
17 RACES.

18           (c) \$1,000 OR MORE IN ONE OR MORE COUNTY, CITY, TOWN OR OTHER LOCAL  
19 RACES IF THE \$1,000 IS AGGREGATED IN RACES IN A SINGLE COUNTY, CITY, TOWN  
20 OR OTHER LOCAL JURISDICTION.

21           2. THE SECRETARY OF STATE IS THE FILING OFFICER FOR REGISTRATIONS  
22 AND NOTIFICATIONS FOR CONTRIBUTIONS IN STATEWIDE AND LEGISLATIVE  
23 ELECTIONS. CITY, TOWN OR COUNTY FILING OFFICERS ARE THE FILING OFFICERS  
24 FOR NOTIFICATIONS IN A CITY, TOWN, COUNTY OR OTHER LOCAL ELECTION,  
25 RESPECTIVELY. THE CORPORATION, LIMITED LIABILITY COMPANY OR LABOR  
26 ORGANIZATION ALSO SHALL NOTIFY THE FILING OFFICER WITHIN THE SAME TIME  
27 LIMIT PRESCRIBED IN PARAGRAPH 1 OF THIS SUBSECTION OF EACH ADDITIONAL  
28 ACCUMULATION OF CONTRIBUTIONS THAT EXCEEDS THE THRESHOLD AMOUNT PRESCRIBED  
29 IN PARAGRAPH 1 OF THIS SUBSECTION BUT IS NOT REQUIRED TO REGISTER AGAIN  
30 DURING THAT ELECTION CYCLE AFTER THE INITIAL REGISTRATION. THE SECRETARY  
31 OF STATE SHALL PROVIDE FOR ELECTRONIC FILING FOR REGISTRATIONS AND  
32 NOTIFICATIONS AND SHALL PROVIDE FOR WEBSITE ACCESS TO THE INFORMATION FOR  
33 THE PUBLIC. FILINGS AT THE SECRETARY OF STATE'S OFFICE SHALL BE IN THE  
34 FORM PRESCRIBED BY THE SECRETARY OF STATE. OTHER FILING OFFICERS SHALL  
35 PRESCRIBE THE FORMAT FOR FILING REGISTRATIONS AND NOTIFICATIONS AND SHALL  
36 PROVIDE FOR PUBLIC ACCESS TO THAT INFORMATION.

37           3. THE REGISTRATION SHALL INCLUDE ALL OF THE FOLLOWING:

38           (a) THE NAME AND ADDRESS OF THE CORPORATION, LIMITED LIABILITY  
39 COMPANY OR LABOR ORGANIZATION.

40           (b) THE NAME, TITLE, EMAIL ADDRESS AND TELEPHONE NUMBER OF THE  
41 PERSON AUTHORIZING THE CONTRIBUTION.

42           4. EACH NOTIFICATION SHALL INCLUDE ALL OF THE FOLLOWING:

43           (a) THE NAME AND ADDRESS OF THE CORPORATION, LIMITED LIABILITY  
44 COMPANY OR LABOR ORGANIZATION MAKING THE CONTRIBUTION.

1 (b) THE AMOUNT OF THE CONTRIBUTION AND THE NAME OF THE POLITICAL  
2 ACTION COMMITTEE OR OTHER CORPORATION, LIMITED LIABILITY COMPANY OR LABOR  
3 ORGANIZATION RECEIVING THE CONTRIBUTION.

4 (c) THE NAME OF THE CANDIDATE AND RACE FOR WHICH THE CONTRIBUTION  
5 WAS MADE AND WHETHER THE CONTRIBUTION WAS IN SUPPORT OF OR OPPOSITION TO  
6 THE CANDIDATE.

7 (d) THE DATE OF THE CONTRIBUTION.

8 5. THE CORPORATION, LIMITED LIABILITY COMPANY OR LABOR ORGANIZATION  
9 SHALL FILE WITH THE SECRETARY OF STATE OR OTHER APPROPRIATE FILING OFFICER  
10 WITHIN FIVE DAYS AFTER AN INITIAL THRESHOLD CONTRIBUTION AS PRESCRIBED IN  
11 PARAGRAPH 1 OF THIS SUBSECTION A NOTARIZED SWORN STATEMENT THAT THE  
12 PERSON, AGENT OR OFFICER FILING THE REGISTRATION AND NOTICE HAD AUTHORITY  
13 TO MAKE THAT CONTRIBUTION ON BEHALF OF THE CORPORATION, LIMITED LIABILITY  
14 COMPANY OR LABOR ORGANIZATION. UNTIL THE SECRETARY OF STATE OR OTHER  
15 FILING OFFICER RECEIVES THE NOTARIZED SWORN STATEMENT, THE FILING OFFICER  
16 SHALL CATEGORIZE THE NOTIFICATION AS UNVERIFIED. IF THE SECRETARY OF  
17 STATE OR OTHER FILING OFFICER DOES NOT RECEIVE THE NOTARIZED SWORN  
18 STATEMENT WITHIN THE REQUIRED FIVE-DAY TIME FRAME, THE NOTIFICATION SHALL  
19 BE CATEGORIZED AS BOTH UNVERIFIED AND DELINQUENT. THE FILING OFFICER  
20 SHALL MAKE REASONABLE EFFORTS TO CONTACT THE ENTITY THAT MADE THE  
21 CONTRIBUTION AND REMOVE THE NOTIFICATION FROM PUBLIC VIEW WITHIN A  
22 REASONABLE TIME IF UNABLE TO VERIFY THAT THE ENTITY MADE THE CONTRIBUTION,  
23 AND ALL PENALTIES PRESCRIBED IN THIS SECTION APPLY.

24 6. A CORPORATION, LIMITED LIABILITY COMPANY OR LABOR ORGANIZATION  
25 THAT FAILS TO REGISTER, NOTIFY OR DISCLOSE AS REQUIRED BY THIS SECTION IS  
26 LIABLE IN A CIVIL ACTION BROUGHT BY THE ATTORNEY GENERAL, COUNTY ATTORNEY  
27 OR CITY OR TOWN ATTORNEY, AS APPROPRIATE, FOR A CIVIL PENALTY OF UP TO  
28 THREE TIMES THE TOTAL AMOUNT OF THE CONTRIBUTIONS.

29 7. A PERSON WHO MAKES A KNOWINGLY FALSE FILING RELATING TO A  
30 CONTRIBUTION PURSUANT TO THIS SECTION IS GUILTY OF A CLASS 1 MISDEMEANOR.  
31 A CIVIL OR CRIMINAL ENFORCEMENT ACTION MAY NOT BE FILED UNTIL AFTER THE  
32 FILING OFFICER ISSUES A REASONABLE CAUSE DETERMINATION.

33 B. FOR THE PURPOSES OF THIS SECTION, "LOCAL ELECTION" MEANS AN  
34 ELECTION ON BEHALF OF A COUNTY, CITY, TOWN, SCHOOL DISTRICT OR SPECIAL  
35 DISTRICT.