

REFERENCE TITLE: financial disclosure; model legislation; lobbying

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2013

SB 1219

Introduced by
Senator Farley; Representative Steele; Senators Pancrazi, Tovar;
Representatives Dalessandro, Gabaldón, Mach, Otondo

AN ACT

AMENDING SECTIONS 38-542, 41-1231, 41-1232.02, 41-1232.03 AND 41-1232.04,
ARIZONA REVISED STATUTES; RELATING TO PUBLIC OFFICERS AND LOBBYING.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 38-542, Arizona Revised Statutes, is amended to
3 read:

4 38-542. Duty to file financial disclosure statement; contents;
5 exceptions

6 A. In addition to other statements and reports required by law, every
7 public officer, as a matter of public record, shall file with the secretary
8 of state on a form prescribed by the secretary of state a verified financial
9 disclosure statement covering the preceding calendar year. The statement
10 shall disclose:

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

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

23 3. For a controlled business, a description of the goods or services
24 provided by the business, and if any single source of compensation to the
25 business during the preceding calendar year amounts to more than ten thousand
26 dollars and is more than twenty-five per cent of the gross income of the
27 business, the disclosure shall also include a description of the goods or
28 services provided to the source of compensation. For a dependent business
29 the statement shall disclose a description of the goods or services provided
30 by the business and a description of the goods or services provided to the
31 source of compensation from which the dependent business derived the amount
32 of gross income described in section 38-541, paragraph 4. If the source of
33 compensation for a controlled or dependent business is a business, the
34 statement shall disclose a description of the business activities engaged in
35 by the source of compensation.

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
43 the preceding calendar year, together with the amount or value of the
44 interest and a description of the interest, office or relationship.

45 5. All Arizona real property interests and real property improvements,
46 including specific location and approximate size, in which the public

1 officer, any member of his household or a controlled or dependent business
2 held legal title or a beneficial interest at any time during the preceding
3 calendar year, and the value of any such interest, except that this paragraph
4 does not apply to a real property interest and improvements thereon used as
5 the primary personal residence or for the personal recreational use of the
6 public officer. If a public officer, any member of his household or a
7 controlled or dependent business acquired or divested any such interest
8 during the preceding calendar year, he shall also disclose that the
9 transaction was made and the date it occurred. If the controlled or
10 dependent business is in the business of dealing in real property interests
11 or improvements, disclosure need not include individual parcels or
12 transactions as long as the aggregate value of all parcels of such property
13 is reported.

14 6. The names and addresses of all creditors to whom the public officer
15 or members of his household, in their own names or in the name of any other
16 person, owed a debt of more than one thousand dollars or to whom a controlled
17 business or a dependent business owed a debt of more than ten thousand
18 dollars ~~which~~ THAT was also more than thirty per cent of the total business
19 indebtedness at any time during the preceding calendar year, listing each
20 such creditor. This paragraph shall not be construed to require the
21 disclosure of debts owed by the public officer or any member of his household
22 resulting from the ordinary conduct of a business other than a controlled or
23 dependent business nor shall disclosure be required of credit card
24 transactions, retail installment contracts, debts on residences or
25 recreational property exempt from disclosure under paragraph 5 of this
26 subsection, debts on motor vehicles not used for commercial purposes, debts
27 secured by cash values on life insurance or debts owed to relatives. It is
28 sufficient disclosure of a creditor if the name and address of a person to
29 whom payments are made is disclosed. If the public officer, any member of
30 his household or a controlled or dependent business incurred or discharged a
31 debt ~~which~~ THAT is reportable under this subsection during the preceding
32 calendar year, the report shall disclose that the transaction was made and
33 the date it occurred.

34 7. The identification and amount of each debt exceeding one thousand
35 dollars owed at any time during the preceding calendar year to the public
36 officer and members of his household in their own names, or to any other
37 person for the use or benefit of the public officer or any member of his
38 household. The disclosure shall include the identification and amount of
39 each debt exceeding ten thousand dollars to a controlled business or
40 dependent business ~~which~~ THAT was also more than thirty per cent of the total
41 indebtedness to the business at any time during the preceding calendar year.
42 This paragraph shall not be construed to require the disclosure of debts from
43 the ordinary conduct of a business other than a controlled or dependent
44 business. If the public officer, any member of his household or a controlled
45 or dependent business incurred or discharged a debt ~~which~~ THAT is reportable

1 under this subsection during the preceding year, the report shall disclose
2 that the transaction was made and the date it occurred.

3 8. The name of each source of any gift, or accumulated gifts from a
4 single source, of more than five hundred dollars received by the public
5 officer and members of his household in their own names during the preceding
6 calendar year, or by any other person for the use or benefit of the public
7 officer or any member of his household except gifts received by will or by
8 virtue of intestate succession, or received by way of distribution from any
9 inter vivos or testamentary trust established by a spouse or by an ancestor,
10 or gifts received from any other member of the household or relatives to the
11 second degree of consanguinity. Political campaign contributions shall not
12 be construed as gifts if otherwise publicly reported as political campaign
13 contributions as required by law.

14 9. A list of all business licenses issued to, held by or in which the
15 public officer or any member of his household had an interest at any time
16 during the preceding calendar year, including the name in which the license
17 was issued, the type of business and its location.

18 10. A list of all bonds, together with their value, issued by this
19 state or any political subdivision of this state and held at any time during
20 the preceding calendar year by the public officer or any member of his
21 household, which bonds issued by a single entity had a value in excess of one
22 thousand dollars. If the public officer or any member of his household
23 acquired or divested any bonds during the preceding calendar year ~~which~~ THAT
24 are reportable under this paragraph, the fact that the transaction occurred
25 and the date shall also be shown.

26 11. A DESCRIPTION OF ANY BENEFIT RECEIVED BY THE PUBLIC OFFICER OR ANY
27 MEMBER OF THE HOUSEHOLD OF THE PUBLIC OFFICER OR RELATIVES OF THE PUBLIC
28 OFFICER TO THE SECOND DEGREE OF CONSANGUINITY IF THE BENEFIT IS IN THE FORM
29 OF TRAVEL, LODGING OR REGISTRATION FEES RELATED TO A CONFERENCE, MEETING OR
30 OTHER EVENT, WITHOUT REGARD TO WHETHER DENOMINATED A SCHOLARSHIP, A REDUCED
31 RATE OR A FULL OR PARTIAL REIMBURSEMENT. THE DESCRIPTION OF THE BENEFIT
32 RECEIVED SHALL ITEMIZE THE SPECIFIC DOLLAR AMOUNT OF THE BENEFIT RECEIVED AND
33 MAY NOT BE REPORTED IN A CATEGORY RANGE AS PRESCRIBED IN SUBSECTION B OF THIS
34 SECTION. THERE IS NO MINIMUM AMOUNT AND THIS PARAGRAPH APPLIES TO ANY
35 BENEFIT IN THE FORM OF TRAVEL, LODGING OR REGISTRATION FEES. THE DESCRIPTION
36 SHALL ALSO SEPARATELY ITEMIZE THE BENEFIT RECEIVED IN THE FORM OF TRAVEL,
37 LODGING AND REGISTRATION, AND SHALL DISCLOSE THE NAME AND ADDRESS OF THE
38 DONOR OR PAYOR OF EACH BENEFIT.

39 B. EXCEPT AS PRESCRIBED IN SUBSECTION A, PARAGRAPH 11 OF THIS SECTION,
40 if an amount or value is required to be reported pursuant to this section, it
41 is sufficient to report whether the amount or value of the equity interest
42 falls within:

- 43 1. Category 1, one thousand dollars to twenty-five thousand dollars.
- 44 2. Category 2, more than twenty-five thousand dollars to one hundred
45 thousand dollars.
- 46 3. Category 3, more than one hundred thousand dollars.

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

3 D. The statement required to be filed pursuant to subsection A **OF THIS**
4 **SECTION** shall be filed by all persons who qualified as public officers at any
5 time during the preceding calendar year on or before January 31 of each year
6 with the exceptions that a public officer appointed to fill a vacancy ~~shall~~,
7 within sixty days following his taking of such office, **SHALL** file a financial
8 disclosure statement covering as his annual period the twelve month period
9 ending with the last full month ~~prior to~~ **BEFORE** the date of his taking
10 office, and a public officer whose final term expires less than thirty-one
11 days into the immediately following calendar year may file the public
12 officer's final financial disclosure at the same time as the disclosure for
13 the last immediately preceding year.

14 E. The secretary of state shall prepare written guidelines, forms and
15 samples for completing the financial disclosure statement required by this
16 section. A copy of the guidelines, forms and samples shall be distributed to
17 each public officer and shall be made available to each candidate required to
18 file a financial disclosure statement pursuant to section 38-543. **THE**
19 **SECRETARY OF STATE SHALL POST ON THE SECRETARY OF STATE'S WEBSITE THE**
20 **INFORMATION CONTAINED IN THE FINANCIAL DISCLOSURE STATEMENTS FILED PURSUANT**
21 **TO THIS ARTICLE.**

22 Sec. 2. Section 41-1231, Arizona Revised Statutes, is amended to read:

23 **41-1231. Definitions**

24 In this article, unless the context otherwise requires:

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

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

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

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

43 5. "Entertainment" means the amount of any expenditure paid or
44 incurred for admission to any sporting or cultural event or for participation
45 in any sporting or cultural activity.

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

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

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

17 9. "Gift" means a payment, distribution, expenditure, advance, deposit
18 or donation of money, any intangible personal property or any kind of
19 tangible personal or real property. For THE purposes of this article, gift
20 does not include:

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

26 (b) Expenditures ~~which~~ THAT are either properly reported or exempt
27 from reporting under this chapter for:

28 (i) A speaking engagement.

29 (ii) Food or beverages.

30 (iii) Travel and lodging.

31 (iv) Flowers.

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

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

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

41 (f) A plaque or other form of recognition similar to a plaque to a
42 state officer or state employee to signify the honorary recognition of a
43 service or other notable accomplishment.

44 (g) Informational material such as books, reports, pamphlets,
45 calendars or periodicals.

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

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

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

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

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

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

19 11. "Lobbying" means attempting to influence the passage or defeat of
20 any legislation by directly communicating with any legislator, or in the case
21 of bonding, lobbyists directly communicating with any school district
22 employee or a school district governing board member, or attempting to
23 influence any formal rule making proceeding pursuant to chapter 6 of this
24 title or rule making proceedings that are exempt from chapter 6 of this title
25 by directly communicating with any state officer or employee. **LOBBYING**
26 **INCLUDES COMMUNICATING WITH OR ASSISTING A LEGISLATOR WITH RESPECT TO OR**
27 **PROMOTING THE PASSAGE OF DRAFT, PROPOSED OR MODEL LEGISLATION, WHETHER AT A**
28 **CONFERENCE, MEETING OR OTHER EVENT THAT OCCURS AT A LOCATION OTHER THAN THE**
29 **LEGISLATURE OR WHILE AT THE LEGISLATURE, AND WITHOUT REGARD TO WHETHER THE**
30 **SPONSOR OF THE CONFERENCE, MEETING OR OTHER EVENT IS A PRIVATE NONPROFIT**
31 **CORPORATION.** Lobbying does not include:

32 (a) Interagency communications between state agency employees.

33 (b) Communications between a public official or employee of a public
34 body, designated public lobbyist or authorized public lobbyist and any state
35 officer, except for a member of the legislature, or an employee of the
36 legislature.

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

41 12. "Lobbyist" means any person, other than a designated public
42 lobbyist or **AN** authorized public lobbyist, who is employed by, retained by or
43 representing a person other than himself, with or without compensation, for
44 the purpose of lobbying and who is listed as a lobbyist by the principal in
45 its registration pursuant to section 41-1232. Lobbyist includes a lobbyist
46 for compensation, **A** designated lobbyist and **AN** authorized lobbyist. Lobbyist

1 includes attorneys whose practice involves bonding, underwriters of bonds and
2 investment bankers whose business includes bonding.

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

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

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

14 16. "Principal" means any person, other than a public body, that
15 employs, retains, engages or uses, with or without compensation, a lobbyist
16 OR THAT ENGAGES IN LOBBYING. Principal includes any subsidiary of a
17 corporation.

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

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

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

33 20. "Speaking engagement":

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

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

1 expenditures made by any employee of the lobbyist for compensation or
 2 designated lobbyist, regardless of whether that employee is listed as a
 3 lobbyist on any registration filed by a principal engaging the lobbyist. The
 4 quarterly report shall be filed no later than the last day of the month
 5 following the end of the calendar quarter, unless the last day of the month
 6 is a Saturday, Sunday or other legal holiday. In that case, the report shall
 7 be filed the next business day.

8 D. The reports required by subsections A and B of this section shall
 9 identify each single expenditure according to the following categories,
 10 EXCEPT THERE IS NO MINIMUM AMOUNT AND THE REPORTS SHALL ITEMIZE ANY BENEFIT
 11 PROVIDED IN THE FORM OF TRAVEL, LODGING OR REGISTRATION FEES EVEN IF THE
 12 AMOUNT OF THE BENEFIT DOES NOT CONSTITUTE A SINGLE EXPENDITURE AS DEFINED IN
 13 SECTION 41-1231:

- 14 1. Food or beverages.
- 15 2. Speaking engagement.
- 16 3. Travel. ~~and~~
- 17 4. Lodging.
- 18 5. REGISTRATION FEES PAID FOR A CONFERENCE, MEETING OR OTHER EVENT,
 19 WITHOUT REGARD TO WHETHER DENOMINATED A SCHOLARSHIP, A REDUCED RATE OR A FULL
 20 OR PARTIAL REIMBURSEMENT AND THE NAME AND ADDRESS OF ALL DONORS OR PAYORS
 21 INTO ANY ACCOUNT OR FUND THAT IS AGGREGATED AND USED TO PROVIDE THE BENEFIT.
- 22 ~~4-~~ 6. Flowers.
- 23 ~~5-~~ 7. Other expenditures.

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

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

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

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

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

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

13 J. A principal or lobbyist or any other person acting on behalf of a
14 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 Sec. 4. Section 41-1232.03, Arizona Revised Statutes, is amended to
22 read:

23 41-1232.03. Expenditure reporting; public bodies and public
24 lobbyists; gifts

25 A. Each public body shall report annually all single expenditures
26 received by or benefitting a member of the legislature whether or not the
27 expenditures were made in the course of lobbying. These expenditures shall
28 be itemized separately, and each itemization shall include the date of the
29 expenditure, the amount of the expenditure, the name of each member of the
30 legislature receiving or benefitting from the expenditure, the category of
31 the expenditure and the name of the designated public lobbyist or authorized
32 public lobbyist who made the expenditure on behalf of the public body. In
33 addition each public body shall report annually the aggregate of all
34 expenditures of twenty dollars or less received by or benefitting a member of
35 the legislature, whether or not the expenditures were made in the course of
36 lobbying. The report shall list all expenditures by the public body made in
37 the course of lobbying for the personal sustenance, filing fee, legal fees,
38 employees' compensation, meals, lodging and travel of the designated public
39 lobbyist and all authorized public lobbyists employed or retained by, and
40 representing, the public body. The public body shall apportion expenditures
41 that are attributable both to lobbying and to other activities of the public
42 body and shall report only the portion attributable to lobbying. For the
43 purpose of reporting employee compensation, a public body, on establishing a
44 time allocation schedule for apportioned lobbying activity based on actual
45 experience under this article, may submit after the 1993 calendar year an
46 affidavit to the secretary of state stating the compensation attributable to

1 lobbying for subsequent years for the designated public lobbyist and all
2 authorized public lobbyists whose job responsibilities have not been
3 significantly altered since the time allocation schedule was established.
4 The report shall be filed by March 1 and shall list the annual expenditures
5 made on behalf of the public body. If March 1 is a Saturday, Sunday or other
6 legal holiday, the report shall be filed on the next business day.

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

30 C. Each designated public lobbyist shall also report quarterly the
31 aggregate of all expenditures of twenty dollars or less received by or
32 benefitting a member of the legislature, whether or not the expenditures were
33 made in the course of lobbying. Each designated public lobbyist's report
34 shall also include the aggregate of all expenditures of twenty dollars or
35 less that were received by or benefitted a member of the legislature and that
36 were made by an authorized public lobbyist who is registered pursuant to
37 section 41-1232.01 by the same public body that registered the designated
38 public lobbyist. This subsection does not apply to an expenditure that was
39 made by a designated public lobbyist or AN authorized public lobbyist and
40 that was received by or benefitted an employee of a public body, if the
41 employee is not a member or employee of the legislature or a member of the
42 household of a member or employee of the legislature. The report shall list
43 separately the aggregate of expenditures made on behalf of each public body
44 and the aggregate not made on behalf of any public body. In the fourth
45 calendar quarter, these expenditures shall also be listed by cumulative total
46 for the calendar year. Each quarterly lobbyist report shall include all

1 reportable expenditures made by any employee of the designated public
 2 lobbyist or authorized public lobbyist, regardless of whether that employee
 3 is listed as a designated public lobbyist or AN authorized public lobbyist on
 4 any registration filed by a public body engaging the designated public
 5 lobbyist or authorized public lobbyist. The quarterly report shall be filed
 6 no later than the last day of the month following the end of the calendar
 7 quarter, unless the last day of the month is a Saturday, Sunday or other
 8 legal holiday. In that case, the report shall be filed on the next business
 9 day.

10 D. The reports required by subsections A and B of this section shall
 11 identify the nature of each single expenditure according to the following
 12 categories, EXCEPT THERE IS NO MINIMUM AMOUNT AND THE REPORTS SHALL ITEMIZE
 13 ANY BENEFIT PROVIDED IN THE FORM OF TRAVEL, LODGING OR REGISTRATION FEES EVEN
 14 IF THE AMOUNT OF THE BENEFIT DOES NOT CONSTITUTE A SINGLE EXPENDITURE AS
 15 DEFINED IN SECTION 41-1231:

- 16 1. Food or beverages.
- 17 2. Speaking engagement.
- 18 3. Travel. ~~and~~
- 19 4. Lodging.
- 20 5. REGISTRATION FEES PAID FOR A CONFERENCE, MEETING OR OTHER EVENT,
 21 WITHOUT REGARD TO WHETHER DENOMINATED A SCHOLARSHIP, A REDUCED RATE OR A FULL
 22 OR PARTIAL REIMBURSEMENT AND THE NAME AND ADDRESS OF ALL DONORS OR PAYORS
 23 INTO ANY ACCOUNT OR FUND THAT IS AGGREGATED AND USED TO PROVIDE THE BENEFIT.
- 24 ~~4.~~ 6. Flowers.
- 25 ~~5.~~ 7. Other expenditures.

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

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

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

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

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

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

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

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

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

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

27 Sec. 5. Section 41-1232.04, Arizona Revised Statutes, is amended to
28 read:

29 41-1232.04. Registration; exceptions

30 A. Sections 41-1232, 41-1232.01, 41-1232.02 and 41-1232.03 do not
31 apply to a person if that person is acting in the following capacity:

32 1. A natural person who merely appears for himself before a committee
33 of the legislature or before a state officer or employee or a state agency,
34 board, commission or council to lobby in support of or in opposition to
35 legislation or official action.

36 2. A natural person who, acting in his own behalf, sends a letter to,
37 converses on the telephone with or has a personal conversation with a state
38 officer or employee for the purpose of supporting or opposing any legislation
39 or official action.

40 3. A duly elected or retained public official, judge or justice, a
41 person duly appointed to an elective public office, or an appointed member of
42 a state, county or local board, advisory committee, commission or council
43 acting in his official capacity on matters pertaining to his office, board,
44 advisory committee, commission or council.

1 4. A person WHO APPEARS UNDER THE AUTHORITY OF A LOBBYIST, A
2 DESIGNATED PUBLIC LOBBYIST OR AN AUTHORIZED PUBLIC LOBBYIST AND who answers
3 technical questions or provides technical information at the request of a
4 lobbyist, A designated public lobbyist, AN authorized public lobbyist or A
5 legislator AT AN OPEN MEETING OF THE LEGISLATURE OR ANY COMMITTEE OR
6 SUBCOMMITTEE OF THE LEGISLATURE AT WHICH THE LOBBYIST, DESIGNATED PUBLIC
7 LOBBYIST OR AUTHORIZED PUBLIC LOBBYIST IS PRESENT and who makes no
8 expenditures required to be reported by this article. FOR THE PURPOSES OF
9 THIS PARAGRAPH, PROVIDING A LEGISLATOR WITH ARGUMENTS FOR OR AGAINST OR A
10 DESCRIPTION OF THE EFFECTS OF POSSIBLE OR PENDING LEGISLATION DOES NOT
11 CONSTITUTE TECHNICAL INFORMATION OR PROVIDING AN ANSWER TO A TECHNICAL
12 QUESTION.

13 5. A person who performs professional services in drafting bills or in
14 advising and rendering opinions to clients as to the construction and effect
15 of proposed or pending legislation IF THE DRAFTING, ADVISING OR RENDERING OF
16 OPINIONS DOES NOT TAKE PLACE IN THE PRESENCE OF, AT THE REQUEST OF OR WITH A
17 LEGISLATOR.

18 6. An attorney ~~who represents~~ WHEN REPRESENTING clients before any
19 court or before any quasi-judicial body. FOR THE PURPOSES OF THIS PARAGRAPH,
20 THE LEGISLATURE, INCLUDING ANY ONE OR MORE OF ITS INDIVIDUAL MEMBERS, ITS
21 COMMITTEES, SUBCOMMITTEES, TASK FORCES, CAUCUSES OR OTHER GROUPS, DOES NOT
22 CONSTITUTE A COURT OR QUASI-JUDICIAL BODY.

23 7. A person who contacts a state officer or state employee solely for
24 the purpose of acquiring information.

25 8. A person who contacts a state officer, state employee, school
26 district governing board member or school district employee in connection
27 with the procurement or attempted procurement of, or the fulfillment of
28 contracts for, materials, services or construction. For the purposes of this
29 paragraph, services include bonding services.

30 9. A natural person who is a member of an association, who is not the
31 lobbyist for compensation, designated lobbyist or authorized lobbyist for the
32 association and who does not make any expenditures that would otherwise be
33 required to be reported by this article if the natural person were a
34 lobbyist, A designated public lobbyist or AN authorized public lobbyist.

35 B. A PERSON WHO ENGAGES IN LOBBYING AS DEFINED IN SECTION 41-1231
36 SHALL COMPLY WITH THE REGISTRATION AND REPORTING REQUIREMENTS PRESCRIBED BY
37 THIS ARTICLE UNLESS EXEMPTED UNDER THIS SECTION.