

REFERENCE TITLE: voters; false communication; enterprises; enforcement

State of Arizona  
Senate  
Fifty-sixth Legislature  
First Regular Session  
2023

# **SB 1341**

Introduced by  
Senators Mendez: Gabaldón, Hernandez, Miranda; Representative Salman

AN ACT

AMENDING SECTION 10-1430, ARIZONA REVISED STATUTES; AMENDING TITLE 16,  
CHAPTER 7, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 16-1023;  
RELATING TO FALSE COMMUNICATIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 10-1430, Arizona Revised Statutes, is amended to  
3 read:

4 10-1430. Grounds for judicial dissolution

5 A. The court may dissolve a corporation in a proceeding by the  
6 attorney general if it is established that ~~either~~:

7 1. The corporation obtained its articles of incorporation through  
8 fraud.

9 2. The corporation has continued to exceed or abuse the authority  
10 conferred on it by law.

11 3. THE CORPORATION VIOLATED SECTION 16-1023.

12 B. The court may dissolve a corporation in a proceeding by a  
13 shareholder if it is established that either:

14 1. The directors are deadlocked in the management of the corporate  
15 affairs, the shareholders are unable to break the deadlock and irreparable  
16 injury to the corporation is threatened or being suffered or the business  
17 and affairs of the corporation cannot be conducted to the advantage of the  
18 shareholders generally because of the deadlock.

19 2. The directors or those in control of the corporation have acted,  
20 are acting or will act in a manner that is illegal, oppressive or  
21 fraudulent.

22 3. The shareholders are deadlocked in voting power and have failed  
23 for a period that includes at least two consecutive annual meeting dates  
24 to elect one or more directors.

25 4. The corporate assets are being wasted, misapplied or diverted  
26 for noncorporate purposes.

27 C. The court may dissolve a corporation in a proceeding by a  
28 creditor if it is established that either:

29 1. The creditor's claim has been reduced to a judgment, the  
30 execution of the judgment has been returned unsatisfied and the  
31 corporation is insolvent.

32 2. The corporation has admitted in writing that the creditor's  
33 claim is due and owing and the corporation is insolvent.

34 D. The court may dissolve a corporation in a proceeding by the  
35 corporation to have its voluntary dissolution continued under court  
36 supervision.

37 Sec. 2. Title 16, chapter 7, article 1, Arizona Revised Statutes,  
38 is amended by adding section 16-1023, to read:

39 16-1023. Communicating false information to voter; private  
40 action; written investigative demand; enforcement;  
41 violation; classification; definition

42 A. IT IS UNLAWFUL FOR AN ENTERPRISE TO KNOWINGLY COMMUNICATE TO A  
43 REGISTERED VOTER BY ANY MEANS FALSE INFORMATION THAT IS INTENDED TO IMPEDE  
44 THE VOTER IN EXERCISING THE VOTER'S RIGHT TO VOTE AND THAT RELATES TO ANY  
45 OF THE FOLLOWING:

- 1           1. THE DATE, TIME OR PLACE OF THE ELECTION.
- 2           2. THE VOTER'S PRECINCT, POLLING PLACE OR VOTER REGISTRATION
- 3 STATUS.
- 4           3. THE VOTER'S ELIGIBILITY TO REGISTER OR VOTE.
- 5           4. THE VOTER'S STATUS ON THE ACTIVE EARLY VOTING LIST.
- 6           5. INFORMATION REGARDING EARLY OR MAIL-IN BALLOTS.
- 7           6. INFORMATION ON HOW TO OBTAIN A BALLOT.
- 8           7. INFORMATION ON HOW TO VOTE OR THE LOCATION OF AN ON-SITE EARLY
- 9 VOTING LOCATION, VOTING CENTER OR EMERGENCY VOTING CENTER OR ANY OTHER
- 10 LOCATION AT WHICH A PERSON MAY VOTE OR REGISTER TO VOTE, INCLUDING THE
- 11 OFFICE OF THE COUNTY RECORDER OR OTHER OFFICER IN CHARGE OF ELECTIONS.
- 12           B. AN ENTERPRISE THAT VIOLATES THIS SECTION IS GUILTY OF A CLASS 5
- 13 FELONY. A VIOLATION MAY BE PROSECUTED EITHER IN THE JURISDICTION FROM
- 14 WHICH THE COMMUNICATION WAS MADE OR IN THE JURISDICTION IN WHICH THE
- 15 COMMUNICATION WAS RECEIVED.
- 16           C. A REGISTERED VOTER TO WHOM FALSE INFORMATION PRESCRIBED BY THIS
- 17 SECTION IS COMMUNICATED MAY FILE A CIVIL ACTION FOR RELIEF, INCLUDING AN
- 18 APPLICATION FOR A PERMANENT OR TEMPORARY INJUNCTION, RESTRAINING ORDER OR
- 19 OTHER ORDER AGAINST THE PERSON COMMUNICATING THE FALSE INFORMATION. THE
- 20 ACTION SHALL BE FILED IN THE SUPERIOR COURT IN EITHER THE COUNTY FROM
- 21 WHICH THE COMMUNICATION WAS MADE OR THE COUNTY IN WHICH THE COMMUNICATION
- 22 WAS RECEIVED. IN ANY ACTION FILED PURSUANT TO THIS SUBSECTION, THE COURT
- 23 IN ITS DISCRETION MAY ALLOW A PRIVATE PLAINTIFF REASONABLE ATTORNEY FEES
- 24 AS PART OF THE COSTS, IF THAT PLAINTIFF IS THE PREVAILING PARTY.
- 25           D. ON RECEIPT OF A WRITTEN COMPLAINT SIGNED BY A COMPLAINANT
- 26 ALLEGING A VIOLATION OF THIS SECTION OR ON THE ATTORNEY GENERAL OR COUNTY
- 27 ATTORNEY'S OWN INITIATIVE, THE ATTORNEY GENERAL OR THE COUNTY ATTORNEY FOR
- 28 THE COUNTY IN WHICH THE ALLEGED VIOLATION OCCURRED MAY BEGIN AN
- 29 INVESTIGATION.
- 30           E. IN ORDER TO CARRY OUT THE DUTIES PRESCRIBED IN THIS SECTION, THE
- 31 ATTORNEY GENERAL OR THE COUNTY ATTORNEY FOR THE COUNTY IN WHICH THE
- 32 ALLEGED VIOLATION OCCURRED, OR THEIR DESIGNEES, MAY:
- 33           1. ISSUE WRITTEN INVESTIGATIVE DEMANDS TO ANY PERSON.
- 34           2. ADMINISTER AN OATH OR AFFIRMATION TO ANY PERSON FOR TESTIMONY.
- 35           3. EXAMINE UNDER OATH ANY PERSON IN CONNECTION WITH THE
- 36 INVESTIGATION OF THE ALLEGED VIOLATION OF THIS SECTION.
- 37           4. EXAMINE BY MEANS OF INSPECTING, STUDYING OR COPYING ANY ACCOUNT,
- 38 BOOK, COMPUTER, DOCUMENT, MINUTES, PAPER, RECORDING OR RECORD.
- 39           5. REQUIRE ANY PERSON TO FILE ON PRESCRIBED FORMS A STATEMENT OR
- 40 REPORT IN WRITING AND UNDER OATH OF ALL THE FACTS AND CIRCUMSTANCES
- 41 REQUESTED BY THE ATTORNEY GENERAL OR COUNTY ATTORNEY.
- 42           F. A WRITTEN INVESTIGATIVE DEMAND ISSUED PURSUANT TO SUBSECTION E
- 43 OF THIS SECTION SHALL:
- 44           1. BE SERVED ON THE PERSON IN THE MANNER REQUIRED FOR SERVICE OF
- 45 PROCESS IN THIS STATE OR BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED.

1           2. DESCRIBE THE CLASS OR CLASSES OF DOCUMENTS OR OBJECTS WITH  
2 SUFFICIENT PARTICULARITY TO PERMIT THEM TO BE FAIRLY IDENTIFIED.

3           3. PRESCRIBE A REASONABLE TIME AT WHICH THE PERSON SHALL APPEAR TO  
4 TESTIFY AND WITHIN WHICH THE DOCUMENT OR OBJECT SHALL BE PRODUCED AND  
5 ADVISE THE PERSON THAT OBJECTIONS TO OR REASONS FOR NOT COMPLYING WITH THE  
6 DEMAND MAY BE FILED WITH THE ATTORNEY GENERAL OR COUNTY ATTORNEY ON OR  
7 BEFORE THAT TIME.

8           4. SPECIFY A PLACE FOR TAKING TESTIMONY OR FOR PRODUCING A DOCUMENT  
9 OR OBJECT AND DESIGNATING A PERSON WHO SHALL BE THE CUSTODIAN OF THE  
10 DOCUMENT OR OBJECT.

11           G. IF A PERSON OBJECTS TO OR OTHERWISE FAILS TO COMPLY WITH A  
12 WRITTEN INVESTIGATIVE DEMAND, THE ATTORNEY GENERAL OR COUNTY ATTORNEY MAY  
13 FILE AN ACTION IN THE SUPERIOR COURT FOR AN ORDER TO ENFORCE THE DEMAND.  
14 VENUE FOR THE ACTION TO ENFORCE THE DEMAND SHALL BE IN MARICOPA COUNTY OR  
15 IN THE COUNTY IN WHICH THE ALLEGED VIOLATION OCCURRED. NOTICE OF HEARING  
16 THE ACTION TO ENFORCE THE DEMAND AND A COPY OF THE ACTION SHALL BE SERVED  
17 ON THE PERSON IN THE SAME MANNER AS PRESCRIBED IN THE ARIZONA RULES OF  
18 CIVIL PROCEDURE. IF A COURT FINDS THAT THE DEMAND IS PROPER, INCLUDING  
19 THAT COMPLIANCE WILL NOT VIOLATE A PRIVILEGE AND THAT THERE IS NOT A  
20 CONFLICT OF INTEREST ON THE PART OF THE ATTORNEY GENERAL OR COUNTY  
21 ATTORNEY, THAT THERE IS REASONABLE CAUSE TO BELIEVE THERE MAY HAVE BEEN A  
22 VIOLATION OF THIS SECTION AND THAT THE INFORMATION SOUGHT OR DOCUMENT OR  
23 OBJECT DEMANDED IS RELEVANT TO THE VIOLATION, THE COURT SHALL ORDER THE  
24 PERSON TO COMPLY WITH THE DEMAND, SUBJECT TO MODIFICATIONS THE COURT MAY  
25 PRESCRIBE. IF THE PERSON FAILS TO COMPLY WITH THE COURT'S ORDER, THE  
26 COURT SHALL DO ONE OF THE FOLLOWING UNTIL THE PERSON COMPLIES WITH THE  
27 ORDER:

- 28           1. FIND THE PERSON IN CONTEMPT OF COURT.  
29           2. GRANT INJUNCTIVE RELIEF AGAINST THE PERSON TO WHOM THE DEMAND IS  
30 ISSUED TO RESTRAIN THE CONDUCT THAT IS THE SUBJECT OF THE INVESTIGATION.  
31           3. DISSOLVE THE CORPORATION AS PRESCRIBED IN SECTION 10-1430.  
32           4. GRANT OTHER RELIEF THE COURT DEEMS PROPER.

33           H. FOR THE PURPOSES OF THIS SECTION, "ENTERPRISE" MEANS:  
34           1. ANY CORPORATION, PARTNERSHIP, ASSOCIATION, LABOR UNION OR OTHER  
35 LEGAL ENTITY.  
36           2. ANY GROUP ORGANIZED UNDER SECTION 527 OF THE INTERNAL REVENUE  
37 CODE.  
38           3. ANY GROUP OF PERSONS WHO ARE ASSOCIATED IN FACT ALTHOUGH NOT A  
39 LEGAL ENTITY.