

REFERENCE TITLE: lobbying; special events; limitation

State of Arizona
Senate
Fiftieth Legislature
Second Regular Session
2012

SB 1390

Introduced by
Senator Gallardo

AN ACT

AMENDING SECTIONS 41-1232.02, 41-1232.03 AND 41-1232.08, ARIZONA REVISED
STATUTES; RELATING TO REGISTRATION AND REGULATION OF LOBBYISTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 41-1232.02, Arizona Revised Statutes, is amended to
3 read:

4 41-1232.02. Expenditure reporting: principals and lobbyists:
5 gifts

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

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

34 C. Each lobbyist for compensation and designated lobbyist shall also
35 report quarterly the aggregate of all expenditures of twenty dollars or less
36 received by or benefitting a state officer or employee, whether or not the
37 expenditures were made in the course of lobbying. The report shall list
38 separately the aggregate of expenditures made on behalf of each principal and
39 the aggregate not made on behalf of any principal. In the fourth calendar
40 quarter, these expenditures shall also be listed by cumulative total for the
41 calendar year. Each quarterly lobbyist report shall include all reportable
42 expenditures made by any employee of the lobbyist for compensation or
43 designated lobbyist, regardless of whether that employee is listed as a
44 lobbyist on any registration filed by a principal engaging the lobbyist. The
45 quarterly report shall be filed no later than the last day of the month

1 following the end of the calendar quarter, unless the last day of the month
2 is a Saturday, Sunday or other legal holiday. In that case, the report shall
3 be filed the next business day.

4 D. The reports required by subsections A and B of this section shall
5 identify each single expenditure according to the following categories:

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

11 E. Expenditures by principals and lobbyists such as those for the
12 lobbyist's personal sustenance, office expenses, filing fees, legal fees,
13 employees' compensation, lodging and travel are not required to be reported.
14 In addition, expenditures by a principal or a lobbyist for family gifts,
15 personal hospitality or those items excluded from the definition of gift
16 pursuant to section 41-1231, paragraph 9, subdivision (a), (c), (d), (f),
17 (g), (h), (i), (j), (k) or (l) are not required to be reported.

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

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

35 H. If a principal, lobbyist for compensation or designated lobbyist
36 makes no expenditures that it would otherwise be required to report during a
37 specified reporting period, the principal, lobbyist for compensation or
38 designated lobbyist may sign a notarized form prescribed by the secretary of
39 state indicating that there were no expenditures during the specific
40 reporting period.

41 I. A person or organization shall not make a gift to or an expenditure
42 on behalf of a state officer or employee through another person or
43 organization for the purpose of disguising the identity of the person making
44 the gift or expenditure.

1 J. A principal or lobbyist or any other person acting on behalf of a
2 principal or lobbyist shall not give to any state officer or state employee
3 and a state officer or state employee shall not accept from a principal or
4 lobbyist either of the following:

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

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

9 Sec. 2. Section 41-1232.03, Arizona Revised Statutes, is amended to
10 read:

11 41-1232.03. Expenditure reporting; public bodies and public
12 lobbyists; gifts

13 A. Each public body shall report annually all single expenditures
14 received by or benefitting a member of the legislature whether or not the
15 expenditures were made in the course of lobbying. These expenditures shall
16 be itemized separately, and each itemization shall include the date of the
17 expenditure, the amount of the expenditure, the name of each member of the
18 legislature receiving or benefitting from the expenditure, the category of
19 the expenditure and the name of the designated public lobbyist or authorized
20 public lobbyist who made the expenditure on behalf of the public body. In
21 addition each public body shall report annually the aggregate of all
22 expenditures of twenty dollars or less received by or benefitting a member of
23 the legislature, whether or not the expenditures were made in the course of
24 lobbying. The report shall list all expenditures by the public body made in
25 the course of lobbying for the personal sustenance, filing fee, legal fees,
26 employees' compensation, meals, lodging and travel of the designated public
27 lobbyist and all authorized public lobbyists employed or retained by, and
28 representing, the public body. The public body shall apportion expenditures
29 that are attributable both to lobbying and to other activities of the public
30 body and shall report only the portion attributable to lobbying. For the
31 purpose of reporting employee compensation, a public body, on establishing a
32 time allocation schedule for apportioned lobbying activity based on actual
33 experience under this article, may submit after the 1993 calendar year an
34 affidavit to the secretary of state stating the compensation attributable to
35 lobbying for subsequent years for the designated public lobbyist and all
36 authorized public lobbyists whose job responsibilities have not been
37 significantly altered since the time allocation schedule was established.
38 The report shall be filed by March 1 and shall list the annual expenditures
39 made on behalf of the public body. If March 1 is a Saturday, Sunday or other
40 legal holiday, the report shall be filed on the next business day.

41 B. Each designated public lobbyist shall report quarterly all single
42 expenditures received by or benefitting a member of the legislature and
43 incurred in the preceding calendar quarter by the designated public lobbyist,
44 whether or not the single expenditures were made in the course of lobbying.
45 Each designated public lobbyist's report shall also include all single

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

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

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

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

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

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

41 J. 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. Subsection J of this section does not apply to gifts given by a
8 public body, designated public lobbyist or authorized public lobbyist to an
9 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.

12 Sec. 3. Section 41-1232.08, Arizona Revised Statutes, is amended to
13 read:

14 41-1232.08. Entertainment ban; state and political
15 subdivisions; exceptions; definition

16 A. A principal, designated lobbyist, authorized lobbyist, lobbyist for
17 compensation, public body, designated public lobbyist or authorized public
18 lobbyist or any other person acting on that person's behalf shall not make an
19 expenditure or single expenditure for entertainment for a state officer or
20 state employee. A state officer or state employee shall not accept an
21 expenditure or single expenditure for entertainment from a principal,
22 designated lobbyist, authorized lobbyist, lobbyist for compensation, public
23 body, designated public lobbyist or authorized public lobbyist or any other
24 person acting on that person's behalf.

25 B. A person who for compensation attempts to influence the passage or
26 defeat of legislation, ordinances, rules, regulations, nominations and other
27 matters that are pending or proposed or that are subject to formal approval
28 by the corporation commission, a county board of supervisors, a city or town
29 governing body or a school district governing board or any person acting on
30 that person's behalf shall not make an expenditure or single expenditure for
31 entertainment for an elected or appointed member of the corporation
32 commission, a county board of supervisors, a city or town governing body or a
33 school district governing board. An elected or appointed member of the
34 corporation commission, a county board of supervisors, a city or town
35 governing body or a school district governing board shall not accept an
36 expenditure or single expenditure for entertainment from a person who for
37 compensation attempts to influence the passage or defeat of legislation,
38 ordinances, rules, regulations, nominations and other matters that are
39 pending or proposed or that are subject to formal approval by the corporation
40 commission, a county board of supervisors, a city or town governing body or a
41 school district governing board.

42 C. This section shall not apply to:

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

45 ~~2.~~ 1. Entertainment that is incidental to a speaking engagement.

1 ~~3.~~ 2. The following persons while attending or participating in any
2 sporting or cultural event or activity, sponsored by the board, district or
3 institution, in a facility that is owned or operated by the board, district
4 or institution:
5 (a) Employees of a school district governing board.
6 (b) Employees of a community college district governing board.
7 (c) Employees of any institution under the jurisdiction of the Arizona
8 board of regents.
9 D. The provisions of this article that define special events for
10 legislators apply to special events for members of the Arizona board of
11 regents.