

REFERENCE TITLE: disclosures; lobbyist; gifts; public officers

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

HB 2704

Introduced by
Representatives Campbell, Ableser, Chabin, Gallego, Hale, Hobbs, McCune
Davis, Meyer, Miranda C, Miranda R, Pancrazi, Patterson, Wheeler: Alston,
Saldate, Tovar

AN ACT

AMENDING SECTIONS 38-541, 38-542, 38-543 AND 38-544, ARIZONA REVISED STATUTES; AMENDING TITLE 38, CHAPTER 3.1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 38-546; AMENDING SECTIONS 41-1231, 41-1232.02, 41-1232.03 AND 41-1232.08, ARIZONA REVISED STATUTES; RELATING TO DISCLOSURE BY PUBLIC OFFICERS AND LOBBYISTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 38-541, Arizona Revised Statutes, is amended to
3 read:

4 38-541. Definitions

5 In this chapter, unless the context otherwise requires:

6 1. "Business" includes any enterprise, organization, trade, occupation
7 or profession, whether or not operated as a legal entity or for profit,
8 including any business trust, corporation, partnership, joint venture or sole
9 proprietorship.

10 2. "Compensation" means anything of value or advantage, present or
11 prospective, including the forgiveness of debt.

12 3. "Controlled business" means any business in which the public
13 officer or any member of his household has an ownership or beneficial
14 interest, individually or combined, amounting to more than a fifty per cent
15 interest.

16 4. "Dependent business" means any business in which the public officer
17 or any member of his household has an ownership or beneficial interest,
18 individually or combined, amounting to more than a ten per cent interest, and
19 during the preceding calendar year the business received from a single source
20 more than ten thousand dollars and more than fifty per cent of its gross
21 income.

22 5. "Gift" ~~includes~~ MEANS any gratuity, special discount, favor,
23 hospitality, service, economic opportunity, loan, PAYMENT, DISTRIBUTION,
24 EXPENDITURE, ADVANCE, DEPOSIT OR DONATION OF MONEY, ANY INTANGIBLE PERSONAL
25 PROPERTY OR ANY KIND OF TANGIBLE PERSONAL OR REAL PROPERTY or other benefit
26 received without equivalent consideration and not provided to members of the
27 public at large. FOR THE PURPOSES OF THIS CHAPTER, GIFT DOES NOT INCLUDE:

28 (a) A GIFT, DEVISE OR INHERITANCE FROM AN INDIVIDUAL'S SPOUSE, CHILD,
29 PARENT, GRANDPARENT, GRANDCHILD, BROTHER, SISTER, PARENT-IN-LAW,
30 BROTHER-IN-LAW, SISTER-IN-LAW, NEPHEW, NIECE, AUNT, UNCLE OR FIRST COUSIN OR
31 THE SPOUSE OF ANY SUCH INDIVIDUAL IF THE DONOR IS NOT ACTING AS THE AGENT OR
32 INTERMEDIARY FOR SOMEONE OTHER THAN A PERSON COVERED BY THIS SUBDIVISION.

33 (b) SALARY, COMPENSATION OR EMPLOYER REIMBURSED EXPENSES LAWFULLY PAID
34 TO A PUBLIC OFFICER.

35 (c) A PLAQUE OR OTHER FORM OF RECOGNITION SIMILAR TO A PLAQUE TO A
36 PUBLIC OFFICER OR MEMBER OF THE PUBLIC OFFICER'S HOUSEHOLD TO SIGNIFY THE
37 HONORARY RECOGNITION OF A SERVICE OR OTHER NOTABLE ACCOMPLISHMENT.

38 (d) INFORMATIONAL MATERIAL SUCH AS BOOKS, REPORTS, PAMPHLETS,
39 CALENDARS OR PERIODICALS.

40 (e) AN ITEM THAT IS NOT USED AND THAT IS RETURNED WITHIN FIFTEEN
41 CALENDAR DAYS OF RECEIPT TO THE DONOR OR THAT IS DELIVERED WITHIN FIFTEEN
42 CALENDAR DAYS OF RECEIPT TO A CHARITABLE ORGANIZATION AND THAT IS NOT CLAIMED
43 AS A CHARITABLE CONTRIBUTION FOR STATE OR FEDERAL INCOME TAX PURPOSES.

44 (f) A CAMPAIGN CONTRIBUTION OR A CONTRIBUTION TO AN OFFICEHOLDER
45 EXPENSE ACCOUNT THAT IS PROPERLY RECEIVED AND REPORTED AS REQUIRED BY LAW.

1 (g) AN ITEM THAT IS GIVEN TO A PUBLIC OFFICER OR MEMBER OF THE PUBLIC
2 OFFICER'S HOUSEHOLD IF THE PUBLIC OFFICER OR MEMBER OF THE HOUSEHOLD GIVES AN
3 ITEM OF APPROXIMATELY THE SAME VALUE TO THE GIVER OF THE ITEM AT THE SAME
4 TIME THAT THE ITEM IS GIVEN OR ON A SIMILAR OCCASION AS THE ONE THAT PROMPTED
5 THE ORIGINAL ITEM TO BE GIVEN.

6 (h) GIFTS OF A PERSONAL NATURE THAT WERE CUSTOMARILY RECEIVED BY AN
7 INDIVIDUAL FROM THE DONOR BEFORE THE INDIVIDUAL BECAME A PUBLIC OFFICER.

8 (i) AN ITEM THAT IS GIVEN TO THE GENERAL PUBLIC AT AN EVENT.

9 6. "Local public officer" means a person holding an elective office of
10 an incorporated city or town, a county or a groundwater replenishment
11 district established under title 48, chapter 27.

12 7. "Member of household" means a public officer's spouse and any minor
13 child of whom the public officer has legal custody.

14 8. "Public officer" means a member of the legislature and any judge of
15 the court of appeals or the superior court, or a person holding an elective
16 office the constituency of which embraces the entire geographical limits of
17 this state. Members of Congress are not public officers as defined in this
18 paragraph.

19 Sec. 2. Section 38-542, Arizona Revised Statutes, is amended to read:
20 38-542. Duty to file financial disclosure statement; contents;
21 exceptions

22 A. In addition to other statements and reports required by law, every
23 public officer, as a matter of public record, shall file ELECTRONICALLY with
24 the secretary of state on a form prescribed by the secretary of state a
25 verified financial disclosure statement covering the preceding ~~calendar-year~~
26 MONTH. The statement SHALL BE PUBLICLY AVAILABLE ON THE SECRETARY OF STATE'S
27 WEBSITE AND shall disclose:

28 1. The name and address of the public officer and each member of his
29 household and all names and addresses under which each does business.

30 2. The name and address of each employer and of each other source of
31 compensation other than gifts amounting to more than one ~~thousand~~ HUNDRED
32 dollars received during the preceding ~~calendar-year~~ MONTH by the public
33 officer and members of his household in their own names, or by any other
34 person for the use or benefit of the public officer or members of his
35 household, a description of the services for which the compensation was
36 received and the nature of the employer's business. This paragraph shall not
37 be construed to require the disclosure of individual items of compensation
38 that constituted a portion of the gross income of the business from which the
39 public officer or members of his household derived compensation.

40 3. For a controlled business, a description of the goods or services
41 provided by the business, and if any single source of compensation to the
42 business during the preceding ~~calendar-year~~ MONTH amounts to more than ~~ten~~
43 ONE thousand dollars and is more than twenty-five per cent of the gross
44 income of the business, the disclosure shall also include a description of
45 the goods or services provided to the source of compensation. For a
46 dependent business the statement shall disclose a description of the goods or

1 services provided by the business and a description of the goods or services
2 provided to the source of compensation from which the dependent business
3 derived the amount of gross income described in section 38-541, paragraph 4.
4 If the source of compensation for a controlled or dependent business is a
5 business, the statement shall disclose a description of the business
6 activities engaged in by the source of compensation.

7 4. The names and addresses of all businesses and trusts in which the
8 public officer or members of his household, or any other person for the use
9 or benefit of the public officer or members of his household, had an
10 ownership or beneficial interest of over one ~~thousand~~ HUNDRED dollars at any
11 time during the preceding ~~calendar-year~~ MONTH, and the names and addresses of
12 all businesses and trusts in which the public officer or any member of his
13 household held any office or had a fiduciary relationship at any time during
14 the preceding ~~calendar-year~~ MONTH, together with the amount or value of the
15 interest and a description of the interest, office or relationship.

16 5. All Arizona real property interests and real property improvements,
17 including specific location and approximate size, in which the public
18 officer, any member of his household or a controlled or dependent business
19 held legal title or a beneficial interest at any time during the preceding
20 ~~calendar-year~~ MONTH, and the value of any such interest, except that this
21 paragraph does not apply to a real property interest and improvements thereon
22 used as the primary personal residence or for the personal recreational use
23 of the public officer. If a public officer, any member of his household or a
24 controlled or dependent business acquired or divested any such interest
25 during the preceding ~~calendar-year~~ MONTH, he shall also disclose that the
26 transaction was made and the date it occurred. If the controlled or
27 dependent business is in the business of dealing in real property interests
28 or improvements, disclosure need not include individual parcels or
29 transactions as long as the aggregate value of all parcels of such property
30 is reported.

31 6. The names and addresses of all creditors to whom the public officer
32 or members of his household, in their own names or in the name of any other
33 person, owed a debt of more than one thousand dollars or to whom a controlled
34 business or a dependent business owed a debt of more than ten thousand
35 dollars ~~which~~ THAT was also more than thirty per cent of the total business
36 indebtedness at any time during the preceding ~~calendar-year~~ MONTH, listing
37 each such creditor. This paragraph shall not be construed to require the
38 disclosure of debts owed by the public officer or any member of his household
39 resulting from the ordinary conduct of a business other than a controlled or
40 dependent business nor shall disclosure be required of credit card
41 transactions, retail installment contracts, debts on residences or
42 recreational property exempt from disclosure under paragraph 5 of this
43 subsection, debts on motor vehicles not used for commercial purposes, debts
44 secured by cash values on life insurance or debts owed to relatives. It is
45 sufficient disclosure of a creditor if the name and address of a person to
46 whom payments are made is disclosed. If the public officer, any member of

1 his household or a controlled or dependent business incurred or discharged a
2 debt which is reportable under this subsection during the preceding ~~calendar~~
3 ~~year~~ MONTH, the report shall disclose that the transaction was made and the
4 date it occurred.

5 7. The identification and amount of each debt exceeding one thousand
6 dollars owed at any time during the preceding ~~calendar-year~~ MONTH to the
7 public officer and members of his household in their own names, or to any
8 other person for the use or benefit of the public officer or any member of
9 his household. The disclosure shall include the identification and amount of
10 each debt exceeding ten thousand dollars to a controlled business or
11 dependent business which was also more than thirty per cent of the total
12 indebtedness to the business at any time during the preceding ~~calendar-year~~
13 MONTH. This paragraph shall not be construed to require the disclosure of
14 debts from the ordinary conduct of a business other than a controlled or
15 dependent business. If the public officer, any member of his household or a
16 controlled or dependent business incurred or discharged a debt ~~which~~ THAT is
17 reportable under this subsection during the preceding ~~year~~ MONTH, the report
18 shall disclose that the transaction was made and the date it occurred.

19 8. The name of each source of any gift, or accumulated gifts from a
20 single source, of more than ~~five~~ ONE hundred dollars received by the public
21 officer and members of his household in their own names during the preceding
22 ~~calendar-year~~ MONTH, or by any other person for the use or benefit of the
23 public officer or any member of his household. ~~except gifts received by will~~
24 ~~or by virtue of intestate succession, or received by way of distribution from~~
25 ~~any inter vivos or testamentary trust established by a spouse or by an~~
26 ~~ancestor, or gifts received from any other member of the household or~~
27 ~~relatives to the second degree of consanguinity. Political campaign~~
28 ~~contributions shall not be construed as gifts if otherwise publicly reported~~
29 ~~as political campaign contributions as required by law.~~

30 9. A list of all business licenses issued to, held by or in which the
31 public officer or any member of his household had an interest at any time
32 during the preceding ~~calendar-year~~ MONTH, including the name in which the
33 license was issued, the type of business and its location.

34 10. A list of all bonds, together with their value, issued by this
35 state or any political subdivision of this state and held at any time during
36 the preceding ~~calendar-year~~ MONTH by the public officer or any member of his
37 household, which bonds issued by a single entity had a value in excess of one
38 thousand dollars. If the public officer or any member of his household
39 acquired or divested any bonds during the preceding ~~calendar-year~~ MONTH which
40 are reportable under this paragraph, the fact that the transaction occurred
41 and the date shall also be shown.

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

45 1. Category 1, ONE HUNDRED DOLLARS TO NINE HUNDRED NINETY-NINE
46 DOLLARS.

1 Sec. 5. Title 38, chapter 3.1, article 1, Arizona Revised Statutes, is
2 amended by adding section 38-546, to read:

3 38-546. Electronic filing; financial disclosure statements

4 A. STATEMENTS THAT ARE FILED PURSUANT TO THIS CHAPTER IN THE OFFICE OF
5 THE SECRETARY OF STATE IN ELECTRONIC FORMAT SHALL BE FILED USING COMPUTER
6 PROGRAMS THAT ARE PROVIDED OR APPROVED BY THE SECRETARY OF STATE. THE
7 SECRETARY OF STATE SHALL PROVIDE COMPUTER PROGRAMS TO ACCOMMODATE ELECTRONIC
8 FILINGS AND SHALL IMPLEMENT AND MAINTAIN A SYSTEM FOR THE ELECTRONIC
9 COLLECTION, FILING AND DISSEMINATION OF MATERIALS FILED PURSUANT TO SECTION
10 38-542. A COUNTY OFFICER IN CHARGE OF ELECTIONS MAY IMPLEMENT AN ELECTRONIC
11 FILING SYSTEM FOR STATEMENTS THAT ARE REQUIRED TO BE FILED WITH THE COUNTY
12 OFFICER AND SUBSECTIONS B THROUGH F OF THIS SECTION APPLY TO AN ELECTRONIC
13 FILING PROGRAM OPERATED BY A COUNTY.

14 B. IF THE FILINGS ARE COMPLETE AND CORRECT, ANY STATEMENTS,
15 DESIGNATIONS OR REPORTS THAT ARE FILED IN THE SECRETARY OF STATE'S ELECTRONIC
16 FILING FORMAT ARE DEEMED TO COMPLY WITH:

17 1. THE FILING REQUIREMENTS OF THIS CHAPTER.

18 2. THE REQUIREMENT THAT A FILING BE MADE UNDER OATH OR BE SUBMITTED
19 WITH A WRITTEN SIGNATURE.

20 C. A STATEMENT THAT IS FILED IN ELECTRONIC FORMAT IS DEEMED TO BE
21 FILED UNDER PENALTY OF PERJURY IF THE PRINTED FORMAT VERSION OF THAT DOCUMENT
22 IS REQUIRED TO BE FILED UNDER PENALTY OF PERJURY.

23 D. A PUBLIC OFFICER WHO SUBMITS ANY STATEMENT PURSUANT TO THIS CHAPTER
24 THAT IS NOT PROPERLY FORMATTED OR THAT DOES NOT CONTAIN THE INFORMATION
25 PRESCRIBED BY THIS CHAPTER HAS NOT COMPLIED WITH THE REPORTING REQUIREMENTS
26 OF THIS CHAPTER AND IS SUBJECT TO PENALTIES AND ENFORCEMENT AS OTHERWISE
27 PROVIDED BY LAW.

28 E. DURING THE IMPLEMENTATION OF AN ELECTRONIC FILING SYSTEM IN A
29 COUNTY, THE COUNTY OFFICER IN CHARGE OF ELECTIONS MAY REQUIRE THAT STATEMENTS
30 BE FILED WITH AN ADDITIONAL WRITTEN OR PRINTED COPY.

31 F. FOR AN ELECTRONIC FILING SYSTEM IMPLEMENTED BY THE SECRETARY OF
32 STATE OR OTHER FILING OFFICER, THE FILING OFFICER SHALL DESIGNATE ONE OR MORE
33 APPROVED TRANSMITTAL FORMATS AND METHODS.

34 Sec. 6. Section 41-1231, Arizona Revised Statutes, is amended to read:

35 41-1231. Definitions

36 In this article, unless the context otherwise requires:

37 1. "Authorized lobbyist" means any person, other than a designated
38 lobbyist or lobbyist for compensation, who is employed by, retained by or
39 representing a principal with or without compensation for the purpose of
40 lobbying and who is listed as an authorized lobbyist by the principal in its
41 registration pursuant to section 41-1232.

42 2. "Authorized public lobbyist" means a person, other than a
43 designated public lobbyist, who is employed by, retained by or representing a
44 public body, with or without compensation, for the purpose of lobbying and
45 who is listed as an authorized public lobbyist by the public body in its
46 registration pursuant to section 41-1232.01.

1 3. "Designated lobbyist" means the person who is designated by a
2 principal as the single point of contact for the principal and who is listed
3 as the designated lobbyist by the principal in its registration pursuant to
4 section 41-1232.

5 4. "Designated public lobbyist" means the person who is designated by
6 a public body as the single point of contact for the public body and who is
7 listed as the designated public lobbyist by the public body in its
8 registration pursuant to section 41-1232.01.

9 5. "Entertainment" means the amount of any expenditure paid or
10 incurred for admission to any sporting or cultural event or for participation
11 in any sporting or cultural activity.

12 6. "Expenditure" means a payment, distribution, loan, advance, deposit
13 or gift of money or anything of value and includes a contract, promise or
14 agreement, whether or not legally enforceable, to make an expenditure that
15 provides a benefit to an individual state officer or state employee and that
16 is incurred by or on behalf of one or more principals, public bodies,
17 lobbyists, designated public lobbyists or authorized public lobbyists.

18 7. "Family gift" means a gift to a state officer or employee or a
19 member of the officer's or employee's household from a principal, lobbyist,
20 designated public lobbyist or authorized public lobbyist who is a relative of
21 the state officer or employee or a member of the household of the state
22 officer or employee if the donor is not acting as the agent or intermediary
23 for someone other than a person covered by this paragraph.

24 8. "Food or beverage" means the amount of any expenditure paid or
25 incurred for food or beverages for a state officer or employee ~~provided at a~~
26 ~~location at which the principal, public body, lobbyist, designated public~~
27 ~~lobbyist or authorized public lobbyist who made the expenditure is present.~~

28 9. "Gift" means ~~a~~ ANY GRATUITY, SPECIAL DISCOUNT, FAVOR, HOSPITALITY,
29 SERVICE, ECONOMIC OPPORTUNITY, LOAN, payment, distribution, expenditure,
30 advance, deposit or donation of money, any intangible personal property or
31 any kind of tangible personal or real property OR OTHER BENEFIT RECEIVED
32 WITHOUT EQUIVALENT CONSIDERATION AND NOT PROVIDED TO MEMBERS OF THE PUBLIC AT
33 LARGE. For purposes of this article gift does not include:

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

39 ~~(b) Expenditures which are either properly reported or exempt from~~
40 ~~reporting under this chapter for:~~

41 ~~(i) A speaking engagement.~~

42 ~~(ii) Food or beverages.~~

43 ~~(iii) Travel and lodging.~~

44 ~~(iv) Flowers.~~

45 ~~(e)~~ (b) Salary, compensation or employer reimbursed expenses lawfully
46 paid to a public official.

1 ~~(d)~~ (c) The value, cost or price of professional or consulting
2 services that are not rendered to obtain a benefit for any registered
3 principal, public body, lobbyist, designated public lobbyist or authorized
4 public lobbyist or the clients of a principal or lobbyist.

5 ~~(e) Expenses relating to a special event or function to which all~~
6 ~~members of the legislature, either house of the legislature or any committee~~
7 ~~of the legislature are invited.~~

8 ~~(f)~~ (d) A plaque or other form of recognition similar to a plaque to
9 a state officer or state employee to signify the honorary recognition of a
10 service or other notable accomplishment.

11 ~~(g)~~ (e) Informational material such as books, reports, pamphlets,
12 calendars or periodicals.

13 ~~(h)~~ (f) An item that is not used and that is returned within fifteen
14 CALENDAR days of receipt to the donor or that is delivered within fifteen
15 CALENDAR days of receipt to a charitable organization and that is not claimed
16 as a charitable contribution for state or federal income tax purposes.

17 ~~(i)~~ (g) A campaign contribution OR A CONTRIBUTION TO AN OFFICEHOLDER
18 EXPENSE ACCOUNT that is properly received and reported as required by law.

19 ~~(j)~~ (h) An item that is given to a state officer or employee if the
20 state officer or employee gives an item of approximately the same value to
21 the giver of the item at the same time that the item is given or on a similar
22 occasion as the one that prompted the original item to be given.

23 ~~(k)~~ (i) Gifts of a personal nature that were customarily received by
24 an individual from the donor before the individual became a state officer or
25 employee.

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

27 10. "Legislation" means bills, resolutions, memorials, amendments,
28 nominations and other matters that are pending or proposed in either house of
29 the legislature of this state or for the purposes of bonding lobbying for any
30 matter pending or proposed before a school district governing board.

31 11. "Lobbying" means attempting to influence the passage or defeat of
32 any legislation by directly communicating with any legislator OR THE GOVERNOR
33 OR THE GOVERNOR'S STAFF, or in the case of bonding, lobbyists directly
34 communicating with any school district employee or a school district
35 governing board member or attempting to influence any formal rule making
36 proceeding pursuant to chapter 6 of this title or rule making proceedings
37 that are exempt from chapter 6 of this title by directly communicating with
38 any state officer or employee. Lobbying does not include:

39 (a) Interagency communications between state agency employees.

40 (b) Communications between a public official or employee of a public
41 body, designated public lobbyist or authorized public lobbyist and any state
42 officer, except for a member of the legislature, or an employee of the
43 legislature.

44 (c) Oral questions or comments made by a person to a state officer or
45 employee regarding a proposed rule and made in public at a meeting or

1 workshop that is open to the public and that is sponsored by a state agency,
2 board, commission, council or office.

3 12. "Lobbyist" means any person, other than a designated public
4 lobbyist or authorized public lobbyist, who is employed by, retained by or
5 representing a person other than himself, with or without compensation, for
6 the purpose of lobbying and who is listed as a lobbyist by the principal in
7 its registration pursuant to section 41-1232. Lobbyist includes a lobbyist
8 for compensation, designated lobbyist and authorized lobbyist. Lobbyist
9 includes attorneys whose practice involves bonding, underwriters of bonds and
10 investment bankers whose business includes bonding.

11 13. "Lobbyist for compensation" means a lobbyist who is compensated for
12 the primary purpose of lobbying on behalf of a principal and who is listed by
13 the principal in its registration pursuant to section 41-1232.

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

18 15. "Personal hospitality" means hospitality, meals, beverages,
19 transportation or lodging furnished but not commercially provided by a person
20 on property or facilities owned or possessed by the person or the person's
21 family.

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

25 17. "Public body" means the Arizona board of regents, a university
26 under the jurisdiction of the Arizona board of regents, the judicial
27 department, any state agency, board, commission or council, any county, any
28 county elected officer who elects to appoint a designated public lobbyist or
29 any city, town, district or other political subdivision of this state that
30 receives and utilizes tax revenues and that employs, retains, engages or
31 uses, with or without compensation, a designated public lobbyist or
32 authorized public lobbyist.

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

35 19. "Single expenditure" means an expenditure that provides a benefit
36 of more than twenty dollars to an individual state officer or state employee
37 and that is incurred by or on behalf of one or more principals, public
38 bodies, lobbyists, designated public lobbyists or authorized public
39 lobbyists.

40 ~~20. "Speaking engagement":~~

41 ~~(a) Means the amount of any expense paid or incurred for entrance fees,~~
42 ~~lodging, food and beverage, entertainment, travel and other expenses for the~~
43 ~~state officer's or employee's attendance at an event, committee, meeting,~~
44 ~~conference or seminar, including meetings of state, regional or national~~
45 ~~organizations or their committees concerned with legislative or governmental~~
46 ~~activities if the state officer or employee participates in the event as a~~

~~speaker or panel participant by presenting information relating to the state officer's or employee's legislative or official duties or by performing a ceremonial function appropriate to the state officer's or employee's position.~~

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

~~21.~~ 20. "State employee" means an employee of the legislature OR THE GOVERNOR'S OFFICE, a university under the jurisdiction of the Arizona board of regents, the judicial department or a state office, agency, board, commission or council.

~~22.~~ 21. "State officer" means a person who is duly elected, appointed or retained through election to any state office, or a member of any state board, commission or council, and includes a member of the legislature.

Sec. 7. Section 41-1232.02, Arizona Revised Statutes, is amended to read:

41-1232.02. Expenditure reporting; principals and lobbyists; gifts

A. Each principal shall report annually all single expenditures, whether or not the expenditures were made in the course of lobbying. These single expenditures shall be itemized separately, and each itemization shall include the date of the expenditure, the amount of the expenditure, the name of each state officer or employee receiving or benefitting from the expenditure, the category of the expenditure and the name of the lobbyist or other person who made the expenditure on behalf of the principal. In addition each principal shall report annually the aggregate of all expenditures of twenty dollars or less received by or benefitting a state officer or employee, whether or not the expenditures were made in the course of lobbying. The report shall be filed by March 1 and shall list the annual expenditures made on behalf of the principal. If March 1 is a Saturday, Sunday or other legal holiday, the report shall be filed on the next business day.

B. Each lobbyist for compensation and designated lobbyist shall report quarterly all single expenditures incurred in the preceding calendar quarter by the lobbyist for compensation or designated lobbyist, whether or not the single expenditures were made in the course of lobbying. These single expenditures shall be itemized separately, and each itemization shall include the date of the expenditure, the amount of the expenditure, the name of the state officer or employee receiving or benefitting from the expenditure, the category of the expenditure and the principal on whose behalf the expenditure was made. If the expenditure was made by the lobbyist and was not made on behalf of a principal, it shall be itemized separately. The quarterly report shall be filed no later than the last day of the month following the end of the calendar quarter, unless the last day of the month is a Saturday, Sunday or other legal holiday. In that case, the report shall be filed on the next business day.

1 C. Each lobbyist for compensation and designated lobbyist shall also
 2 report quarterly the aggregate of all expenditures of twenty dollars or less
 3 received by or benefitting a state officer or employee, whether or not the
 4 expenditures were made in the course of lobbying. The report shall list
 5 separately the aggregate of expenditures made on behalf of each principal and
 6 the aggregate not made on behalf of any principal. In the fourth calendar
 7 quarter, these expenditures shall also be listed by cumulative total for the
 8 calendar year. Each quarterly lobbyist report shall include all reportable
 9 expenditures made by any employee of the lobbyist for compensation or
 10 designated lobbyist, regardless of whether that employee is listed as a
 11 lobbyist on any registration filed by a principal engaging the lobbyist. The
 12 quarterly report shall be filed no later than the last day of the month
 13 following the end of the calendar quarter, unless the last day of the month
 14 is a Saturday, Sunday or other legal holiday. In that case, the report shall
 15 be filed the next business day.

16 D. The reports required by subsections A and B of this section shall
 17 identify each single expenditure **BY SPECIFIC DOLLAR AMOUNT AND SHALL DESCRIBE**
 18 **THE ITEM, SERVICE OR OTHER BENEFIT PROVIDED.** ~~according to the following~~
 19 ~~categories:~~

- 20 ~~1. Food or beverages.~~
- 21 ~~2. Speaking engagement.~~
- 22 ~~3. Travel and lodging.~~
- 23 ~~4. Flowers.~~
- 24 ~~5. Other expenditures.~~

25 E. Expenditures by principals and lobbyists such as those for the
 26 lobbyist's personal sustenance, office expenses, filing fees, legal fees,
 27 employees' compensation, lodging and travel are not required to be reported.
 28 In addition, expenditures by a principal or a lobbyist for family gifts,
 29 personal hospitality or those items excluded from the definition of gift
 30 pursuant to section 41-1231, paragraph 9, subdivision (a), (b), (c), (d),
 31 (e), (f), (g), (h), (i), ~~OR (j), (k) or (l)~~ are not required to be reported.

32 ~~F. All expenditures incurred by a principal or lobbyist in the case of~~
 33 ~~special events for legislators, including parties, dinners, athletic events,~~
 34 ~~entertainment and other functions, to which all members of the legislature,~~
 35 ~~either house of the legislature or any committee of the legislature are~~
 36 ~~invited shall be reported. Expenditures are not required to be allocated to~~
 37 ~~individual legislators, but for each such event a description of the event~~
 38 ~~and the date, location, name of the legislative body invited and total~~
 39 ~~expenditures incurred shall be reported. Expenditures for special events~~
 40 ~~held in conjunction with state, national or regional meetings of an~~
 41 ~~organization or association concerned or dealing with legislative or other~~
 42 ~~governmental activities to which all state officers or state employees in~~
 43 ~~attendance at such event are invited shall be reported in the same manner.~~

44 ~~G.~~ F. All information required to be filed pursuant to this section
 45 with the secretary of state shall be filed in that office and preserved by
 46 the secretary of state for five years from the date of filing, after which

1 time the information shall be destroyed. The information is a public record
2 and open to public inspection.

3 ~~H.~~ G. If a principal, lobbyist for compensation or designated
4 lobbyist makes no expenditures that it would otherwise be required to report
5 during a specified reporting period, the principal, lobbyist for compensation
6 or designated lobbyist may sign a notarized form prescribed by the secretary
7 of state indicating that there were no expenditures during the specific
8 reporting period.

9 ~~I.~~ H. A person or organization shall not make a gift to or an
10 expenditure on behalf of a state officer or employee through another person
11 or organization for the purpose of disguising the identity of the person
12 making the gift or expenditure.

13 ~~J.~~ I. A principal or lobbyist or any other person acting on behalf of
14 a principal or lobbyist shall not give to any state officer or state employee
15 and a state officer or state employee shall not accept from a principal or
16 lobbyist either of the following:

17 1. Gifts with a total value of more than ten dollars during any
18 calendar year.

19 2. Gifts that are designed to influence the state officer's or state
20 employee's official conduct.

21 J. EACH REPORT REQUIRED TO BE FILED PURSUANT TO THIS SECTION SHALL BE
22 SIGNED BY THE PRINCIPAL, LOBBYIST FOR COMPENSATION OR DESIGNATED LOBBYIST, AS
23 APPROPRIATE, AND SHALL CONTAIN THE CERTIFICATION OF THE SIGNER UNDER PENALTY
24 OF PERJURY THAT THE REPORT IS TRUE AND COMPLETE AND THAT THE SIGNER HAS READ
25 AND COMPLIED WITH THE REQUIREMENTS OF THIS ARTICLE.

26 Sec. 8. Section 41-1232.03, Arizona Revised Statutes, is amended to
27 read:

28 41-1232.03. Expenditure reporting: public bodies and public
29 lobbyists: gifts

30 A. Each public body shall report annually all single expenditures
31 received by or benefitting a member of the legislature whether or not the
32 expenditures were made in the course of lobbying. These expenditures shall
33 be itemized separately, and each itemization shall include the date of the
34 expenditure, the amount of the expenditure, the name of each member of the
35 legislature receiving or benefitting from the expenditure, the category of
36 the expenditure and the name of the designated public lobbyist or authorized
37 public lobbyist who made the expenditure on behalf of the public body. In
38 addition each public body shall report annually the aggregate of all
39 expenditures of twenty dollars or less received by or benefitting a member of
40 the legislature, whether or not the expenditures were made in the course of
41 lobbying. The report shall list all expenditures by the public body made in
42 the course of lobbying for the personal sustenance, filing fee, legal fees,
43 employees' compensation, meals, lodging and travel of the designated public
44 lobbyist and all authorized public lobbyists employed or retained by, and
45 representing, the public body. The public body shall apportion expenditures
46 that are attributable both to lobbying and to other activities of the public

1 body and shall report only the portion attributable to lobbying. For the
2 purpose of reporting employee compensation, a public body, on establishing a
3 time allocation schedule for apportioned lobbying activity based on actual
4 experience under this article, may submit after the 1993 calendar year an
5 affidavit to the secretary of state stating the compensation attributable to
6 lobbying for subsequent years for the designated public lobbyist and all
7 authorized public lobbyists whose job responsibilities have not been
8 significantly altered since the time allocation schedule was established.
9 The report shall be filed by March 1 and shall list the annual expenditures
10 made on behalf of the public body. If March 1 is a Saturday, Sunday or other
11 legal holiday, the report shall be filed on the next business day.

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

35 C. Each designated public lobbyist shall also report quarterly the
36 aggregate of all expenditures of twenty dollars or less received by or
37 benefitting a member of the legislature, whether or not the expenditures were
38 made in the course of lobbying. Each designated public lobbyist's report
39 shall also include the aggregate of all expenditures of twenty dollars or
40 less that were received by or benefitted a member of the legislature and that
41 were made by an authorized public lobbyist who is registered pursuant to
42 section 41-1232.01 by the same public body that registered the designated
43 public lobbyist. This subsection does not apply to an expenditure that was
44 made by a designated public lobbyist or authorized public lobbyist and that
45 was received by or benefitted an employee of a public body, if the employee
46 is not a member or employee of the legislature or a member of the household

1 of a member or employee of the legislature. The report shall list separately
2 the aggregate of expenditures made on behalf of each public body and the
3 aggregate not made on behalf of any public body. In the fourth calendar
4 quarter, these expenditures shall also be listed by cumulative total for the
5 calendar year. Each quarterly lobbyist report shall include all reportable
6 expenditures made by any employee of the designated public lobbyist or
7 authorized public lobbyist, regardless of whether that employee is listed as
8 a designated public lobbyist or authorized public lobbyist on any
9 registration filed by a public body engaging the designated public lobbyist
10 or authorized public lobbyist. The quarterly report shall be filed no later
11 than the last day of the month following the end of the calendar quarter,
12 unless the last day of the month is a Saturday, Sunday or other legal
13 holiday. In that case, the report shall be filed on the next business day.

14 D. The reports required by subsections A and B of this section shall
15 identify the nature of each single expenditure **BY SPECIFIC DOLLAR AMOUNT AND**
16 **SHALL DESCRIBE THE ITEM, SERVICE OR OTHER BENEFIT PROVIDED.** ~~according to the~~
17 ~~following categories:~~

- 18 ~~1. Food or beverages.~~
- 19 ~~2. Speaking engagement.~~
- 20 ~~3. Travel and lodging.~~
- 21 ~~4. Flowers.~~
- 22 ~~5. Other expenditures.~~

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

28 ~~F. All expenditures incurred by a public body, designated public~~
29 ~~lobbyist or authorized public lobbyist in the case of special events for~~
30 ~~legislators, including parties, dinners, athletic events, entertainment and~~
31 ~~other functions, to which all members of the legislature, either house of the~~
32 ~~legislature or any committee of the legislature are invited shall be~~
33 ~~reported. Expenditures are not required to be allocated to individual~~
34 ~~legislators, but for each such event a description of the event and the date,~~
35 ~~location, name of the legislative body invited and total expenditures~~
36 ~~incurred shall be reported. Expenditures for special events held in~~
37 ~~conjunction with state, national or regional meetings of an organization or~~
38 ~~association concerned or dealing with legislative or other governmental~~
39 ~~activities to which all members or employees of the legislature in attendance~~
40 ~~at such event are invited shall be reported in the same manner.~~

41 ~~G.~~ F. All information required to be filed pursuant to this section
42 with the secretary of state shall be filed in that office and preserved by
43 the secretary of state for five years from the date of filing, after which
44 time the information shall be destroyed. The information is a public record
45 and open to public inspection.

1 ~~H.~~ G. If a public body or designated public lobbyist makes no
2 expenditures that it would otherwise be required to report during a specified
3 reporting period, the public body or designated public lobbyist may sign a
4 notarized form prescribed by the secretary of state indicating that there
5 were no expenditures during the specific reporting period.

6 ~~I.~~ H. A person or organization shall not make a gift to or an
7 expenditure on behalf of a member or employee of the legislature through
8 another person or organization for the purpose of disguising the identity of
9 the person making the gift or expenditure.

10 ~~J.~~ I. A public body, designated public lobbyist or authorized public
11 lobbyist or any other person acting on behalf of a public body, designated
12 public lobbyist or authorized public lobbyist shall not give to any member of
13 the legislature and a member of the legislature shall not accept from a
14 public body, designated public lobbyist or authorized public lobbyist either
15 of the following:

16 1. Gifts with a total value of more than ten dollars during any
17 calendar year.

18 2. Gifts that are designed to influence the member's or employee's
19 official conduct.

20 ~~K.~~ J. Subsection ~~J.~~ I of this section does not apply to gifts given
21 by a public body, designated public lobbyist or authorized public lobbyist to
22 an employee of a public body, if the employee is not a public official or a
23 member of the household of a public official or if the gift is accepted on
24 behalf of the public body and remains the property of the public body.

25 K. EACH REPORT REQUIRED TO BE FILED PURSUANT TO THIS SECTION SHALL BE
26 SIGNED BY THE PUBLIC BODY OR DESIGNATED PUBLIC LOBBYIST, AS APPROPRIATE, AND
27 SHALL CONTAIN THE CERTIFICATION OF THE SIGNER UNDER PENALTY OF PERJURY THAT
28 THE REPORT IS TRUE AND COMPLETE AND THAT THE SIGNER HAS READ AND COMPLIED
29 WITH THE REQUIREMENTS OF THIS ARTICLE.

30 Sec. 9. Section 41-1232.08, Arizona Revised Statutes, is amended to
31 read:

32 41-1232.08. Gift ban: state and political subdivisions

33 A. A principal, designated lobbyist, authorized lobbyist, lobbyist for
34 compensation, public body, designated public lobbyist or authorized public
35 lobbyist or any other person acting on that person's behalf shall not make an
36 expenditure or single expenditure for ~~entertainment~~ A GIFT for a state
37 officer or state employee. A state officer or state employee shall not
38 accept an expenditure or single expenditure for ~~entertainment~~ A GIFT from a
39 principal, designated lobbyist, authorized lobbyist, lobbyist for
40 compensation, public body, designated public lobbyist or authorized public
41 lobbyist or any other person acting on that person's behalf.

42 B. A person who for compensation attempts to influence the passage or
43 defeat of legislation, ordinances, rules, regulations, nominations and other
44 matters that are pending or proposed or that are subject to formal approval
45 by the corporation commission, a county board of supervisors, a city or town
46 governing body or a school district governing board or any person acting on

1 that person's behalf shall not make an expenditure or single expenditure for
2 ~~entertainment for~~ A GIFT TO an elected or appointed member of the corporation
3 commission, a county board of supervisors, a city or town governing body or a
4 school district governing board. An elected or appointed member of the
5 corporation commission, a county board of supervisors, a city or town
6 governing body or a school district governing board shall not accept an
7 expenditure or single expenditure for ~~entertainment~~ A GIFT from a person who
8 for compensation attempts to influence the passage or defeat of legislation,
9 ordinances, rules, regulations, nominations and other matters that are
10 pending or proposed or that are subject to formal approval by the corporation
11 commission, a county board of supervisors, a city or town governing body or a
12 school district governing board.

13 ~~C. This section shall not apply to:~~

14 ~~1. Entertainment in connection with a special event properly reported~~
15 ~~pursuant to this article.~~

16 ~~2. Entertainment that is incidental to a speaking engagement.~~

17 ~~3. The following persons while attending or participating in any~~
18 ~~sporting or cultural event or activity, sponsored by the board, district or~~
19 ~~institution, in a facility that is owned or operated by the board, district~~
20 ~~or institution:~~

21 ~~(a) Employees of a school district governing board.~~

22 ~~(b) Employees of a community college district governing board.~~

23 ~~(c) Employees of any institution under the jurisdiction of the Arizona~~
24 ~~board of regents.~~

25 ~~D. The provisions of this article that define special events for~~
26 ~~legislators apply to special events for members of the Arizona board of~~
27 ~~regents.~~