

State of Arizona
Senate
Forty-eighth Legislature
First Regular Session
2007

SENATE BILL 1188

AN ACT

AMENDING SECTIONS 16-940, 16-941, 16-947, 16-949, 16-950, 16-951, 16-952, 16-953, 16-954, 16-955, 16-956, 16-960 AND 16-961, ARIZONA REVISED STATUTES; CHANGING THE DESIGNATION OF TITLE 16, CHAPTER 6, ARTICLE 2, ARIZONA REVISED STATUTES, TO "PUBLICLY FUNDED ELECTIONS ACT"; RELATING TO CAMPAIGN CONTRIBUTIONS AND EXPENSES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Heading change

3 Subject to the requirements of article IV, part 1, section 1,
4 Constitution of Arizona, the article heading of title 16, chapter 6, article
5 2, Arizona Revised Statutes, is changed from "~~CITIZENS CLEAN ELECTIONS ACT~~"
6 to "~~PUBLICLY FUNDED ELECTIONS ACT~~".

7 Sec. 2. Subject to the requirements of article IV, part 1, section 1,
8 Constitution of Arizona, section 16-940, Arizona Revised Statutes, is amended
9 to read:

10 ~~16-940.~~ Findings and declarations

11 A. The people of Arizona declare our intent to create a ~~clean~~ ~~PUBLICLY~~
12 ~~FUNDED~~ elections system that will improve the integrity of Arizona state
13 government by diminishing the influence of special-interest money, will
14 encourage citizen participation in the political process, ~~and~~ will promote
15 freedom of speech under the ~~U.S.~~ ~~UNITED STATES~~ and Arizona Constitutions.
16 Campaigns will become more issue-oriented and less negative because there
17 will be no need to challenge the sources of campaign money.

18 B. The people of Arizona find that our current election-financing
19 system:

20 1. Allows Arizona elected officials to accept large campaign
21 contributions from private interests over which they have governmental
22 jurisdiction. ~~;~~

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

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

25 4. Effectively suppresses the voices and influence of the vast
26 majority of Arizona citizens in favor of a small number of wealthy special
27 interests. ~~;~~

28 5. Undermines public confidence in the integrity of public
29 officials. ~~;~~

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

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

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

37 Sec. 3. Subject to the requirements of article IV, part 1, section 1,
38 Constitution of Arizona, section 16-941, Arizona Revised Statutes, is amended
39 to read:

40 ~~16-941.~~ Limits on spending and contributions for political
41 campaigns

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

43 1. Shall not accept any contributions, other than a limited number of
44 five-dollar qualifying contributions as specified in section 16-946 and early

1 contributions as specified in section 16-945, except in the emergency
2 situation specified in section 16-954, subsection F.

3 2. Shall not make expenditures of more than a total of five hundred
4 dollars of the candidate's personal monies for a candidate for THE
5 legislature or more than one thousand dollars for a candidate for statewide
6 office.

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

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

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

14 B. Notwithstanding any law to the contrary, a nonparticipating
15 candidate:

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

22 2. Shall comply with section 16-958 regarding reporting, including
23 filing reports with the secretary of state indicating whenever EITHER OF THE
24 FOLLOWING OCCURS:

25 (a) Expenditures other than independent expenditures on behalf of the
26 candidate, from the beginning of the election cycle to any date up to primary
27 election day, exceed seventy ~~percent~~ PER CENT of the original primary
28 election spending limit applicable to a participating candidate seeking the
29 same office. ~~, or~~

30 (b) Contributions to a candidate, from the beginning of the election
31 cycle to any date during the general election period, less expenditures made
32 from the beginning of the election cycle through primary election day, exceed
33 seventy ~~percent~~ PER CENT of the original general election spending limit
34 applicable to a participating candidate seeking the same office.

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

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

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

1 D. Notwithstanding any law to the contrary, any person who makes
2 independent expenditures related to a particular office cumulatively
3 exceeding five hundred dollars in an election cycle, with the exception of
4 any expenditure listed in section 16-920 and any independent expenditure by
5 an organization arising from a communication directly to the organization's
6 members, shareholders, employees, affiliated persons, ~~and~~ subscribers, shall
7 file reports with the secretary of state in accordance with section 16-958 so
8 indicating, identifying the office and the candidate or group of candidates
9 whose election or defeat is being advocated, ~~and~~ stating whether the person
10 is advocating election or advocating defeat.

11 Sec. 4. Subject to the requirements of article IV, part 1, section 1,
12 Constitution of Arizona, section 16-947, Arizona Revised Statutes, is amended
13 to read:

14 16-947. Certification as a participating candidate

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

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

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

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

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

30 C. The commission shall act on the application within one week.
31 Unless, within that time, the commission denies an application and provides
32 written reasons that all or part of a certification in subsection B of this
33 section is incomplete or untrue, the candidate shall be certified as a
34 participating candidate. If the commission denies an application for failure
35 to file all complete and accurate campaign finance reports or failure to make
36 the certification in subsection B, paragraph 3 of this section, the candidate
37 may reapply within two weeks of the commission's decision by filing complete
38 and accurate campaign finance reports and another sworn certification.

39 Sec. 5. Subject to the requirements of article IV, part 1, section 1,
40 Constitution of Arizona, section 16-949, Arizona Revised Statutes, is amended
41 to read:

42 16-949. Caps on spending from publicly funded elections fund

43 A. The commission shall not spend, on all costs incurred under this
44 article during a particular calendar year, more than five dollars times the
45 number of Arizona resident personal income tax returns filed during the

1 previous calendar year. Tax reductions and tax credits awarded to taxpayers
2 pursuant to section 16-954, subsections A and B shall not be considered costs
3 incurred under this article for purposes of this section. The commission may
4 exceed this limit during a calendar year, provided that it is offset by an
5 equal reduction of the limit during another calendar year during the same
6 four-year period beginning January 1 immediately after a gubernatorial
7 election.

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

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

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

22 Sec. 6. Subject to the requirements of article IV, part 1, section 1,
23 Constitution of Arizona, section 16-950, Arizona Revised Statutes, is amended
24 to read:

25 16-950. Qualification for publicly funded campaign funding

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

30 B. To receive any ~~clean~~ PUBLIC campaign funding, the candidate must
31 present to the secretary of state no later than one week after the end of the
32 qualifying period a list of names of persons who have made qualifying
33 contributions pursuant to section 16-946 on behalf of the candidate. The
34 list shall be divided by county. At the same time, the candidate must tender
35 to the secretary of state the original reporting slips identified in section
36 16-946, subsection C for persons on the list and an amount equal to the sum
37 of the qualifying contributions collected. The secretary of state shall
38 deposit the amount into the fund.

39 C. The secretary of state shall select at random a sample of five
40 ~~percent~~ PER CENT of the number of non-duplicative names on the list and
41 forward facsimiles of the selected reporting slips to the county recorders
42 for the counties of the addresses specified in the selected slips. Within
43 ten days, the county recorders shall provide a report to the secretary of
44 state identifying as disqualified any slips that are unsigned or undated or
45 that the recorder is unable to verify as matching a person who is registered

1 to vote in the electoral district of the office the candidate is seeking on
2 the date specified on the slip. The secretary of state shall multiply the
3 number of slips not disqualified by twenty, and if the result is greater than
4 one hundred ten per cent of the quantity required, shall approve the
5 candidate for funds, and if the result is less than ninety per cent of the
6 quantity required, shall deny the application for funds. Otherwise, the
7 secretary of state shall forward facsimiles of all of the slips to the county
8 recorders for verification, and the county recorders shall check all slips in
9 accordance with the process above. A county recorder shall report verified
10 totals daily to the secretary of state until a determination is made that a
11 sufficient number of verified slips has been submitted. If a sufficient
12 number of verified slips has been submitted to one or more county recorders,
13 the county recorders may stop the verification process.

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

- 17 1. For a candidate for legislature, two hundred.
- 18 2. For candidate for mine inspector, five hundred.
- 19 3. For a candidate for treasurer, superintendent of public instruction
20 or corporation commission, one thousand five hundred.
- 21 4. For a candidate for secretary of state or attorney general, two
22 thousand five hundred.
- 23 5. For a candidate for governor, four thousand.

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

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

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

35 Sec. 7. Subject to the requirements of article IV, part 1, section 1,
36 Constitution of Arizona, section 16-951, Arizona Revised Statutes, is amended
37 to read:

38 16-951. Public campaign funding

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

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

1 2. For an independent candidate who qualifies for ~~clean~~ PUBLIC
2 campaign funding, an amount equal to seventy ~~percent~~ PER CENT of the sum of
3 the original primary election spending limit and the original general
4 election spending limit. ~~;~~ ~~or~~

5 3. For a qualified participating candidate who is unopposed for an
6 office in that candidate's primary, in the primary of any other party, ~~and~~
7 by any opposing independent candidate, an amount equal to five dollars times
8 the number of qualifying contributions for that candidate certified by the
9 commission.

10 B. At any time after the first day of January of an election year, any
11 candidate who has met the requirements of section 16-950 may sign and cause
12 to be filed a nomination paper in the form specified by section 16-311,
13 subsection A, with a nominating petition and signatures, instead of filing
14 such papers after the earliest time set for filing specified by that
15 subsection. Upon such filing and verification of the signatures, the
16 commission shall pay the amount specified in subsection A of this section
17 immediately, rather than waiting for the beginning of the primary election
18 period.

19 C. At the beginning of the general election period, the commission
20 shall pay from the fund to the campaign account of each candidate who
21 qualifies for ~~clean~~ PUBLIC campaign funding for the general election, except
22 those candidates identified in subsection A, paragraphs 2 or 3 or subsection
23 D of this section, an amount equal to the original general election spending
24 limit.

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

31 E. The special original general election spending limit, for a
32 candidate who has received funds pursuant to subsection A, paragraphs 2 or 3
33 or subsection D of this section, shall be equal to the amount that the
34 commission is obligated to pay to that candidate.

35 Sec. 8. Subject to the requirements of article IV, part 1, section 1,
36 Constitution of Arizona, section 16-952, Arizona Revised Statutes, is amended
37 to read:

38 16-952. Equal funding of candidates

39 A. Whenever during a primary election period a report is filed, or
40 other information comes to the attention of the commission, indicating that a
41 nonparticipating candidate who is not unopposed in that primary has made
42 expenditures during the election cycle to date exceeding the original primary
43 election spending limit, including any previous adjustments, the commission
44 shall immediately pay from the fund to the campaign account of any
45 participating candidate in the same party primary as the nonparticipating

1 candidate an amount equal to any excess of the reported amount over the
2 primary election spending limit, as previously adjusted, and the primary
3 election spending limit for all such participating candidates shall be
4 adjusted by increasing it by the amount that the commission is obligated to
5 pay to a participating candidate.

6 B. Whenever during a general election period a report has been filed,
7 or other information comes to the attention of the commission, indicating
8 that the amount a nonparticipating candidate who is not unopposed has
9 received in contributions during the election cycle to date less the amount
10 of expenditures the nonparticipating candidate made through the end of the
11 primary election period exceeds the original general election spending limit,
12 including any previous adjustments, the commission shall immediately pay from
13 the fund to the campaign account of any participating candidate qualified for
14 the ballot and seeking the same office as the nonparticipating candidate an
15 amount equal to any excess of the reported difference over the general
16 election spending limit, as previously adjusted, and the general election
17 spending limit for all such participating candidates shall be adjusted by
18 increasing it by the amount that the commission is obligated to pay to a
19 participating candidate.

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

22 1. Independent expenditures against a participating candidate shall be
23 treated as expenditures of each opposing candidate, for purpose of subsection
24 A of this section, or contributions to each opposing candidate, ~~or~~ FOR
25 purpose of subsection B of this section.

26 2. Independent expenditures in favor of one or more nonparticipating
27 opponents of a participating candidate shall be treated as expenditures of
28 those nonparticipating candidates, for purpose of subsection A of this
29 section, or contributions to those nonparticipating candidates, for purpose
30 of subsection B of this section.

31 3. Independent expenditures in favor of a participating candidate
32 shall be treated, for every opposing participating candidate, as though the
33 independent expenditures were an expenditure of a nonparticipating opponent,
34 for purpose of subsection A of this section, or a contribution to a
35 nonparticipating opponent, for purpose of subsection B of this section.

36 4. Expenditures made during the primary election period by or on
37 behalf of an independent candidate or a nonparticipating candidate who is
38 unopposed in a party primary, ~~shall~~ shall be treated as though made during the
39 general election period, and equalizing funds pursuant to subsection B of
40 this section shall be paid at the start of the general election period.

41 5. Expenditures made before the general election period that consist
42 of a contract, promise, ~~or~~ or agreement to make an expenditure during the
43 general election period resulting in an extension of credit shall be treated
44 as though made during the general election period, and equalizing funds

1 pursuant to subsection B of this section shall be paid at the start of the
2 general election period.

3 6. Expenditures for or against a participating candidate promoting or
4 opposing more than one candidate who are not running for the same office
5 shall be allocated by the commission among candidates for different offices
6 based on the relative size or length and relative prominence of the reference
7 to candidates for different offices.

8 D. Upon applying for citizen funding pursuant to section 16-950, a
9 participating candidate for THE legislature in a one-party-dominant
10 legislative district who is qualified for ~~clean~~ PUBLIC campaign funding for
11 the party primary election of the dominant party may choose to reallocate a
12 portion of funds from the general election period to the primary election
13 period. At the beginning of the primary election period, the commission
14 shall pay from the fund to the campaign account of a participating candidate
15 who makes this choice an extra amount equal to fifty ~~percent~~ PER CENT of the
16 original primary election spending limit, and the original primary election
17 spending limit for the candidate who makes this choice shall be increased by
18 the extra amount. For a primary election in which one or more participating
19 candidates have made this choice, funds shall be paid under subsections A and
20 B of this section only to the extent of any excess over the original primary
21 election spending limit as so increased. If a participating candidate who
22 makes this choice becomes qualified for ~~clean~~ PUBLIC campaign funding for the
23 general election, the amount the candidate receives at the beginning of the
24 general election period shall be reduced by the extra amount received at the
25 beginning of the primary election period, and the original general election
26 spending limit for that candidate shall be reduced by the extra amount. For
27 a general election in which a participating candidate has made this choice,
28 funds shall be paid under subsections A and B of this section only to the
29 extent of any excess over the original general election spending limit,
30 without such reduction, unless the candidate who has made this choice is the
31 only participating candidate in the general election, in which case such
32 funds shall be paid to the extent of excess over the original general
33 election spending limit with such reduction. For purpose of this subsection,
34 a one-party-dominant legislative district is a district in which the number
35 of registered voters registered in the party with the highest number of
36 registered voters exceeds the number of registered voters registered to each
37 of the other parties by an amount at least as high as ten ~~percent~~ PER CENT of
38 the total number of voters registered in the district. The status of a
39 district as a one-party-dominant legislative district shall be determined as
40 of the beginning of the qualifying period.

41 E. If an adjusted spending limit reaches three times the original
42 spending limit for a particular election, ~~then~~ the commission shall not pay
43 any further amounts from the fund to the campaign account of any
44 participating candidate, and the spending limit shall not be adjusted
45 further.

1 Sec. 9. Subject to the requirements of article IV, part 1, section 1,
2 Constitution of Arizona, section 16-953, Arizona Revised Statutes, is amended
3 to read:

4 16-953. Return of monies to the publicly funded elections fund

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

11 B. At the end of the general election period, a participating
12 candidate shall return to the fund all monies in the candidate's campaign
13 account above an amount sufficient to pay any unpaid bills for expenditures
14 made before the general election and for goods or services directed to the
15 general election.

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

22 D. If a participating candidate is replaced pursuant to section
23 16-343, and the replacement candidate files an oath with the secretary of
24 state certifying to section 16-947, subsection B, paragraph 3, the campaign
25 account of the participating candidate shall be transferred to the
26 replacement candidate and the commission shall certify the replacement
27 candidate as a participating candidate without requiring compliance with
28 section 16-950 or the remainder of section 16-947. If the replacement
29 candidate does not file ~~such an~~ THIS oath, the campaign account shall be
30 liquidated and all remaining monies returned to the fund.

31 Sec. 10. Subject to the requirements of article IV, part 1, section 1,
32 Constitution of Arizona, section 16-954, Arizona Revised Statutes, is amended
33 to read:

34 16-954. Publicly funded elections tax reduction; return of
35 excess monies

36 A. For tax years beginning on or after January 1, 1998, a taxpayer who
37 files on a state income tax return form may designate a five-dollar voluntary
38 contribution per taxpayer to the fund by marking an optional check-off box on
39 the first page of the form. A taxpayer who checks this box shall receive a
40 five-dollar reduction in the amount of tax, and five dollars from the amount
41 of taxes paid shall be transferred by the department of revenue to the fund.
42 The department of revenue shall provide check-off boxes, identified as the
43 ~~clean~~ PUBLICLY FUNDED elections fund tax reduction, on the first page of
44 income tax return forms, for designations pursuant to this subsection.

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

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

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

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

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

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

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

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

10 Sec. 11. Subject to the requirements of article IV, part 1, section 1,
11 Constitution of Arizona, section 16-955, Arizona Revised Statutes, is amended
12 to read:

13 16-955. Citizens publicly funded commission; structure

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

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

30 C. Initially, the commission on appellate court appointments shall
31 nominate five slates, each having three candidates, before January 1, 1999.
32 No later than February 1, 1999, the governor shall select one candidate from
33 one of the slates to serve on the commission for a term ending January 31,
34 2004. Next, the highest-ranking official holding a statewide office who is
35 not a member of the same political party as the governor shall select one
36 candidate from another one of the slates to serve on the commission for a
37 term ending January 31, 2003. Next, the second-highest-ranking official
38 holding a statewide office who is a member of the same political party as the
39 governor shall select one candidate from one of the three remaining slates to
40 serve on the commission for a term ending January 31, 2002. Next, the
41 second-highest-ranking official holding a statewide office who is not a
42 member of the same political party as the governor shall select one candidate
43 from one of the two remaining slates to serve on the commission for a term
44 ending January 31, 2001. Finally, the third-highest-ranking official holding
45 a statewide office who is a member of the same political party as the

1 governor shall elect one candidate from the last slate to serve on the
2 commission for a term ending January 31, 2000. For ~~purpose~~ THE PURPOSES of
3 this section, the ranking of officials holding statewide office shall be
4 governor, secretary of state, attorney general, treasurer, superintendent of
5 public instruction, corporation commissioners in order of seniority, mine
6 inspector, the members of the supreme court in order of seniority, senate
7 majority and minority leaders, ~~and~~ house majority and minority leaders.

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

16 E. Members of the commission may be removed by the governor, with
17 concurrence of the senate, for substantial neglect of duty, gross misconduct
18 in office, inability to discharge the powers and duties of office, ~~or~~
19 violation of this section, after written notice and opportunity for a
20 response.

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

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

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

38 I. A member of the commission shall serve no more than one term and is
39 not eligible for reappointment. No commissioner, during ~~his or her~~ THE
40 COMMISSIONER'S tenure or for three years thereafter, shall seek or hold any
41 other public office, serve as an officer of any political committee, ~~or~~
42 employ or be employed as a lobbyist.

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

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

12 16-956. Voter education and enforcement duties

13 A. The commission shall:

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

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

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

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

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

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

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

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

18 6. Adopt rules to implement the reporting requirements of section
19 16-958, subsections D and E.

20 7. Enforce ~~the provisions of~~ this article, ensure that money from the
21 fund is placed in candidate campaign accounts or otherwise spent as specified
22 in this article and not otherwise, monitor reports filed pursuant to this
23 chapter and financial records of candidates as needed to ensure that
24 equalization monies are paid promptly to opposing qualified candidates under
25 section 16-952 and ensure that money required by this article to be paid to
26 the fund is deposited in the fund.

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

31 C. The commission may adopt rules to carry out the purposes of this
32 article and to govern procedures of the commission. Commission rule making
33 is exempt from title 41, chapter 6, article 3, except that the commission
34 shall submit the rules for publication and the secretary of state shall
35 publish the rules in the Arizona administrative register. The commission
36 shall propose and adopt rules in public meetings, with at least sixty days
37 allowed for interested parties to comment after the rules are proposed.

38 D. Based on the results of the elections in the year 2002 or any
39 quadrennial election thereafter, and within six months after such election,
40 the commission may adopt rules changing the number of qualifying
41 contributions required for any office from those listed in section 16-950,
42 subsection D, by no more than twenty per cent of the number applicable for
43 the preceding election.

1 Sec. 13. Subject to the requirements of article IV, part 1, section 1,
2 Constitution of Arizona, section 16-960, Arizona Revised Statutes, is amended
3 to read:

4 16-960. Severability

5 If a provision of this act or its application to any person or
6 circumstance is held invalid, the invalidity does not affect other provisions
7 or applications of the act that can be given effect without the invalid
8 provision or application, and to this end the provisions of this act are
9 severable. In any court challenge to the validity of this article, the
10 commission and Arizonans for ~~clean~~ PUBLICLY FUNDED elections shall have
11 standing to intervene.

12 Sec. 14. Subject to the requirements of article IV, part 1, section 1,
13 Constitution of Arizona, section 16-961, Arizona Revised Statutes, is amended
14 to read:

15 16-961. Definitions

16 A. The terms "candidate's campaign committee," "contribution,"
17 "expenditures," "exploratory committee," "independent expenditure," "personal
18 monies," "political committee,"~~—~~ and "statewide office" are defined in
19 section 16-901.

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

22 2. "Exploratory period" means the period beginning on the day after a
23 general election and ending the day before the start of the qualifying
24 period.

25 3. "Qualifying period" means the period beginning on the first day of
26 August in a year preceding an election, for an election for a statewide
27 office, or on the first day of January of an election year, for an election
28 for legislator, and ending seventy-five days before the day of the general
29 election.

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

32 5. "General election period" means the period beginning on the day
33 after the primary election and ending on the day of the general election.

34 6. For any recall election, the qualifying period shall begin when the
35 election is called and last for thirty days, there shall be no primary
36 election period,~~—~~ and the general election period shall extend from the day
37 after the end of the qualifying period to the day of the recall election.
38 For recall elections, any reference to "general election" in this article
39 shall be treated as if referring to the recall election.

40 C. 1. "Participating candidate" means a candidate who becomes
41 certified as a participating candidate pursuant to section 16-947.

42 2. "Nonparticipating candidate" means a candidate who does not become
43 certified as a participating candidate pursuant to section 16-947.

1 3. Any limitation of this article that is applicable to a
2 participating candidate or a nonparticipating candidate shall also apply to
3 that candidate's campaign committee or exploratory committee.

4 D. "Commission" means the ~~citizens-clean~~ PUBLICLY FUNDED elections
5 commission established pursuant to section 16-955.

6 E. "Fund" means the ~~citizens-clean-election~~ PUBLICLY FUNDED ELECTIONS
7 defined by this article.

8 F. 1. "Party nominee" means a person who has been nominated by a
9 political party pursuant to ~~sections~~ SECTION 16-301 or 16-343.

10 2. "Independent candidate" means a candidate who has properly filed
11 nominating papers and nominating petitions with signatures pursuant to
12 section 16-341.

13 3. "Unopposed," with reference to an election for a member of the
14 house of representatives, means opposed by no more than one other candidate.

15 G. "Primary election spending limits" means:

16 1. For a candidate for legislature, ten thousand dollars.

17 2. For candidate for mine inspector, twenty thousand dollars.

18 3. For a candidate for treasurer, superintendent of public
19 instruction, ~~or~~ or corporation commission, forty thousand dollars.

20 4. For a candidate for secretary of state or attorney general, eighty
21 thousand dollars.

22 5. For a candidate for governor, three hundred eighty thousand
23 dollars.

24 H. "General election spending limits" means amounts fifty ~~percent~~
25 PER CENT greater than the amounts specified in subsection G of this section.

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

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

32 Sec. 15. Requirements for enactment; three-fourths vote

33 Pursuant to article IV, part 1, section 1, Constitution of Arizona,
34 this act is effective only on the affirmative vote of at least three-fourths
35 of the members of each house of the legislature.