

REFERENCE TITLE: disclosures; campaign finance; lobbying; enforcement

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

SB 1326

Introduced by
Senators Reagan, Landrum Taylor, Meza: Biggs

AN ACT

AMENDING TITLE 16, CHAPTER 6, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 16-926; AMENDING SECTIONS 16-941, 16-947, 16-949, 16-950, 16-954, 16-955, 16-956 AND 16-961, ARIZONA REVISED STATUTES; AMENDING TITLE 38, CHAPTER 3.1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 38-546; AMENDING SECTIONS 41-121.02, 41-1239 AND 41-2421, ARIZONA REVISED STATUTES; RELATING TO THE DUTIES OF THE SECRETARY OF STATE AND THE CLEAN ELECTIONS COMMISSION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Subject to the requirements of article IV, part 1, section
3 1, Constitution of Arizona, title 16, chapter 6, article 1, Arizona Revised
4 Statutes, is amended by adding section 16-926, to read:

5 16-926. Public accountability commission; secretary of state;
6 investigation and enforcement duties

7 A. THE PUBLIC ACCOUNTABILITY COMMISSION ESTABLISHED PURSUANT TO
8 ARTICLE 2 OF THIS CHAPTER SHALL SUCCEED TO THE DUTIES OF THE SECRETARY OF
9 STATE AND THE ATTORNEY GENERAL WITH RESPECT TO ACTING AS THE INVESTIGATORY,
10 COMPLIANCE AND ENFORCEMENT OFFICER FOR ALL OF THE FOLLOWING:

11 1. ALL CAMPAIGN FINANCE MATTERS FOR WHICH THE SECRETARY OF STATE IS
12 THE FILING OFFICER PURSUANT TO THIS TITLE AND TITLE 19, INCLUDING ALL
13 CAMPAIGN FINANCE MATTERS RELATING TO INITIATIVE, REFERENDUM AND RECALL.

14 2. FINANCIAL DISCLOSURE MATTERS FOR WHICH THE SECRETARY OF STATE IS
15 THE FILING OFFICER PURSUANT TO TITLE 38, CHAPTER 3.1.

16 3. REGISTRATION AND REGULATION OF LOBBYISTS PURSUANT TO TITLE 41,
17 CHAPTER 7, ARTICLE 8.1.

18 B. THE PUBLIC ACCOUNTABILITY COMMISSION MAY APPLY ALL AUTHORITY
19 GRANTED TO THE COMMISSION IN ARTICLE 2 OF THIS CHAPTER TO ITS INVESTIGATORY,
20 COMPLIANCE AND ENFORCEMENT DUTIES PRESCRIBED IN SUBSECTION A OF THIS SECTION.

21 Sec. 2. Subject to the requirements of article IV, part 1, section 1,
22 Constitution of Arizona, section 16-941, Arizona Revised Statutes, is amended
23 to read:

24 16-941. Limits on spending and contributions for political
25 campaigns

26 A. Notwithstanding any law to the contrary, a participating candidate:

27 1. Shall not accept any contributions, other than a limited number of
28 five-dollar qualifying contributions as specified in section 16-946 and early
29 contributions as specified in section 16-945, except in the emergency
30 situation specified in section 16-954, subsection F.

31 2. Shall not make expenditures of more than a total of five hundred
32 dollars of the candidate's personal monies for a candidate for the
33 legislature or more than one thousand dollars for a candidate for statewide
34 office.

35 3. Shall not make expenditures in the primary election period in
36 excess of the adjusted primary election spending limit.

37 4. Shall not make expenditures in the general election period in
38 excess of the adjusted general election spending limit.

39 5. Shall comply with section 16-948 regarding campaign accounts and
40 section 16-953 regarding returning unused monies to the ~~citizens~~ clean
41 elections fund described in this article.

42 B. Notwithstanding any law to the contrary, a nonparticipating
43 candidate shall not accept contributions in excess of an amount that is
44 twenty per cent less than the limits specified in section 16-905, subsections
45 A through E, as adjusted by the secretary of state pursuant to section
46 16-905, subsection H. Any violation of this subsection shall be subject to

1 the civil penalties and procedures set forth in section 16-905, subsections J
2 through M and section 16-924.

3 C. Notwithstanding any law to the contrary, a candidate, whether
4 participating or nonparticipating:

5 1. If specified in a written agreement signed by the candidate and one
6 or more opposing candidates and filed with the ~~citizens clean elections~~
7 PUBLIC ACCOUNTABILITY commission, shall not make any expenditure in the
8 primary or general election period exceeding an agreed-upon amount lower than
9 spending limits otherwise applicable by statute.

10 2. Shall continue to be bound by all other applicable election and
11 campaign finance statutes and rules, with the exception of those provisions
12 in express or clear conflict with this article.

13 D. Notwithstanding any law to the contrary, any person who makes
14 independent expenditures related to a particular office cumulatively
15 exceeding five hundred dollars in an election cycle, with the exception of
16 any expenditure listed in section 16-920 and any independent expenditure by
17 an organization arising from a communication directly to the organization's
18 members, shareholders, employees, affiliated persons and subscribers, shall
19 file reports with the secretary of state in accordance with section 16-958 so
20 indicating, identifying the office and the candidate or group of candidates
21 whose election or defeat is being advocated and stating whether the person is
22 advocating election or advocating defeat.

23 Sec. 3. Subject to the requirements of article IV, part 1, section 1,
24 Constitution of Arizona, section 16-947, Arizona Revised Statutes, is amended
25 to read:

26 16-947. Certification as a participating candidate

27 A. A candidate who wishes to be certified as a participating candidate
28 shall file, before the end of the qualifying period, an application with the
29 secretary of state, in a form specified by the ~~citizens clean elections~~
30 PUBLIC ACCOUNTABILITY commission.

31 B. The application shall identify the candidate, the office that the
32 candidate plans to seek and the candidate's party, if any, and shall contain
33 the candidate's signature, under oath, certifying that:

34 1. The candidate has complied with the restrictions of section 16-941,
35 subsection A during the election cycle to date.

36 2. The candidate's campaign committee and exploratory committee have
37 filed all campaign finance reports required under article 1 of this chapter
38 during the election cycle to date and that they are complete and accurate.

39 3. The candidate will comply with the requirements of section 16-941,
40 subsection A during the remainder of the election cycle and, specifically,
41 will not accept private contributions.

42 C. The commission shall act on the application within one week.
43 Unless, within that time, the commission denies an application and provides
44 written reasons that all or part of a certification in subsection B of this
45 section is incomplete or untrue, the candidate shall be certified as a
46 participating candidate. If the commission denies an application for failure

1 to file all complete and accurate campaign finance reports or failure to make
2 the certification in subsection B, paragraph 3 of this section, the candidate
3 may reapply within two weeks of the commission's decision by filing complete
4 and accurate campaign finance reports and another sworn certification.

5 D. A candidate shall be denied certification if that candidate was
6 removed from office by the commission or if the candidate is delinquent in
7 payment of a debt to the commission. If the debt is paid in full or if the
8 candidate is current on a payment agreement with the commission, the
9 candidate may apply for certification as a participating candidate and is
10 eligible to be certified if otherwise qualified by law.

11 Sec. 4. Subject to the requirements of article IV, part 1, section 1,
12 Constitution of Arizona, section 16-949, Arizona Revised Statutes, is amended
13 to read:

14 16-949. Controls on spending from clean elections fund

15 A. The commission shall not spend, on all costs incurred under this
16 article during a particular calendar year, more than five dollars times the
17 number of Arizona resident personal income tax returns filed during the
18 previous calendar year. The commission may exceed this limit during a
19 calendar year, provided that it is offset by an equal reduction of the limit
20 during another calendar year during the same four-year period beginning
21 January 1 immediately after a gubernatorial election.

22 B. The commission may use up to ten per cent of the amount specified
23 in subsection A of this section for reasonable and necessary expenses of
24 administration and enforcement, including the activities specified in section
25 16-956, subsection A, paragraphs ~~3-4~~ through ~~7-8~~ and subsections B and C.
26 Any portion of the ten per cent not used for this purpose shall remain in the
27 fund.

28 C. The commission may apply up to ten per cent of the amount specified
29 in subsection A of this section for reasonable and necessary expenses
30 associated with public education regarding participation as a candidate or a
31 contributor, or regarding the functions, purpose and technical aspects of the
32 act. Reasonable and necessary expenditures made pursuant to section 16-956
33 are not included in this subsection.

34 D. The commission may spend monies in the fund for the reasonable and
35 necessary expenses to implement the act but shall not use monies in the fund
36 to promote the benefits of the clean elections act. Expenditures made
37 pursuant to subsection C of this section or in section 16-956, subsection A
38 are deemed not to constitute promoting the benefits of the clean elections
39 act. Expenditures pursuant to this subsection shall not be included in the
40 limits prescribed in subsection C of this section.

41 E. The state treasurer shall administer a ~~citizens~~ clean elections
42 fund from which costs incurred under this article shall be paid. The auditor
43 general shall review the monies in, payments into and expenditures from the
44 fund no less often than every four years.

1 Sec. 5. Subject to the requirements of article IV, part 1, section 1,
2 Constitution of Arizona, section 16-950, Arizona Revised Statutes, is amended
3 to read:

4 16-950. Qualification for clean elections funding

5 A. A candidate who has made an application for certification may also
6 apply, in accordance with subsection B of this section, to receive funds from
7 the ~~citizens~~ clean elections fund, instead of receiving private
8 contributions.

9 B. To receive any clean elections funding, the candidate must present
10 to the secretary of state no later than one week after the end of the
11 qualifying period a list of names of persons who have made qualifying
12 contributions pursuant to section 16-946 on behalf of the candidate. The
13 list shall be divided by county. At the same time, the candidate must tender
14 to the secretary of state the original reporting slips identified in section
15 16-946, subsection C for persons on the list and an amount equal to the sum
16 of the qualifying contributions collected. The secretary of state shall
17 deposit the amount into the fund.

18 C. The secretary of state shall select at random a sample of five per
19 cent of the number of nonduplicative names on the list for a candidate for a
20 statewide office and twenty per cent of the number of nonduplicative names on
21 the list for a candidate for legislative office and shall forward facsimiles
22 of the selected reporting slips to the county recorders for the counties of
23 the addresses specified in the selected slips. Within ten days, the county
24 recorders shall provide a report to the secretary of state identifying as
25 disqualified any slips that are unsigned or undated or that the recorder is
26 unable to verify as matching a person who is registered to vote in the
27 electoral district of the office the candidate is seeking on the date
28 specified on the slip. The secretary of state shall multiply the number of
29 slips not disqualified by twenty, and if the result is greater than one
30 hundred ten per cent of the quantity required, shall approve the candidate
31 for funds, and if the result is less than one hundred ten per cent of the
32 quantity required, the secretary of state shall forward facsimiles of all of
33 the slips to the county recorders for verification, and the county recorders
34 shall check all slips in accordance with the process above. A county
35 recorder shall not check slips already verified. A county recorder shall
36 report verified totals daily to the secretary of state until a determination
37 is made that a sufficient number of verified slips has been submitted. If a
38 sufficient number of verified slips has been submitted to one or more county
39 recorders, the county recorders may stop the verification process.

40 D. To qualify for clean elections funding, a candidate must have been
41 approved as a participating candidate pursuant to section 16-947 and have
42 obtained the following number of qualifying contributions:

- 43 1. For a candidate for legislature, two hundred.
- 44 2. For candidate for mine inspector, five hundred.
- 45 3. For a candidate for treasurer, superintendent of public instruction
46 or corporation commission, one thousand five hundred.

1 ~~A.~~ D. Beginning January 1, 1999, an additional surcharge of ten per
 2 cent shall be imposed on all civil and criminal fines and penalties collected
 3 pursuant to section 12-116.01 and shall be deposited into the fund.

4 ~~B.~~ E. At least once per year, the commission shall project the amount
 5 of monies that the fund will collect over the next four years and the time
 6 such monies shall become available. Whenever the commission determines that
 7 the fund contains more monies than the commission determines that it requires
 8 to meet current debts plus expected expenses, under the assumption that
 9 expected expenses will be at the expenditure limit in section 16-949,
 10 subsection A, and taking into account the projections of collections, the
 11 commission shall designate such monies as excess monies and so notify the
 12 state treasurer, who shall ~~thereupon~~ transfer the excess monies to the
 13 general fund.

14 ~~C.~~ F. At least once per year, the commission shall project the amount
 15 of clean elections funding for which all candidates will have qualified
 16 pursuant to this article for the following calendar year. By the end of each
 17 year, the commission shall announce whether the amount that the commission
 18 plans to spend the following year pursuant to section 16-949, subsection A
 19 exceeds the projected amount of clean elections funding. If the commission
 20 determines that the fund contains insufficient monies or the spending cap
 21 would be exceeded were all candidates' accounts to be fully funded, the
 22 commission may include in the announcement specifications for decreases in
 23 the following parameters, based on the commission's projections of
 24 collections and expenses for the fund, including that the fund will provide
 25 monies under section 16-951 as a fraction of the amounts there specified.

26 ~~D.~~ G. If the commission cannot provide participating candidates with
 27 all monies specified under sections 16-951 and 16-952, as decreased by any
 28 announcement pursuant to subsection ~~C.~~ F of this section, the commission
 29 shall allocate any reductions in payments proportionately among candidates
 30 entitled to monies and shall declare an emergency. ~~Upon~~ **ON** declaration of an
 31 emergency, a participating candidate may accept private contributions to
 32 bring the total monies received by the candidate from the fund and from such
 33 private contributions up to the adjusted spending limits, as decreased by any
 34 announcement made pursuant to subsection ~~C.~~ F of this section.

35 Sec. 7. Subject to the requirements of article IV, part 1, section 1,
 36 Constitution of Arizona, section 16-955, Arizona Revised Statutes, is amended
 37 to read:

38 16-955. Public accountability commission; structure

39 A. The ~~citizens-clean elections~~ **PUBLIC ACCOUNTABILITY** commission is
 40 established consisting of five members. No more than two members of the
 41 commission shall be members of the same political party. No more than two
 42 members of the commission shall be residents of the same county. No one
 43 shall be appointed as a member who does not have a registration pursuant to
 44 chapter 1 of this title that has been continuously recorded for at least five
 45 years immediately preceding appointment with the same political party or as

1 an independent. THE COMMISSION SHALL BE AN AUTONOMOUS, SEPARATE
2 ADMINISTRATIVE AND BUDGET UNIT WITHIN THE OFFICE OF THE SECRETARY OF STATE.

3 B. The candidates for vacant commissioner positions shall be persons
4 who are committed to enforcing this article in an honest, independent and
5 impartial fashion and to seeking to uphold public confidence in the integrity
6 of the electoral system. Each candidate shall be a qualified elector who ~~has~~
7 ~~not~~, in the previous five years in this state, HAS NOT been appointed to,
8 been elected to or run for any public office, including precinct
9 committeeman, or served as an officer of a political party.

10 C. Initially, the commission on appellate court appointments shall
11 nominate five slates, each having three candidates, before January 1, 1999.
12 No later than February 1, 1999, the governor shall select one candidate from
13 one of the slates to serve on the commission for a term ending January 31,
14 2004. Next, the highest-ranking official holding a statewide office who is
15 not a member of the same political party as the governor shall select one
16 candidate from another one of the slates to serve on the commission for a
17 term ending January 31, 2003. Next, the second-highest-ranking official
18 holding a statewide office who is a member of the same political party as the
19 governor shall select one candidate from one of the three remaining slates to
20 serve on the commission for a term ending January 31, 2002. Next, the
21 second-highest-ranking official holding a statewide office who is not a
22 member of the same political party as the governor shall select one candidate
23 from one of the two remaining slates to serve on the commission for a term
24 ending January 31, 2001. Finally, the third-highest-ranking official holding
25 a statewide office who is a member of the same political party as the
26 governor shall elect one candidate from the last slate to serve on the
27 commission for a term ending January 31, 2000. For the purposes of this
28 section, the ranking of officials holding statewide office shall be governor,
29 secretary of state, attorney general, treasurer, superintendent of public
30 instruction, corporation commissioners in order of seniority, mine inspector,
31 senate majority and minority leaders and house majority and minority leaders.

32 D. One commissioner shall be appointed for a five-year term beginning
33 February 1 of every year beginning with the year 2000. Before February 1 of
34 each year beginning in the year 2000, the governor and the highest-ranking
35 official holding a statewide office who is not a member of the same political
36 party as the governor shall alternate filling such vacancies. The vacancy in
37 the year 2000 shall be filled by the governor.

38 E. Members of the commission may be removed by the governor, with
39 concurrence of the senate, for substantial neglect of duty, gross misconduct
40 in office, inability to discharge the powers and duties of office or
41 violation of this section, after written notice and opportunity for a
42 response.

43 F. If a commissioner does not complete the commissioner's term of
44 office for any reason, a replacement shall be selected within thirty days
45 after the vacancy occurs. The highest-ranking official holding a statewide
46 office who is a member of the political party of the official who nominated

1 the commissioner who vacated office shall nominate the replacement, who shall
2 serve as commissioner for the unexpired portion of the term. A vacancy or
3 vacancies shall not impair the right of the remaining members to exercise all
4 of the powers of the board.

5 G. Commissioners are eligible to receive compensation in an amount of
6 two hundred dollars for each day on which the commission meets and
7 reimbursement of expenses pursuant to title 38, chapter 4, article 2.

8 H. The commissioners shall elect a chair to serve for each
9 ~~calendar year~~ CALENDAR YEAR period from among their members whose terms
10 expire after the conclusion of that year. Three commissioners shall
11 constitute a quorum.

12 I. A member of the commission shall serve no more than one term and is
13 not eligible for reappointment. No commissioner, during the commissioner's
14 tenure or for three years thereafter, shall seek or hold any other public
15 office, serve as an officer of any political committee or employ or be
16 employed as a lobbyist.

17 J. The commission shall appoint an executive director who shall not be
18 a member of the commission and who shall serve at the pleasure of the
19 commission. The executive director is eligible to receive compensation set
20 by the board within the range determined under section 38-611. The executive
21 director, subject to title 41, chapter 4, articles 5 and 6, shall employ,
22 determine the conditions of employment and specify the duties of
23 administrative, secretarial and clerical employees as the director deems
24 necessary.

25 Sec. 8. Subject to the requirements of article IV, part 1, section 1,
26 Constitution of Arizona, section 16-956, Arizona Revised Statutes, is amended
27 to read:

28 16-956. Voter education and enforcement duties

29 A. The commission shall:

30 1. Develop a procedure for publishing a document or section of a
31 document having a space of predefined size for a message chosen by each
32 candidate. For the document that is delivered before the primary election,
33 the document shall contain the names of every candidate for every statewide
34 and legislative district office in that primary election without regard to
35 whether the candidate is a participating candidate or a nonparticipating
36 candidate. For the document that is delivered before the general election,
37 the document shall contain the names of every candidate for every statewide
38 and legislative district office in that general election without regard to
39 whether the candidate is a participating candidate or a nonparticipating
40 candidate. The commission shall deliver one copy of each document to every
41 household that contains a registered voter. For the document that is
42 delivered before the primary election, the delivery may be made over a period
43 of days but shall be sent in time to be delivered to households before the
44 earliest date for receipt by registered voters of any requested early ballots
45 for the primary election. The commission may deliver the second document
46 over a period of days but shall send the second document in order to be

1 delivered to households before the earliest date for receipt by registered
2 voters of any requested early ballots for the general election. The primary
3 election and general election documents published by the commission shall
4 comply with all of the following:

5 (a) For any candidate who does not submit a message pursuant to this
6 paragraph, the document shall include with the candidate's listing the words
7 "no statement submitted".

8 (b) The document shall have printed on its cover the words "~~citizens~~
9 clean elections ~~commission~~ voter education guide" and the words "primary
10 election" or "general election" and the applicable year. The document shall
11 also contain at or near the bottom of the document cover in type that is no
12 larger than one-half the size of the type used for "~~citizens~~ clean elections
13 ~~commission~~ voter education guide" the words "paid for by the ~~citizens~~ clean
14 elections fund".

15 (c) In order to prevent voter confusion, the document shall be easily
16 distinguishable from the publicity pamphlet that is required to be produced
17 by the secretary of state pursuant to section 19-123.

18 2. Sponsor debates among candidates, in such manner as determined by
19 the commission. The commission shall require participating candidates to
20 attend and participate in debates and may specify by rule penalties for
21 nonparticipation. The commission shall invite and permit nonparticipating
22 candidates to participate in debates.

23 3. COOPERATE WITH AND ASSIST COUNTY RECORDERS AND COUNTY OFFICERS IN
24 CHARGE OF ELECTIONS IN PROVIDING MAILINGS AND OTHER VOTER EDUCATION AND
25 INFORMATION MATERIAL TO VOTERS.

26 ~~3-~~ 4. Prescribe forms for reports, statements, notices and other
27 documents required by this article. The commission shall not require a
28 candidate to use a reporting system other than the reporting system jointly
29 approved by the commission and the office of the secretary of state.

30 ~~4-~~ 5. Prepare and publish instructions setting forth methods of
31 bookkeeping and preservation of records to facilitate compliance with this
32 article and explaining the duties of persons and committees under this
33 article.

34 ~~5-~~ 6. Produce a yearly report describing the commission's activities
35 and any recommendations for changes of law, administration or funding amounts
36 and accounting for monies in the fund.

37 ~~6-~~ 7. Adopt rules to implement the reporting requirements of section
38 16-958, subsections D and E.

39 ~~7-~~ 8. Enforce this article, ensure that money from the fund is placed
40 in candidate campaign accounts or otherwise spent as specified in this
41 article and not otherwise, monitor reports filed pursuant to this chapter and
42 financial records of candidates as needed and ensure that money required by
43 this article to be paid to the fund is deposited in the fund. The commission
44 shall not take action on any external complaint that is filed more than
45 ninety days after the postelection report is filed or ninety days after the

1 completion of the canvass of the election to which the complaint relates,
2 whichever is later.

3 9. INVESTIGATE COMPLAINTS, ENSURE COMPLIANCE AND TAKE ENFORCEMENT
4 ACTION RELATING TO ANY OF THE FOLLOWING:

5 (a) CAMPAIGN FINANCE MATTERS FOR WHICH THE SECRETARY OF STATE IS THE
6 FILING OFFICER PURSUANT TO THIS TITLE AND TITLE 19, INCLUDING ALL CAMPAIGN
7 FINANCE MATTERS RELATING TO INITIATIVE, REFERENDUM AND RECALL.

8 (b) FINANCIAL DISCLOSURE MATTERS FOR WHICH THE SECRETARY OF STATE IS
9 THE FILING OFFICER PURSUANT TO TITLE 38, CHAPTER 3.1.

10 (c) REGISTRATION AND REGULATION OF LOBBYISTS PURSUANT TO TITLE 41,
11 CHAPTER 7, ARTICLE 8.1.

12 B. The commission may subpoena witnesses, compel their attendance and
13 testimony, administer oaths and affirmations, take evidence and require by
14 subpoena the production of any books, papers, records or other items material
15 to the performance of the commission's duties or the exercise of its powers.

16 C. The commission may adopt rules to carry out the purposes of this
17 article and to govern procedures of the commission. Commission rule making
18 is exempt from title 41, chapter 6, article 3. The commission shall propose
19 and adopt rules in public meetings, with at least sixty days allowed for
20 interested parties to comment after the rules are proposed. The commission
21 shall also file a notice of exempt rule making and the proposed rule in the
22 format prescribed in section 41-1022 with the secretary of state's office for
23 publication in the Arizona administrative register. After consideration of
24 the comments received in the sixty day comment period, the commission may
25 adopt the rule in an open meeting. Any rules given final approval in an open
26 meeting shall be filed in the format prescribed in section 41-1022 with the
27 secretary of state's office for publication in the Arizona administrative
28 register. Any rules adopted by the commission shall only be applied
29 prospectively from the date the rule was adopted.

30 D. Rules adopted by the commission are not effective until January 1
31 in the year following the adoption of the rule, except that rules adopted by
32 unanimous vote of the commission may be made immediately effective and
33 enforceable.

34 E. If, in the view of the commission, the action of a particular
35 candidate or committee requires immediate change to a commission rule, a
36 unanimous vote of the commission is required. Any rule change made pursuant
37 to this subsection that is enacted with less than a unanimous vote takes
38 effect for the next election cycle.

39 F. Based on the results of the elections in any quadrennial election
40 after 2002, and within six months after such election, the commission may
41 adopt rules changing the number of qualifying contributions required for any
42 office from those listed in section 16-950, subsection D, by no more than
43 twenty per cent of the number applicable for the preceding election.

1 Sec. 9. Subject to the requirements of article IV, part 1, section 1,
2 Constitution of Arizona, section 16-961, Arizona Revised Statutes, is amended
3 to read:

4 16-961. Definitions

5 A. The terms "candidate's campaign committee," "contribution,"
6 "expenditures," "exploratory committee," "independent expenditure," "personal
7 monies," "political committee" and "statewide office" are defined in section
8 16-901.

9 B. 1. "Election cycle" means the period between successive general
10 elections for a particular office.

11 2. "Exploratory period" means the period beginning on the day after a
12 general election and ending the day before the start of the qualifying
13 period.

14 3. "Qualifying period" means the period beginning on the first day of
15 August in a year preceding an election and ending one week before the primary
16 election.

17 4. "Primary election period" means the nine-week period ending on the
18 day of the primary election.

19 5. "General election period" means the period beginning on the day
20 after the primary election and ending on the day of the general election.

21 6. For any recall election, the qualifying period shall begin when the
22 election is called and last for thirty days, there shall be no primary
23 election period and the general election period shall extend from the day
24 after the end of the qualifying period to the day of the recall election.
25 For recall elections, any reference to "general election" in this article
26 shall be treated as if referring to the recall election.

27 C. 1. "Participating candidate" means a candidate who becomes
28 certified as a participating candidate pursuant to section 16-947.

29 2. "Nonparticipating candidate" means a candidate who does not become
30 certified as a participating candidate pursuant to section 16-947.

31 3. Any limitation of this article that is applicable to a
32 participating candidate or a nonparticipating candidate shall also apply to
33 that candidate's campaign committee or exploratory committee.

34 D. "Commission" means the ~~citizens—clean—elections~~ PUBLIC
35 ACCOUNTABILITY commission established pursuant to section 16-955.

36 E. "Fund" means the ~~citizens~~ clean elections fund defined by this
37 article.

38 F. 1. "Party nominee" means a person who has been nominated by a
39 political party pursuant to section 16-301 or 16-343.

40 2. "Independent candidate" means a candidate who has properly filed
41 nominating papers and nominating petitions with signatures pursuant to
42 section 16-341.

43 3. "Unopposed" means with reference to an election for:

44 (a) A member of the house of representatives, opposed by no more than
45 one other candidate who has qualified for the ballot and who is running in
46 the same district.

1 (b) A member of the corporation commission, opposed by a number of
2 candidates who have qualified for the ballot that is fewer than the number of
3 corporation commission seats open at that election and for which the term of
4 office ends on the same date.

5 (c) All other offices, opposed by no other candidate who has qualified
6 for the ballot and who is running in that district or running for that same
7 office and term.

8 G. "Primary election spending limits" means:

9 1. For a candidate for the legislature, twelve thousand nine hundred
10 twenty-one dollars.

11 2. For a candidate for mine inspector, forty-one thousand three
12 hundred forty-nine dollars.

13 3. For a candidate for treasurer, superintendent of public instruction
14 or the corporation commission, eighty-two thousand six hundred eighty
15 dollars.

16 4. For a candidate for secretary of state or attorney general, one
17 hundred sixty-five thousand three hundred seventy-eight dollars.

18 5. For a candidate for governor, six hundred thirty-eight thousand two
19 hundred twenty-two dollars.

20 H. "General election spending limits" means amounts fifty per cent
21 greater than the amounts specified in subsection G of this section.

22 I. 1. "Original" spending limit means a limit specified in
23 subsections G and H of this section, as adjusted pursuant to section 16-959,
24 or a special amount expressly set for a particular candidate by a provision
25 of this title.

26 2. "Adjusted" spending limit means an original spending limit as
27 further adjusted pursuant to section 16-952.

28 Sec. 10. Title 38, chapter 3.1, article 1, Arizona Revised Statutes,
29 is amended by adding section 38-546, to read:

30 38-546. Public accountability commission; authority

31 FOR OFFICERS AND CANDIDATES WHO ARE REQUIRED TO FILE WITH THE SECRETARY
32 OF STATE PURSUANT TO THIS ARTICLE, THE PUBLIC ACCOUNTABILITY COMMISSION IS
33 THE INVESTIGATORY, COMPLIANCE AND ENFORCEMENT OFFICER AND AGENCY REGARDING
34 ANY MATTERS RELATING TO THIS ARTICLE AND THE COMMISSION MAY EXERCISE ITS FULL
35 STATUTORY AUTHORITY UNDER TITLE 16, CHAPTER 6 FOR THESE FINANCIAL DISCLOSURE
36 MATTERS.

37 Sec. 11. Section 41-121.02, Arizona Revised Statutes, is amended to
38 read:

39 41-121.02. Department of state

40 A. There is established the department of state, which shall be
41 composed of the office of the secretary of state.

42 B. The secretary of state shall have charge of and direct the
43 department of state.

44 C. Except as otherwise provided by law, employees of the department
45 are subject to chapter 4, article 4 and, as applicable, articles 5 and 6 of
46 this title.

1 D. Purchases and contracts for goods and services entered into by the
2 Arizona state library, archives and public records are exempt from chapter 23
3 of this title.

4 E. The Arizona state library, archives and public records is exempt
5 from chapter 6 of this title.

6 F. FOR ADMINISTRATIVE PURPOSES ONLY, THE PUBLIC ACCOUNTABILITY
7 COMMISSION ESTABLISHED PURSUANT TO TITLE 16, CHAPTER 6, ARTICLE 2 IS A
8 SEPARATE ADMINISTRATIVE AND BUDGETARY UNIT OF THE DEPARTMENT, AND THE
9 COMMISSION RETAINS FULL AUTHORITY OVER THE COMMISSION'S EMPLOYEES AND
10 ACTIVITIES.

11 Sec. 12. Section 41-1239, Arizona Revised Statutes, is amended to
12 read:

13 41-1239. Duties of secretary of state

14 A. The secretary of state shall:

15 1. Prescribe and publish the registration and registration amendment
16 forms and the annual and quarterly expenditure forms, handbooks and rules
17 necessary to carry out the provisions of this article.

18 2. Refer to the PUBLIC ACCOUNTABILITY COMMISSION, attorney general or
19 county attorney for investigation any matter ~~which~~ THAT the secretary of
20 state has reason to believe constitutes a violation of any of the provisions
21 of this article. THE SECRETARY OF STATE IN COOPERATION WITH THE PUBLIC
22 ACCOUNTABILITY COMMISSION SHALL DEVELOP AN INTERNET-BASED APPLICATION FOR USE
23 IN SUBMITTING REGISTRATIONS, REPORTS AND OTHER FILINGS PRESCRIBED BY THIS
24 ARTICLE. THE INTERNET-BASED APPLICATION SHALL PROVIDE FOR THE POSTING TO THE
25 INTERNET OF EXPENDITURE REPORTS FILED BY LOBBYISTS, AUTHORIZED PUBLIC
26 LOBBYISTS AND DESIGNATED PUBLIC LOBBYISTS. NOTWITHSTANDING ANY OTHER LAW
27 AFTER THE INTERNET-BASED APPLICATION IS OPERATIONAL:

28 (a) THE SECRETARY OF STATE SHALL NOTIFY ALL PERSONS WHO ARE REQUIRED
29 TO BE REGISTERED PURSUANT TO THIS ARTICLE THAT ALL SUBSEQUENT FILINGS SHALL
30 BE COMPLETED BY USE OF THE APPLICATION.

31 (b) THE SECRETARY OF STATE SHALL PROVIDE THE NOTICE PRESCRIBED IN
32 SUBDIVISION (a) OF THIS PARAGRAPH BY FIRST CLASS MAIL, AND ALL SUBSEQUENT
33 EXPENDITURE REPORTS SHALL BE MADE WITHIN SEVENTY-TWO HOURS AFTER MAKING THE
34 EXPENDITURE, AND ANNUAL AND QUARTERLY REPORTS ARE NOT REQUIRED.

35 (c) PERSONS WHO ARE REQUIRED TO REGISTER AND WHO MAKE NO REPORTABLE
36 EXPENDITURES SHALL FILE A NOTARIZED STATEMENT EVERY SIX MONTHS THAT NO
37 EXPENDITURES WERE MADE IN THE PRECEDING SIX-MONTH PERIOD.

38 3. Provide for the cross-referencing of the registration required by
39 sections 41-1232 and 41-1232.01 so that each lobbyist authorized by a
40 principal pursuant to section 41-1232, subsection A and each public lobbyist
41 authorized by a public body pursuant to section 41-1232.01, subsection A
42 shall be identified with such principal.

43 4. Advise incumbents and nonincumbent candidates regarding campaign
44 finance laws and public officer reporting and disclosure laws. At the
45 request of the person asking for advice, the secretary of state shall log the
46 request and the response.

1 E. The county treasurer shall allocate the monies deposited pursuant
2 to subsection C of this section according to the following formula:

- 3 1. 21.61 per cent for the purposes specified in section 11-539.
- 4 2. 20.53 per cent for the purposes specified in section 11-588.
- 5 3. 57.37 per cent to the local courts assistance fund established by
6 section 12-102.03.
- 7 4. 0.49 per cent to the state treasurer for transmittal to the
8 department of law for the processing of criminal cases.

9 F. The board of supervisors in each county shall separately account
10 for all monies received pursuant to subsections C and E of this section and
11 expenditures of these monies may be made only after the requirements of
12 subsections G and H of this section have been met.

13 G. By December 1 of each year, each county board of supervisors shall
14 certify if the total revenues received by the justice courts and the superior
15 court, including the clerk of the superior court, exceed the amount received
16 in fiscal year 1997-1998. If the board so certifies, then the board shall
17 distribute the lesser of either:

- 18 1. The total amount deposited pursuant to subsection C of this
19 section.
- 20 2. The amount collected and deposited pursuant to subsection C of this
21 section that exceeds the base year collections of fiscal year 1997-1998.
22 These monies shall be distributed according to the formula specified in
23 subsection E of this section. Any monies remaining after this allocation
24 shall be transmitted as otherwise provided by law.

25 H. If a county board of supervisors determines that the total revenues
26 transmitted by the superior court, including the clerk of the superior court
27 and the justice courts in the county, do not equal the base year collections
28 transmitted in fiscal year 1997-1998 the monies specified in subsection C of
29 this section shall be transmitted by the county treasurer as otherwise
30 provided by law.

31 I. For the purposes of this section, base year collections shall be
32 those collections specified in subsection C of this section.

33 J. Monies collected pursuant to section 12-116.01, subsection B shall
34 be allocated as follows:

- 35 1. 15.44 per cent to the state aid to county attorneys fund
36 established by section 11-539.
- 37 2. 14.66 per cent to the state aid to indigent defense fund
38 established by section 11-588.
- 39 3. 40.97 per cent to the state aid to the courts fund established by
40 section 12-102.02.
- 41 4. 0.35 per cent to the department of law for the processing of
42 criminal cases.
- 43 5. 14.29 per cent to the Arizona criminal justice commission for
44 distribution to state, county and municipal law enforcement full service
45 forensic crime laboratories pursuant to rules adopted by the Arizona criminal
46 justice commission.

1 6. 14.29 per cent to the supreme court for allocation to the municipal
2 courts pursuant to subsection K of this section.

3 K. The supreme court shall administer and allocate the monies received
4 pursuant to subsection J, paragraph 6 of this section to the municipal courts
5 based on the total amount of surcharges transmitted pursuant to section
6 12-116.01 by that jurisdiction's city treasurer to the state treasurer for
7 the prior fiscal year divided by the total amount of surcharges transmitted
8 to the state treasurer pursuant to section 12-116.01 by all city treasurers
9 statewide for the prior fiscal year. The municipal court shall use the
10 monies received to improve, maintain and enhance the ability to collect and
11 manage monies assessed or received by the courts, to improve court automation
12 and to improve case processing or the administration of justice. The
13 municipal court shall submit a plan to the supreme court, and the supreme
14 court shall approve the plan before the municipal court begins to spend these
15 allocated monies.

16 Sec. 14. Applicability; pending cases

17 Any complaints that are filed before the effective date of this act and
18 that are still pending on the effective date of this act and any
19 investigations, compliance or enforcement actions pending on the effective
20 date of this act are transferred to the public accountability commission for
21 any further action, and the public accountability commission may use its full
22 authority on those cases and complaints as prescribed by this act.

23 Sec. 15. Conforming legislation

24 The legislative council staff shall prepare proposed legislation
25 conforming the Arizona Revised Statutes to the provisions of this act for
26 consideration in the Fifty-first Legislature, Second Regular Session.

27 Sec. 16. Effective date

28 This act is effective from and after December 31, 2013.

29 Sec. 17. Requirements for enactment; three-fourths vote

30 Pursuant to article IV, part 1, section 1, Constitution of Arizona,
31 section 16-926, Arizona Revised Statutes, as added by this act and sections
32 16-941, 16-947, 16-949, 16-950, 16-954, 16-955, 16-956 and 16-961, Arizona
33 Revised Statutes, as amended by this act, are effective only on the
34 affirmative vote of at least three-fourths of the members of each house of
35 the legislature.