

COMMITTEE ON COMMERCE

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2603

(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 38-504, Arizona Revised Statutes, is amended to  
3 read:

4 38-504. Prohibited acts

5 A. A public officer or employee shall not represent another person for  
6 compensation before a public agency by which the officer or employee is or  
7 was employed within the preceding twelve months or on which the officer or  
8 employee serves or served within the preceding twelve months concerning any  
9 matter with which the officer or employee was directly concerned and in which  
10 the officer or employee personally participated during the officer's or  
11 employee's employment or service by a substantial and material exercise of  
12 administrative discretion.

13 B. During the period of a public officer's or employee's employment or  
14 service and for two years thereafter, a public officer or employee shall not  
15 disclose or use for the officer's or employee's personal profit, without  
16 appropriate authorization, any information acquired by the officer or  
17 employee in the course of the officer's or employee's official duties which  
18 has been clearly designated to the officer or employee as confidential when  
19 such confidential designation is warranted because of the status of the  
20 proceedings or the circumstances under which the information was received and  
21 preserving its confidentiality is necessary for the proper conduct of  
22 government business. A public officer or employee shall not disclose or use,  
23 without appropriate authorization, any information that is acquired by the  
24 officer or employee in the course of the officer's or employee's official  
25 duties and that is declared confidential by law.

26 C. A public officer or employee shall not use or attempt to use the  
27 officer's or employee's official position to secure any valuable thing or  
28 valuable benefit for the officer or employee that would not ordinarily accrue  
29 to the officer or employee in the performance of the officer's or employee's  
30 official duties if the thing or benefit is of such character as to manifest a  
31 substantial and improper influence on the officer or employee with respect to  
32 the officer's or employee's duties.

33 D. A PUBLIC OFFICER OR EMPLOYEE SHALL NOT USE FOR PERSONAL BENEFIT ANY  
34 NONPUBLIC INFORMATION DERIVED FROM THAT PERSON'S POSITION AS A PUBLIC OFFICER  
35 OR EMPLOYEE OR GAINED FROM PERFORMANCE OF THE PUBLIC OFFICER'S OR EMPLOYEE'S  
36 DUTIES.



1 financial disclosure statement covering the preceding calendar year. The  
2 statement shall disclose:

3 1. The name ~~and address~~ of the public officer and ~~each member of his~~  
4 ~~household and all names and addresses under which each does business~~ AND THE  
5 NAME OF ANY PERSON WHO RESIDED WITH THE PUBLIC OFFICER DURING THE REPORTING  
6 PERIOD, EXCEPT FOR ANY PERSON FOR WHOM DISCLOSURE IS OTHERWISE PROHIBITED BY  
7 LAW.

8 2. The name and address of each employer and of each other source of  
9 compensation other than gifts amounting to more than ~~one~~ FIVE thousand  
10 dollars received during the preceding calendar year by the public officer and  
11 members of ~~his~~ THE PUBLIC OFFICER'S household ~~in their own names, or by any~~  
12 ~~other person for the use or benefit of the public officer or members of his~~  
13 ~~household~~, a description of the services for which the compensation was  
14 received and the nature of the employer's business. ~~This paragraph shall not~~  
15 ~~be construed to require the disclosure of individual items of compensation~~  
16 ~~that constituted a portion of the gross income of the business from which the~~  
17 ~~public officer or members of his household derived compensation.~~

18 3. For a ~~controlled~~ business, a description of the goods or services  
19 ~~provided by the business, and if any single source of compensation to the~~  
20 ~~business during the preceding calendar year amounts to more than ten thousand~~  
21 ~~dollars and is more than twenty-five per cent of the gross income of the~~  
22 ~~business, the disclosure shall also include a description of the goods or~~  
23 ~~services provided to the source of compensation. For a dependent business~~  
24 ~~the statement shall disclose a description of the goods or services provided~~  
25 ~~by the business and a description of the goods or services provided to the~~  
26 ~~source of compensation from which the dependent business derived the amount~~  
27 ~~of gross income described in section 38-541, paragraph 4. If the source of~~  
28 ~~compensation for a controlled or dependent business is a business, the~~  
29 ~~statement shall disclose a description of the business activities engaged in~~  
30 ~~by the source of compensation~~ IN WHICH THE PUBLIC OFFICER OR ANY MEMBER OF  
31 THE PUBLIC OFFICER'S HOUSEHOLD HAS AN OWNERSHIP OR BENEFICIAL INTEREST,  
32 EITHER INDIVIDUALLY OR COMBINED, ALL OF THE FOLLOWING:

- 33 (a) THE NAME AND ADDRESS OF THE BUSINESS.  
34 (b) THE CORPORATE OR OTHER LEGAL FORM OF THE BUSINESS.  
35 (c) A DESCRIPTION OF THE NATURE OF THE BUSINESS.

36 4. ~~The names and addresses of all businesses and trusts in which the~~  
37 ~~public officer or members of his household, or any other person for the use~~  
38 ~~or benefit of the public officer or members of his household, had an~~  
39 ~~ownership or beneficial interest of over one thousand dollars at any time~~  
40 ~~during the preceding calendar year, and the names and addresses of all~~  
41 ~~businesses and trusts in which the public officer or any member of his~~  
42 ~~household held any office or had a fiduciary relationship at any time during~~

1 ~~the preceding calendar year, together with the amount or value of the~~  
2 ~~interest and a description of the interest, office or relationship.~~

3 4. FOR A BUSINESS IN WHICH THE PUBLIC OFFICER OR ANY MEMBER OF THE  
4 PUBLIC OFFICER'S HOUSEHOLD HAS AN OWNERSHIP OR BENEFICIAL INTEREST, EITHER  
5 INDIVIDUALLY OR COMBINED, THAT AMOUNTS TO MORE THAN A FIFTY PER CENT  
6 INTEREST, AND IN ADDITION TO THE INFORMATION PRESCRIBED IN PARAGRAPH 3 OF  
7 THIS SUBSECTION ALL OF THE FOLLOWING:

8 (a) THE NAMES OF THE BUSINESSES OR INDIVIDUALS, IF ANY, WHO PROVIDED  
9 AT LEAST TWENTY-FIVE PER CENT OF THE GROSS INCOME TO THE BUSINESS.

10 (b) A DESCRIPTION OF THE GOODS AND SERVICES PROVIDED IN EXCHANGE BY  
11 THE BUSINESS TO THOSE BUSINESSES OR INDIVIDUALS, IF ANY, LISTED IN  
12 SUBDIVISION (d) OF THIS PARAGRAPH.

13 (c) THE NAMES AND ADDRESSES OF THE THREE LARGEST CREDITORS, IF ANY, TO  
14 WHOM THE BUSINESS OWED A DEBT OF MORE THAN ONE HUNDRED THOUSAND DOLLARS AT  
15 ANY TIME DURING THE PRECEDING CALENDAR YEAR. IF THE BUSINESS IS IN THE  
16 BUSINESS OF DEALING IN REAL PROPERTY INTERESTS, DISCLOSURE SHALL ONLY BE FOR  
17 THE THREE LARGEST CREDITORS OF THE BUSINESS IN AGGREGATE AND NOT ON A PER  
18 PARCEL BASIS.

19 (d) THE NAMES AND ADDRESSES OF THE THREE LARGEST DEBTORS, IF ANY, THAT  
20 OWED THE BUSINESS A DEBT OF MORE THAN ONE HUNDRED THOUSAND DOLLARS DURING THE  
21 PRECEDING CALENDAR YEAR.

22 5. All Arizona real property interests ~~and real property improvements~~,  
23 including ~~specific location and approximate~~ THE ADDRESS, AND IF THERE IS NO  
24 ADDRESS AVAILABLE, THE PARCEL NUMBER, AND THE ESTIMATED size, in which the  
25 public officer, any member of ~~his~~ THE PUBLIC OFFICER'S household or a  
26 ~~controlled or dependent~~ business held legal title or a beneficial interest at  
27 any time during the preceding calendar year, and the ESTIMATED FAIR MARKET  
28 value of any such interest, except that this paragraph does not apply to a  
29 real property interest and improvements thereon used as the primary personal  
30 residence or for the personal recreational use of the public officer. If a  
31 public officer, any member of ~~his~~ THE PUBLIC OFFICER'S household or a  
32 ~~controlled or dependent~~ business acquired or divested any such interest  
33 during the preceding calendar year, ~~he~~ THE PUBLIC OFFICER shall also disclose  
34 that the transaction was made and the date it occurred. If the ~~controlled or~~  
35 ~~dependent~~ business is in the business of dealing in real property interests  
36 ~~or improvements~~, disclosure need not include individual parcels or  
37 transactions as long as the aggregate value of all parcels of such property  
38 is reported.

39 6. The names and addresses of all creditors to whom the public officer  
40 or members of ~~his~~ THE PUBLIC OFFICER'S household, in their own names or in  
41 the name of any other person OR TO WHOM THE PUBLIC OFFICER PERSONALLY  
42 GUARANTEED REPAYMENT WITHOUT REGARD TO WHETHER THE GUARANTEE IS IN

1 CONJUNCTION WITH A BUSINESS, owed a debt of more than ~~one~~ FIVE thousand  
2 dollars ON DECEMBER 31 OF THE REPORTING YEAR OR, IF A CANDIDATE, ON THE FINAL  
3 DAY OF THE FINAL MONTH OF THE REPORTING PERIOD. ~~or to whom a controlled~~  
4 ~~business or a dependent business owed a debt of more than ten thousand~~  
5 ~~dollars which was also more than thirty per cent of the total business~~  
6 ~~indebtedness at any time during the preceding calendar year, listing each~~  
7 ~~such creditor. This paragraph shall not be construed to require the~~  
8 ~~disclosure of debts owed by the public officer or any member of his household~~  
9 ~~resulting from the ordinary conduct of a business other than a controlled or~~  
10 ~~dependent business nor shall disclosure be required of credit card~~  
11 ~~transactions, retail installment contracts, THE PUBLIC OFFICER IS NOT~~  
12 ~~REQUIRED TO DISCLOSE~~ debts on residences or recreational property exempt from  
13 disclosure under paragraph 5 of this subsection, CREDIT OR RETAIL INSTALLMENT  
14 CONTRACTS, debts on motor vehicles not used for commercial purposes, debts  
15 secured by cash values on life insurance or debts owed to relatives. It is  
16 sufficient disclosure of a creditor if the name and address of a person to  
17 whom payments are made is disclosed. ~~If the public officer, any member of~~  
18 ~~his household or a controlled or dependent business incurred or discharged a~~  
19 ~~debt which is reportable under this subsection during the preceding calendar~~  
20 ~~year, the report shall disclose that the transaction was made and the date it~~  
21 ~~occurred.~~

22 7. The identification and amount of each debt exceeding ~~one~~ FIVE  
23 thousand dollars owed at any time during the preceding calendar year to the  
24 public officer and members of ~~his~~ THE PUBLIC OFFICER'S household in their own  
25 names, or to any other person for the use or benefit of the public officer or  
26 any member of ~~his~~ THE PUBLIC OFFICER'S household. ~~The disclosure shall~~  
27 ~~include the identification and amount of each debt exceeding ten thousand~~  
28 ~~dollars to a controlled business or dependent business which was also more~~  
29 ~~than thirty per cent of the total indebtedness to the business at any time~~  
30 ~~during the preceding calendar year. This paragraph shall not be construed to~~  
31 ~~require the disclosure of debts from the ordinary conduct of a business other~~  
32 ~~than a controlled or dependent business. If the public officer, any member~~  
33 ~~of his household or a controlled or dependent business incurred or discharged~~  
34 ~~a debt which is reportable under this subsection during the preceding year,~~  
35 ~~the report shall disclose that the transaction was made and the date it~~  
36 ~~occurred.~~

37 8. The name of each source of any gift, or accumulated gifts from a  
38 single source, of more than five hundred dollars received by the public  
39 officer and members of ~~his~~ THE PUBLIC OFFICER'S household in their own names  
40 during the preceding calendar year, or by any other person for the use or  
41 benefit of the public officer or any member of ~~his~~ THE PUBLIC OFFICER'S  
42 household except gifts received by will or by virtue of intestate succession,

1 ~~or received by way of distribution from any inter vivos or testamentary trust~~  
2 ~~established by a spouse or by an ancestor,~~ or gifts received from any other  
3 member of the household or relatives to the second degree of consanguinity.  
4 Political campaign contributions shall not be construed as gifts if otherwise  
5 publicly reported as political campaign contributions as required by law.

6 9. A list of all business AND PROFESSIONAL licenses issued to, held by  
7 or in which the public officer or any member of ~~his~~ THE PUBLIC OFFICER'S  
8 household ~~had an interest at any time during the preceding calendar year,~~  
9 ~~including.~~ FOR EACH BUSINESS LICENSE, the name in which the license was  
10 issued, AND the type of business ~~and its location.~~

11 10. A list of all bonds NOT ISSUED BY A GOVERNMENTAL ENTITY, PUBLIC AND  
12 PRIVATE RETIREMENT ACCOUNTS AND OTHER INVESTMENTS THAT ARE NOT OTHERWISE  
13 DISCLOSED ON THIS FORM, together with their value, ~~issued by this state or~~  
14 ~~any political subdivision of this state and~~ held at any time during the  
15 preceding calendar year by the public officer or any member of ~~his~~ THE PUBLIC  
16 OFFICER'S household, which ~~bonds~~ IF issued by a single entity had a value in  
17 excess of ~~one~~ FIVE thousand dollars. If the public officer or any member of  
18 ~~his~~ THE PUBLIC OFFICER'S household acquired or divested any ~~bonds~~ INVESTMENTS  
19 during the preceding calendar year ~~which~~ THAT are reportable under this  
20 paragraph, the fact that the transaction occurred and the date shall also be  
21 shown.

22 B. If an amount or value is required to be reported pursuant to this  
23 section, it is sufficient to report whether the amount or value of the equity  
24 interest falls within:

25 1. Category 1, ~~one~~ FIVE thousand dollars to ~~twenty-five~~ ONE HUNDRED  
26 thousand dollars.

27 2. Category 2, more than ~~twenty-five~~ ONE HUNDRED thousand dollars to  
28 ~~one~~ FIVE hundred thousand dollars.

29 3. Category 3, more than ~~one~~ FIVE hundred thousand dollars.

30 C. This section does not require the disclosure of any information  
31 that is privileged by law.

32 D. The statement required to be filed pursuant to subsection A OF THIS  
33 SECTION shall be filed by all persons who qualified as public officers at any  
34 time during the preceding calendar year on or before January 31 of each year  
35 with the exceptions that:

36 1. A public officer appointed to fill a vacancy ~~shall~~, within sixty  
37 days following ~~his~~ THE taking of such office, SHALL file a financial  
38 disclosure statement covering as ~~his~~ THE annual period the twelve month  
39 period ending with the last full month prior to the date of ~~his~~ taking  
40 office. ~~, and a public officer whose final term expires less than thirty-one~~  
41 ~~days into the immediately following calendar year may file the public~~

1 ~~officer's final financial disclosure at the same time as the disclosure for~~  
2 ~~the last immediately preceding year.~~

3 2. A PUBLIC OFFICER WHO COMPLETES THE TERM OF OFFICE IN JANUARY IS  
4 EXEMPT FROM FILING A FINANCIAL DISCLOSURE STATEMENT FOR THE CALENDAR YEAR IN  
5 WHICH THE TERM OF OFFICE ENDS, EXCEPT IF THE PUBLIC OFFICER SERVES A  
6 SUBSEQUENT TERM OF OFFICE DURING THAT CALENDAR YEAR.

7 3. A PUBLIC OFFICER WHO IS ELECTED IN THE CALENDAR YEAR BEFORE THE  
8 PUBLIC OFFICER TAKES OFFICE IS EXEMPT FROM FILING A FINANCIAL DISCLOSURE  
9 STATEMENT FOR THE CALENDAR YEAR IN WHICH THE PUBLIC OFFICER IS ELECTED,  
10 EXCEPT IF THE PUBLIC OFFICER SERVED IN PUBLIC OFFICE DURING THE YEAR ELECTED.

11 E. The secretary of state shall prepare written guidelines, forms and  
12 samples for completing the financial disclosure statement required by this  
13 section. A copy of the guidelines, forms and samples shall be distributed to  
14 each public officer and shall be made available to each candidate required to  
15 file a financial disclosure statement pursuant to section 38-543.

16 F. EXCEPT FOR FINANCIAL DISCLOSURE FORMS FILED BY JUDGES OF THE COURT  
17 OF APPEALS AND THE SUPERIOR COURT, THE SECRETARY OF STATE SHALL POST  
18 COMPLETED FINANCIAL DISCLOSURE FORMS ON THE SECRETARY OF STATE'S WEBSITE.  
19 THE SECRETARY OF STATE MAY REDACT INFORMATION FROM SUBMITTED FORMS BEFORE  
20 POSTING, INCLUDING PERSONAL RESIDENCE ADDRESSES AND NAMES OF MINOR CHILDREN.

21 G. DISCLOSURE OF INFORMATION PURSUANT TO SUBSECTION A OF THIS SECTION  
22 CREATES A REBUTTABLE PRESUMPTION THAT THE PUBLIC OFFICER OR CANDIDATE  
23 INTENDED THAT DISCLOSURE TO APPLY TO OTHER PROVISIONS OF THIS SECTION THAT  
24 MAY REQUIRE SIMILAR DISCLOSURES.

25 Sec. 4. Section 38-543, Arizona Revised Statutes, is amended to read:

26 38-543. Duty to file financial disclosure statement by  
27 candidate for public office

28 A candidate for public office as specified in section  
29 38-541, ~~paragraph 8~~ shall file a financial disclosure statement covering the  
30 preceding twelve month period and containing the information described in  
31 section 38-542 ~~on a form prescribed by the secretary of state~~ OR CONTAINING  
32 THE INFORMATION REQUIRED PURSUANT TO AN ORDINANCE, RULE, RESOLUTION OR  
33 REGULATION ADOPTED PURSUANT TO SECTION 38-545 at the time of filing of  
34 nomination papers.

35 Sec. 5. Section 38-544, Arizona Revised Statutes, is amended to read:

36 38-544. Violation; classification

37 A. Any public officer, local public officer or candidate who knowingly  
38 fails to file a financial disclosure statement required pursuant to section  
39 38-542, 38-543 or 38-545, who knowingly files an incomplete financial  
40 disclosure statement or who knowingly files a false financial disclosure  
41 statement is guilty of a class 1 misdemeanor.

1           B. Any public officer, local public officer or candidate who violates  
2 this chapter is subject to a civil penalty of fifty dollars for each day of  
3 noncompliance but not more than five hundred dollars that may be imposed as  
4 prescribed in section 16-924.

5           C. A VIOLATION OF THIS CHAPTER IS PUNISHABLE ONLY PURSUANT TO THIS  
6 CHAPTER.

7           Sec. 6. Section 38-545, Arizona Revised Statutes, is amended to read:  
8 38-545. Local public officers financial disclosure

9           Notwithstanding the provisions of any law, charter or ordinance to the  
10 contrary, every incorporated city or town or county shall by ordinance, rule,  
11 resolution or regulation adopt standards of financial disclosure consistent  
12 with the provisions of this chapter ~~applicable to local public officers.~~

13           Sec. 7. Secretary of state: revised handbook and forms

14           The secretary of state shall revise the existing financial disclosure  
15 forms and handbook for public officers who are required to file pursuant to  
16 section 38-542, Arizona Revised Statutes, as amended by this act, and shall  
17 provide samples for completing the financial disclosure statement."

18 Amend title to conform

and, as so amended, it do pass

JAVAN D. MESNARD  
Chairman

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