

State of Arizona
House of Representatives
Forty-eighth Legislature
First Regular Session
2007

HOUSE BILL 2690

AN ACT

AMENDING SECTION 16-905, ARIZONA REVISED STATUTES; AMENDING TITLE 16, CHAPTER 6, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 16-926; CHANGING THE DESIGNATION OF TITLE 16, CHAPTER 6, ARTICLE 2, ARIZONA REVISED STATUTES, TO "PUBLICLY FUNDED ELECTIONS ACT"; AMENDING SECTIONS 16-940 AND 16-941, ARIZONA REVISED STATUTES; REPEALING SECTION 16-944, ARIZONA REVISED STATUTES; AMENDING SECTIONS 16-947, 16-949, 16-950, 16-951, 16-952, 16-953, 16-954, 16-955, 16-956, 16-958, 16-959, 16-960 AND 16-961, ARIZONA REVISED STATUTES; RELATING TO THE CITIZENS CLEAN ELECTIONS ACT.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 16-905, Arizona Revised Statutes, is amended to
3 read:

4 16-905. Contribution limitations; civil penalty; complaint

5 A. For an election other than for a statewide office, a contributor
6 shall not give and an exploratory committee, a candidate or a candidate's
7 campaign committee shall not accept contributions of more than:

8 1. FOR AN ELECTION FOR A LEGISLATIVE OFFICE, ~~Three~~ FOUR hundred
9 SIXTY-THREE dollars from an individual.

10 2. FOR AN ELECTION OTHER THAN FOR A LEGISLATIVE OFFICE, THREE HUNDRED
11 SEVENTY DOLLARS FROM AN INDIVIDUAL.

12 ~~2-~~ 3. FOR AN ELECTION FOR A LEGISLATIVE OFFICE, ~~Three~~ FOUR hundred
13 SIXTY-THREE dollars from a single political committee, excluding a political
14 party, not certified under subsection I of this section to make contributions
15 at the higher limits prescribed by paragraph ~~3-~~ 5 of this subsection and
16 subsection B, paragraph 3 of this section.

17 4. FOR AN ELECTION OTHER THAN FOR A LEGISLATIVE OFFICE, THREE HUNDRED
18 SEVENTY DOLLARS FROM A SINGLE POLITICAL COMMITTEE, EXCLUDING A POLITICAL
19 PARTY, NOT CERTIFIED UNDER SUBSECTION I OF THIS SECTION TO MAKE CONTRIBUTIONS
20 AT THE HIGHER LIMITS PRESCRIBED BY SUBSECTION B, PARAGRAPH 3 OF THIS SECTION.

21 ~~3-~~ 5. One thousand five hundred ten dollars from a single political
22 committee, excluding a political party, certified pursuant to subsection I of
23 this section.

24 B. For an election for a statewide office, a contributor shall not
25 give and an exploratory committee, a candidate or a candidate's committee
26 shall not accept contributions of more than:

27 1. Seven hundred sixty dollars from an individual.

28 2. Seven hundred sixty dollars from a single political committee,
29 excluding a political party, not certified under subsection I of this section
30 to make contributions at the higher limits prescribed by subsection A,
31 paragraph ~~3-~~ 5 OF THIS SECTION and paragraph 3 of this subsection.

32 3. Three thousand seven hundred ninety dollars from a single political
33 committee excluding political parties certified pursuant to subsection I of
34 this section.

35 C. A candidate shall not accept contributions from all political
36 committees, excluding political parties, combined totaling more than ~~seven~~
37 ~~thousand five hundred sixty~~:

38 1. FOR AN ELECTION FOR A LEGISLATIVE OFFICE, ELEVEN THOUSAND NINE
39 HUNDRED FORTY-FIVE dollars.

40 2. For an office other than a LEGISLATIVE OFFICE OR A statewide
41 office, ~~or~~ NINE THOUSAND FOUR HUNDRED SIXTY DOLLARS.

42 3. FOR A STATEWIDE OFFICE, seventy-five thousand six hundred ten
43 dollars ~~for a statewide office~~.

1 D. A nominee of a political party shall not accept contributions from
2 all political parties or political organizations combined totaling more than
3 seven thousand five hundred sixty dollars for an election for an office other
4 than a statewide office, and seventy-five thousand six hundred ten dollars
5 for an election for a statewide office.

6 E. An individual shall not make contributions totaling more than two
7 thousand eight hundred twenty dollars in a calendar year to state and local
8 candidates, political committees contributing to state or local candidates,
9 and political committees advocating the election or defeat of state or local
10 candidates. Contributions to political parties are exempt from the
11 limitations of this subsection.

12 F. The use of a candidate's personal monies is not subject to the
13 limitations of this section but affects the application of these limitations
14 to the candidate's opponents as follows:

15 1. For a candidate for an office other than a statewide office:

16 (a) If a candidate contributes or promises amounts of more than eleven
17 thousand eight hundred forty dollars of those personal monies, the candidate,
18 within twenty-four hours, excluding Saturdays, Sundays and other legal
19 holidays, shall give written notice by certified mail of the amount
20 contributed or promised as of the date of the notice to all other candidates
21 and the candidates' campaign committees for the same office at the address on
22 file with the filing officer and to the filing officer. Other candidates for
23 the same office and contributors to those candidates are not subject to the
24 limitations of subsections A, C and E of this section after receiving the
25 notice until these candidates receive contributions totaling the amount of
26 personal monies contributed or promised by the candidate giving this notice.

27 (b) For each additional accumulation of contributions or promises of
28 that candidate's personal monies that totals at least five thousand nine
29 hundred twenty dollars, the candidate, within twenty-four hours, excluding
30 Saturdays, Sundays and other legal holidays, shall give written notice by
31 certified mail of the amount contributed or promised as of the date of the
32 notice. The notice shall be given as prescribed in subdivision (a) of this
33 paragraph. Other candidates for the same office and contributors to those
34 candidates are not subject to the limitations of subsections A, C and E of
35 this section after receiving the notice until these candidates receive
36 contributions totaling the amount of personal monies contributed or promised
37 by the candidate giving this notice.

38 2. For a candidate for a statewide office:

39 (a) If a candidate contributes or promises amounts of more than
40 twenty-three thousand six hundred seventy dollars of those personal monies,
41 the candidate, within twenty-four hours, excluding Saturdays, Sundays and
42 other legal holidays, shall give written notice by certified mail of the
43 amount contributed or promised as of the date of the notice to all other
44 candidates and the candidates' campaign committees for the same office at the
45 address on file with the filing officer and to the secretary of state. Other

1 candidates for the same office and contributors to those candidates are not
2 subject to the limitations of subsections B, C and E of this section after
3 receiving the notice until these candidates receive contributions totaling
4 the amount of personal monies contributed or promised by the candidate giving
5 this notice.

6 (b) For each additional accumulation of contributions or promises of
7 that candidate's personal monies that totals at least eleven thousand eight
8 hundred forty dollars, the candidate, within twenty-four hours, excluding
9 Saturdays, Sundays and other legal holidays, shall give written notice of the
10 amount contributed or promised as of the date of the notice. The notice
11 shall be given as prescribed in subdivision (a) of this paragraph. Other
12 candidates for the same office and contributors to those candidates are not
13 subject to the limitations of subsections B, C and E of this section after
14 receiving the notice until these candidates receive contributions totaling
15 the amount of personal monies contributed or promised by the candidate giving
16 this notice.

17 3. If any notice prescribed by this subsection is not timely given the
18 other candidates are not subject to the limitations of subsections A, B and C
19 of this section for an additional five hundred ninety dollars for each day
20 the notice was delinquent.

21 4. Notwithstanding any other provision of this subsection, the amount
22 of contributions that a candidate may receive and that is not subject to the
23 limitations of subsections A, B and C of this section shall not be greater
24 than the largest amount of personal contributions, plus any additional
25 amounts due to delinquent notices, made by any other single candidate for the
26 same office.

27 G. The use of personal monies by an individual who designates an
28 exploratory committee is not subject to the limitations of this section but
29 is subject to the following:

30 1. If an individual who has designated a committee for other than
31 statewide office contributes or promises to the committee an amount of
32 personal monies that is more than eleven thousand eight hundred forty
33 dollars, the individual, within twenty-four hours excluding Saturdays,
34 Sundays and other legal holidays, shall give written notice by certified mail
35 of the amount contributed or promised as of the date of the notice to the
36 filing officer.

37 2. For each additional accumulation of contributions or promises of
38 the designating individual's personal monies that totals at least six
39 thousand dollars, the individual, within twenty-four hours, excluding
40 Saturdays, Sundays and other legal holidays, shall give written notice by
41 certified mail of the amount contributed or promised as of the date of the
42 notice to the filing officer.

43 3. If an individual who has designated a committee for statewide
44 office contributes or promises to the committee an amount of personal monies
45 that is more than twenty-three thousand six hundred seventy dollars, the

1 individual, within twenty-four hours, excluding Saturdays, Sundays and other
2 legal holidays, shall give written notice by certified mail of the amount
3 contributed or promised as of the date of the notice to the filing officer.

4 4. For each additional accumulation of contributions or promises of
5 the designating individual's personal monies that totals at least twelve
6 thousand dollars, the individual, within twenty-four hours, excluding
7 Saturdays, Sundays and other legal holidays, shall give written notice by
8 certified mail of the amount contributed or promised as of the date of the
9 notice to the filing officer.

10 H. A candidate's campaign committee or an individual's exploratory
11 committee shall not make a loan and shall not transfer or contribute money to
12 any other campaign or exploratory committee that is designated pursuant to
13 this chapter or 2 United States Code section 431 except as follows:

14 1. An exploratory committee may transfer monies to a subsequent
15 candidate's campaign committee of the individual designating the exploratory
16 committee, subject to the limits of subsection B of this section.

17 2. A candidate's campaign committee may transfer or contribute monies
18 to another campaign committee designated by the same candidate as follows:

19 (a) Subject to the contribution limits of this section, transfer or
20 contribute monies from one committee to another if both committees have been
21 designated for an election in the same year.

22 (b) Without application of the contribution limits of this section,
23 transfer or contribute monies from one committee to another designated for an
24 election in a subsequent year.

25 I. Only political committees that received monies from five hundred or
26 more individuals in amounts of ten dollars or more in the one year period
27 immediately before application to the secretary of state for qualification as
28 a political committee pursuant to this section may make contributions to
29 candidates under subsection A, paragraph ~~3~~ 5 of this section and subsection
30 B, paragraph 3 of this section. The secretary of state shall obtain
31 information necessary to make the determination that a committee meets the
32 requirements of this subsection and shall provide written certification of
33 the fact to the committee. A political committee certification is valid for
34 two years. A candidate's campaign committee shall not accept a contribution
35 pursuant to this subsection unless it is accompanied by a copy of the
36 certification. All political committees that do not meet the requirements of
37 this subsection are subject to the individual campaign contribution limits of
38 subsection A, ~~paragraph 1~~ PARAGRAPHS 1 AND 2 of this section and subsection
39 B, paragraph 1 of this section.

40 J. The secretary of state ~~shall,~~ biennially, ~~—~~ SHALL adjust to the
41 nearest ten dollars the amounts in subsections A through G of this section by
42 the percentage change in the consumer price index and publish the new amounts
43 for distribution to election officials, candidates and campaign committees.
44 ~~In~~ FOR THE PURPOSES OF this subsection, "consumer price index" means the
45 consumer price index for all urban consumers, United States city average,

1 that is published by the United States department of labor, bureau of labor
2 statistics.

3 K. The following specific limitations and procedures apply:

4 1. The limits of subsections A through D, F and G of this section
5 apply to each election for any office or offices which the candidate seeks.

6 2. The limits of subsections A, ~~through B~~ AND C of this section apply
7 to the total contributions from all separate segregated funds established, as
8 provided in section 16-920, by a corporation, labor organization, trade
9 association, cooperative or corporation without capital stock.

10 3. A contribution by an unemancipated minor child shall be treated as
11 a contribution by ~~his~~ THE CHILD'S custodial parent or parents for determining
12 compliance with subsection A, ~~paragraph 1~~ PARAGRAPHS 1 AND 2, subsection B,
13 paragraph 1, ~~and~~ and subsection E of this section.

14 4. A contribution by an individual or a single political committee to
15 two or more candidates in connection with a joint fund-raising effort shall
16 be divided among the candidates in direct proportion to each candidate
17 campaign committee's share of the expenses for the fund-raising effort.

18 5. A candidate shall sign and file with ~~his~~ THE CANDIDATE'S nomination
19 paper a statement that ~~he~~ THE CANDIDATE has read all applicable laws relating
20 to campaign financing and reporting.

21 6. An individual or political committee shall not use economic
22 influence to induce members of an organization to make contributions to a
23 candidate, collect contributions from members of an organization for
24 transmittal to a candidate, make payments to candidates for public
25 appearances or services which are ordinarily uncompensated or use any similar
26 device to circumvent any of the limitations of this section.

27 L. A person who violates this section is subject to a civil penalty
28 imposed as prescribed in section 16-924 of three times the amount of money
29 that has been received, expended or promised in violation of this section or
30 three times the value in money for an equivalent of money or other things of
31 value that have been received, expended or promised in violation of this
32 section.

33 M. Any qualified elector may file a sworn complaint with the attorney
34 general or the county attorney of the county in which a violation of this
35 section is believed to have occurred, and the attorney general or the county
36 attorney shall investigate the complaint for possible action.

37 N. If the filing officer, attorney general or county attorney fails to
38 institute an action within forty-five working days after receiving a
39 complaint under subsection M of this section, ~~then~~ the individual filing the
40 complaint may bring a civil action in ~~his~~ THE INDIVIDUAL'S own name and at
41 ~~his~~ THE INDIVIDUAL'S own expense, with the same effect as if brought by the
42 filing officer, attorney general or county attorney. The individual shall
43 execute a bond payable to the defendant if the individual fails to prosecute
44 the action successfully. The court shall award to the prevailing party costs
45 and reasonable attorney fees.

1 0. If a provision of this section or its application to any person or
2 circumstance is held invalid, the invalidity does not affect other provisions
3 or applications of the section which can be given effect without the invalid
4 provision or application, and to this end the provisions of this section are
5 severable.

6 P. If any notice prescribed by subsection F or G of this section is
7 not given in a timely manner, the designating individual, in the case of an
8 exploratory committee, or the candidate, in the case of a candidate's
9 campaign committee, is subject to a civil penalty of three times the amount
10 of personal monies that were contributed, expended or promised in violation.
11 The civil penalty shall be imposed as prescribed by section 16-924.

12 Sec. 2. Title 16, chapter 6, article 1, Arizona Revised Statutes, is
13 amended by adding section 16-926, to read:

14 16-926. Disclosure of documents
15 THIS CHAPTER DOES NOT REQUIRE THE DISCLOSURE OF DOCUMENTS OR
16 INFORMATION THAT CONTAIN TRADE SECRETS OR PROPRIETARY INFORMATION.

17 Sec. 3. Heading change
18 Subject to the requirements of article IV, part 1, section 1,
19 Constitution of Arizona, the article heading of title 16, chapter 6, article
20 2, Arizona Revised Statutes, is changed from "CITIZENS CLEAN ELECTIONS ACT"
21 to "PUBLICLY FUNDED ELECTIONS ACT".

22 Sec. 4. Subject to the requirements of article IV, part 1, section 1,
23 Constitution of Arizona, section 16-940, Arizona Revised Statutes, is amended
24 to read:

25 16-940. Findings and declarations
26 A. The people of Arizona declare our intent to create a ~~clean~~ PUBLICLY
27 FUNDED elections system that will improve the integrity of Arizona state
28 government by diminishing the influence of special-interest money, will
29 encourage citizen participation in the political process, and will promote
30 freedom of speech under the ~~U.S.~~ UNITED STATES and Arizona Constitutions.
31 Campaigns will become more issue-oriented and less negative because there
32 will be no need to challenge the sources of campaign money.

33 B. The people of Arizona find that our current election-financing
34 system:

35 1. Allows Arizona elected officials to accept large campaign
36 contributions from private interests over which they have governmental
37 jurisdiction. ~~;~~

38 2. Gives incumbents an unhealthy advantage over challengers. ~~;~~

39 3. Hinders communication to voters by many qualified candidates. ~~;~~

40 4. Effectively suppresses the voices and influence of the vast
41 majority of Arizona citizens in favor of a small number of wealthy special
42 interests. ~~;~~

43 5. Undermines public confidence in the integrity of public
44 officials. ~~;~~

1 6. Costs average taxpayers millions of dollars in the form of
2 subsidies and special privileges for campaign contributors. ~~;~~

3 7. Drives up the cost of running for state office, discouraging
4 otherwise qualified candidates who lack personal wealth or access to
5 special-interest funding. ~~;~~ ~~and~~

6 8. Requires that elected officials spend too much of their time
7 raising funds rather than representing the public.

8 Sec. 5. Subject to the requirements of article IV, part 1, section 1,
9 Constitution of Arizona, section 16-941, Arizona Revised Statutes, is amended
10 to read:

11 16-941. Limits on spending and contributions for political
12 campaigns

13 A. Notwithstanding any law to the contrary, a participating candidate:

14 1. Shall not accept any contributions, other than a limited number of
15 five-dollar qualifying contributions as specified in section 16-946 and early
16 contributions as specified in section 16-945, except in the emergency
17 situation specified in section 16-954, subsection F.

18 2. Shall not make expenditures of more than a total of five hundred
19 dollars of the candidate's personal monies for a candidate for **THE**
20 legislature or more than one thousand dollars for a candidate for statewide
21 office.

22 3. Shall not make expenditures in the primary election period in
23 excess of the adjusted primary election spending limit.

24 4. Shall not make expenditures in the general election period in
25 excess of the adjusted general election spending limit.

26 5. Shall comply with section 16-948 regarding campaign accounts and
27 section 16-953 regarding returning unused monies to the ~~citizens-clean~~
28 ~~election~~ **PUBLICLY FUNDED ELECTIONS** fund described in this article.

29 B. Notwithstanding any law to the contrary, a nonparticipating
30 candidate:

31 1. Shall not accept contributions in excess of an amount that is
32 twenty ~~percent~~ **PER CENT** less than the limits specified in section 16-905,
33 subsections A through G, as adjusted by the secretary of state pursuant to
34 section 16-905, subsection J. Any violation of this paragraph shall be
35 subject to the civil penalties and procedures set forth in section 16-905,
36 subsections L through P and section 16-924.

37 2. Shall comply with section 16-958 regarding reporting, including
38 filing reports with the secretary of state indicating ~~whenever (A)~~ **IF EITHER:**

39 (a) Expenditures other than independent expenditures on behalf of the
40 candidate, from the beginning of the election cycle to any date up to primary
41 election day, exceed seventy ~~percent~~ **PER CENT** of the original primary
42 election spending limit applicable to a participating candidate seeking the
43 same office, ~~or (B)~~.

44 (b) Contributions to a candidate, from the beginning of the election
45 cycle to any date during the general election period, less expenditures made

1 from the beginning of the election cycle through primary election day, exceed
2 seventy ~~percent~~ PER CENT of the original general election spending limit
3 applicable to a participating candidate seeking the same office.

4 3. A NONPARTICIPATING CANDIDATE IS EXEMPT FROM PARAGRAPH 2 OF THIS
5 SUBSECTION IF A PARTICIPATING CANDIDATE IS NOT RUNNING AGAINST THAT
6 NONPARTICIPATING CANDIDATE.

7 C. Notwithstanding any law to the contrary, a candidate, whether
8 participating or nonparticipating:

9 1. If ~~and only if~~ specified in a written agreement signed by the
10 candidate and one or more opposing candidates and filed with the ~~citizens~~
11 ~~clean~~ PUBLICLY FUNDED elections commission, shall not make any expenditure in
12 the primary or general election period exceeding an agreed-upon amount lower
13 than spending limits otherwise applicable by statute.

14 2. Shall continue to be bound by all other applicable election and
15 campaign finance statutes and rules, with the exception of those provisions
16 in express or clear conflict with ~~the provisions of~~ this article.

17 D. Notwithstanding any law to the contrary, any person who makes
18 independent expenditures related to a particular office cumulatively
19 exceeding five hundred dollars in an election cycle, with the exception of
20 any expenditure listed in section 16-920 and any independent expenditure by
21 an organization arising from a communication directly to the organization's
22 members, shareholders, employees, affiliated persons, ~~and~~ subscribers, shall
23 file reports with the secretary of state in accordance with section 16-958 so
24 indicating, identifying the office and the candidate or group of candidates
25 whose election or defeat is being advocated, ~~and~~ stating whether the person
26 is advocating election or advocating defeat.

27 Sec. 6. Repeal

28 Subject to the requirements of article IV, part 1, section 1,
29 Constitution of Arizona, section 16-944, Arizona Revised Statutes, is
30 repealed.

31 Sec. 7. Subject to the requirements of article IV, part 1, section 1,
32 Constitution of Arizona, section 16-947, Arizona Revised Statutes, is amended
33 to read:

34 16-947. Certification as a participating candidate

35 A. A candidate who wishes to be certified as a participating candidate
36 shall FILE, before the end of the qualifying period, ~~file~~ an application with
37 the secretary of state, in a form specified by the ~~citizens-clean~~ PUBLICLY
38 FUNDED elections commission.

39 B. The application shall identify the candidate, the office that the
40 candidate plans to seek, ~~and~~ the candidate's party, if any, and shall
41 contain the candidate's signature, under oath, certifying that:

42 1. The candidate has complied with the restrictions of section 16-941,
43 subsection A during the election cycle to date.

1 2. The candidate's campaign committee and exploratory committee have
2 filed all campaign finance reports required under article 1 of this chapter
3 during the election cycle to date and that they are complete and accurate.

4 3. The candidate will comply with the requirements of section 16-941,
5 subsection A during the remainder of the election cycle and, specifically,
6 will not accept private contributions.

7 C. The commission shall act on the application within one week.
8 Unless, within that time, the commission denies an application and provides
9 written reasons that all or part of a certification in subsection B of this
10 section is incomplete or untrue, the candidate shall be certified as a
11 participating candidate. If the commission denies an application for failure
12 to file all complete and accurate campaign finance reports or failure to make
13 the certification in subsection B, paragraph 3 of this section, the candidate
14 may reapply within two weeks of the commission's decision by filing complete
15 and accurate campaign finance reports and another sworn certification.

16 Sec. 8. Subject to the requirements of article IV, part 1, section 1,
17 Constitution of Arizona, section 16-949, Arizona Revised Statutes, is amended
18 to read:

19 16-949. Caps on spending from publicly funded elections fund

20 A. The commission shall not spend, on all costs incurred under this
21 article during a particular calendar year, more than five dollars times the
22 number of Arizona resident personal income tax returns filed during the
23 previous calendar year. Tax reductions and tax credits awarded to taxpayers
24 pursuant to section 16-954, subsections A and B shall not be considered costs
25 incurred under this article for purposes of this section. The commission may
26 exceed this limit during a calendar year, provided that it is offset by an
27 equal reduction of the limit during another calendar year during the same
28 four-year period beginning January 1 immediately after a gubernatorial
29 election.

30 B. The commission may use up to ten ~~percent~~ PER CENT of the amount
31 specified in subsection A of this section for reasonable and necessary
32 expenses of administration and enforcement, including the activities
33 specified in section 16-956, subsection A, paragraphs 3 through 7 and
34 subsections B and C. Any portion of the ten ~~percent~~ PER CENT not used for
35 this purpose shall remain in the fund.

36 C. The commission shall apply ten ~~percent~~ PER CENT of the amount
37 specified in subsection A of this section for reasonable and necessary
38 expenses associated with voter education, including the activities specified
39 in section 16-956, subsection A.

40 D. The state treasurer shall administer a ~~citizens-clean-election~~
41 PUBLICLY FUNDED ELECTIONS fund from which costs incurred under this article
42 shall be paid. The auditor general shall review the monies in, payments
43 into, and expenditures from the fund no less often than every four years.

1 Sec. 9. Subject to the requirements of article IV, part 1, section 1,
2 Constitution of Arizona, section 16-950, Arizona Revised Statutes, is amended
3 to read:

4 16-950. Qualification for public campaign funding

5 A. A candidate who has made an application for certification may also
6 apply, in accordance with subsection B of this section, to receive funds from
7 the ~~citizens-clean~~ PUBLICLY FUNDED elections fund, instead of receiving
8 private contributions.

9 B. To receive any ~~clean~~ PUBLIC campaign funding, the candidate must
10 present to the secretary of state no later than one week after the end of the
11 qualifying period a list of names of persons who have made qualifying
12 contributions pursuant to section 16-946 on behalf of the candidate. The
13 list shall be divided by county. At the same time, the candidate must tender
14 to the secretary of state the original reporting slips identified in section
15 16-946, subsection C for persons on the list and an amount equal to the sum
16 of the qualifying contributions collected. The secretary of state shall
17 deposit the amount into the fund.

18 C. The secretary of state shall select at random a sample of five
19 ~~percent~~ PER CENT of the number of non-duplicative names on the list and
20 forward facsimiles of the selected reporting slips to the county recorders
21 for the counties of the addresses specified in the selected slips. Within
22 ten days, the county recorders shall provide a report to the secretary of
23 state identifying as disqualified any slips that are unsigned or undated or
24 that the recorder is unable to verify as matching a person who is registered
25 to vote in the electoral district of the office the candidate is seeking on
26 the date specified on the slip. The secretary of state shall multiply the
27 number of slips not disqualified by twenty, and if the result is greater than
28 one hundred ten per cent of the quantity required, shall approve the
29 candidate for funds, and if the result is less than ~~ninety~~ ONE HUNDRED TEN
30 per cent of the quantity required, ~~shall deny the application for funds.~~
31 ~~Otherwise,~~ the secretary of state shall forward facsimiles of all of the
32 slips to the county recorders for verification, and the county recorders
33 shall check all slips in accordance with the process above. **THE COUNTY**
34 **RECORDER SHALL NOT CHECK SLIPS ALREADY VERIFIED.** A county recorder shall
35 report verified totals daily to the secretary of state until a determination
36 is made that a sufficient number of verified slips has been submitted. If a
37 sufficient number of verified slips has been submitted to one or more county
38 recorders, the county recorders may stop the verification process.

39 D. To qualify for ~~clean~~ PUBLIC campaign funding, a candidate must have
40 been approved as a participating candidate pursuant to section 16-947 and
41 have obtained the following number of qualifying contributions:

- 42 1. For a candidate for legislature, two hundred.
- 43 2. For candidate for mine inspector, five hundred.
- 44 3. For a candidate for treasurer, superintendent of public instruction
45 or corporation commission, one thousand five hundred.

1 4. For a candidate for secretary of state or attorney general, two
2 thousand five hundred.

3 5. For a candidate for governor, four thousand.

4 E. To qualify for ~~e-lean~~ PUBLIC campaign funding, a candidate must have
5 met the requirements of this section and either be an independent candidate
6 or meet the following standards:

7 1. To qualify for funding for a party primary election, a candidate
8 must have properly filed nominating papers and nominating petitions with
9 signatures pursuant to chapter 3, articles 2 and 3 of this title in the
10 primary of a political organization entitled to continued representation on
11 the official ballot in accordance with section 16-804.

12 2. To qualify for ~~e-lean~~ PUBLIC campaign funding for a general
13 election, a candidate must be a party nominee of such a political
14 organization.

15 Sec. 10. Subject to the requirements of article IV, part 1, section 1,
16 Constitution of Arizona, section 16-951, Arizona Revised Statutes, is amended
17 to read:

18 16-951. Public campaign funding

19 A. At the beginning of the primary election period, the commission
20 shall pay from the fund to the campaign account of each candidate who
21 qualifies for ~~e-lean~~ PUBLIC campaign funding:

22 1. For a candidate who qualifies for ~~e-lean~~ PUBLIC campaign funding for
23 a party primary election, an amount equal to the original primary election
24 spending limit. ~~;~~

25 2. For an independent candidate who qualifies for ~~e-lean~~ PUBLIC
26 campaign funding, an amount equal to seventy ~~percent~~ PER CENT of the sum of
27 the original primary election spending limit and the original general
28 election spending limit. ~~;~~~~or~~

29 3. For a qualified participating candidate who is unopposed for an
30 office in that candidate's primary, in the primary of any other party,~~;~~ and
31 by any opposing independent candidate, an amount equal to five dollars times
32 the number of qualifying contributions for that candidate certified by the
33 commission.

34 B. At any time after the first day of January of an election year, any
35 candidate who has met the requirements of section 16-950 may sign and cause
36 to be filed a nomination paper in the form specified by section 16-311,
37 subsection A, with a nominating petition and signatures, instead of filing
38 such papers after the earliest time set for filing specified by that
39 subsection. Upon such filing and verification of the signatures, the
40 commission shall pay the amount specified in subsection A of this section
41 immediately, rather than waiting for the beginning of the primary election
42 period.

43 C. At the beginning of the general election period, the commission
44 shall pay from the fund to the campaign account of each candidate who
45 qualifies for ~~e-lean~~ PUBLIC campaign funding for the general election, except

1 those candidates identified in subsection A, ~~paragraphs~~ PARAGRAPH 2 or 3 or
2 subsection D of this section, an amount equal to the original general
3 election spending limit.

4 D. At the beginning of the general election period, the commission
5 shall pay from the fund to the campaign account of a qualified participating
6 candidate who has not received funds pursuant to subsection A, paragraph 3 of
7 this section and who is unopposed by any other party nominee or any opposing
8 independent candidate an amount equal to five dollars times the number of
9 qualifying contributions for that candidate certified by the commission.

10 E. The special original general election spending limit, for a
11 candidate who has received funds pursuant to subsection A, ~~paragraphs~~
12 PARAGRAPH 2 or 3 or subsection D of this section, shall be equal to the
13 amount that the commission is obligated to pay to that candidate.

14 Sec. 11. Subject to the requirements of article IV, part 1, section 1,
15 Constitution of Arizona, section 16-952, Arizona Revised Statutes, is amended
16 to read:

17 16-952. Equal funding of candidates

18 A. Whenever during a primary election period a report is filed, or
19 other information comes to the attention of the commission, indicating that a
20 nonparticipating candidate who is not unopposed in that primary has made
21 expenditures during the election cycle to date exceeding the original primary
22 election spending limit, including any previous adjustments, the commission
23 shall immediately pay from the fund to the campaign account of any
24 participating candidate in the same party primary as the nonparticipating
25 candidate an amount equal to any excess of the reported amount over the
26 primary election spending limit, ~~as previously adjusted, and~~ LESS ACTUAL
27 COSTS INCURRED BY THE NONPARTICIPATING CANDIDATE AS FUND-RAISING EXPENSES AND
28 LESS THE AMOUNT OF EARLY CONTRIBUTIONS RAISED FOR THAT PARTICIPATING
29 CANDIDATE FOR THAT OFFICE AS PRESCRIBED BY SECTION 16-945. The primary
30 election spending limit for all such participating candidates shall be
31 adjusted by increasing it by the amount that the commission is obligated to
32 pay to a participating candidate.

33 B. Whenever during a general election period a report has been filed,
34 or other information comes to the attention of the commission, indicating
35 that ~~the amount~~ a nonparticipating candidate who is not unopposed has
36 ~~received in contributions~~ MADE EXPENDITURES during the election cycle to date
37 less the amount of expenditures the nonparticipating candidate made through
38 the end of the primary election period ~~exceeds~~ EXCEEDING the original general
39 election spending limit, including any previous adjustments, the commission
40 shall immediately pay from the fund to the campaign account of any
41 participating candidate qualified for the ballot and seeking the same office
42 as the nonparticipating candidate an amount equal to any excess of the
43 reported difference over the general election spending limit, as previously
44 adjusted, ~~and~~ LESS ACTUAL COSTS INCURRED BY THE NONPARTICIPATING CANDIDATE AS
45 FUND-RAISING EXPENSES. The general election spending limit for all such

1 participating candidates shall be adjusted by increasing it by the amount
2 that the commission is obligated to pay to a participating candidate.

3 C. For THE purposes of subsections A and B of this section, the
4 following expenditures reported pursuant to this article shall be treated as
5 follows:

6 1. Independent expenditures against a participating candidate shall be
7 treated as expenditures of each opposing candidate. ~~, for purpose of~~
8 ~~subsection A of this section, or contributions to each opposing candidate, or~~
9 ~~purpose of subsection B of this section.~~

10 2. Independent expenditures in favor of one or more nonparticipating
11 opponents of a participating candidate shall be treated as expenditures of
12 those nonparticipating candidates. ~~, for purpose of subsection A of this~~
13 ~~section, or contributions to those nonparticipating candidates, for purpose~~
14 ~~of subsection B of this section.~~

15 3. Independent expenditures in favor of a participating candidate
16 shall be treated, for every opposing participating candidate, as though the
17 independent expenditures were an expenditure of a nonparticipating opponent.
18 ~~, for purpose of subsection A of this section, or a contribution to a~~
19 ~~nonparticipating opponent, for purpose of subsection B of this section.~~

20 4. Expenditures made during the primary election period by or on
21 behalf of an independent candidate or a nonparticipating candidate who is
22 unopposed in a party primary, ~~shall be treated as though made during the~~
23 ~~general election period, and~~ DEDUCTED FROM THE TOTAL AMOUNT OF MONIES RAISED
24 FOR PURPOSES OF DETERMINING THE AMOUNT OF EQUALIZING FUNDS, UP TO THE AMOUNT
25 OF PRIMARY FUNDS RECEIVED BY THE PARTICIPATING CANDIDATE. Equalizing funds
26 pursuant to subsection B of this section shall THEN be CALCULATED AND paid at
27 the start of the general election period.

28 5. Expenditures made before the general election period that consist
29 of a contract, promise, ~~or~~ agreement to make an expenditure during the
30 general election period resulting in an extension of credit shall be treated
31 as though made during the general election period, and equalizing funds
32 pursuant to subsection B of this section shall be paid at the start of the
33 general election period.

34 6. Expenditures for or against a participating candidate promoting or
35 opposing more than one candidate who ~~are~~ IS not running for the same office
36 shall be allocated by the commission among candidates for different offices
37 based on the relative size or length and relative prominence of the reference
38 to candidates for different offices.

39 D. Upon applying for citizen funding pursuant to section 16-950, a
40 participating candidate for THE legislature in a one-party-dominant
41 legislative district who is qualified for ~~clean~~ PUBLIC campaign funding for
42 the party primary election of the dominant party may choose to reallocate a
43 portion of funds from the general election period to the primary election
44 period. At the beginning of the primary election period, the commission
45 shall pay from the fund to the campaign account of a participating candidate

1 who makes this choice an extra amount equal to fifty ~~percent~~ PER CENT of the
2 original primary election spending limit, and the original primary election
3 spending limit for the candidate who makes this choice shall be increased by
4 the extra amount. For a primary election in which one or more participating
5 candidates have made this choice, funds shall be paid under subsections A and
6 B of this section only to the extent of any excess over the original primary
7 election spending limit as so increased. If a participating candidate who
8 makes this choice becomes qualified for ~~clean~~ PUBLIC campaign funding for the
9 general election, the amount the candidate receives at the beginning of the
10 general election period shall be reduced by the extra amount received at the
11 beginning of the primary election period, and the original general election
12 spending limit for that candidate shall be reduced by the extra amount. For
13 a general election in which a participating candidate has made this choice,
14 funds shall be paid under subsections A and B of this section only to the
15 extent of any excess over the original general election spending limit,
16 without such reduction, unless the candidate who has made this choice is the
17 only participating candidate in the general election, in which case such
18 funds shall be paid to the extent of excess over the original general
19 election spending limit with such reduction. For THE purpose of this
20 subsection, a one-party-dominant legislative district is a district in which
21 the number of registered voters registered in the party with the highest
22 number of registered voters exceeds the number of registered voters
23 registered to each of the other parties by an amount at least as high as ten
24 ~~percent~~ PER CENT of the total number of voters registered in the district.
25 The status of a district as a one-party-dominant legislative district shall
26 be determined as of the beginning of the qualifying period.

27 E. If an adjusted spending limit reaches three times the original
28 spending limit for a particular election, ~~then~~ the commission shall not pay
29 any further amounts from the fund to the campaign account of any
30 participating candidate, and the spending limit shall not be adjusted
31 further.

32 Sec. 12. Subject to the requirements of article IV, part 1, section 1,
33 Constitution of Arizona, section 16-953, Arizona Revised Statutes, is amended
34 to read:

35 16-953. Return of monies to the publicly funded elections fund

36 A. At the end of the primary election period, a participating
37 candidate who has received monies pursuant to section 16-951, subsection A,
38 paragraph 1 shall return to the fund all monies in the candidate's campaign
39 account above an amount sufficient to pay any unpaid bills for expenditures
40 made during the primary election period and for goods or services directed to
41 the primary election.

42 B. At the end of the general election period, a participating
43 candidate shall return to the fund all monies in the candidate's campaign
44 account above an amount sufficient to pay any unpaid bills for expenditures

1 made before the general election and for goods or services directed to the
2 general election.

3 C. A participating candidate shall pay all uncontested and unpaid
4 bills referenced in this section no later than thirty days after the primary
5 or general election. A participating candidate shall make monthly reports to
6 the commission concerning the status of the dispute over any contested
7 bills. Any monies in a candidate's campaign account after payment of bills
8 shall be returned promptly to the fund.

9 D. If a participating candidate is replaced pursuant to section
10 16-343, and the replacement candidate files an oath with the secretary of
11 state certifying to section 16-947, subsection B, paragraph 3, the campaign
12 account of the participating candidate shall be transferred to the
13 replacement candidate and the commission shall certify the replacement
14 candidate as a participating candidate without requiring compliance with
15 section 16-950 or the remainder of section 16-947. If the replacement
16 candidate does not file ~~such an~~ THIS oath, the campaign account shall be
17 liquidated and all remaining monies returned to the fund.

18 E. IF A PARTICIPATING CANDIDATE WHO HAS RECEIVED MONIES PURSUANT TO
19 SECTION 16-951, SUBSECTION A, PARAGRAPH 1 DOES NOT QUALIFY FOR THE BALLOT FOR
20 THE PRIMARY ELECTION, THE PARTICIPATING CANDIDATE SHALL:

21 1. RETURN TO THE FUND ALL MONIES IN THE CANDIDATE'S CAMPAIGN ACCOUNT
22 ABOVE THE AMOUNT SUFFICIENT TO PAY ANY UNPAID BILLS FOR EXPENDITURES MADE
23 BEFORE THE DATE THE CANDIDATE FAILED TO QUALIFY FOR THE PRIMARY BALLOT.

24 2. RETURN TO THE COMMISSION, WITHIN FOURTEEN DAYS, ALL REMAINING
25 ASSETS PURCHASED WITH PUBLIC FUNDS IN THAT ELECTION CYCLE, INCLUDING ALL
26 POLITICAL SIGNS. THE DISQUALIFIED PARTICIPATING CANDIDATE IS NOT REQUIRED TO
27 RETURN POLITICAL SIGNS PURCHASED IN A PREVIOUS ELECTION CYCLE. FAILURE BY A
28 DISQUALIFIED PARTICIPATING CANDIDATE TO REMOVE ALL POLITICAL SIGNS AFTER
29 NOTIFICATION BY THE COMMISSION OF THE LOCATION OF A PARTICIPATING CANDIDATE'S
30 POLITICAL SIGN IS A CLASS 2 MISDEMEANOR.

31 3. REPAY ANY MONIES PAID TO A FAMILY MEMBER UNLESS THE PARTICIPATING
32 CANDIDATE DEMONSTRATES THAT THE PAYMENT MADE WAS FOR GOODS OR SERVICES
33 ACTUALLY PROVIDED BEFORE DISQUALIFICATION OF THE CANDIDATE AND THE PAYMENT
34 WAS FOR FAIR MARKET VALUE. FOR THE PURPOSES OF THIS PARAGRAPH, "FAMILY
35 MEMBER" MEANS A PARENT, GRANDPARENT, SPOUSE, CHILD OR SIBLING OF THE
36 CANDIDATE OR A PARENT OR SPOUSE OF ANY OF THOSE PERSONS.

37 Sec. 13. Subject to the requirements of article IV, part 1, section 1,
38 Constitution of Arizona, section 16-954, Arizona Revised Statutes, is amended
39 to read:

40 16-954. Publicly funded elections tax reduction; return of
41 excess monies

42 A. For tax years beginning on or after January 1, 1998, a taxpayer who
43 files on a state income tax return form may designate a five-dollar voluntary
44 contribution per taxpayer to the fund by marking an optional check-off box on
45 the first page of the form. A taxpayer who checks this box shall receive a

1 five-dollar reduction in the amount of tax, and five dollars from the amount
2 of taxes paid shall be transferred by the department of revenue to the
3 fund. The department of revenue shall provide check-off boxes, identified as
4 the ~~clean~~ PUBLICLY FUNDED elections fund tax reduction, on the first page of
5 income tax return forms, for designations pursuant to this subsection.

6 B. Any taxpayer may make a voluntary donation to the fund by
7 designating the fund on an income tax return form filed by the individual or
8 business entity or by making a payment directly to the fund. Any taxpayer
9 making a donation pursuant to this subsection shall receive a
10 dollar-for-dollar tax credit not to exceed twenty ~~percent~~ PER CENT of the tax
11 amount on the return or five hundred dollars per taxpayer, whichever is
12 higher. Donations made pursuant to this section are otherwise not tax
13 deductible and cannot be designated ~~as~~ for the benefit of a particular
14 candidate, political party, or election contest. The department of revenue
15 shall transfer to the fund all donations made pursuant to this subsection.
16 The department of revenue shall provide a space, identified as the ~~clean~~
17 PUBLICLY FUNDED elections fund tax credit, on the first page of income tax
18 return forms, for donations pursuant to this subsection.

19 C. Beginning January 1, 1999, an additional surcharge of ten ~~percent~~
20 PER CENT shall be imposed on all civil and criminal fines and penalties
21 collected pursuant to section 12-116.01 and shall be deposited into the fund.

22 D. At least once per year, the commission shall project the amount of
23 monies that the fund will collect over the next four years and the time such
24 monies shall become available. Whenever the commission determines that the
25 fund contains more monies than the commission determines that it requires to
26 meet current debts plus expected expenses, under the assumption that expected
27 expenses will be at the expenditure limit in section 16-949, subsection A,
28 and taking into account the projections of collections, the commission shall
29 designate such monies as excess monies and so notify the state treasurer, who
30 shall thereupon return the excess monies to the general fund.

31 E. At least once per year, the commission shall project the amount of
32 citizen funding for which all candidates will have qualified pursuant to this
33 article for the following calendar year. By the end of each year, the
34 commission shall announce whether the amount that the commission plans to
35 spend the following year pursuant to section 16-949, subsection A exceeds the
36 projected amount of citizen funding. If the commission determines that the
37 fund contains insufficient monies or the spending cap would be exceeded were
38 all ~~candidate's~~ CANDIDATES' accounts to be fully funded, ~~then~~ the commission
39 may include in the announcement specifications for decreases in the following
40 parameters, based on the commission's projections of collections and expenses
41 for the fund, made in the following order:

42 1. First, the commission may announce a decrease in the matching cap
43 under section 16-952, subsection E from three times to an amount between
44 three and one times.

1 2. Next, the commission may announce that the fund will provide
2 equalization monies under section 16-952, subsections A and B as a fraction
3 of the amounts there specified.

4 3. Finally, the commission may announce that the fund will provide
5 monies under section 16-951 as a fraction of the amounts there specified.

6 F. If the commission cannot provide participating candidates with all
7 monies specified under sections 16-951 and 16-952, as decreased by any
8 announcement pursuant to subsection E of this section, ~~then~~ the commission
9 shall allocate any reductions in payments proportionately among candidates
10 entitled to monies and shall declare an emergency. Upon declaration of an
11 emergency, a participating candidate may accept private contributions to
12 bring the total monies received by the candidate from the fund and from such
13 private contributions up to the adjusted spending limits, as decreased by any
14 announcement made pursuant to subsection E of this section.

15 Sec. 14. Subject to the requirements of article IV, part 1, section 1,
16 Constitution of Arizona, section 16-955, Arizona Revised Statutes, is amended
17 to read:

18 16-955. Publicly funded elections commission; structure

19 A. The ~~citizens-clean~~ PUBLICLY FUNDED elections commission is
20 established consisting of five members. No more than two members of the
21 commission shall be members of the same political party. No more than two
22 members of the commission shall be residents of the same county. No one
23 shall be appointed as a member who does not have a registration pursuant to
24 chapter 1 of this title that has been continuously recorded for at least five
25 years immediately preceding appointment with the same political party or as
26 an independent.

27 B. The ~~commission on appellate court appointments shall nominate~~
28 candidates for vacant commissioner positions SHALL BE PERSONS who are
29 committed to enforcing this article in an honest, independent, and impartial
30 fashion and to seeking to uphold public confidence in the integrity of the
31 electoral system. Each candidate shall be a qualified elector who has not,
32 in the previous five years in this state, been appointed to, been elected
33 to, or run for any public office, including precinct committeeman, or served
34 as an officer of a political party.

35 C. Initially, the commission on appellate court appointments shall
36 nominate five slates, each having three candidates, before January 1, 1999.
37 No later than February 1, 1999, the governor shall select one candidate from
38 one of the slates to serve on the commission for a term ending January 31,
39 2004. Next, the highest-ranking official holding a statewide office who is
40 not a member of the same political party as the governor shall select one
41 candidate from another one of the slates to serve on the commission for a
42 term ending January 31, 2003. Next, the second-highest-ranking official
43 holding a statewide office who is a member of the same political party as the
44 governor shall select one candidate from one of the three remaining slates to
45 serve on the commission for a term ending January 31, 2002. Next, the

1 second-highest-ranking official holding a statewide office who is not a
2 member of the same political party as the governor shall select one candidate
3 from one of the two remaining slates to serve on the commission for a term
4 ending January 31, 2001. Finally, the third-highest-ranking official holding
5 a statewide office who is a member of the same political party as the
6 governor shall elect one candidate from the last slate to serve on the
7 commission for a term ending January 31, 2000. For ~~purpose~~ THE PURPOSES of
8 this section, the ranking of officials holding statewide office shall be
9 governor, secretary of state, attorney general, treasurer, superintendent of
10 public instruction, corporation commissioners in order of seniority, mine
11 inspector, ~~the members of the supreme court in order of seniority,~~ senate
12 majority and minority leaders, and house majority and minority leaders.

13 D. One commissioner shall be appointed for a five-year term beginning
14 February 1 of every year beginning with the year 2000. ~~The commission on~~
15 ~~appellate court appointments shall nominate one slate of three candidates~~
16 Before ~~January~~ FEBRUARY 1 of each year beginning in the year 2000, and the
17 governor and the highest-ranking official holding a statewide office who is
18 not a member of the same political party as the governor shall alternate
19 filling such vacancies. The vacancy in the year 2000 shall be filled by the
20 governor.

21 E. Members of the commission may be removed by the governor, with
22 concurrence of the senate, for substantial neglect of duty, gross misconduct
23 in office, inability to discharge the powers and duties of office, or
24 violation of this section, after written notice and opportunity for a
25 response.

26 F. If a commissioner does not complete ~~his or her~~ THE COMMISSIONER'S
27 term of office for any reason, ~~the commission on appellate court appointments~~
28 ~~shall nominate one slate of three candidates as soon as possible in the first~~
29 ~~thirty days after the commissioner vacates his or her office and a~~
30 replacement shall be selected ~~from the slate~~ within thirty days ~~of nomination~~
31 ~~of the slate~~ AFTER THE VACANCY OCCURS. The highest-ranking official holding
32 a statewide office who is a member of the political party of the official who
33 nominated the commissioner who vacated office shall nominate the replacement,
34 who shall serve as commissioner for the unexpired portion of the term. A
35 vacancy or vacancies shall not impair the right of the remaining members to
36 exercise all of the powers of the board.

37 G. Commissioners are eligible to receive compensation in an amount of
38 two hundred dollars for each day on which the commission meets and
39 reimbursement of expenses pursuant to title 38, chapter 4, article 2.

40 H. The commissioners shall elect a chair to serve for each
41 calendar-year period from among their members whose terms expire after the
42 conclusion of that year. Three commissioners shall constitute a quorum.

43 I. A member of the commission shall serve no more than one term and is
44 not eligible for reappointment. No commissioner, during ~~his or her~~ THE
45 COMMISSIONER'S tenure or for three years thereafter, shall seek or hold any

1 other public office, serve as an officer of any political committee,~~—~~ or
2 employ or be employed as a lobbyist.

3 J. The commission shall appoint an executive director who shall not be
4 a member of the commission and who shall serve at the pleasure of the
5 commission. The executive director is eligible to receive compensation set
6 by the board within the range determined under section 38-611. The executive
7 director, subject to title 41, chapter 4, articles 5 and 6, shall employ,
8 determine the conditions of employment,~~—~~ and specify the duties of
9 administrative, secretarial,~~—~~ and clerical employees as the director deems
10 necessary.

11 Sec. 15. Subject to the requirements of article IV, part 1, section 1,
12 Constitution of Arizona, section 16-956, Arizona Revised Statutes, is amended
13 to read:

14 16-956. Voter education and enforcement duties

15 A. The commission shall:

16 1. Develop a procedure for publishing a document or section of a
17 document having a space of predefined size for a message chosen by each
18 candidate. For the document that is mailed before the primary election, the
19 document shall contain the names of every candidate for every statewide and
20 legislative district office in that primary election without regard to
21 whether the candidate is a participating candidate or a nonparticipating
22 candidate. For the document that is mailed before the general election, the
23 document shall contain the names of every candidate for every statewide and
24 legislative district office in that general election without regard to
25 whether the candidate is a participating candidate or a nonparticipating
26 candidate. The commission shall mail one copy of each document to every
27 household that contains a registered voter. For the document that is mailed
28 before the primary election, the mailing may be made over a period of days
29 but shall be mailed in order to be delivered to households before the
30 earliest date for receipt by registered voters of any requested early ballots
31 for the primary election. The commission may mail the second document over a
32 period of days but shall mail the second document in order to be delivered to
33 households before the earliest date for receipt by registered voters of any
34 requested early ballots for the general election. The primary election and
35 general election documents published by the commission shall comply with all
36 of the following:

37 (a) For any candidate who does not submit a message pursuant to this
38 paragraph, the document shall include with the candidate's listing the words
39 "no statement submitted".

40 (b) The document shall have printed on its cover the words "~~citizens~~
41 ~~clean~~ PUBLICLY FUNDED elections commission voter education guide" and the
42 words "primary election" or "general election" and the applicable year. The
43 document shall also contain at or near the bottom of the document cover in
44 type that is no larger than one-half the size of the type used for "~~citizens~~

1 ~~clean~~ PUBLICLY FUNDED elections commission voter education guide" the words
2 "paid for by the ~~citizens-clean~~ PUBLICLY FUNDED elections fund".

3 (c) In order to prevent voter confusion, the document shall be easily
4 distinguishable from the publicity pamphlet that is required to be produced
5 by the secretary of state pursuant to section 19-123.

6 2. Sponsor debates among candidates, in such manner as determined by
7 the commission. The commission shall require participating candidates to
8 attend and participate in debates and may specify by rule penalties for
9 nonparticipation. The commission shall invite and permit nonparticipating
10 candidates to participate in debates.

11 3. Prescribe forms for reports, statements, notices and other
12 documents required by this article.

13 4. Prepare and publish instructions setting forth methods of
14 bookkeeping and preservation of records to facilitate compliance with this
15 article and explaining the duties of persons and committees under this
16 article.

17 5. Produce a yearly report describing the commission's activities and
18 any recommendations for changes of law, administration or funding amounts and
19 accounting for monies in the fund.

20 6. Adopt rules to implement the reporting requirements of section
21 16-958, subsections D and E.

22 7. Enforce ~~the provisions of~~ this article, ensure that money from the
23 fund is placed in candidate campaign accounts or otherwise spent as specified
24 in this article and not otherwise, monitor reports filed pursuant to this
25 chapter and financial records of candidates as needed to ensure that
26 equalization monies are paid promptly to opposing qualified candidates under
27 section 16-952 and ensure that money required by this article to be paid to
28 the fund is deposited in the fund. **THE COMMISSION SHALL NOT TAKE ACTION ON
29 ANY EXTERNAL COMPLAINT THAT IS FILED MORE THAN SIXTY DAYS AFTER THE
30 POSTELECTION REPORT IS FILED OR SIXTY DAYS AFTER CANVASS OF THE ELECTION,
31 WHICHEVER IS LATER.**

32 B. The commission may subpoena witnesses, compel their attendance and
33 testimony, administer oaths and affirmations, take evidence and require by
34 subpoena the production of any books, papers, records or other items material
35 to the performance of the commission's duties or the exercise of its powers.

36 C. The commission may adopt rules to carry out the purposes of this
37 article and to govern procedures of the commission. Commission rule making
38 is exempt from title 41, chapter 6, article 3, ~~except that the commission
39 shall submit the rules for publication and the secretary of state shall
40 publish the rules in the Arizona administrative register.~~ The commission
41 shall propose and adopt rules in public meetings, with at least sixty days
42 allowed for interested parties to comment after the rules are proposed. **THE
43 COMMISSION SHALL ALSO FILE A NOTICE OF EXEMPT RULE MAKING AND THE PROPOSED
44 RULE IN THE FORMAT PRESCRIBED IN SECTION 41-1022 WITH THE SECRETARY OF
45 STATE'S OFFICE FOR PUBLICATION IN THE ARIZONA ADMINISTRATIVE REGISTER. AFTER**

1 CONSIDERATION OF THE COMMENTS RECEIVED IN THE SIXTY DAY COMMENT PERIOD, THE
2 COMMISSION MAY ADOPT THE RULE IN AN OPEN MEETING. ANY RULES GIVEN FINAL
3 APPROVAL IN AN OPEN MEETING SHALL BE FILED IN THE FORMAT PRESCRIBED IN
4 SECTION 41-1022 WITH THE SECRETARY OF STATE'S OFFICE FOR PUBLICATION IN THE
5 ARIZONA ADMINISTRATIVE REGISTER. ANY RULES ADOPTED BY THE COMMISSION SHALL
6 ONLY BE APPLIED PROSPECTIVELY FROM THE DATE THE RULE WAS ADOPTED.

7 D. BEGINNING JANUARY 1, 2010, RULES ADOPTED BY THE COMMISSION ARE NOT
8 EFFECTIVE UNTIL THE ELECTION CYCLE IMMEDIATELY FOLLOWING THE DATE THE RULES
9 ARE ADOPTED.

10 ~~D.~~ E. Based on the results of the elections in the year 2002 or any
11 quadrennial election thereafter, and within six months after such election,
12 the commission may adopt rules changing the number of qualifying
13 contributions required for any office from those listed in section 16-950,
14 subsection D, by no more than twenty per cent of the number applicable for
15 the preceding election.

16 Sec. 16. Subject to the requirements of article IV, part 1, section 1,
17 Constitution of Arizona, section 16-958, Arizona Revised Statutes, is amended
18 to read:

19 16-958. Manner of filing reports

20 A. Any person who has previously reached the dollar amount specified
21 in section 16-941, subsection D for filing an original report shall file a
22 supplemental report each time previously unreported independent expenditures
23 specified by that subsection exceeds one thousand dollars. Any person who
24 has previously reached the dollar amounts specified in section 16-941,
25 subsection B, paragraph 2 for filing an original report shall file a
26 supplemental report to declare that previously unreported expenditures or
27 contributions specified by that paragraph exceed ~~(1)~~ ten percent PER CENT of
28 the original primary election spending limit or twenty-five thousand dollars,
29 whichever is lower, before the general election period, or ~~(2)~~ ten percent
30 PER CENT of the original general election spending limit or twenty-five
31 thousand dollars, whichever is lower, during the general election period.
32 Such reports shall be filed at the times specified in subsection B of this
33 section and shall identify the dollar amount being reported, the candidate,
34 and the date AND NO OTHER DETAIL IS REQUIRED IN REPORTS MADE PURSUANT TO THIS
35 SECTION. THE COMMISSION MAY REQUEST FROM TIME TO TIME THAT ADDITIONAL DETAIL
36 BE PROVIDED AND ON REQUEST THE PARTICIPATING CANDIDATE SHALL PROVIDE THE
37 INFORMATION WITHIN A REASONABLE TIME.

38 B. Any person who must file an original report pursuant to section
39 16-941, subsection B, paragraph 2 or subsection D, or who must file a
40 supplemental report for previously unreported amounts pursuant to subsection
41 A of this section, shall file as follows:

42 1. Before the beginning of the primary election period, the person
43 shall file a report on the first of each month, unless the person has not
44 reached the dollar amount for filing an original or supplemental report on
45 that date.

1 2. Thereafter, except as stated in paragraph 3 of this subsection, the
2 person shall file a report on any Tuesday by which the person has reached the
3 dollar amount for filing an original or supplemental report.

4 3. During the last two weeks before the primary election and the last
5 two weeks before the general election, the person shall file a report within
6 one business day of reaching the dollar amount for filing an original or
7 supplemental report.

8 C. Any filing under this article on behalf of a candidate may be made
9 by the candidate's campaign committee. All candidates shall deposit any
10 check received by and intended for the campaign and made payable to the
11 candidate or the candidate's campaign committee, and all cash received by and
12 intended for the campaign, in the candidate's campaign account before the due
13 date of the next report specified in subsection B of this section. No
14 candidate or person acting on behalf of a candidate shall conspire with a
15 donor to postpone delivery of a donation to the campaign for the purpose of
16 postponing the reporting of the donation in any subsequent report.

17 D. The secretary of state shall immediately notify the commission of
18 the filing of each report under this section and deliver a copy of the report
19 to the commission, and the commission shall promptly mail or otherwise
20 deliver a copy of each report filed pursuant to this section to all
21 participating candidates opposing the candidate identified in section 16-941,
22 subsection B, paragraph 2 or subsection D.

23 E. Any report filed pursuant to this section or section 16-916,
24 subsection A, paragraph 1 or subsection B shall be filed in electronic
25 format. The secretary of state shall distribute computer software to
26 political committees to accommodate such electronic filing.

27 F. During the primary election period and the general election period,
28 all candidates shall make available for public inspection all bank accounts,
29 campaign finance reports, ~~and~~ and financial records relating to the candidate's
30 campaign, either by immediate disclosure through electronic means or at the
31 candidate's campaign headquarters, in accordance with rules adopted by the
32 commission.

33 Sec. 17. Subject to the requirements of article IV, part 1, section 1,
34 Constitution of Arizona, section 16-959, Arizona Revised Statutes, is amended
35 to read:

36 16-959. Inflationary and other adjustments of dollar values

37 A. Every two years, the secretary of state shall modify the dollar
38 values specified in the following parts of this article, in the manner
39 specified by section 16-905, subsection J, to account for inflation: section
40 16-941, subsection A, paragraph 2 or subsection D; section 16-942, subsection
41 B; ~~section 16-944;~~ section 16-945, subsection A, paragraphs 1 and 2; section
42 16-948, ~~paragraph~~ SUBSECTION C; section 16-954, subsection B; section 16-955,
43 subsection G; and section 16-961, subsections G and H. In addition, the
44 secretary of state shall make a similar inflation adjustment by modifying the
45 dollar values in section 16-949, subsection A and section 16-954, subsection

1 A to the nearest dollar. In addition, every two years, the secretary of
2 state shall change the dollar values in section 16-961, subsections G and H
3 in proportion to the change in the number of Arizona resident personal income
4 tax returns filed during the previous calendar year.

5 B. Based on the results of the elections in the year 2002 or any
6 quadrennial election thereafter, and within six months after such election,
7 the commission may adopt rules in a public meeting reallocating funds
8 available to all candidates between the primary and general elections by
9 selecting a fraction for primary election spending limits that is between one
10 third and one half of the spending limits for the election as a whole. For
11 each office, the primary election spending limit shall be modified to be the
12 sum of the primary and general spending limits times the selected fraction,
13 and the general election spending limit shall be modified to be the same sum
14 times one less the selected fraction.

15 Sec. 18. Subject to the requirements of article IV, part 1, section 1,
16 Constitution of Arizona, section 16-960, Arizona Revised Statutes, is amended
17 to read:

18 16-960. Severability

19 If a provision of this act or its application to any person or
20 circumstance is held invalid, the invalidity does not affect other provisions
21 or applications of the act that can be given effect without the invalid
22 provision or application, and to this end the provisions of this act are
23 severable. In any court challenge to the validity of this article, the
24 commission and Arizonans for ~~clean~~ PUBLICLY FUNDED elections shall have
25 standing to intervene.

26 Sec. 19. Subject to the requirements of article IV, part 1, section 1,
27 Constitution of Arizona, section 16-961, Arizona Revised Statutes, is amended
28 to read:

29 16-961. Definitions

30 A. The terms "candidate's campaign committee," "contribution,"
31 "expenditures," "exploratory committee," "independent expenditure," "personal
32 monies," "political committee," and "statewide office" are defined in
33 section 16-901.

34 B. 1. "Election cycle" means the period between successive general
35 elections for a particular office.

36 2. "Exploratory period" means the period beginning on the day after a
37 general election and ending the day before the start of the qualifying
38 period.

39 3. "Qualifying period" means the period beginning on the first day of
40 August in a year preceding an election, for an election for a statewide
41 office, or on the first day of January of an election year, for an election
42 for legislator, and ending seventy-five days before the day of the general
43 election.

44 4. "Primary election period" means the nine-week period ending on the
45 day of the primary election.

1 5. "General election period" means the period beginning on the day
2 after the primary election and ending on the day of the general election.
3 6. For any recall election, the qualifying period shall begin when the
4 election is called and last for thirty days, there shall be no primary
5 election period, ~~and~~ and the general election period shall extend from the day
6 after the end of the qualifying period to the day of the recall election.
7 For recall elections, any reference to "general election" in this article
8 shall be treated as if referring to the recall election.
9 C. 1. "Participating candidate" means a candidate who becomes
10 certified as a participating candidate pursuant to section 16-947.
11 2. "Nonparticipating candidate" means a candidate who does not become
12 certified as a participating candidate pursuant to section 16-947.
13 3. Any limitation of this article that is applicable to a
14 participating candidate or a nonparticipating candidate shall also apply to
15 that candidate's campaign committee or exploratory committee.
16 D. "Commission" means the ~~citizens-clean~~ PUBLICLY FUNDED elections
17 commission established pursuant to section 16-955.
18 E. "Fund" means the ~~citizens-clean-election~~ PUBLICLY FUNDED ELECTIONS
19 fund defined by this article.
20 F. 1. "Party nominee" means a person who has been nominated by a
21 political party pursuant to ~~sections~~ SECTION 16-301 or 16-343.
22 2. "Independent candidate" means a candidate who has properly filed
23 nominating papers and nominating petitions with signatures pursuant to
24 section 16-341.
25 3. "Unopposed," ~~MEANS~~ MEANS with reference to an election for:
26 (a) A member of the house of representatives, ~~means~~ opposed by no more
27 than one other candidate RUNNING IN THE SAME DISTRICT.
28 (b) A MEMBER OF THE CORPORATION COMMISSION, OPPOSED BY FEWER THAN THE
29 NUMBER OF CORPORATION COMMISSION SEATS OPEN AT THAT ELECTION FOR WHICH THE
30 TERM OF OFFICE ENDS ON THE SAME DATE.
31 (c) ALL OTHER OFFICES, OPPOSED BY NO OTHER CANDIDATE RUNNING IN THAT
32 DISTRICT OR RUNNING FOR THAT SAME OFFICE AND TERM.
33 G. "Primary election spending limits" means:
34 1. For a candidate for THE legislature, ten thousand dollars.
35 2. For A candidate for mine inspector, ~~twenty~~ THIRTY-EIGHT thousand
36 TWO HUNDRED TWENTY-FOUR dollars.
37 3. For a candidate for treasurer, superintendent of public
38 instruction, ~~or~~ THE corporation commission, ~~forty~~ SEVENTY-SIX thousand FOUR
39 HUNDRED THIRTY-TWO dollars.
40 4. For a candidate for secretary of state or attorney general, ~~eighty~~
41 ONE HUNDRED FIFTY-TWO thousand EIGHT HUNDRED EIGHTY dollars.
42 5. For a candidate for governor, ~~three-hundred-eighty~~ FIVE HUNDRED
43 NINETY thousand FOUR dollars.
44 H. "General election spending limits" means amounts fifty ~~percent~~ PER
45 CENT greater than the amounts specified in subsection G of this section.

1 I. 1. "Original" spending limit means a limit specified in
2 subsections G and H of this section, as adjusted pursuant to section 16-959,
3 or a special amount expressly set for a particular candidate by a provision
4 of this title.

5 2. "Adjusted" spending limit means an original spending limit as
6 further adjusted to account for reported overages pursuant to section 16-952.

7 Sec. 20. Legislative declaration; furthering the purpose

8 The legislature hereby finds and declares that the provisions of this
9 act further the purposes of the citizens clean elections act adopted in 1998
10 as proposition 200 and enacted into law in title 16, chapter 6, article 2,
11 Arizona Revised Statutes, and that this act fully complies with the
12 requirements of article IV, part 1, section 1, Constitution of Arizona.

13 Sec. 21. Nonseverability

14 If any portion of this act is finally adjudicated invalid, the entire
15 act is void.

16 Sec. 22. Requirements for enactment; three-fourths vote

17 Pursuant to article IV, part 1, section 1, Constitution of Arizona,
18 sections 16-940, 16-941, 16-947, 16-949, 16-950, 16-951, 16-952, 16-953,
19 16-954, 16-955, 16-956, 16-958, 16-959, 16-960 and 16-961, Arizona Revised
20 Statutes, as amended by this act, and sections 3 and 6 of this act are
21 effective only on the affirmative vote of at least three-fourths of the
22 members of each house of the legislature.