REFERENCE TITLE: financial disclosure; itemization; reporting dates

State of Arizona
Senate
Fifty-first Legislature
First Regular Session
2013

SB 1280

Introduced by
Senator Gallardo

AN ACT

AMENDING SECTION 38-542, ARIZONA REVISED STATUTES; RELATING TO FINANCIAL DISCLOSURE FOR PUBLIC OFFICERS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

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

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

A. In addition to other statements and reports required by law, every public officer, as a matter of public record, shall file with the secretary of state on a form prescribed by the secretary of state a verified financial disclosure statement covering the preceding ~~calendar year~~ SIX MONTHS, EXCEPT FOR THOSE PUBLIC OFFICERS PRESCRIBED IN SUBSECTION E OF THIS SECTION. The statement shall disclose:

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

2. The name and address of each employer and of each other source of compensation other than gifts amounting to more than one thousand dollars received during the preceding ~~calendar year~~ SIX MONTHS by the public officer and members of his household in their own names, or by any other person for the use or benefit of the public officer or members of his household, a description of the services for which the compensation was received and the nature of the employer's business. THE PUBLIC OFFICER SHALL ALSO DISCLOSE THE DATE THE OFFICER AND MEMBERS OF THE OFFICER'S HOUSEHOLD WERE HIRED IN THEIR CURRENT EMPLOYMENT. This paragraph shall not be construed to require the disclosure of individual items of compensation that constituted a portion of the gross income of the business from which the public officer or members of his household derived compensation.

3. For a controlled business, a description of the goods or services provided by the business, and if any single source of compensation to the business during the preceding ~~calendar year~~ SIX MONTHS amounts to more than ten thousand dollars and is more than twenty-five per cent of the gross income of the business, the disclosure shall also include a description of the goods or services provided to the source of compensation. For a dependent business the statement shall disclose a description of the goods or services provided by the business and a description of the goods or services provided to the source of compensation from which the dependent business derived the amount of gross income described in section 38-541, paragraph 4. If the source of compensation for a controlled or dependent business is a business, the statement shall disclose a description of the business activities engaged in by the source of compensation.

4. The names and addresses of all businesses and trusts in which the public officer or members of his household, or any other person for the use or benefit of the public officer or members of his household, had an ownership or beneficial interest of over one thousand dollars at any time during the preceding ~~calendar year~~ SIX MONTHS, and the names and addresses of all businesses and trusts AND OTHER ORGANIZATIONS in which the public officer or any member of his household held any office or had a fiduciary

relationship at any time during the preceding ~~calendar year~~ SIX MONTHS, together with the amount or value of the interest and a description of the interest, office or relationship. FOR ANY FIDUCIARY RELATIONSHIP WITH A NONPROFIT ORGANIZATION, THE STATEMENT SHALL INCLUDE A DESCRIPTION OF THE RELATIONSHIP AND THE NAME OF ANY OFFICE, THE DURATION OF THE RELATIONSHIP AND A SPECIFIC LISTING OF ANY COMPENSATION, EXPENSES OR REIMBURSEMENTS RECEIVED FROM THE ORGANIZATION.

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

6. The names and addresses of all creditors to whom the public officer or members of his household, in their own names or in the name of any other person, owed a debt of more than one thousand dollars or to whom a controlled business or a dependent business owed a debt of more than ten thousand dollars ~~which~~ THAT was also more than thirty per cent of the total business indebtedness at any time during the preceding ~~calendar year~~ SIX MONTHS, listing each such creditor, THE ORIGINAL AMOUNT OF THE DEBT AND THE AMOUNT THEN REMAINING UNPAID. This paragraph shall not be construed to require the disclosure of debts owed by the public officer or any member of his household resulting from the ordinary conduct of a business other than a controlled or dependent business nor shall disclosure be required of credit card transactions, retail installment contracts, debts on residences or recreational property exempt from disclosure under paragraph 5 of this subsection, debts on motor vehicles not used for commercial purposes, debts secured by cash values on life insurance or debts owed to relatives. It is sufficient disclosure of a creditor if the name and address of a person to whom payments are made is disclosed. If the public officer, any member of his household or a controlled or dependent business incurred or discharged a debt ~~which~~ THAT is reportable under this subsection during the preceding ~~calendar year~~ SIX MONTHS, the report shall disclose that the transaction was made and the date it occurred.

7. The identification and amount of each debt exceeding one thousand dollars owed at any time during the preceding ~~calendar year~~ SIX MONTHS to the

public officer and members of his household in their own names, or to any other person for the use or benefit of the public officer or any member of his household. The disclosure shall include the identification and amount of each debt exceeding ten thousand dollars to a controlled business or dependent business ~~which~~ THAT was also more than thirty per cent of the total indebtedness to the business at any time during the preceding ~~calendar year~~ SIX MONTHS, THE AMOUNT OF THE ORIGINAL DEBT AND THE AMOUNT THEN REMAINING UNPAID. This paragraph shall not be construed to require the disclosure of debts from the ordinary conduct of a business other than a controlled or dependent business. If the public officer, any member of his household or a controlled or dependent business incurred or discharged a debt which is reportable under this subsection during the preceding ~~year~~ SIX MONTHS, the report shall disclose that the transaction was made and the date it occurred.

8. The name of each source of any gift, or accumulated gifts from a single source, of more than ~~five~~ ONE hundred dollars received by the public officer and members of his household in their own names during the preceding ~~calendar year~~ SIX MONTHS, or by any other person for the use or benefit of the public officer or any member of his household except gifts received by will or by virtue of intestate succession, or received by way of distribution from any inter vivos or testamentary trust established by a spouse or by an ancestor, or gifts received from any other member of the household or relatives to the second degree of consanguinity. Political campaign contributions shall not be construed as gifts if otherwise publicly reported as political campaign contributions as required by law. FOR BENEFITS RECEIVED IN THE FORM OF TRAVEL, LODGING OR REGISTRATION FEES RELATED TO A CONFERENCE, MEETING OR OTHER EVENT, WITHOUT REGARD TO WHETHER THE BENEFIT IS DENOMINATED A SCHOLARSHIP, A REDUCED RATE OR A FULL OR PARTIAL REIMBURSEMENT, THE DESCRIPTION OF THE BENEFIT RECEIVED SHALL ITEMIZE THE SPECIFIC TYPE OF BENEFIT RECEIVED IN THE FORM OF TRAVEL, LODGING OR REGISTRATION FEES, SHALL ITEMIZE THE SPECIFIC DOLLAR AMOUNT OF EACH BENEFIT RECEIVED AND SHALL DISCLOSE THE NAME AND ADDRESS OF EACH DONOR OR PAYOR OF EACH BENEFIT.

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

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

11. A LIST OF ALL ACCOUNTS HELD BY THE PUBLIC OFFICER OR ANY MEMBER OF THE PUBLIC OFFICER'S HOUSEHOLD THAT ARE IN THE NATURE OF RETIREMENT ACCOUNTS, INCLUDING ANY DEFERRED COMPENSATION ACCOUNTS.

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

~~1. Category 1, one thousand dollars to twenty-five thousand dollars.~~

~~2. Category 2, more than twenty-five thousand dollars to one hundred thousand dollars.~~

~~3. Category 3, more than one hundred thousand dollars~~ SHALL BE REPORTED AS A SPECIFIC AMOUNT IN DOLLARS.

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

D. EXCEPT FOR THOSE OFFICES PRESCRIBED IN SUBSECTION E OF THIS SECTION, the statement required to be filed pursuant to subsection A OF THIS SECTION shall be filed by all persons who qualified as public officers at any time during the preceding calendar year on or before January 31 of each year with the exceptions that a public officer appointed to fill a vacancy ~~shall~~, within sixty days following his taking of such office, SHALL file a financial disclosure statement covering as his ~~annual~~ REPORTING period the twelve-month period ending with the last full month ~~prior to~~ BEFORE the date of his taking office, and a public officer whose final term expires less than thirty-one days into the immediately following calendar year may file the public officer's final financial disclosure at the same time as the disclosure for the last immediately preceding year.

E. FOR THE OFFICES OF GOVERNOR AND STATE LEGISLATOR, THE PUBLIC OFFICER SHALL FILE STATEMENTS MONTHLY FOR ANY MONTH DURING WHICH THE LEGISLATURE IS IN SESSION, AND EVERY SIX MONTHS WHEN THE LEGISLATURE IS NOT IN SESSION. A MONTHLY STATEMENT REQUIRED BY THIS SECTION IS DUE ON THE FINAL DAY OF THE MONTH IMMEDIATELY FOLLOWING THE MONTH BEING REPORTED, AND ANY SIX-MONTH FILING IS DUE ON JANUARY 31 AND JULY 31 EACH YEAR AND SHALL BE A REPORT ON THE IMMEDIATELY PRECEDING SIX-MONTH PERIOD.

F. THE SECRETARY OF STATE SHALL PROVIDE FOR A METHOD FOR ELECTRONIC FILING OF FINANCIAL DISCLOSURE STATEMENTS REQUIRED PURSUANT TO THIS SECTION OR SECTION 38-543. ON RECEIPT OF THOSE FILINGS, THE SECRETARY OF STATE SHALL MAKE THE INFORMATION AVAILABLE TO THE PUBLIC BY POSTING IT TO THE SECRETARY OF STATE'S WEBSITE, EXCEPT THAT THE SECRETARY OF STATE MAY REDACT THE PERSONAL INFORMATION DEEMED APPROPRIATE BY THE SECRETARY OF STATE.

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