

State of Arizona
House of Representatives
Fiftieth Legislature
Second Regular Session
2012

HOUSE BILL 2642

AN ACT

AMENDING SECTIONS 41-1231 AND 41-1232.03, ARIZONA REVISED STATUTES; RELATING TO LOBBYISTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 41-1231, Arizona Revised Statutes, is amended to
3 read:
4 41-1231. Definitions
5 In this article, unless the context otherwise requires:
6 1. "Authorized lobbyist" means any person, other than a designated
7 lobbyist or lobbyist for compensation, who is employed by, retained by or
8 representing a principal with or without compensation for the purpose of
9 lobbying and who is listed as an authorized lobbyist by the principal in its
10 registration pursuant to section 41-1232.
11 2. "Authorized public lobbyist" means a person, other than a
12 designated public lobbyist, who is employed by, retained by or representing a
13 public body, with or without compensation, for the purpose of lobbying and
14 who is listed as an authorized public lobbyist by the public body in its
15 registration pursuant to section 41-1232.01.
16 3. "Designated lobbyist" means the person who is designated by a
17 principal as the single point of contact for the principal and who is listed
18 as the designated lobbyist by the principal in its registration pursuant to
19 section 41-1232.
20 4. "Designated public lobbyist" means the person who is designated by
21 a public body as the single point of contact for the public body and who is
22 listed as the designated public lobbyist by the public body in its
23 registration pursuant to section 41-1232.01.
24 5. "Entertainment" means the amount of any expenditure paid or
25 incurred for admission to any sporting or cultural event or for participation
26 in any sporting or cultural activity.
27 6. "Expenditure" means a payment, distribution, loan, advance, deposit
28 or gift of money or anything of value and includes a contract, promise or
29 agreement, whether or not legally enforceable, to make an expenditure that
30 provides a benefit to an individual state officer or state employee and that
31 is incurred by or on behalf of one or more principals, public bodies,
32 lobbyists, designated public lobbyists or authorized public lobbyists.
33 7. "Family gift" means a gift to a state officer or employee or a
34 member of the officer's or employee's household from a principal, lobbyist,
35 designated public lobbyist or authorized public lobbyist who is a relative of
36 the state officer or employee or a member of the household of the state
37 officer or employee if the donor is not acting as the agent or intermediary
38 for someone other than a person covered by this paragraph.
39 8. "Food or beverage" means the amount of any expenditure paid or
40 incurred for food or beverages for a state officer or employee provided at a
41 location at which the principal, public body, lobbyist, designated public
42 lobbyist or authorized public lobbyist who made the expenditure is present.
43 9. "Gift" means a payment, distribution, expenditure, advance, deposit
44 or donation of money, any intangible personal property or any kind of

1 tangible personal or real property. For purposes of this article gift does
2 not include:

3 (a) A gift, devise or inheritance from an individual's spouse, child,
4 parent, grandparent, grandchild, brother, sister, parent-in-law,
5 brother-in-law, sister-in-law, nephew, niece, aunt, uncle or first cousin or
6 the spouse of any such individual if the donor is not acting as the agent or
7 intermediary for someone other than a person covered by this subdivision.

8 (b) Expenditures which are either properly reported or exempt from
9 reporting under this chapter for:

10 (i) A speaking engagement.

11 (ii) Food or beverages.

12 (iii) Travel and lodging.

13 (iv) Flowers.

14 (c) Salary, compensation or employer reimbursed expenses lawfully paid
15 to a public official.

16 (d) The value, cost or price of professional or consulting services
17 that are not rendered to obtain a benefit for any registered principal,
18 public body, lobbyist, designated public lobbyist or authorized public
19 lobbyist or the clients of a principal or lobbyist.

20 (e) Expenses relating to a special event or function to which all
21 members of the legislature, either house of the legislature or any committee
22 of the legislature are invited.

23 (f) A plaque or other form of recognition similar to a plaque to a
24 state officer or state employee to signify the honorary recognition of a
25 service or other notable accomplishment.

26 (g) Informational material such as books, reports, pamphlets,
27 calendars or periodicals.

28 (h) An item that is not used and that is returned within fifteen days
29 of receipt to the donor or that is delivered within fifteen days of receipt
30 to a charitable organization and that is not claimed as a charitable
31 contribution for state or federal income tax purposes.

32 (i) A campaign contribution that is properly received and reported as
33 required by law.

34 (j) An item that is given to a state officer or employee if the state
35 officer or employee gives an item of approximately the same value to the
36 giver of the item at the same time that the item is given or on a similar
37 occasion as the one that prompted the original item to be given.

38 (k) Gifts of a personal nature that were customarily received by an
39 individual from the donor before the individual became a state officer or
40 employee.

41 (l) An item that is given to the general public at an event.

42 10. "Legislation" means bills, resolutions, memorials, amendments,
43 nominations and other matters that are pending or proposed in either house of
44 the legislature of this state OR IN ANY STATE OFFICE, AGENCY, BOARD,
45 COMMISSION OR COUNCIL OR SIMILAR GOVERNING BODY, AND INCLUDES INITIATIVES,

1 REFERENDA, BALLOT MEASURES OR OTHER QUESTIONS THAT MAY BE SUBMITTED TO A
2 PUBLIC VOTE, or for the purposes of bonding, lobbying for any matter pending
3 or proposed before a school district governing board.

4 11. "Lobbying AND LOBBYING-RELATED ACTIVITIES" means attempting to
5 influence the passage or defeat of any legislation OR EXECUTIVE BRANCH
6 POLICY, ORDER OR RULE by ~~directly~~ communicating with any legislator, ~~or in~~
7 ~~the case of bonding, lobbyists directly communicating with any school~~
8 ~~district employee or a school district governing board member or attempting~~
9 ~~to influence any formal rule making proceeding pursuant to chapter 6 of this~~
10 ~~title or rule making proceedings that are exempt from chapter 6 of this title~~
11 ~~by directly communicating with any state officer or employee. Lobbying THE~~
12 GOVERNOR OR ANY EXECUTIVE BRANCH EMPLOYEE WHO IS NOT A COVERED EMPLOYEE. FOR
13 BONDING PURPOSES, "LOBBYING AND LOBBYING-RELATED ACTIVITIES" INCLUDES
14 LOBBYISTS COMMUNICATING WITH ANY SCHOOL DISTRICT EMPLOYEE OR A SCHOOL
15 DISTRICT GOVERNING BOARD MEMBER. "LOBBYING AND LOBBYING-RELATED ACTIVITIES":

16 (a) ALSO INCLUDES ALL OF THE FOLLOWING, IF PERFORMED IN CONJUNCTION
17 WITH, IN PREPARATION FOR OR AS A RESULT OF ATTEMPTING TO INFLUENCE THE
18 PASSAGE OR DEFEAT OF ANY LEGISLATION OR ANY EXECUTIVE BRANCH POLICY, ORDER OR
19 RULE, WITHOUT REGARD TO WHETHER THE ACTIVITIES INVOLVE COMMUNICATION WITH A
20 LEGISLATOR:

21 (i) RESEARCH AND OTHER ANALYTICAL WORK.

22 (ii) PREPARATION FOR MEETINGS, HEARINGS OR OTHER FORMS OF
23 COMMUNICATION.

24 (iii) TRAVEL RELATED TO ANY OF THE ABOVE.

25 (b) Does not include:

26 ~~(a)~~ (i) Interagency communications between state agency employees.

27 ~~(b)~~ (ii) Communications between a public official or employee of a
28 public body, designated public lobbyist or authorized public lobbyist and any
29 ~~state officer~~ PUBLIC EMPLOYEE WHO IS AN EMPLOYEE OF THAT PUBLIC BODY, except
30 for a member of the legislature, or an employee of the legislature.

31 (c) Oral questions or comments made by a person to a state officer or
32 employee regarding a proposed rule and made in public at a meeting or
33 workshop that is open to the public and that is sponsored by a state agency,
34 board, commission, council or office.

35 12. "Lobbyist" means any person, other than a designated public
36 lobbyist or authorized public lobbyist, who is employed by, retained by or
37 representing a person other than himself, with or without compensation, for
38 the purpose of lobbying and who is listed as a lobbyist by the principal in
39 its registration pursuant to section 41-1232. Lobbyist includes a lobbyist
40 for compensation, designated lobbyist and authorized lobbyist. Lobbyist
41 includes attorneys whose practice involves bonding, underwriters of bonds and
42 investment bankers whose business includes bonding.

43 13. "Lobbyist for compensation" means a lobbyist who is compensated for
44 the primary purpose of lobbying on behalf of a principal THAT MAY INCLUDE A

1 PUBLIC BODY and who is listed by the principal OR PUBLIC BODY in its
2 registration pursuant to section 41-1232 OR 41-1232.01.

3 14. "Person" means an individual, partnership, committee, association
4 or corporation and any other organization or group of persons, except
5 legislators and political parties qualified for representation on the ballot
6 pursuant to section 16-801 or 16-804.

7 15. "Personal hospitality" means hospitality, meals, beverages,
8 transportation or lodging furnished but not commercially provided by a person
9 on property or facilities owned or possessed by the person or the person's
10 family.

11 16. "Principal" means any person, other than a public body, that
12 employs, retains, engages or uses, with or without compensation, a lobbyist.
13 Principal includes any subsidiary of a corporation.

14 17. "Public body" means the Arizona board of regents, a university
15 under the jurisdiction of the Arizona board of regents, the judicial
16 department, any state agency, board, commission or council, any county, any
17 county elected officer who elects to appoint a designated public lobbyist or
18 any city, town, district or other political subdivision of this state that
19 receives and utilizes tax revenues and that employs, retains, engages or
20 uses, with or without compensation, a designated public lobbyist or
21 authorized public lobbyist.

22 18. "Public official" means a person who is duly elected, appointed or
23 retained through election to an elected state, county or local office.

24 19. "Single expenditure" means an expenditure that provides a benefit
25 of more than twenty dollars to an individual state officer or state employee
26 and that is incurred by or on behalf of one or more principals, public
27 bodies, lobbyists, designated public lobbyists or authorized public
28 lobbyists.

29 20. "Speaking engagement":

30 (a) Means the amount of any expense paid or incurred for entrance
31 fees, lodging, food and beverage, entertainment, travel and other expenses
32 for the state officer's or employee's attendance at an event, committee,
33 meeting, conference or seminar, including meetings of state, regional or
34 national organizations or their committees concerned with legislative or
35 governmental activities if the state officer or employee participates in the
36 event as a speaker or panel participant by presenting information relating to
37 the state officer's or employee's legislative or official duties or by
38 performing a ceremonial function appropriate to the state officer's or
39 employee's position.

40 (b) Does not include expenditures for an honorarium or any other
41 similar fee paid to a speaker.

42 21. "State employee" means an employee of the legislature, a university
43 under the jurisdiction of the Arizona board of regents, the judicial
44 department or a state office, agency, board, commission or council, INCLUDING
45 THE OFFICE OF THE GOVERNOR.

1 lobbyist, whether or not the single expenditures were made in the course of
2 lobbying. Each designated public lobbyist's report shall also include all
3 single expenditures incurred in the preceding calendar quarter by each
4 authorized public lobbyist who is registered pursuant to section 41-1232.01
5 by the same public body that registered the designated public lobbyist. This
6 subsection does not apply to an expenditure that was made by a designated
7 public lobbyist or authorized public lobbyist and that was received by or
8 benefitted an employee of a public body, if the employee is not a member or
9 employee of the legislature or a member of the household of a member or
10 employee of the legislature. These expenditures shall be itemized
11 separately, and each itemization shall include the date of the expenditure,
12 the amount of the expenditure, the name of the member or employee receiving
13 or benefitting from the expenditure, the category of the expenditure and the
14 public body on whose behalf the expenditure was made. If the expenditure was
15 made by the designated public lobbyist or authorized public lobbyist and was
16 not made on behalf of a public body, it shall be itemized separately. The
17 quarterly report shall be filed no later than the last day of the month
18 following the end of the calendar quarter, unless the last day of the month
19 is a Saturday, Sunday or other legal holiday. In that case, the report shall
20 be filed on the next business day.

21 ~~C.~~ E. Each designated public lobbyist shall also report quarterly the
22 aggregate of all expenditures of twenty dollars or less received by or
23 benefitting a member of the legislature, whether or not the expenditures were
24 made in the course of lobbying. Each designated public lobbyist's report
25 shall also include the aggregate of all expenditures of twenty dollars or
26 less that were received by or benefitted a member of the legislature and that
27 were made by an authorized public lobbyist who is registered pursuant to
28 section 41-1232.01 by the same public body that registered the designated
29 public lobbyist. This subsection does not apply to an expenditure that was
30 made by a designated public lobbyist or authorized public lobbyist and that
31 was received by or benefitted an employee of a public body, if the employee
32 is not a member or employee of the legislature or a member of the household
33 of a member or employee of the legislature. The report shall list separately
34 the aggregate of expenditures made on behalf of each public body and the
35 aggregate not made on behalf of any public body. In the fourth calendar
36 quarter, these expenditures shall also be listed by cumulative total for the
37 calendar year. Each quarterly lobbyist report shall include all reportable
38 expenditures made by any employee of the designated public lobbyist or
39 authorized public lobbyist, regardless of whether that employee is listed as
40 a designated public lobbyist or authorized public lobbyist on any
41 registration filed by a public body engaging the designated public lobbyist
42 or authorized public lobbyist. The quarterly report shall be filed no later
43 than the last day of the month following the end of the calendar quarter,
44 unless the last day of the month is a Saturday, Sunday or other legal
45 holiday. In that case, the report shall be filed on the next business day.

1 ~~D~~ F. The reports required by subsections A and ~~B~~ D of this section
2 shall identify the nature of each single expenditure according to the
3 following categories:

- 4 1. Food or beverages.
- 5 2. Speaking engagement.
- 6 3. Travel and lodging.
- 7 4. Flowers.
- 8 5. Other expenditures.

9 ~~E~~ G. Expenditures by a public body, designated public lobbyist or
10 authorized public lobbyist for personal sustenance, family gifts, personal
11 hospitality or those items excluded from the definition of gift pursuant to
12 section 41-1231, paragraph 9, subdivision (a), (c), (d), (f), (g), (h), (i),
13 (j), (k) or (l) are not required to be reported.

14 ~~F~~ H. All expenditures incurred by a public body, designated public
15 lobbyist or authorized public lobbyist in the case of special events for
16 legislators, including parties, dinners, athletic events, entertainment and
17 other functions, to which all members of the legislature, either house of the
18 legislature or any committee of the legislature are invited shall be
19 reported. Expenditures are not required to be allocated to individual
20 legislators, but for each such event a description of the event and the date,
21 location, name of the legislative body invited and total expenditures
22 incurred shall be reported. Expenditures for special events held in
23 conjunction with state, national or regional meetings of an organization or
24 association concerned or dealing with legislative or other governmental
25 activities to which all members or employees of the legislature in attendance
26 at such event are invited shall be reported in the same manner.

27 ~~G~~ I. All information required to be filed pursuant to this section
28 with the secretary of state shall be filed in that office and preserved by
29 the secretary of state for five years from the date of filing, after which
30 time the information shall be destroyed. The information is a public record
31 and open to public inspection.

32 ~~H~~ J. If a public body or designated public lobbyist makes no
33 expenditures that it would otherwise be required to report during a specified
34 reporting period, the public body or designated public lobbyist may sign a
35 notarized form prescribed by the secretary of state indicating that there
36 were no expenditures during the specific reporting period.

37 ~~I~~ K. A person or organization shall not make a gift to or an
38 expenditure on behalf of a member or employee of the legislature through
39 another person or organization for the purpose of disguising the identity of
40 the person making the gift or expenditure.

41 ~~J~~ L. A public body, designated public lobbyist or authorized public
42 lobbyist or any other person acting on behalf of a public body, designated
43 public lobbyist or authorized public lobbyist shall not give to any member of
44 the legislature and a member of the legislature shall not accept from a

1 public body, designated public lobbyist or authorized public lobbyist either
2 of the following:
3 1. Gifts with a total value of more than ten dollars during any
4 calendar year.
5 2. Gifts that are designed to influence the member's or employee's
6 official conduct.
7 ~~K.~~ M. Subsection ~~J.~~ L of this section does not apply to gifts given
8 by a public body, designated public lobbyist or authorized public lobbyist to
9 an employee of a public body, if the employee is not a public official or a
10 member of the household of a public official or if the gift is accepted on
11 behalf of the public body and remains the property of the public body.