

REFERENCE TITLE: lobbying; disclosures; reporting

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

SB 1332

Introduced by
Senators Reagan, Crandall, Farley, Yee: Barto, Bradley, Jackson Jr.,
McComish, Worsley

AN ACT

AMENDING SECTIONS 38-541, 41-1231, 41-1232.02, 41-1232.03 AND 41-1232.08, ARIZONA REVISED STATUTES; AMENDING TITLE 41, CHAPTER 7, ARTICLE 8.1, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-1232.09; AMENDING SECTIONS 41-1234.01 AND 41-1237, ARIZONA REVISED STATUTES; RELATING TO FINANCIAL DISCLOSURES 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 38-541, Arizona Revised Statutes, is amended to
3 read:

4 38-541. Definitions

5 In this chapter, unless the context otherwise requires:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19 Sec. 2. Section 41-1231, Arizona Revised Statutes, is amended to read:
20 41-1231. Definitions

21 In this article, unless the context otherwise requires:

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

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

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

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

40 5. "Entertainment" means the amount of any expenditure paid or
41 incurred for admission to any sporting or cultural event or for participation
42 in any sporting or cultural activity.

43 6. "Expenditure" means a payment, distribution, loan, advance, deposit
44 or gift of money or anything of value and includes a contract, promise or
45 agreement, whether or not legally enforceable, to make an expenditure that

1 provides a benefit to an individual state officer or state employee and that
2 is incurred by or on behalf of one or more principals, public bodies,
3 lobbyists, designated public lobbyists or authorized public lobbyists.

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

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

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

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

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

27 (i) A speaking engagement.

28 (ii) Food or beverages.

29 (iii) Travel and lodging.

30 (iv) Flowers.

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

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

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

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

43 (g) Informational material such as books, reports, pamphlets,
44 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 OR A CONTRIBUTION TO AN OFFICEHOLDER
6 EXPENSE ACCOUNT that is properly received and reported as 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 THE GOVERNOR
21 OR THE GOVERNOR'S STAFF, or in the case of bonding, lobbyists directly
22 communicating with any school district employee or a school district
23 governing board member, or attempting to influence any formal rule making
24 proceeding pursuant to chapter 6 of this title or rule making proceedings
25 that are exempt from chapter 6 of this title by directly communicating with
26 any state officer or employee. Lobbying does not include:

27 (a) Interagency communications between state agency employees.

28 (b) Communications between a public official or employee of a public
29 body, designated public lobbyist or authorized public lobbyist and any state
30 officer, except for a member of the legislature, or an employee of the
31 legislature.

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

36 12. "Lobbyist" means any person, other than a designated public
37 lobbyist or authorized public lobbyist, who is employed by, retained by or
38 representing a person other than himself, with or without compensation, for
39 the purpose of lobbying and who is listed as a lobbyist by the principal in
40 its registration pursuant to section 41-1232. Lobbyist includes a lobbyist
41 for compensation, designated lobbyist and authorized lobbyist. Lobbyist
42 includes attorneys whose practice involves bonding, underwriters of bonds and
43 investment bankers whose business includes bonding.

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

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

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

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

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

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

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

30 20. "Speaking engagement":

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

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

43 21. "State employee" means an employee of the legislature ~~OR THE~~
44 GOVERNOR'S OFFICE, a university under the jurisdiction of the Arizona board

1 of regents, the judicial department or a state office, agency, board,
2 commission or council.

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

6 Sec. 3. Section 41-1232.02, Arizona Revised Statutes, is amended to
7 read:

8 41-1232.02. Expenditure reporting; principals and lobbyists;
9 gifts

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

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

38 C. Each lobbyist for compensation and designated lobbyist shall also
39 report ~~quarterly~~ MONTHLY the aggregate of all expenditures of ~~twenty~~ TEN
40 dollars or less received by or benefitting a state officer or employee,
41 whether or not the expenditures were made in the course of lobbying. The
42 report shall list separately the aggregate of expenditures made on behalf of
43 each principal and the aggregate not made on behalf of any principal. In the
44 ~~fourth calendar quarter~~ REPORT FOR DECEMBER OF EACH YEAR, these expenditures
45 shall also be listed by cumulative total for the calendar year. Each

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

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

- 11 1. Food or beverages.
- 12 2. Speaking engagement.
- 13 3. Travel and lodging.
- 14 4. Flowers.
- 15 5. Other expenditures.

16 E. Expenditures by principals and lobbyists such as those for the
17 lobbyist's personal sustenance, office expenses, filing fees, legal fees,
18 employees' compensation, lodging and travel are not required to be reported.
19 In addition, expenditures by a principal or a lobbyist for family gifts,
20 personal hospitality or those items excluded from the definition of gift
21 pursuant to section 41-1231, paragraph 9, subdivision (a), (c), (d), (f),
22 (g), (h), (i), (j), (k) or (l) ~~are not required to~~ SHALL be reported BY
23 IDENTIFYING WHICH EXEMPTION APPLIES, DESCRIBING THE SPECIFIC ITEM PURCHASED
24 WITH THE EXPENDITURE AND LISTING THE ACTUAL RETAIL VALUE OF THE ITEM. A
25 PRINCIPAL OR LOBBYIST MAKING AN EXPENDITURE ALSO SHALL PROVIDE THE LEGISLATOR
26 WITH A DECLARATION OF THE VALUE OF THE EXPENDITURE.

27 F. All expenditures incurred by a principal or lobbyist in the case of
28 special events for legislators, including parties, dinners, athletic events,
29 entertainment and other functions, to which all members of the legislature,
30 either house of the legislature or any committee of the legislature are
31 invited shall be reported. Expenditures are not required to be allocated to
32 individual legislators, but for each ~~such~~ SPECIAL event a description of the
33 event, AN ITEMIZATION OF AMOUNTS PAID IN EACH OF THE CATEGORIES OF FOOD AND
34 BEVERAGE, ENTERTAINMENT AND OTHER EXPENDITURES, WITH OTHER EXPENDITURES
35 ITEMIZED BY DOLLAR AMOUNT AND DESCRIPTION OF WHAT WAS PURCHASED WITH THAT
36 EXPENDITURE and the date, location, name of the legislative body invited and
37 total expenditures incurred shall be reported. THE PERSON MAKING THE
38 EXPENDITURE ALSO SHALL PROVIDE TO THE LEGISLATOR A DECLARATION OF THE VALUE
39 OF THE EXPENDITURE. Expenditures for special events held in conjunction with
40 state, national or regional meetings of an organization or association
41 concerned or dealing with legislative or other governmental activities to
42 which all state officers or state employees in attendance at ~~such~~ THE event
43 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

1 secretary of state for five years from the date of filing, after which time
2 the information shall be destroyed. The information is a public record and
3 open to public inspection.

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

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

14 J. A principal or lobbyist or any other person acting on behalf of a
15 principal or lobbyist shall not give to any state officer or state employee
16 and a state officer or state employee shall not accept from a principal or
17 lobbyist either 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 state officer's or state
21 employee's official conduct.

22 Sec. 4. Section 41-1232.03, Arizona Revised Statutes, is amended to
23 read:

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

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

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

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

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

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

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

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

23 E. Expenditures by a public body, designated public lobbyist or
24 authorized public lobbyist for personal sustenance, family gifts, personal
25 hospitality or those items excluded from the definition of gift pursuant to
26 section 41-1231, paragraph 9, subdivision (a), (c), (d), (f), (g), (h), (i),
27 (j), (k) or (l) ~~are not required to~~ SHALL be reported BY IDENTIFYING WHICH
28 EXEMPTION APPLIES, DESCRIBING THE SPECIFIC ITEM PURCHASED WITH THE
29 EXPENDITURE AND LISTING THE ACTUAL RETAIL VALUE OF THE ITEM. A PUBLIC BODY,
30 DESIGNATED PUBLIC LOBBYIST OR AUTHORIZED PUBLIC LOBBYIST MAKING AN
31 EXPENDITURE ALSO SHALL PROVIDE THE LEGISLATOR WITH A DECLARATION OF THE VALUE
32 OF THE EXPENDITURE.

33 F. All expenditures incurred by a public body, designated public
34 lobbyist or authorized public lobbyist in the case of special events for
35 legislators, including parties, dinners, athletic events, entertainment and
36 other functions, to which all members of the legislature, either house of the
37 legislature or any committee of the legislature are invited shall be
38 reported. Expenditures are not required to be allocated to individual
39 legislators, but for each ~~such~~ SPECIAL event a description of the event, AN
40 ITEMIZATION OF AMOUNTS PAID IN EACH OF THE CATEGORIES OF FOOD AND BEVERAGE,
41 ENTERTAINMENT AND OTHER EXPENDITURES, WITH OTHER EXPENDITURES ITEMIZED BY
42 DOLLAR AMOUNT AND DESCRIPTION OF WHAT WAS PURCHASED WITH THAT EXPENDITURE and
43 the date, location, name of the legislative body invited and total
44 expenditures incurred shall be reported. THE PERSON MAKING THE EXPENDITURE
45 ALSO SHALL PROVIDE TO THE LEGISLATOR A DECLARATION OF THE VALUE OF THE

1 EXPENDITURE. Expenditures for special events held in conjunction with state,
2 national or regional meetings of an organization or association concerned or
3 dealing with legislative or other governmental activities to which all
4 members or employees of the legislature in attendance at ~~such~~ THE event are
5 invited shall be reported in the same manner.

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

11 H. If a public body or designated public lobbyist makes no
12 expenditures that it would otherwise be required to report during a specified
13 reporting period, the public body or designated public lobbyist may sign a
14 notarized form prescribed by the secretary of state indicating that there
15 were no expenditures during the specific reporting period.

16 I. A person or organization shall not make a gift to or an expenditure
17 on behalf of a member or employee of the legislature through another person
18 or organization for the purpose of disguising the identity of the person
19 making the gift or expenditure.

20 J. A public body, designated public lobbyist or authorized public
21 lobbyist or any other person acting on behalf of a public body, designated
22 public lobbyist or authorized public lobbyist shall not give to any member of
23 the legislature and a member of the legislature shall not accept from a
24 public body, designated public lobbyist or authorized public lobbyist either
25 of the following:

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

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

30 K. Subsection J of this section does not apply to gifts given by a
31 public body, designated public lobbyist or authorized public lobbyist to an
32 employee of a public body, if the employee is not a public official or a
33 member of the household of a public official or if the gift is accepted on
34 behalf of the public body and remains the property of the public body.

35 Sec. 5. Section 41-1232.08, Arizona Revised Statutes, is amended to
36 read:

37 41-1232.08. Entertainment ban; state and political
38 subdivisions; exceptions; definition

39 A. A principal, designated lobbyist, authorized lobbyist, lobbyist for
40 compensation, public body, designated public lobbyist or authorized public
41 lobbyist or any other person acting on that person's behalf shall not make an
42 expenditure or single expenditure for entertainment for a state officer or
43 state employee. A state officer or state employee shall not accept an
44 expenditure or single expenditure for entertainment from a principal,
45 designated lobbyist, authorized lobbyist, lobbyist for compensation, public

1 body, designated public lobbyist or authorized public lobbyist or any other
2 person acting on that person's behalf.

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

20 C. This section shall not apply to:

21 1. Entertainment in connection with a special event properly reported
22 pursuant to this article.~~—~~

23 ~~2.~~ OR entertainment that is incidental to a speaking engagement UNDER
24 THE FOLLOWING CONDITIONS:

25 (a) THE ENTERTAINMENT EXPENDITURE IS SPECIFICALLY ITEMIZED BY THE
26 AMOUNT OF THE EXPENDITURE, THE DESCRIPTION OF THE TYPE OF EXPENDITURE MADE
27 AND A DECLARATION OF VALUE IS PROVIDED TO THE PERSON BENEFITTING FROM THE
28 ENTERTAINMENT.

29 (b) A TICKET FOR ADMISSION TO OR PARTICIPATION IN A SPORTING EVENT IS
30 NOT GIVEN TO ANY PERSONS PRESCRIBED IN SUBSECTION A OR B OF THIS SECTION.
31 THIS APPLIES WITHOUT REGARD TO WHETHER THE RECIPIENT REIMBURSES ANY OR ALL OF
32 THE COST OF THE TICKET.

33 ~~3.~~ 2. The following persons while attending or participating in any
34 sporting or cultural event or activity, sponsored by the board, district or
35 institution, in a facility that is owned or operated by the board, district
36 or institution:

37 (a) Employees of a school district governing board.

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

39 (c) Employees of any institution under the jurisdiction of the Arizona
40 board of regents.

41 D. The provisions of this article that define special events for
42 legislators apply to special events for members of the Arizona board of
43 regents.

1 article that contains any materially false statement or material omission or
2 any person who ~~knowingly~~ fails to comply with any material requirement of
3 this article is guilty of ~~a class 1 misdemeanor unless another classification~~
4 ~~is specifically prescribed in this article.~~ THE FOLLOWING:

5 1. FOR A RECKLESS VIOLATION, A CIVIL PENALTY OF THREE TIMES THE AMOUNT
6 OMITTED OR MISSTATED.

7 2. FOR A KNOWING OR INTENTIONAL VIOLATION INVOLVING OMISSION OR
8 MISSTATEMENT INVOLVING AMOUNTS OF LESS THAN THREE THOUSAND DOLLARS, A CLASS 6
9 FELONY.

10 3. FOR A KNOWING OR INTENTIONAL VIOLATION INVOLVING OMISSION OR
11 MISSTATEMENT INVOLVING AMOUNTS OF THREE THOUSAND DOLLARS OR MORE, A CLASS 5
12 FELONY.

13 B. Any alleged violation of any provisions of this article may be
14 investigated and prosecuted by the attorney general or by the county attorney
15 of the county in which the alleged offense was committed.

16 Sec. 9. Secretary of state; internet filings

17 The secretary of state shall provide for an internet-based application
18 and system for receipt of filings required by section 41-1232.09, Arizona
19 Revised Statutes, as added by this act, and that will comply with section
20 41-1232.07, Arizona Revised Statutes.

21 Sec. 10. Effective date

22 Sections 38-541, 41-1231, 41-1232.02, 41-1232.03 and 41-1232.08,
23 Arizona Revised Statutes, as amended by this act, section 41-1232.09, Arizona
24 Revised Statutes, as added by this act, and sections 41-1234.01 and 41-1237,
25 Arizona Revised Statutes, as amended by this act, are effective from and
26 after December 31, 2013.