

REFERENCE TITLE: lobbyists; gift ban exemption

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

## **HB 2364**

Introduced by  
Representatives Sun: Aguilar, Contreras L, Contreras P, De Los Santos,  
Hernandez L, Mathis, Tsosie

AN ACT

AMENDING SECTIONS 41-1232.02 AND 41-1232.03, ARIZONA REVISED STATUTES;  
RELATING TO REGISTRATION AND REGULATION OF LOBBYISTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 41-1232.02, Arizona Revised Statutes, is amended  
3 to read:

4 41-1232.02. Expenditure reporting; principals and lobbyists;  
5 gifts

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

20 B. Each lobbyist for compensation and designated lobbyist shall  
21 report quarterly all single expenditures incurred in the preceding  
22 calendar quarter by the lobbyist for compensation or designated lobbyist,  
23 whether or not the single expenditures were made in the course of  
24 lobbying. These single expenditures shall be itemized separately, and  
25 each itemization shall include the date of the expenditure, the amount of  
26 the expenditure, the name of the state officer or employee receiving or  
27 benefitting from the expenditure, the category of the expenditure and the  
28 principal on whose behalf the expenditure was made. If the expenditure  
29 was made by the lobbyist and was not made on behalf of a principal, it  
30 shall be itemized separately. The quarterly report shall be filed not  
31 later than the last day of the month following the end of the calendar  
32 quarter, unless the last day of the month is a Saturday, Sunday or other  
33 legal holiday. In that case, the report shall be filed on the next  
34 business day.

35 C. Each lobbyist for compensation and designated lobbyist shall  
36 also report quarterly the aggregate of all expenditures of \$20 or less  
37 received by or benefitting a state officer or employee, whether or not the  
38 expenditures were made in the course of lobbying. The report shall list  
39 separately the aggregate of expenditures made on behalf of each principal  
40 and the aggregate not made on behalf of any principal. In the fourth  
41 calendar quarter, these expenditures shall also be listed by cumulative  
42 total for the calendar year. Each quarterly lobbyist report shall include  
43 all reportable expenditures made by any employee of the lobbyist for  
44 compensation or designated lobbyist, regardless of whether that employee  
45 is listed as a lobbyist on any registration filed by a principal engaging

1 the lobbyist. The quarterly report shall be filed not later than the last  
2 day of the month following the end of the calendar quarter, unless the  
3 last day of the month is a Saturday, Sunday or other legal holiday. In  
4 that case, the report shall be filed the next business day.

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

- 8 1. Food or beverages.
- 9 2. Speaking engagement.
- 10 3. Travel and lodging.
- 11 4. Flowers.
- 12 5. Other expenditures.

13 E. Expenditures by principals and lobbyists such as those for the  
14 lobbyist's personal sustenance, office expenses, filing fees, legal fees,  
15 employees' compensation, lodging and travel are not required to be  
16 reported. In addition, expenditures by a principal or a lobbyist for  
17 family gifts, personal hospitality or those items excluded from the  
18 definition of gift pursuant to section 41-1231, paragraph 9, subdivision  
19 (a), (c), (d), (f), (g), (h), (i), (j), (k) or (l) are not required to be  
20 reported.

21 F. All expenditures incurred by a principal or lobbyist for special  
22 events for legislators, including parties, dinners, athletic events,  
23 entertainment and other functions, to which all members of the  
24 legislature, either house of the legislature or any committee of the  
25 legislature are invited shall be reported. Expenditures are not required  
26 to be allocated to individual legislators, but for each such event a  
27 description of the event and the date, location, name of the legislative  
28 body invited and total expenditures incurred shall be reported.  
29 Expenditures for special events held in conjunction with state, national  
30 or regional meetings of an organization or association concerned or  
31 dealing with legislative or other governmental activities to which all  
32 state officers or state employees in attendance at such event are invited  
33 shall be reported in the same manner.

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

39 H. If a principal, lobbyist for compensation or designated lobbyist  
40 makes no expenditures that it would otherwise be required to report during  
41 a specified reporting period, the principal, lobbyist for compensation or  
42 designated lobbyist may sign a form under penalty of perjury prescribed by  
43 the secretary of state indicating that there were no expenditures during  
44 the specific reporting period.

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

5 J. A principal or lobbyist or any other person acting on behalf of  
6 a principal or lobbyist shall not give to any state officer or state  
7 employee and a state officer or state employee shall not accept from a  
8 principal or lobbyist either of the following:

9 1. Gifts with a total value of more than ~~\$10~~ \$20 during any  
10 calendar year.

11 2. Gifts that are designed to influence the state officer's or  
12 state employee's official conduct.

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

15 41-1232.03. Expenditure reporting; public bodies and public  
16 lobbyists; gifts

17 A. Each public body shall report annually all single expenditures  
18 received by or benefitting a member of the legislature whether or not the  
19 expenditures were made in the course of lobbying. These expenditures  
20 shall be itemized separately, and each itemization shall include the date  
21 of the expenditure, the amount of the expenditure, the name of each member  
22 of the legislature receiving or benefitting from the expenditure, the  
23 category of the expenditure and the name of the designated public lobbyist  
24 or authorized public lobbyist who made the expenditure on behalf of the  
25 public body. In addition each public body shall report annually the  
26 aggregate of all expenditures of \$20 or less received by or benefitting a  
27 member of the legislature, whether or not the expenditures were made in  
28 the course of lobbying. The report shall list all expenditures by the  
29 public body made in the course of lobbying for the personal sustenance,  
30 filing fee, legal fees, employees' compensation, meals, lodging and travel  
31 of the designated public lobbyist and all authorized public lobbyists  
32 employed or retained by, and representing, the public body. The public  
33 body shall apportion expenditures that are attributable both to lobbying  
34 and to other activities of the public body and shall report only the  
35 portion attributable to lobbying. For the purpose of reporting employee  
36 compensation, a public body, on establishing a time allocation schedule  
37 for apportioned lobbying activity based on actual experience under this  
38 article, may submit after the 1993 calendar year an affidavit to the  
39 secretary of state stating the compensation attributable to lobbying for  
40 subsequent years for the designated public lobbyist and all authorized  
41 public lobbyists whose job responsibilities have not been significantly  
42 altered since the time allocation schedule was established. The report  
43 shall be filed by March 1 and shall list the annual expenditures made on  
44 behalf of the public body. If March 1 is a Saturday, Sunday or other  
45 legal holiday, the report shall be filed on the next business day.

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

25           C. Each designated public lobbyist shall also report quarterly the  
26 aggregate of all expenditures of \$20 or less received by or benefitting a  
27 member of the legislature, whether or not the expenditures were made in  
28 the course of lobbying. Each designated public lobbyist's report shall  
29 also include the aggregate of all expenditures of \$20 or less that were  
30 received by or benefitted a member of the legislature and that were made  
31 by an authorized public lobbyist who is registered pursuant to section  
32 41-1232.01 by the same public body that registered the designated public  
33 lobbyist. This subsection does not apply to an expenditure that was made  
34 by a designated public lobbyist or authorized public lobbyist and that was  
35 received by or benefitted an employee of a public body, if the employee is  
36 not a member or employee of the legislature or a member of the household  
37 of a member or employee of the legislature. The report shall list  
38 separately the aggregate of expenditures made on behalf of each public  
39 body and the aggregate not made on behalf of any public body. In the  
40 fourth calendar quarter, these expenditures shall also be listed by  
41 cumulative total for the calendar year. Each quarterly lobbyist report  
42 shall include all reportable expenditures made by any employee of the  
43 designated public lobbyist or authorized public lobbyist, regardless of  
44 whether that employee is listed as a designated public lobbyist or  
45 authorized public lobbyist on any registration filed by a public body

1 engaging the designated public lobbyist or authorized public lobbyist.  
2 The quarterly report shall be filed not later than the last day of the  
3 month following the end of the calendar quarter, unless the last day of  
4 the month is a Saturday, Sunday or other legal holiday. In that case, the  
5 report shall be filed on the next business day.

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

- 9 1. Food or beverages.
- 10 2. Speaking engagement.
- 11 3. Travel and lodging.
- 12 4. Flowers.
- 13 5. Other expenditures.

14 E. Expenditures by a public body, designated public lobbyist or  
15 authorized public lobbyist for personal sustenance, family gifts, personal  
16 hospitality or those items excluded from the definition of gift pursuant  
17 to section 41-1231, paragraph 9, subdivision (a), (c), (d), (f), (g), (h),  
18 (i), (j), (k) or (l) are not required to be reported.

19 F. All expenditures incurred by a public body, designated public  
20 lobbyist or authorized public lobbyist in the case of special events for  
21 legislators, including parties, dinners, athletic events, entertainment  
22 and other functions, to which all members of the legislature, either house  
23 of the legislature or any committee of the legislature are invited shall  
24 be reported. Expenditures are not required to be allocated to individual  
25 legislators, but for each such event a description of the event and the  
26 date, location, name of the legislative body invited and total  
27 expenditures incurred shall be reported. Expenditures for special events  
28 held in conjunction with state, national or regional meetings of an  
29 organization or association concerned or dealing with legislative or other  
30 governmental activities to which all members or employees of the  
31 legislature in attendance at such event are invited shall be reported in  
32 the same manner.

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

38 H. If a public body or designated public lobbyist makes no  
39 expenditures that it would otherwise be required to report during a  
40 specified reporting period, the public body or designated public lobbyist  
41 may sign a form under penalty of perjury prescribed by the secretary of  
42 state indicating that there were no expenditures during the specific  
43 reporting period.

44 I. A person or organization shall not make a gift to or an  
45 expenditure on behalf of a member or employee of the legislature through

1 another person or organization for the purpose of disguising the identity  
2 of the person making the gift or expenditure.

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

9 1. Gifts with a total value of more than ~~\$10~~ \$20 during any  
10 calendar year.

11 2. Gifts that are designed to influence the member's or employee's  
12 official conduct.

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