

REFERENCE TITLE: **clean elections; amendments**

State of Arizona
House of Representatives
Forty-ninth Legislature
First Regular Session
2009

HB 2603

Introduced by
Representatives Crandall, Campbell CH, Gowan, Reagan, Sinema, Tobin

AN ACT

AMENDING SECTIONS 16-901, 16-901.01, 16-941, 16-945, 16-946, 16-950, 16-952, 16-954 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 16-901, Arizona Revised Statutes, is amended to
3 read:

4 16-901. Definitions

5 In this chapter, unless the context otherwise requires:

6 1. "Agent" means, with respect to any person other than a candidate,
7 any person who has oral or written authority, either express or implied, to
8 make or authorize the making of expenditures as defined in this section on
9 behalf of a candidate, any person who has been authorized by the treasurer of
10 a political committee to make or authorize the making of expenditures or a
11 political consultant for a candidate or political committee.

12 2. "Candidate" means an individual who receives or gives consent for
13 receipt of a contribution for his nomination for or election to any office in
14 this state other than a federal office.

15 3. "Candidate's campaign committee" means a political committee
16 designated and authorized by a candidate.

17 4. "Clearly identified candidate" means that the name, a photograph or
18 a drawing of the candidate appears or the identity of the candidate is
19 otherwise apparent by unambiguous reference.

20 5. "Contribution" means any gift, subscription, loan, advance or
21 deposit of money or anything of value made for the purpose of influencing an
22 election, including supporting or opposing the recall of a public officer or
23 supporting or opposing the circulation of a petition for a ballot measure,
24 question or proposition or the recall of a public officer and:

25 (a) Includes all of the following:

26 (i) A contribution made to retire campaign debt.

27 (ii) Money or the fair market value of anything directly or indirectly
28 given or loaned to an elected official for the purpose of defraying the
29 expense of communications with constituents, regardless of whether the
30 elected official has declared his candidacy **UNLESS THE MONEY OR ITEM IS NOT**
31 **SPENT, USED OR DISTRIBUTED BETWEEN APRIL 30 AND NOVEMBER 30 OF AN ELECTION**
32 **YEAR.**

33 (iii) The entire amount paid to a political committee to attend a
34 fund-raising or other political event and the entire amount paid to a
35 political committee as the purchase price for a fund-raising meal or item,
36 except that no contribution results if the actual cost of the meal or
37 fund-raising item, based on the amount charged to the committee by the
38 vendor, constitutes the entire amount paid by the purchaser for the meal or
39 item, the meal or item is for the purchaser's personal use and not for resale
40 and the actual cost is the entire amount paid by the purchaser in connection
41 with the event. This exception does not apply to auction items.

42 (iv) Unless specifically exempted, the provision of goods or services
43 without charge or at a charge that is less than the usual and normal charge
44 for such goods and services.

1 (b) Does not include any of the following:

2 (i) The value of services provided without compensation by any
3 individual who volunteers on behalf of a candidate, a candidate's campaign
4 committee or any other political committee.

5 (ii) Money or the value of anything directly or indirectly provided to
6 defray the expense of an elected official meeting with constituents if the
7 elected official is engaged in the performance of the duties of his office or
8 provided by the state or a political subdivision to an elected official for
9 communication with constituents if the elected official is engaged in the
10 performance of the duties of his office.

11 (iii) The use of real or personal property, including a church or
12 community room used on a regular basis by members of a community for
13 noncommercial purposes, that is obtained by an individual in the course of
14 volunteering personal services to any candidate, candidate's committee or
15 political party, and the cost of invitations, food and beverages voluntarily
16 provided by an individual to any candidate, candidate's campaign committee or
17 political party in rendering voluntary personal services on the individual's
18 residential premises or in the church or community room for candidate-related
19 or political party-related activities, to the extent that the cumulative
20 value of the invitations, food and beverages provided by the individual on
21 behalf of any single candidate does not exceed one hundred dollars with
22 respect to any single election.

23 (iv) Any unreimbursed payment for personal travel expenses made by an
24 individual who on his own behalf volunteers his personal services to a
25 candidate.

26 (v) The payment by a political party for party operating expenses,
27 party staff and personnel, party newsletters and reports, voter registration
28 and efforts to increase voter turnout, party organization building and
29 maintenance and printing and postage expenses for slate cards, sample
30 ballots, other ~~written materials that substantially promote three or more~~
31 ~~nominees of the~~ PRINTED LISTINGS OF THREE OR MORE CANDIDATES OF THAT party
32 for public office and other election activities not related to a specific
33 candidate, except that this item does not apply to costs incurred with
34 respect to a display of the listing of candidates made on telecommunications
35 systems or in newspapers, magazines or similar types of general circulation
36 advertising.

37 (vi) Independent expenditures.

38 (vii) Monies loaned by a state bank, a federally chartered depository
39 institution or a depository institution the deposits or accounts of which are
40 insured by the federal deposit insurance corporation or the national credit
41 union administration, other than an overdraft made with respect to a checking
42 or savings account, that is made in accordance with applicable law and in the
43 ordinary course of business. In order for this exemption to apply, this loan
44 shall be deemed a loan by each endorser or guarantor, in that proportion of
45 the unpaid balance that each endorser or guarantor bears to the total number

1 of endorsers or guarantors, the loan shall be made on a basis that assures
2 repayment, evidenced by a written instrument, shall be subject to a due date
3 or amortization schedule and shall bear the usual and customary interest rate
4 of the lending institution.

5 (viii) A gift, subscription, loan, advance or deposit of money or
6 anything of value to a national or a state committee of a political party
7 specifically designated to defray any cost for the construction or purchase
8 of an office facility not acquired for the purpose of influencing the
9 election of a candidate in any particular election.

10 (ix) Legal or accounting services rendered to or on behalf of a
11 political committee or a candidate, if the only person paying for the
12 services is the regular employer of the individual rendering the services and
13 if the services are solely for the purpose of compliance with this title.

14 (x) The payment by a political party of the costs of campaign
15 materials, including pins, bumper stickers, handbills, brochures, posters,
16 party tabloids and yard signs, used by the party in connection with volunteer
17 activities on behalf of any nominee of the party or the payment by a state or
18 local committee of a political party of the costs of voter registration and
19 get-out-the-vote activities conducted by the committee if the payments are
20 not for the costs of campaign materials or activities used in connection with
21 any telecommunication, newspaper, magazine, billboard, direct mail or similar
22 type of general public communication or political advertising.

23 (xi) Transfers between political committees to distribute monies
24 raised through a joint fund-raising effort in the same proportion to each
25 committee's share of the fund-raising expenses and payments from one
26 political committee to another in reimbursement of a committee's
27 proportionate share of its expenses in connection with a joint fund-raising
28 effort.

29 (xii) An extension of credit for goods and services made in the
30 ordinary course of the creditor's business if the terms are substantially
31 similar to extensions of credit to nonpolitical debtors that are of similar
32 risk and size of obligation and if the creditor makes a commercially
33 reasonable attempt to collect the debt, except that any extension of credit
34 under this item made for the purpose of influencing an election which remains
35 unsatisfied by the candidate after six months, notwithstanding good faith
36 collection efforts by the creditor, shall be deemed receipt of a contribution
37 by the candidate but not a contribution by the creditor.

38 (xiii) Interest or dividends earned by a political committee on any
39 bank accounts, deposits or other investments of the political committee.

40 6. "Earmarked" means a designation, instruction or encumbrance that
41 results in all or any part of a contribution or expenditure being made to, or
42 expended on behalf of, a clearly identified candidate or a candidate's
43 campaign committee.

44 7. "Election" means any election for any initiative, referendum or
45 other measure or proposition or a primary, general, recall, special or runoff

1 election for any office in this state other than the office of precinct
2 committeeman and other than a federal office. For THE purposes of sections
3 16-903 and 16-905, the general election includes the primary election.

4 8. "Expenditures" includes any purchase, payment, distribution, loan,
5 advance, deposit or gift of money or anything of value made by a person for
6 the purpose of influencing an election in this state including supporting or
7 opposing the recall of a public officer or supporting or opposing the
8 circulation of a petition for a ballot measure, question or proposition or
9 the recall of a public officer and a contract, promise or agreement to make
10 an expenditure resulting in an extension of credit and the value of any
11 in-kind contribution received. Expenditure does not include any of the
12 following:

13 (a) A news story, commentary or editorial distributed through the
14 facilities of any telecommunications system, newspaper, magazine or other
15 periodical publication, unless the facilities are owned or controlled by a
16 political committee, political party or candidate.

17 (b) Nonpartisan activity designed to encourage individuals to vote or
18 to register to vote IF THE ACTIVITY DOES NOT CONSTITUTE EXPRESS ADVOCACY AS
19 DEFINED IN SECTION 16-901.01.

20 (c) The payment by a political party of the costs of preparation,
21 display, mailing or other distribution incurred by the party with respect to
22 any printed slate card, sample ballot or other printed listing of three or
23 more candidates OF THAT PARTY for any public office for which an election is
24 held, except that this subdivision does not apply to costs incurred by the
25 party with respect to a display of any listing of candidates made on any
26 telecommunications system or in newspapers, magazines or similar types of
27 general public political advertising.

28 (d) The payment by a political party of the costs of campaign
29 materials, including pins, bumper stickers, handbills, brochures, posters,
30 party tabloids and yard signs, used by the party in connection with volunteer
31 activities on behalf of any nominee of the party or the payment by a state or
32 local committee of a political party of the costs of voter registration and
33 get-out-the-vote activities conducted by the committee if the payments are
34 not for the costs of campaign materials or activities used in connection with
35 any telecommunications system, newspaper, magazine, billboard, direct mail or
36 similar type of general public communication or political advertising.

37 (e) Any deposit or other payment filed with the secretary of state or
38 any other similar officer to pay any portion of the cost of printing an
39 argument in a publicity pamphlet advocating or opposing a ballot measure.

40 9. "Exploratory committee" means a political committee that is formed
41 for the purpose of determining whether an individual will become a candidate
42 and that receives contributions or makes expenditures of more than five
43 hundred dollars in connection with that purpose.

1 10. "Family contribution" means any contribution that is provided to a
2 candidate's campaign committee by a parent, grandparent, spouse, child or
3 sibling of the candidate or a parent or spouse of any of those persons.

4 11. "Filing officer" means the office that is designated by section
5 16-916 to conduct the duties prescribed by this chapter.

6 12. "Identification" means:

7 (a) For an individual, his name and mailing address, his occupation
8 and the name of his employer.

9 (b) For any other person, including a political committee, the full
10 name and mailing address of the person. For a political committee,
11 identification includes the identification number issued on the filing of a
12 statement of organization pursuant to section 16-902.01.

13 13. "Incomplete contribution" means any contribution received by a
14 political committee for which the contributor's mailing address, occupation,
15 employer or identification number has not been obtained and is not in the
16 possession of the political committee.

17 14. "Independent expenditure" means an expenditure by a person or
18 political committee, other than a candidate's campaign committee, that
19 expressly advocates the election or defeat of a clearly identified candidate,
20 that is made without cooperation or consultation with any candidate or
21 committee or agent of the candidate and that is not made in concert with or
22 at the request or suggestion of a candidate, or any committee or agent of the
23 candidate. Independent expenditure includes an expenditure that is subject
24 to the requirements of section 16-917, which requires a copy of campaign
25 literature or advertisement to be sent to a candidate named or otherwise
26 referred to in the literature or advertisement. An expenditure is not an
27 independent expenditure if any of the following applies:

28 (a) Any officer, member, employee or agent of the political committee
29 making the expenditure is also an officer, member, employee or agent of the
30 committee of the candidate whose election or whose opponent's defeat is being
31 advocated by the expenditure or an agent of the candidate whose election or
32 whose opponent's defeat is being advocated by the expenditure.

33 (b) There is any arrangement, coordination or direction with respect
34 to the expenditure between the candidate or the candidate's agent and the
35 person making the expenditure, including any officer, director, employee or
36 agent of that person.

37 (c) In the same election the person making the expenditure, including
38 any officer, director, employee or agent of that person, is or has been:

39 (i) Authorized to raise or expend monies on behalf of the candidate or
40 the candidate's authorized committees.

41 (ii) Receiving any form of compensation or reimbursement from the
42 candidate, the candidate's committees or the candidate's agent.

43 (d) The expenditure is based on information about the candidate's
44 plans, projects or needs, or those of his campaign committee, provided to the
45 expending person by the candidate or by the candidate's agents or any

1 officer, member or employee of the candidate's campaign committee with a view
2 toward having the expenditure made.

3 15. "In-kind contribution" means a contribution of goods or services or
4 anything of value and not a monetary contribution.

5 16. "Itemized" means that each contribution received or expenditure
6 made is set forth separately.

7 17. "Literature or advertisement" means information or materials that
8 are mailed, distributed or placed in some medium of communication for the
9 purpose of influencing the outcome of an election.

10 18. "Personal monies" means any of the following:

11 (a) Assets to which the candidate has a legal right of access or
12 control at the time he becomes a candidate and with respect to which the
13 candidate has either legal title or an equitable interest.

14 (b) Salary and other earned income from bona fide employment of the
15 candidate, dividends and proceeds from the sale of the stocks or investments
16 of the candidate, bequests to the candidate, income to the candidate from
17 trusts established before candidacy, income to the candidate from trusts
18 established by bequest after candidacy of which the candidate is a
19 beneficiary, gifts to the candidate of a personal nature that have been
20 customarily received before the candidacy and proceeds received by the
21 candidate from lotteries and other legal games of chance.

22 (c) The proceeds of loans obtained by the candidate that are not
23 contributions and for which the collateral or security is covered by
24 subdivision (a) or (b) of this paragraph.

25 (d) Family contributions.

26 19. "Political committee" means a candidate or any association or
27 combination of persons that is organized, conducted or combined for the
28 purpose of influencing the result of any election or to determine whether an
29 individual will become a candidate for election in this state or in any
30 county, city, town, district or precinct in this state, that engages in
31 political activity in behalf of or against a candidate for election or
32 retention or in support of or opposition to an initiative, referendum or
33 recall or any other measure or proposition and that applies for a serial
34 number and circulates petitions and, in the case of a candidate for public
35 office except those exempt pursuant to section 16-903, that receives
36 contributions or makes expenditures in connection therewith, notwithstanding
37 that the association or combination of persons may be part of a larger
38 association, combination of persons or sponsoring organization not primarily
39 organized, conducted or combined for the purpose of influencing the result of
40 any election in this state or in any county, city, town or precinct in this
41 state. Political committee includes the following types of committees:

42 (a) A candidate's campaign committee.

43 (b) A separate, segregated fund established by a corporation or labor
44 organization pursuant to section 16-920, subsection A, paragraph 3.

1 (c) A committee acting in support of or opposition to the
2 qualification, passage or defeat of a ballot measure, question or
3 proposition.

4 (d) A committee organized to circulate or oppose a recall petition or
5 to influence the result of a recall election.

6 (e) A political party.

7 (f) A committee organized for the purpose of making independent
8 expenditures.

9 (g) A committee organized in support of or opposition to one or more
10 candidates.

11 (h) A political organization.

12 (i) An exploratory committee.

13 20. "Political organization" means an organization that is formally
14 affiliated with and recognized by a political party, including a district
15 committee organized pursuant to section 16-823.

16 21. "Political party" means the state committee as prescribed by
17 section 16-825 or the county committee as prescribed by section 16-821 of an
18 organization that meets the requirements for recognition as a political party
19 pursuant to section 16-801 or section 16-804, subsection A.

20 22. "Sponsoring organization" means any organization that establishes,
21 administers or contributes financial support to the administration of, or
22 that has common or overlapping membership or officers with, a political
23 committee other than a candidate's campaign committee.

24 23. "Standing political committee" means a political committee ~~that is~~
25 **TO WHICH** all of the following **APPLY**:

26 (a) **IS** active in more than one reporting jurisdiction in this state
27 for more than one year.

28 (b) Files a statement of organization as prescribed by section
29 16-902.01, subsection E.

30 (c) Is any of the following as defined by paragraph 19 of this
31 section:

32 (i) A separate, segregated fund.

33 (ii) A political party.

34 (iii) A committee organized for the purpose of making independent
35 expenditures.

36 (iv) A political organization.

37 24. "Statewide office" means the office of governor, secretary of
38 state, state treasurer, attorney general, superintendent of public
39 instruction, corporation commissioner or mine inspector.

40 25. "Surplus monies" means those monies of a political committee
41 remaining after all of the committee's expenditures have been made and its
42 debts have been extinguished.

43 **26. "YARD SIGN" MEANS AN OUTDOOR SIGN THAT IS NO LARGER THAN FIFTEEN**
44 **SQUARE FEET.**

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

3 5. Shall comply with section 16-948 regarding campaign accounts and
4 section 16-953 regarding returning unused monies to the citizens clean
5 elections fund described in this article.

6 6. SHALL NOT MAKE COORDINATED EXPENDITURES WITH ANY CANDIDATE WHO HAS
7 PREVIOUSLY TRIGGERED MATCHING MONIES FOR THAT PARTICIPATING CANDIDATE. ANY
8 EXPENDITURES DETERMINED TO BE IN VIOLATION OF THIS PARAGRAPH ARE SUBJECT TO
9 ALL APPLICABLE PENALTIES, INCLUDING THOSE PRESCRIBED IN SECTION 16-924.

10 B. Notwithstanding any law to the contrary, a nonparticipating
11 candidate:

12 1. Shall not accept contributions in excess of an amount that is
13 twenty per cent less than the limits specified in section 16-905, subsections
14 A through G, as adjusted by the secretary of state pursuant to section
15 16-905, subsection J. Any violation of this paragraph shall be subject to
16 the civil penalties and procedures set forth in section 16-905, subsections L
17 through P and section 16-924.

18 2. Shall comply with section 16-958 regarding reporting, including
19 filing reports with the secretary of state indicating whenever
20 (a) expenditures other than independent expenditures on behalf of the
21 candidate, from the beginning of the election cycle to any date up to primary
22 election day, exceed seventy per cent of the original primary election
23 spending limit applicable to a participating candidate seeking the same
24 office, or (b) contributions to a candidate, from the beginning of the
25 election cycle to any date during the general election period, less
26 expenditures made from the beginning of the election cycle through primary
27 election day, exceed seventy per cent of the original general election
28 spending limit applicable to a participating candidate seeking the same
29 office. A nonparticipating candidate is exempt from this paragraph if there
30 is no participating candidate running against that nonparticipating
31 candidate.

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

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

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

42 D. Notwithstanding any law to the contrary, any person who makes
43 independent expenditures related to a particular office cumulatively
44 exceeding five hundred dollars in an election cycle, with the exception of
45 any expenditure listed in section 16-920 and any independent expenditure by

1 an organization arising from a communication directly to the organization's
2 members, shareholders, employees, affiliated persons and subscribers, shall
3 file reports with the secretary of state in accordance with section 16-958 so
4 indicating, identifying the office and the candidate or group of candidates
5 whose election or defeat is being advocated and stating whether the person is
6 advocating election or advocating defeat.

7 Sec. 4. Subject to the requirements of article IV, part 1, section 1,
8 Constitution of Arizona, section 16-945, Arizona Revised Statutes, is amended
9 to read:

10 16-945. Limits on early contributions

11 A. A participating candidate may accept early contributions only from
12 individuals and only during the exploratory period and the qualifying period,
13 subject to the following limitations:

14 1. Notwithstanding any law to the contrary, no contributor shall give,
15 and no participating candidate shall accept, contributions from a contributor
16 exceeding one hundred dollars during an election cycle.

17 2. Notwithstanding any law to the contrary, early contributions to a
18 participating candidate from all sources for an election cycle shall not
19 exceed, for a candidate for governor, forty thousand dollars or, for other
20 candidates, ten ~~percent~~ PER CENT of the sum of the original primary election
21 spending limit and the original general election spending limit.

22 3. PARTICIPATING CANDIDATES MAY EXCEED THE CONTRIBUTION LIMITS
23 PRESCRIBED IN PARAGRAPH 2 IF THE CANDIDATE DOES NOT SPEND THE EXCESS MONIES
24 RECEIVED. MONIES RECEIVED IN EXCESS OF THE LIMIT SHALL BE HELD BY THE
25 CANDIDATE IN THE CANDIDATE'S CAMPAIGN ACCOUNT AND MAY BE SPENT ONLY ON
26 APPROVAL OF THE COMMISSION AS PRESCRIBED BY SECTION 16-952.

27 ~~3-~~ 4. Qualifying contributions specified in section 16-946 shall not
28 be included in determining whether the limits in this subsection have been
29 exceeded.

30 B. Early contributions specified in subsection A of this section and
31 the candidate's personal monies specified in section 16-941, subsection A,
32 paragraph 2 may be spent only during the exploratory period and the
33 qualifying period. Any early contributions not spent by the end of the
34 qualifying period shall be paid to the fund.

35 C. NOTWITHSTANDING SUBSECTION B OF THIS SECTION, CANDIDATES MAY SPEND
36 EARLY CONTRIBUTIONS AFTER THE QUALIFYING PERIOD ON APPROVAL OF THE COMMISSION
37 AS PRESCRIBED BY SECTION 16-952.

38 ~~C-~~ D. If a participating candidate has a debt from an election
39 campaign in this state during a previous election cycle in which the
40 candidate was not a participating candidate, then, during the exploratory
41 period only, the candidate may accept, in addition to early contributions
42 specified in subsection A of this section, contributions subject to the
43 limitations in section 16-941, subsection B, paragraph 1, or may exceed the
44 limit on personal monies in section 16-941, subsection A, paragraph 2,

1 provided that such contributions and monies are used solely to retire such
2 debt.

3 Sec. 5. Subject to the requirements of article IV, part 1, section 1,
4 Constitution of Arizona, section 16-946, Arizona Revised Statutes, is amended
5 to read:

6 16-946. Qualifying contributions

7 A. During the qualifying period, a participating candidate may collect
8 qualifying contributions, which shall be paid to the fund.

9 B. To qualify as a ~~"qualifying contribution,"~~ a contribution must be
10 ALL OF THE FOLLOWING:

11 1. Made by a qualified elector as defined in section 16-121, who at
12 the time of the contribution is registered in the electoral district of the
13 office the candidate is seeking and who has not given another qualifying
14 contribution to that candidate during that election cycle. ~~;~~

15 2. Made by a person who is not given anything of value in exchange for
16 the qualifying contribution. ~~;~~

17 3. In the sum of five dollars, exactly. ~~;~~

18 4. Received unsolicited during the qualifying period or solicited
19 during the qualifying period by a person who is not employed or retained by
20 the candidate and who is not compensated to collect contributions by the
21 candidate or on behalf of the candidate. ~~;~~

22 5. If made by check or money order, made payable to the candidate's
23 campaign committee, or if in cash, deposited in the candidate's campaign
24 committee's account. ~~;~~ ~~and~~

25 6. Accompanied by a ~~three-part~~ reporting slip that includes the
26 printed name, registration address, ~~and~~ signature of the contributor, the
27 name of the candidate for whom the contribution is made, the date, ~~and~~ the
28 printed name and signature of the solicitor. ELECTRONIC SIGNATURES EXECUTED
29 AS PRESCRIBED BY SECTION 41-132 ARE DEEMED TO COMPLY WITH THIS PARAGRAPH.

30 C. A copy of the reporting slip shall be given as a receipt to the
31 contributor, and another copy shall be retained by the candidate's campaign
32 committee. Delivery of an original reporting slip to the secretary of state
33 shall excuse the candidate from disclosure of these contributions on campaign
34 finance reports filed under article 1 of this chapter.

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

38 16-950. Qualification for clean campaign funding

39 A. A candidate who has made an application for certification may also
40 apply, in accordance with subsection B of this section, to receive funds from
41 the citizens clean elections fund, instead of receiving private
42 contributions.

43 B. To receive any clean campaign funding, the candidate must present
44 to the secretary of state no later than ~~one week after~~ the end of the
45 qualifying period a list of names of persons who have made qualifying

1 contributions pursuant to section 16-946 on behalf of the candidate. The
2 list shall be divided by county. At the same time, the candidate must tender
3 to the secretary of state the original reporting slips identified in section
4 16-946, subsection C for persons on the list and an amount equal to the sum
5 of the qualifying contributions collected. The secretary of state shall
6 deposit the amount into the fund.

7 C. The secretary of state shall select at random a sample of five per
8 cent of the number of non-duplicative names on the list **IF THE CANDIDATE**
9 **SEEKS STATEWIDE OFFICE AND TWENTY PER CENT OF THE NUMBER OF NON-DUPLICATIVE**
10 **NAMES ON THE LIST IF THE CANDIDATE SEEKS LEGISLATIVE OFFICE** and forward
11 facsimiles of the selected reporting slips to the county recorders for the
12 counties of the addresses specified in the selected slips. Within ten days,
13 the county recorders shall provide a report to the secretary of state
14 identifying as disqualified any slips that are unsigned or undated or that
15 the recorder is unable to verify as matching a person who is registered to
16 vote in the electoral district of the office the candidate is seeking on the
17 date specified on the slip. The secretary of state shall multiply the number
18 of slips not disqualified by twenty, and if the result is greater than one
19 hundred ten per cent of the quantity required, shall approve the candidate
20 for funds, and if the result is less than one hundred ten per cent of the
21 quantity required, the secretary of state shall forward facsimiles of all of
22 the slips to the county recorders for verification, and the county recorders
23 shall check all slips in accordance with the process above. A county
24 recorder shall not check slips already verified. A county recorder shall
25 report verified totals daily to the secretary of state until a determination
26 is made that a sufficient number of verified slips has been submitted. If a
27 sufficient number of verified slips has been submitted to one or more county
28 recorders, the county recorders may stop the verification process.

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

- 32 1. For a candidate for legislature, two hundred.
- 33 2. For candidate for mine inspector, five hundred.
- 34 3. For a candidate for treasurer, superintendent of public instruction
35 or corporation commission, one thousand five hundred.
- 36 4. For a candidate for secretary of state or attorney general, two
37 thousand five hundred.
- 38 5. For a candidate for governor, four thousand.

39 E. To qualify for clean campaign funding, a candidate must have met
40 the requirements of this section and either be an independent candidate or
41 meet the following standards:

- 42 1. To qualify for funding for a party primary election, a candidate
43 must have properly filed nominating papers and nominating petitions with
44 signatures pursuant to chapter 3, articles 2 and 3 of this title in the

1 primary of a political organization entitled to continued representation on
2 the official ballot in accordance with section 16-804.

3 2. To qualify for clean campaign funding for a general election, a
4 candidate must be a party nominee of such a political organization.

5 3. A WRITE-IN CANDIDATE IS NOT ELIGIBLE TO RECEIVE CLEAN CAMPAIGN
6 FUNDING FOR A PRIMARY ELECTION AND IS ELIGIBLE FOR CLEAN CAMPAIGN FUNDING FOR
7 THE GENERAL ELECTION IF ALL OF THE FOLLOWING APPLY:

8 (a) THE WRITE-IN CANDIDATE WINS THE PRIMARY ELECTION FOR THAT OFFICE.

9 (b) THE WRITE-IN CANDIDATE WILL APPEAR ON THE GENERAL ELECTION BALLOT.

10 (c) THE WRITE-IN CANDIDATE COMPLIES WITH ALL OF THE REQUIREMENTS OF
11 THIS ARTICLE, INCLUDING SECTION 16-947.

12 Sec. 7. Subject to the requirements of article IV, part 1, section 1,
13 Constitution of Arizona, section 16-952, Arizona Revised Statutes, is amended
14 to read:

15 16-952. Equal funding of candidates

16 A. Whenever during a primary election period a report is filed, or
17 other information comes to the attention of the commission, indicating that a
18 nonparticipating candidate who is not unopposed in that primary has made
19 expenditures during the election cycle to date exceeding the original primary
20 election spending limit, including any previous adjustments, the commission
21 shall immediately ~~pay from the fund to the campaign account of any~~ AUTHORIZE
22 THE participating candidate in the same party primary as the nonparticipating
23 candidate TO SPEND MONIES RAISED PURSUANT TO SECTION 16-945, SUBSECTION A,
24 PARAGRAPH 3 UP TO an amount equal to any excess of the reported amount over
25 the primary election spending limit as previously adjusted, ~~less six per cent~~
26 ~~for a nonparticipating candidate's fund raising expenses and less the amount~~
27 ~~of early contributions raised for that participating candidate for that~~
28 ~~office as prescribed by section 16-945.~~ The primary election spending limit
29 for all such participating candidates shall be adjusted by increasing it by
30 the amount that the commission ~~is obligated to pay to a~~ AUTHORIZES THE
31 participating candidate TO SPEND.

32 B. Whenever during a general election period a report has been filed,
33 or other information comes to the attention of the commission, indicating
34 that ~~the amount~~ a nonparticipating candidate who is not unopposed has
35 received in contributions during the election cycle to date less the amount
36 of expenditures the nonparticipating candidate made through the end of the
37 primary election period exceeds the original general election spending limit,
38 including any previous adjustments, the commission shall immediately ~~pay from~~
39 ~~the fund to the campaign account of any~~ AUTHORIZE THE participating candidate
40 qualified for the ballot and seeking the same office as the nonparticipating
41 candidate TO SPEND MONIES RAISED PURSUANT TO SECTION 16-945, SUBSECTION A,
42 PARAGRAPH 3 UP TO an amount equal to any excess of the reported ~~difference~~
43 AMOUNT over the general election spending limit, as previously adjusted, ~~less~~
44 ~~six per cent for a nonparticipating candidate's fund raising expenses.~~ The
45 general election spending limit for all such participating candidates shall

1 be adjusted by increasing it by the amount that the commission ~~is obligated~~
2 ~~to pay to a~~ AUTHORIZES THE participating candidate TO SPEND.

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 the purpose of
8 subsection A of this section, or contributions to each opposing candidate,
9 for the 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 the purpose of subsection A of this
13 section, or contributions to those nonparticipating candidates, for the
14 purpose 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 the purpose of subsection A of this section, or a contribution to a
19 nonparticipating opponent, for the 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 deducted from the total amount of
23 monies raised for purposes of determining the amount of equalizing funds, up
24 to the amount of primary funds received by the participating candidate.
25 Equalizing funds pursuant to subsection B of this section shall then be
26 calculated and paid at the start of the general election period.

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

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

38 D. Upon applying for citizen funding pursuant to section 16-950, a
39 participating candidate for the legislature in a one-party-dominant
40 legislative district who is qualified for clean campaign funding for the
41 party primary election of the dominant party may choose to reallocate a
42 portion of funds from the general election period to the primary election
43 period. At the beginning of the primary election period, the commission
44 shall pay from the fund to the campaign account of a participating candidate
45 who makes this choice an extra amount equal to fifty per cent of the original

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

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

30 Sec. 8. Subject to the requirements of article IV, part 1, section 1,
 31 Constitution of Arizona, section 16-954, Arizona Revised Statutes, is amended
 32 to read:

33 16-954. Clean elections tax reduction; return of excess monies

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

43 B. Any taxpayer may make a voluntary donation to the fund by
 44 designating the fund on an income tax return form filed by the individual or
 45 business entity or by making a payment directly to the fund. Any taxpayer

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

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

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

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

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

37 ~~2.~~ 1. Next, The commission may announce that the fund will provide
 38 equalization monies under section 16-952, subsections A and B as a fraction
 39 of the amounts there specified.

40 ~~3.~~ 2. Finally, The commission may announce that the fund will provide
 41 monies under section 16-951 as a fraction of the amounts there specified.

42 F. If the commission cannot provide participating candidates with all
 43 monies specified under sections 16-951 and 16-952, as decreased by any
 44 announcement pursuant to subsection E of this section, ~~then~~ the commission
 45 shall allocate any reductions in payments proportionately among candidates

1 entitled to monies and shall declare an emergency. Upon declaration of an
2 emergency, a participating candidate may accept private contributions to
3 bring the total monies received by the candidate from the fund and from such
4 private contributions up to the adjusted spending limits, as decreased by any
5 announcement made pursuant to subsection E of this section.

6 Sec. 9. Subject to the requirements of article IV, part 1, section 1,
7 Constitution of Arizona, section 16-961, Arizona Revised Statutes, is amended
8 to read:

9 16-961. Definitions

10 A. The terms "candidate's campaign committee," "contribution,"
11 "expenditures," "exploratory committee," "independent expenditure," "personal
12 monies," "political committee" and "statewide office" are defined in section
13 16-901.

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

16 2. "Exploratory period" means the period beginning on the day after a
17 general election and ending the day before the start of the qualifying
18 period.

19 3. "Qualifying period" means the period beginning on the first day of
20 August in a year preceding an election, for an election for a statewide
21 office, or on the first day of January of an election year, for an election
22 for legislator, and ending seventy-five days before the day of the general
23 election.

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

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

28 6. For any recall election, the qualifying period shall begin when the
29 election is called and last for thirty days, there shall be no primary
30 election period and the general election period shall extend from the day
31 after the end of the qualifying period to the day of the recall election.
32 For recall elections, any reference to "general election" in this article
33 shall be treated as if referring to the recall election.

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

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

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

41 D. "Commission" means the citizens clean elections commission
42 established pursuant to section 16-955.

43 E. "Fund" means the citizens clean elections fund defined by this
44 article.

- 1 F. 1. "Party nominee" means a person who has been nominated by a
2 political party pursuant to section 16-301 or 16-343.
- 3 2. "Independent candidate" means a candidate who has properly filed
4 nominating papers and nominating petitions with signatures pursuant to
5 section 16-341.
- 6 3. "Unopposed" means with reference to an election for:
- 7 (a) A member of the house of representatives, opposed by no more than
8 one other candidate who has qualified for the ballot and who is running in
9 the same district.
- 10 (b) A member of the corporation commission, opposed by a number of
11 candidates who have qualified for the ballot that is fewer than the number of
12 corporation commission seats open at that election and for which the term of
13 office ends on the same date.
- 14 (c) All other offices, opposed by no other candidate who has qualified
15 for the ballot and who is running in that district or running for that same
16 office and term.
- 17 G. "Primary election spending limits" means:
- 18 1. For a candidate for the legislature, twelve thousand nine hundred
19 twenty-one dollars IF UNOPPOSED IN THAT PRIMARY. FOR CANDIDATES WITH
20 OPPOSITION IN THE PRIMARY, THE LIMIT IS DOUBLED.
- 21 2. For a candidate for mine inspector, forty-one thousand three
22 hundred forty-nine dollars IF UNOPPOSED IN THAT PRIMARY. FOR CANDIDATES WITH
23 OPPOSITION IN THE PRIMARY, THE LIMIT IS DOUBLED.
- 24 3. For a candidate for treasurer, superintendent of public instruction
25 or the corporation commission, eighty-two thousand six hundred eighty dollars
26 IF UNOPPOSED IN THAT PRIMARY. FOR CANDIDATES WITH OPPOSITION IN THE PRIMARY,
27 THE LIMIT IS DOUBLED.
- 28 4. For a candidate for secretary of state or attorney general, one
29 hundred sixty-five thousand three hundred seventy-eight dollars IF UNOPPOSED
30 IN THAT PRIMARY. FOR CANDIDATES WITH OPPOSITION IN THE PRIMARY, THE LIMIT IS
31 DOUBLED.
- 32 5. For a candidate for governor, six hundred thirty-eight thousand two
33 hundred twenty-two dollars IF UNOPPOSED IN THAT PRIMARY. FOR CANDIDATES WITH
34 OPPOSITION IN THE PRIMARY, THE LIMIT IS DOUBLED.
- 35 H. "General election spending limits" means amounts fifty per cent
36 greater than the amounts specified FOR OPPOSED CANDIDATES in subsection G of
37 this section.
- 38 I. 1. "Original" spending limit means a limit specified in
39 subsections G and H of this section, as adjusted pursuant to section 16-959,
40 or a special amount expressly set for a particular candidate by a provision
41 of this title.
- 42 2. "Adjusted" spending limit means an original spending limit as
43 further adjusted to account for reported overages pursuant to section 16-952.

1 Sec. 10. Requirements for enactment: three-fourths vote
2 Pursuant to article IV, part 1, section 1, Constitution of Arizona,
3 sections 16-901.01, 16-941, 16-945, 16-946, 16-950, 16-952, 16-954 and
4 16-961, Arizona Revised Statutes, as amended by this act, are effective only
5 on the affirmative vote of at least three-fourths of the members of each
6 house of the legislature.