

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

SENATE BILL 1454

AN ACT

AMENDING SECTION 9-231, ARIZONA REVISED STATUTES; AMENDING TITLE 9, CHAPTER 4, ARTICLE 6, ARIZONA REVISED STATUTES, BY ADDING SECTION 9-461.15; AMENDING TITLE 11, CHAPTER 6, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 11-810; AMENDING SECTION 16-411, ARIZONA REVISED STATUTES; AMENDING TITLE 16, CHAPTER 4, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 8.2; AMENDING SECTIONS 16-901, 16-905, 16-912, 16-912.01, 16-920, 16-921, 16-948, 16-950, 16-1019, 22-512 AND 33-1250, ARIZONA REVISED STATUTES; AMENDING TITLE 33, CHAPTER 9, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 33-1260.01; AMENDING SECTION 33-1261, ARIZONA REVISED STATUTES; AMENDING TITLE 33, CHAPTER 16, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 33-1806.01; AMENDING SECTIONS 33-1812 AND 41-2198.01, ARIZONA REVISED STATUTES; PROVIDING FOR THE DELAYED REPEAL OF SECTION 16-559, ARIZONA REVISED STATUTES, AS ADDED BY THIS ACT; RELATING TO ELECTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 9-231, Arizona Revised Statutes, is amended to
3 read:

4 9-231. Common council

5 A. The corporate powers of a town incorporated under ~~the provisions of~~
6 section 9-101 shall be vested in a common council. The first common council
7 shall be appointed by the board of supervisors, ~~upon~~ ON declaring the town
8 incorporated, and the members shall continue in office until their successors
9 are elected and qualified. The successors shall be elected by qualified
10 electors residing in the town at an election held for that purpose on the
11 third Tuesday in May following, and on the third Tuesday in May each two
12 years thereafter, ~~unless and until the date of such election is changed~~
13 ~~pursuant to the provisions of subsection C of this~~ PURSUANT TO section
14 16-204.

15 B. The common council of every town shall consist of five members if
16 the population is fifteen hundred persons or less, or seven members if the
17 population exceeds fifteen hundred persons at the time of incorporation. If
18 thereafter the population of ~~such~~ THE town exceeds fifteen hundred persons as
19 determined by the latest official United States census, the council may pass
20 an ordinance increasing the membership to seven, with the additional two
21 members to be elected at the first election subsequent to the passage of the
22 ordinance.

23 ~~C. A city or town may only hold a general election on a date~~
24 ~~prescribed by section 16-204.~~

25 Sec. 2. Title 9, chapter 4, article 6, Arizona Revised Statutes, is
26 amended by adding section 9-461.15, to read:

27 9-461.15. Requirement of planned community prohibited

28 A. THE PLANNING AGENCY OF A MUNICIPALITY IN EXERCISING ITS AUTHORITY
29 PURSUANT TO THIS TITLE SHALL NOT REQUIRE AS PART OF A SUBDIVISION REGULATION
30 OR ZONING ORDINANCE THAT A SUBDIVIDER OR DEVELOPER ESTABLISH AN ASSOCIATION
31 AS DEFINED IN SECTION 33-1802. A SUBDIVIDER OR DEVELOPER SHALL NOT BE
32 PENALIZED BECAUSE A REAL ESTATE SUBDIVISION OR DEVELOPMENT DOES NOT
33 CONSTITUTE OR INCLUDE A PLANNED COMMUNITY.

34 B. A MUNICIPALITY MAY REQUIRE A SUBDIVIDER OR DEVELOPER TO ESTABLISH
35 AN ASSOCIATION TO MAINTAIN PRIVATE, COMMON OR COMMUNITY OWNED IMPROVEMENTS
36 THAT ARE APPROVED AND INSTALLED AS PART OF A PRELIMINARY PLAT, FINAL PLAT OR
37 SPECIFIC PLAN. A MUNICIPALITY SHALL NOT REQUIRE THAT AN ASSOCIATION BE
38 FORMED OR OPERATED OTHER THAN FOR THE MAINTENANCE OF COMMON AREAS OR
39 COMMUNITY OWNED PROPERTY. THIS SUBSECTION APPLIES ONLY TO PLANNED
40 COMMUNITIES THAT ARE ESTABLISHED IN PLATS RECORDED AFTER THE EFFECTIVE DATE
41 OF THIS SECTION.

42 C. THIS SECTION DOES NOT LIMIT THE SUBDIVIDER OR DEVELOPER IN THE
43 ESTABLISHMENT OR AUTHORITY OF ANY PLANNED COMMUNITY ESTABLISHED PURSUANT TO
44 TITLE 33, CHAPTER 16 OR LIMIT A SUBDIVIDER, A DEVELOPER OR AN ASSOCIATION

1 FROM REQUESTING AND ENTERING INTO A MAINTENANCE AGREEMENT WITH A
2 MUNICIPALITY.

3 Sec. 3. Title 11, chapter 6, article 1, Arizona Revised Statutes, is
4 amended by adding section 11-810, to read:

5 11-810. Requirement of planned community prohibited

6 A. A COUNTY PLANNING AND ZONING COMMISSION IN EXERCISING ITS AUTHORITY
7 PURSUANT TO THIS TITLE SHALL NOT REQUIRE AS PART OF A SUBDIVISION APPROVAL OR
8 ZONING ORDINANCE THAT A SUBDIVIDER OR DEVELOPER ESTABLISH AN ASSOCIATION AS
9 DEFINED IN SECTION 33-1802. A SUBDIVIDER OR DEVELOPER SHALL NOT BE PENALIZED
10 BECAUSE A REAL ESTATE SUBDIVISION OR DEVELOPMENT DOES NOT CONSTITUTE OR
11 INCLUDE A PLANNED COMMUNITY.

12 B. A COUNTY MAY REQUIRE A SUBDIVIDER OR DEVELOPER TO ESTABLISH AN
13 ASSOCIATION TO MAINTAIN PRIVATE, COMMON AREA OR COMMUNITY OWNED IMPROVEMENTS
14 THAT ARE APPROVED AND INSTALLED AS PART OF A PRELIMINARY PLAT, FINAL PLAT OR
15 SPECIFIC PLAN. A COUNTY SHALL NOT REQUIRE THAT AN ASSOCIATION BE FORMED OR
16 OPERATED OTHER THAN FOR THE MAINTENANCE OF COMMON AREAS OR COMMUNITY OWNED
17 PROPERTY. THIS SUBSECTION APPLIES ONLY TO PLANNED COMMUNITIES THAT ARE
18 ESTABLISHED IN PLATS RECORDED AFTER THE EFFECTIVE DATE OF THIS SECTION.

19 C. THIS SECTION DOES NOT LIMIT THE SUBDIVIDER OR DEVELOPER IN THE
20 ESTABLISHMENT OR AUTHORITY OF ANY PLANNED COMMUNITY ESTABLISHED PURSUANT TO
21 TITLE 33, CHAPTER 16 OR LIMIT A SUBDIVIDER, A DEVELOPER OR AN ASSOCIATION
22 FROM REQUESTING AND ENTERING INTO A MAINTENANCE AGREEMENT WITH A COUNTY.

23 Sec. 4. Section 16-411, Arizona Revised Statutes, is amended to read:

24 16-411. Designation of election precincts and polling places;
25 voting centers; electioneering; wait times

26 A. Except as prescribed by subsection J of this section, the board of
27 supervisors of each county, on or before December 1 of each year preceding
28 the year of a general election, by an order, shall establish a convenient
29 number of election precincts in the county and define the boundaries of the
30 precincts. ~~Such~~ THE election precinct boundaries shall be so established as
31 included within election districts prescribed by law for elected officers of
32 the state and its political subdivisions including community college district
33 precincts, except those elected officers provided for in titles 30 and 48.

34 B. Not less than twenty days before a general or primary election, and
35 at least ten days before a special election, the board shall designate one
36 polling place within each precinct where the election shall be held, except
37 that:

38 1. On a specific finding of the board, included in the order or
39 resolution designating polling places pursuant to this subsection, that no
40 suitable polling place is available within a precinct, a polling place for
41 ~~such~~ THAT precinct may be designated within an adjacent precinct.

42 2. Adjacent precincts may be combined if boundaries so established are
43 included in election districts prescribed by law for state elected officials
44 and political subdivisions including community college districts but not
45 including elected officials prescribed by titles 30 and 48. The officer in

1 charge of elections may also split a precinct for administrative purposes.
2 ~~Any such~~ THE polling places shall be listed in separate sections of the order
3 or resolution.

4 3. On a specific finding of the board that the number of persons who
5 are listed as permanent early voters pursuant to section 16-544 is likely to
6 substantially reduce the number of voters appearing at one or more specific
7 polling places at that election, adjacent precincts may be consolidated by
8 combining polling places and precinct boards for that election. The board of
9 supervisors shall ensure that a reasonable and adequate number of polling
10 places will be designated for that election. Any consolidated polling places
11 shall be listed in separate sections of the order or resolution of the board.

12 4. On a specific resolution of the board, the board may authorize the
13 use of voting centers in place of or in addition to specifically designated
14 polling places. A voting center shall allow any voter in that county to
15 receive the appropriate ballot for that voter on election day and lawfully
16 cast the ballot. Voting centers may be established in coordination and
17 consultation with the county recorder, at other county offices or at other
18 locations in the county deemed appropriate.

19 C. If the board fails to designate the place for holding the election,
20 or if it cannot be held at or about the place designated, the justice of the
21 peace in the precinct, two days before the election, by an order, copies of
22 which the justice of the peace shall immediately post in three public places
23 in the precinct, shall designate the place within the precinct for holding
24 the election. If there is no justice of the peace in the precinct, or if the
25 justice of the peace fails to do so, the election board of the precinct shall
26 designate and give notice of the place within the precinct of holding the
27 election. For any election in which there are no candidates for elected
28 office appearing on the ballot, the board may consolidate polling places and
29 precinct boards and may consolidate the tabulation of results for that
30 election if all of the following apply:

31 1. All affected voters are notified by mail of the change at least
32 thirty-three days before the election.

33 2. Notice of the change in polling places includes notice of the new
34 voting location, notice of the hours for voting on election day and notice of
35 the telephone number to call for voter assistance.

36 3. All affected voters receive information on early voting that
37 includes the application used to request an early voting ballot.

38 D. The board is not required to designate a polling place for special
39 district mail ballot elections held pursuant to article 8.1 of this chapter,
40 but the board may designate one or more sites for voters to deposit marked
41 ballots until 7:00 p.m. on the day of the election.

42 E. Except as provided in subsection F of this section, a public school
43 shall provide sufficient space for use as a polling place for any city,
44 county or state election when requested by the officer in charge of
45 elections.

1 F. The principal of the school may deny a request to provide space for
2 use as a polling place for any city, county or state election if, within two
3 weeks after a request has been made, the principal provides a written
4 statement indicating a reason the election cannot be held in the school,
5 including any of the following:

- 6 1. Space is not available at the school.
- 7 2. The safety or welfare of the children would be jeopardized.

8 G. The board shall make available to the public as a public record a
9 list of the polling places for all precincts in which the election is to be
10 held including identification of polling place changes that were submitted to
11 the United States department of justice for approval.

12 H. Except in the case of an emergency, any facility that is used as a
13 polling place on election day or that is used as an early voting site during
14 the period of early voting shall allow persons to electioneer and engage in
15 other political activity outside of the seventy-five foot limit prescribed by
16 section 16-515 in public areas and parking lots used by voters. This
17 subsection shall not be construed to permit the temporary or permanent
18 construction of structures in public areas and parking lots or the blocking
19 or other impairment of access to parking spaces for voters. The county
20 recorder ~~OR OTHER OFFICER IN CHARGE OF ELECTIONS~~ shall post on its website at
21 least two weeks before election day a list of those polling places in which
22 emergency conditions prevent electioneering and shall specify the reason the
23 emergency ~~exemption~~ DESIGNATION was granted AND THE NUMBER OF ATTEMPTS THAT
24 WERE MADE TO FIND A POLLING PLACE BEFORE GRANTING AN EMERGENCY DESIGNATION.
25 If the polling place is not on the website list of polling places with
26 emergency ~~conditions~~ DESIGNATIONS, electioneering and other political
27 activity shall be permitted outside of the seventy-five foot limit. If an
28 emergency arises after the county ~~recorder's~~ RECORDER OR OTHER OFFICER IN
29 CHARGE OF ELECTIONS' initial website posting, the county recorder OR OTHER
30 OFFICER IN CHARGE OF ELECTIONS shall update the website as soon as is
31 practicable to include any new polling places, shall highlight the polling
32 place location on the website and shall specify the reason the emergency
33 ~~exemption~~ DESIGNATION was granted AND THE NUMBER OF ATTEMPTS THAT WERE MADE
34 TO FIND A POLLING PLACE BEFORE GRANTING AN EMERGENCY DESIGNATION.

35 I. FOR THE PURPOSES OF THIS SECTION, A COUNTY RECORDER OR OTHER
36 OFFICER IN CHARGE OF ELECTIONS SHALL DESIGNATE A POLLING PLACE AS AN
37 EMERGENCY POLLING PLACE AND THUS PROHIBIT PERSONS FROM ELECTIONEERING AND
38 ENGAGING IN OTHER POLITICAL ACTIVITY OUTSIDE OF THE SEVENTY-FIVE FOOT LIMIT
39 PRESCRIBED BY SECTION 16-515 BUT INSIDE THE PROPERTY OF THE FACILITY THAT IS
40 HOSTING THE POLLING PLACE IF ANY OF THE FOLLOWING OCCURS:

- 41 1. AN ACT OF GOD RENDERS A PREVIOUSLY SET POLLING PLACE AS UNUSABLE.
- 42 2. A COUNTY RECORDER OR OTHER OFFICER IN CHARGE OF ELECTIONS HAS
43 EXHAUSTED ALL OPTIONS AND THERE ARE NO SUITABLE FACILITIES IN A PRECINCT THAT
44 ARE WILLING TO BE A POLLING PLACE UNLESS A FACILITY CAN BE GIVEN AN EMERGENCY
45 DESIGNATION.

1 ~~I.~~ J. The secretary of state shall provide through the instructions
2 and procedures manual adopted pursuant to section 16-452 the maximum
3 allowable wait time for any election that is subject to section 16-204 and
4 provide for a method to reduce voter wait time at the polls in the primary
5 and general elections. The method shall consider at least all of the
6 following for primary and general elections in each precinct:

7 1. The number of ballots voted in the prior primary and general
8 elections.

9 2. The number of registered voters who voted early in the prior
10 primary and general elections.

11 3. The number of registered voters and the number of registered voters
12 who cast an early ballot for the current primary or general election.

13 4. The number of election board members and clerks and the number of
14 rosters that will reduce voter wait time at the polls.

15 ~~J.~~ K. The board of supervisors of a county shall not change precinct
16 lines during the period after July 31, 2008 and before January 1, 2011. The
17 board of supervisors may subdivide an election precinct for administrative
18 purposes or may provide for more than one polling place within the boundaries
19 of the election precincts established for use in voting in elections held
20 after July 31, 2008 and before January 1, 2011. In providing for multiple
21 polling places within a precinct, the board of supervisors shall consider the
22 particular population characteristics of each precinct in order to provide
23 the voters the most reasonable access to the polls possible.

24 Sec. 5. Title 16, chapter 4, Arizona Revised Statutes, is amended by
25 adding article 8.2, to read:

26 ARTICLE 8.2. OPTIONAL CITY AND TOWN APPROVAL VOTING

27 16-559. City and town approval voting study committee:
28 membership; duties

29 A. THE CITY AND TOWN APPROVAL VOTING STUDY COMMITTEE IS ESTABLISHED
30 CONSISTING OF THE FOLLOWING MEMBERS:

31 1. THREE MEMBERS OF THE SENATE WHO ARE APPOINTED BY THE PRESIDENT OF
32 THE SENATE, NOT MORE THAN TWO OF WHOM ARE MEMBERS OF THE SAME POLITICAL
33 PARTY. THE PRESIDENT OF THE SENATE SHALL DESIGNATE ONE OF THESE MEMBERS AS
34 COCHAIRPERSON OF THE COMMITTEE.

35 2. THREE MEMBERS OF THE HOUSE OF REPRESENTATIVES WHO ARE APPOINTED BY
36 THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, NOT MORE THAN TWO OF WHOM ARE
37 MEMBERS OF THE SAME POLITICAL PARTY. THE SPEAKER OF THE HOUSE OF
38 REPRESENTATIVES SHALL DESIGNATE ONE OF THESE MEMBERS AS COCHAIRPERSON OF THE
39 COMMITTEE.

40 B. THE COMMITTEE SHALL MEET AND CONSIDER ISSUES RELATING TO A CITY OR
41 TOWN IN THIS STATE ESTABLISHING AND USING A SYSTEM OF APPROVAL VOTING IN THAT
42 CITY'S OR TOWN'S PRIMARY OR FIRST ELECTION. AN APPROVAL VOTING SYSTEM SHALL
43 PROVIDE FOR THE FOLLOWING:

1 1. THE VOTER IN THE PRIMARY OR FIRST ELECTION SHALL BE PERMITTED TO
2 VOTE FOR AS MANY CANDIDATES FOR A SINGLE OFFICE AS THE VOTER CHOOSES TO
3 APPROVE.

4 2. THE TWO CANDIDATES WHO RECEIVE THE HIGHEST AND SECOND HIGHEST
5 NUMBER OF VOTES IN THE PRIMARY OR FIRST ELECTION SHALL ADVANCE TO THE GENERAL
6 OR RUNOFF ELECTION FOR THAT CITY OR TOWN WITHOUT REGARD TO WHETHER ANY ONE
7 CANDIDATE HAS RECEIVED A MAJORITY OF THE VOTES CAST FOR THAT OFFICE.

8 3. THE BALLOT AND ALL OTHER VOTING MATERIALS SHALL CLEARLY INDICATE
9 THAT THE VOTER MAY VOTE FOR AS MANY CANDIDATES IN THAT ELECTION AS THE VOTER
10 CHOOSES, AND THAT THE CANDIDATES WHO RECEIVE THE TWO HIGHEST NUMBER OF VOTES
11 SHALL ADVANCE TO THE GENERAL OR RUNOFF ELECTION.

12 Sec. 6. Section 16-901, Arizona Revised Statutes, is amended to read:
13 16-901. Definitions

14 In this chapter, unless the context otherwise requires:

15 1. "Agent" means, with respect to any person other than a candidate,
16 any person who has oral or written authority, either express or implied, to
17 make or authorize the making of expenditures as defined in this section on
18 behalf of a candidate, any person who has been authorized by the treasurer of
19 a political committee to make or authorize the making of expenditures or a
20 political consultant for a candidate or political committee.

21 2. "Candidate" means an individual who receives or gives consent for
22 receipt of a contribution for his nomination for or election to any office in
23 this state other than a federal office.

24 3. "Candidate's campaign committee" means a political committee
25 designated and authorized by a candidate.

26 4. "Clearly identified candidate" means that the name, a photograph or
27 a drawing of the candidate appears or the identity of the candidate is
28 otherwise apparent by unambiguous reference.

29 5. "Contribution" means any gift, subscription, loan, advance or
30 deposit of money or anything of value made for the purpose of influencing an
31 election including supporting or opposing the recall of a public officer or
32 supporting or opposing the circulation of a petition for a ballot measure,
33 question or proposition or the recall of a public officer and:

34 (a) Includes all of the following:

35 (i) A contribution made to retire campaign debt.

36 (ii) Money or the fair market value of anything directly or indirectly
37 given or loaned to an elected official for the purpose of defraying the
38 expense of communications with constituents, regardless of whether the
39 elected official has declared his candidacy.

40 (iii) The entire amount paid to a political committee to attend a
41 fund-raising or other political event and the entire amount paid to a
42 political committee as the purchase price for a fund-raising meal or item,
43 except that no contribution results if the actual cost of the meal or
44 fund-raising item, based on the amount charged to the committee by the
45 vendor, constitutes the entire amount paid by the purchaser for the meal or

1 item, the meal or item is for the purchaser's personal use and not for resale
2 and the actual cost is the entire amount paid by the purchaser in connection
3 with the event. This exception does not apply to auction items.

4 (iv) Unless specifically exempted, the provision of goods or services
5 without charge or at a charge that is less than the usual and normal charge
6 for such goods and services. **THE ACQUISITION OR USE OF CAMPAIGN ASSETS BY A**
7 **COMMITTEE THAT ARE PAID FOR WITH THE CANDIDATE'S PERSONAL MONIES, INCLUDING**
8 **CAMPAIGN SIGNS AND OTHER SIMILAR PROMOTIONAL MATERIALS, IS A CONTRIBUTION AND**
9 **IS REPORTABLE BY THE CANDIDATE'S CAMPAIGN COMMITTEE AS A CONTRIBUTION TO THE**
10 **CAMPAIGN.**

11 (b) Does not include any of the following:

12 (i) The value of services provided without compensation by any
13 individual who volunteers on behalf of a candidate, a candidate's campaign
14 committee or any other political committee.

15 (ii) Money or the value of anything directly or indirectly provided to
16 defray the expense of an elected official meeting with constituents if the
17 elected official is engaged in the performance of the duties of his office or
18 provided by the state or a political subdivision to an elected official for
19 communication with constituents if the elected official is engaged in the
20 performance of the duties of his office.

21 (iii) The use of real or personal property, including a church or
22 community room used on a regular basis by members of a community for
23 noncommercial purposes, that is obtained by an individual in the course of
24 volunteering personal services to any candidate, candidate's committee or
25 political party, and the cost of invitations, food and beverages voluntarily
26 provided by an individual to any candidate, candidate's campaign committee or
27 political party in rendering voluntary personal services on the individual's
28 residential premises or in the church or community room for candidate-related
29 or political party-related activities, to the extent that the cumulative
30 value of the invitations, food and beverages provided by the individual on
31 behalf of any single candidate does not exceed one hundred dollars with
32 respect to any single election.

33 (iv) Any unreimbursed payment for personal travel expenses made by an
34 individual who on his own behalf volunteers his personal services to a
35 candidate.

36 (v) The payment by a political party for party operating expenses,
37 party staff and personnel, party newsletters and reports, voter registration
38 and efforts to increase voter turnout, party organization building and
39 maintenance and printing and postage expenses for slate cards, sample
40 ballots, other written materials that substantially promote three or more
41 nominees of the party for public office and other election activities not
42 related to a specific candidate, except that this item does not apply to
43 costs incurred with respect to a display of the listing of candidates made on
44 telecommunications systems or in newspapers, magazines or similar types of
45 general circulation advertising.

1 (vi) Independent expenditures.

2 (vii) Monies loaned by a state bank, a federally chartered depository
3 institution or a depository institution the deposits or accounts of which are
4 insured by the federal deposit insurance corporation or the national credit
5 union administration, other than an overdraft made with respect to a checking
6 or savings account, that is made in accordance with applicable law and in the
7 ordinary course of business. In order for this exemption to apply, this loan
8 shall be deemed a loan by each endorser or guarantor, in that proportion of
9 the unpaid balance that each endorser or guarantor bears to the total number
10 of endorsers or guarantors, the loan shall be made on a basis that assures
11 repayment, evidenced by a written instrument, shall be subject to a due date
12 or amortization schedule and shall bear the usual and customary interest rate
13 of the lending institution.

14 (viii) A gift, subscription, loan, advance or deposit of money or
15 anything of value to a national or a state committee of a political party
16 specifically designated to defray any cost for the construction or purchase
17 of an office facility not acquired for the purpose of influencing the
18 election of a candidate in any particular election.

19 (ix) Legal or accounting services rendered to or on behalf of a
20 political committee or a candidate, if the only person paying for the
21 services is the regular employer of the individual rendering the services and
22 if the services are solely for the purpose of compliance with this title.

23 (x) The payment by a political party of the costs of campaign
24 materials, including pins, bumper stickers, handbills, brochures, posters,
25 party tabloids and yard signs, used by the party in connection with volunteer
26 activities on behalf of any nominee of the party or the payment by a state or
27 local committee of a political party of the costs of voter registration and
28 get-out-the-vote activities conducted by the committee if the payments are
29 not for the costs of campaign materials or activities used in connection with
30 any telecommunication, newspaper, magazine, billboard, direct mail or similar
31 type of general public communication or political advertising.

32 (xi) Transfers between political committees to distribute monies
33 raised through a joint fund-raising effort in the same proportion to each
34 committee's share of the fund-raising expenses and payments from one
35 political committee to another in reimbursement of a committee's
36 proportionate share of its expenses in connection with a joint fund-raising
37 effort.

38 (xii) An extension of credit for goods and services made in the
39 ordinary course of the creditor's business if the terms are substantially
40 similar to extensions of credit to nonpolitical debtors that are of similar
41 risk and size of obligation and if the creditor makes a commercially
42 reasonable attempt to collect the debt, except that any extension of credit
43 under this item made for the purpose of influencing an election that remains
44 unsatisfied by the candidate after six months, notwithstanding good faith

1 collection efforts by the creditor, shall be deemed receipt of a contribution
2 by the candidate but not a contribution by the creditor.

3 (xiii) Interest or dividends earned by a political committee on any
4 bank accounts, deposits or other investments of the political committee.

5 6. "Earmarked" means a designation, instruction or encumbrance that
6 results in all or any part of a contribution or expenditure being made to, or
7 expended on behalf of, a clearly identified candidate or a candidate's
8 campaign committee.

9 7. "Election" means any election for any initiative, referendum or
10 other measure or proposition or a primary, general, recall, special or runoff
11 election for any office in this state other than the office of precinct
12 committeeman and other than a federal office. For THE purposes of sections
13 16-903 and 16-905, the general election includes the primary election.

14 8. "Expenditures" includes any purchase, payment, distribution, loan,
15 advance, deposit or gift of money or anything of value made by a person for
16 the purpose of influencing an election in this state including supporting or
17 opposing the recall of a public officer or supporting or opposing the
18 circulation of a petition for a ballot measure, question or proposition or
19 the recall of a public officer and a contract, promise or agreement to make
20 an expenditure resulting in an extension of credit and the value of any
21 in-kind contribution received. Expenditure does not include any of the
22 following:

23 (a) A news story, commentary or editorial distributed through the
24 facilities of any telecommunications system, newspaper, magazine or other
25 periodical publication, unless the facilities are owned or controlled by a
26 political committee, political party or candidate.

27 (b) Nonpartisan activity designed to encourage individuals to vote or
28 to register to vote.

29 (c) The payment by a political party of the costs of preparation,
30 display, mailing or other distribution incurred by the party with respect to
31 any printed slate card, sample ballot or other printed listing of three or
32 more candidates for any public office for which an election is held, except
33 that this subdivision does not apply to costs incurred by the party with
34 respect to a display of any listing of candidates made on any
35 telecommunications system or in newspapers, magazines or similar types of
36 general public political advertising.

37 (d) The payment by a political party of the costs of campaign
38 materials, including pins, bumper stickers, handbills, brochures, posters,
39 party tabloids and yard signs, used by the party in connection with volunteer
40 activities on behalf of any nominee of the party or the payment by a state or
41 local committee of a political party of the costs of voter registration and
42 get-out-the-vote activities conducted by the committee if the payments are
43 not for the costs of campaign materials or activities used in connection with
44 any telecommunications system, newspaper, magazine, billboard, direct mail or
45 similar type of general public communication or political advertising.

1 (e) Any deposit or other payment filed with the secretary of state or
2 any other similar officer to pay any portion of the cost of printing an
3 argument in a publicity pamphlet advocating or opposing a ballot measure.

4 9. "Exploratory committee" means a political committee that is formed
5 for the purpose of determining whether an individual will become a candidate
6 and that receives contributions or makes expenditures of more than five
7 hundred dollars in connection with that purpose.

8 10. "Family contribution" means any contribution that is provided to a
9 candidate's campaign committee by a parent, grandparent, spouse, child or
10 sibling of the candidate or a parent or spouse of any of those persons.

11 11. "Filing officer" means the office that is designated by section
12 16-916 to conduct the duties prescribed by this chapter.

13 12. "Identification" means:

14 (a) For an individual, his name and mailing address, his occupation
15 and the name of his employer.

16 (b) For any other person, including a political committee, the full
17 name and mailing address of the person. For a political committee,
18 identification includes the identification number issued on the filing of a
19 statement of organization pursuant to section 16-902.01.

20 13. "Incomplete contribution" means any contribution received by a
21 political committee for which the contributor's mailing address, occupation,
22 employer or identification number has not been obtained and is not in the
23 possession of the political committee.

24 14. "Independent expenditure" means an expenditure by a person or
25 political committee, other than a candidate's campaign committee, that
26 expressly advocates the election or defeat of a clearly identified candidate,
27 that is made without cooperation or consultation with any candidate or
28 committee or agent of the candidate and that is not made in concert with or
29 at the request or suggestion of a candidate, or any committee or agent of the
30 candidate. Independent expenditure includes an expenditure that is subject
31 to the requirements of section 16-917, which requires a copy of campaign
32 literature or advertisement to be sent to a candidate named or otherwise
33 referred to in the literature or advertisement. An expenditure is not an
34 independent expenditure if any of the following applies:

35 (a) Any officer, member, employee or agent of the political committee
36 making the expenditure is also an officer, member, employee or agent of the
37 committee of the candidate whose election or whose opponent's defeat is being
38 advocated by the expenditure or an agent of the candidate whose election or
39 whose opponent's defeat is being advocated by the expenditure.

40 (b) There is any arrangement, coordination or direction with respect
41 to the expenditure between the candidate or the candidate's agent and the
42 person making the expenditure, including any officer, director, employee or
43 agent of that person. **FOR THE PURPOSES OF THIS SUBDIVISION, SERVING ON A
44 HOST COMMITTEE FOR A FUNDRAISING EVENT DOES NOT PRESUMPTIVELY DEMONSTRATE ANY
45 ARRANGEMENT, COORDINATION OR DIRECTION.**

1 (c) In the same election the person making the expenditure, including
2 any officer, director, employee or agent of that person, is or has been:

3 (i) Authorized to raise or expend monies on behalf of the candidate or
4 the candidate's authorized committees.

5 (ii) Receiving any form of compensation or reimbursement from the
6 candidate, the candidate's committees or the candidate's agent.

7 (d) The expenditure is based on information about the candidate's
8 plans, projects or needs, or those of his campaign committee, provided to the
9 expending person by the candidate or by the candidate's agents or any
10 officer, member or employee of the candidate's campaign committee with a view
11 toward having the expenditure made.

12 15. "In-kind contribution" means a contribution of goods or services or
13 anything of value and not a monetary contribution. **THE USE BY A CANDIDATE'S
14 CAMPAIGN COMMITTEE OF A DISTINCTIVE TRADE NAME, TRADEMARK OR TRADE DRESS
15 ITEM, INCLUDING A LOGO, THAT IS OWNED BY A BUSINESS OR OTHER ENTITY THAT IS
16 OWNED BY THAT CANDIDATE OR IN WHICH THE CANDIDATE HAS A CONTROLLING INTEREST
17 IS DEEMED TO BE AN IN-KIND CONTRIBUTION TO THE CANDIDATE'S CAMPAIGN COMMITTEE
18 AND SHALL BE REPORTED AS OTHERWISE PRESCRIBED BY LAW.**

19 16. "Itemized" means that each contribution received or expenditure
20 made is set forth separately.

21 17. "Literature or advertisement" means information or materials that
22 are mailed, distributed or placed in some medium of communication for the
23 purpose of influencing the outcome of an election.

24 18. "Personal monies" means any of the following:

25 (a) **EXCEPT AS PRESCRIBED IN PARAGRAPH 15 OF THIS SECTION**, assets to
26 which the candidate has a legal right of access or control at the time he
27 becomes a candidate and with respect to which the candidate has either legal
28 title or an equitable interest.

29 (b) Salary and other earned income from bona fide employment of the
30 candidate, dividends and proceeds from the sale of the stocks or investments
31 of the candidate, bequests to the candidate, income to the candidate from
32 trusts established before candidacy, income to the candidate from trusts
33 established by bequest after candidacy of which the candidate is a
34 beneficiary, gifts to the candidate of a personal nature that have been
35 customarily received before the candidacy and proceeds received by the
36 candidate from lotteries and other legal games of chance.

37 (c) The proceeds of loans obtained by the candidate that are not
38 contributions and for which the collateral or security is covered by
39 subdivision (a) or (b) of this paragraph.

40 (d) Family contributions.

41 19. "Political committee" means a candidate or any association or
42 combination of persons that is organized, conducted or combined for the
43 purpose of influencing the result of any election or to determine whether an
44 individual will become a candidate for election in this state or in any
45 county, city, town, district or precinct in this state, that engages in

1 political activity in behalf of or against a candidate for election or
2 retention or in support of or opposition to an initiative, referendum or
3 recall or any other measure or proposition and that applies for a serial
4 number and circulates petitions and, in the case of a candidate for public
5 office except those exempt pursuant to section 16-903, that receives
6 contributions or makes expenditures of more than two hundred fifty dollars in
7 connection therewith, notwithstanding that the association or combination of
8 persons may be part of a larger association, combination of persons or
9 sponsoring organization not primarily organized, conducted or combined for
10 the purpose of influencing the result of any election in this state or in any
11 county, city, town or precinct in this state. Political committee includes
12 the following types of committees:

13 (a) A candidate's campaign committee.

14 (b) A separate, segregated fund established by a corporation or labor
15 organization pursuant to section 16-920, subsection A, paragraph 3.

16 (c) A committee acting in support of or opposition to the
17 qualification, passage or defeat of a ballot measure, question or
18 proposition.

19 (d) A committee organized to circulate or oppose a recall petition or
20 to influence the result of a recall election.

21 (e) A political party.

22 (f) A committee organized for the purpose of making independent
23 expenditures.

24 (g) A committee organized in support of or opposition to one or more
25 candidates.

26 (h) A political organization.

27 (i) An exploratory committee.

28 20. "Political organization" means an organization that is formally
29 affiliated with and recognized by a political party including a district
30 committee organized pursuant to section 16-823.

31 21. "Political party" means the state committee as prescribed by
32 section 16-825 or the county committee as prescribed by section 16-821 of an
33 organization that meets the requirements for recognition as a political party
34 pursuant to section 16-801 or section 16-804, subsection A.

35 22. "Sponsoring organization" means any organization that establishes,
36 administers or contributes financial support to the administration of, or
37 that has common or overlapping membership or officers with, a political
38 committee other than a candidate's campaign committee.

39 23. "Standing political committee" means a political committee that
40 satisfies all of the following:

41 (a) Is active in more than one reporting jurisdiction in this state
42 for more than one year.

43 (b) Files a statement of organization as prescribed by section
44 16-902.01, subsection E.

1 (c) Is any of the following as defined by paragraph 19 of this
2 section:

3 (i) A separate, segregated fund.

4 (ii) A political party.

5 (iii) A committee organized for the purpose of making independent
6 expenditures.

7 (iv) A political organization.

8 24. "Statewide office" means the office of governor, secretary of
9 state, state treasurer, attorney general, superintendent of public
10 instruction, corporation commissioner or mine inspector.

11 25. "Surplus monies" means those monies of a political committee
12 remaining after all of the committee's expenditures have been made and its
13 debts have been extinguished.

14 Sec. 7. Section 16-905, Arizona Revised Statutes, is amended to read:

15 16-905. Contribution limitations; civil penalty; complaint

16 A. For an election other than for a statewide office, a contributor
17 shall not give and an exploratory committee, a candidate or a candidate's
18 campaign committee shall not accept contributions of more than:

19 1. For an election for a legislative office, four hundred eighty-eight
20 dollars from an individual.

21 2. For an election other than for a legislative office, three hundred
22 ninety dollars from an individual.

23 3. For an election for a legislative office, four hundred eighty-eight
24 dollars from a single political committee, excluding a political party, not
25 certified under subsection G of this section to make contributions at the
26 higher limits prescribed by paragraph 5 of this subsection and subsection B,
27 paragraph 3 of this section.

28 4. For an election other than for a legislative office, three hundred
29 ninety dollars from a single political committee, excluding a political
30 party, not certified under subsection G of this section to make contributions
31 at the higher limits prescribed by subsection B, paragraph 3 of this section.

32 5. Two thousand dollars from a single political committee, excluding a
33 political party, certified pursuant to subsection G of this section.

34 B. For an election for a statewide office, a contributor shall not
35 give and an exploratory committee, a candidate or a candidate's committee
36 shall not accept contributions of more than:

37 1. One thousand ten dollars from an individual.

38 2. One thousand ten dollars from a single political committee,
39 excluding a political party, not certified under subsection G of this section
40 to make contributions at the higher limits prescribed by subsection A,
41 paragraph 5 of this section and paragraph 3 of this subsection.

42 3. Five thousand ten dollars from a single political committee
43 excluding political parties certified pursuant to subsection G of this
44 section.

1 C. A candidate shall not accept contributions from all political
2 committees, excluding political parties, combined totaling more than:

3 1. For an election for a legislative office, sixteen thousand one
4 hundred fifty dollars.

5 2. For an office other than a legislative office or a statewide
6 office, ten thousand twenty dollars.

7 3. For a statewide office, one hundred thousand one hundred ten
8 dollars.

9 D. A nominee of a political party shall not accept contributions from
10 all political parties or political organizations combined totaling more than
11 ten thousand twenty dollars for an election for an office other than a
12 statewide office, and one hundred thousand one hundred ten dollars for an
13 election for a statewide office.

14 E. An individual shall not make contributions totaling more than five
15 thousand six hundred ten dollars in a calendar year to state and local
16 candidates and political committees contributing to state or local
17 candidates. Contributions to political parties and contributions to
18 independent expenditure committees are exempt from the limitations of this
19 subsection.

20 F. A candidate's campaign committee or an individual's exploratory
21 committee shall not make a loan and shall not transfer or contribute money to
22 any other campaign or exploratory committee that is designated pursuant to
23 this chapter or 2 United States Code section 431 except as follows:

24 1. An exploratory committee may transfer monies to a subsequent
25 candidate's campaign committee of the individual designating the exploratory
26 committee, subject to the limits of subsection B of this section.

27 2. A candidate's campaign committee may transfer or contribute monies
28 to another campaign committee designated by the same candidate as follows:

29 (a) Subject to the contribution limits of this section, transfer or
30 contribute monies from one committee to another if both committees have been
31 designated for an election in the same year.

32 (b) Without application of the contribution limits of this section,
33 transfer or contribute monies from one committee to another designated for an
34 election in a subsequent year.

35 G. Only political committees that received monies from five hundred or
36 more individuals in amounts of ten dollars or more in the ~~one~~ TWO year period
37 immediately before application to the secretary of state for qualification as
38 a political committee pursuant to this section may make contributions to
39 candidates under subsection A, paragraph 5 of this section and subsection B,
40 paragraph 3 of this section. The secretary of state shall obtain information
41 necessary to make the determination that a committee meets the requirements
42 of this subsection and shall provide written certification of the fact to the
43 committee. A political committee certification is valid for ~~two~~ FOUR
44 years. A candidate's campaign committee shall not accept a contribution
45 pursuant to this subsection unless it is accompanied by a copy of the

1 certification. All political committees that do not meet the requirements of
2 this subsection are subject to the individual campaign contribution limits of
3 subsection A, paragraphs 1 and 2 of this section and subsection B, paragraph
4 1 of this section.

5 H. The secretary of state biennially shall adjust to the nearest ten
6 dollars the amounts in subsections A through E of this section by the
7 percentage change in the consumer price index and publish the new amounts for
8 distribution to election officials, candidates and campaign committees. For
9 the purposes of this subsection, "consumer price index" means the consumer
10 price index for all urban consumers, United States city average, that is
11 published by the United States department of labor, bureau of labor
12 statistics.

13 I. The following specific limitations and procedures apply:

14 1. The limits of subsections A through E of this section apply to each
15 election for any office or offices ~~which~~ THAT the candidate seeks.

16 2. The limits of subsections A, B and C of this section apply to the
17 total contributions from all separate segregated funds established, as
18 provided in section 16-920, by a corporation, labor organization, trade
19 association, cooperative or corporation without capital stock.

20 3. A contribution by an unemancipated minor child shall be treated as
21 a contribution by the child's custodial parent or parents for determining
22 compliance with subsection A, paragraphs 1 and 2, subsection B, paragraph 1
23 and subsection E of this section.

24 4. A contribution by an individual or a single political committee to
25 two or more candidates in connection with a joint fund-raising effort shall
26 be divided among the candidates in direct proportion to each candidate
27 campaign committee's share of the expenses for the fund-raising effort.

28 5. A candidate shall sign and file with the candidate's nomination
29 paper a statement that the candidate has read all applicable laws relating to
30 campaign financing and reporting.

31 6. An individual or political committee shall not use economic
32 influence to induce members of an organization to make contributions to a
33 candidate, collect contributions from members of an organization for
34 transmittal to a candidate, make payments to candidates for public
35 appearances or services ~~which~~ THAT are ordinarily uncompensated or use any
36 similar device to circumvent any of the limitations of this section.

37 J. A person who violates this section is subject to a civil penalty
38 imposed as prescribed in section 16-924 of three times the amount of money
39 that has been received, expended or promised in violation of this section or
40 three times the value in money for an equivalent of money or other things of
41 value that have been received, expended or promised in violation of this
42 section.

43 K. Any qualified elector may file a sworn complaint with the attorney
44 general or the county attorney of the county in which a violation of this

1 section is believed to have occurred, and the attorney general or the county
2 attorney shall investigate the complaint for possible action.

3 L. If the filing officer, attorney general or county attorney fails to
4 institute an action within forty-five working days after receiving a
5 complaint under subsection K of this section, the individual filing the
6 complaint may bring a civil action in the individual's own name and at the
7 individual's own expense, with the same effect as if brought by the filing
8 officer, attorney general or county attorney. The individual shall execute a
9 bond payable to the defendant if the individual fails to prosecute the action
10 successfully. The court shall award to the prevailing party costs and
11 reasonable attorney fees.

12 M. If a provision of this section or its application to any person or
13 circumstance is held invalid, the invalidity does not affect other provisions
14 or applications of the section ~~which~~ THAT can be given effect without the
15 invalid provision or application, and to this end the provisions of this
16 section are severable.

17 N. The use of a candidate's personal monies, or the use of personal
18 monies by an individual who designates an exploratory committee, is not
19 subject to the limitations of this section.

20 Sec. 8. Section 16-912, Arizona Revised Statutes, is amended to read:

21 16-912. Candidates and independent expenditures; campaign
22 literature and advertisement sponsors;
23 identification; civil penalty

24 A. A political committee that makes an expenditure for campaign
25 literature or advertisements that expressly advocate the election or defeat
26 of any candidate or that make any solicitation of contributions to any
27 political committee shall be registered pursuant to this chapter at the time
28 of distribution, placement or solicitation and shall include on the
29 literature or advertisement the words "paid for by" followed by the name of
30 the committee that appears on its statement of organization or five hundred
31 dollar exemption statement.

32 B. If the expenditure for the campaign literature or advertisements by
33 a political committee is an independent expenditure, the political committee,
34 in addition to the disclosures required by subsection A of this section,
35 shall include on the literature or advertisement the names and telephone
36 numbers of the three political committees making the largest contributions to
37 the political committee making the independent expenditure. If an acronym is
38 used to name any political committee outlined in this section, the name of
39 any sponsoring organization of the political committee shall also be printed
40 or spoken. For THE purposes of determining the three contributors to be
41 disclosed, ~~ONLY the contributions of each political committee to the~~
42 ~~political committee making the independent expenditure during the one year~~
43 ~~period before the election being affected are aggregated.~~ MADE DURING THE
44 CALENDAR YEAR IN WHICH THE INDEPENDENT EXPENDITURE IS MADE SHALL BE
45 CONSIDERED.

1 C. Subsection A of this section does not apply to bumper stickers,
2 pins, buttons, pens and similar small items on which the statements required
3 in subsection A of this section cannot be conveniently printed or to signs
4 paid for by a candidate with campaign monies or by a candidate's campaign
5 committee or to a solicitation of contributions by a separate segregated fund
6 from those persons it may solicit pursuant to sections 16-920 and 16-921.

7 D. The disclosures required pursuant to this section shall be printed
8 clearly and legibly in a conspicuous manner. ~~or, THE DISCLOSURE STATEMENT~~
9 ~~SHALL INCLUDE THE WORDS "PAID FOR BY" FOLLOWED BY THE NAME OF THE ENTITY~~
10 ~~MAKING THE EXPENDITURE AND SHALL STATE THAT IT IS NOT AUTHORIZED BY ANY~~
11 ~~CANDIDATE OR CANDIDATE'S CAMPAIGN COMMITTEE. DISCLOSURE STATEMENTS SHALL~~
12 ~~ALSO COMPLY WITH THE FOLLOWING:~~

13 1. If the ~~advertisement~~ COMMUNICATION is broadcast on
14 ~~a telecommunications system~~ RADIO, the disclosure shall be spoken AT THE END
15 OF THE COMMUNICATION.

16 2. For printed material that is delivered or provided by hand or by
17 mail, the disclosure shall be printed ~~in a font that is at least 3/32 inches~~
18 ~~tall in dark type on light background surrounded by a dark box. For~~
19 ~~communications that are~~ CLEARLY AND LEGIBLY IN A CONSPICUOUS MANNER.

20 3. ~~IF THE COMMUNICATION IS broadcast on a telecommunications system,~~
21 ~~or other medium that can provide a viewable disclosure and a spoken~~
22 ~~disclosure, the disclosure may be made in printed format only and a spoken~~
23 ~~disclosure is not required.~~ THE FOLLOWING APPLY:

24 (a) THE DISCLOSURE SHALL BE BOTH WRITTEN AND SPOKEN AT THE END OF THE
25 COMMUNICATION, EXCEPT THAT IF THE WRITTEN DISCLOSURE STATEMENT IS DISPLAYED
26 FOR AT LEAST FIVE SECONDS OF A THIRTY SECOND COMMUNICATIONS BROADCAST OR TEN
27 SECONDS OF A SIXTY SECOND COMMUNICATIONS BROADCAST, A SPOKEN DISCLOSURE
28 STATEMENT IS NOT REQUIRED.

29 (b) THE WRITTEN DISCLOSURE STATEMENT SHALL BE PRINTED IN LETTERS THAT
30 ARE DISPLAYED IN A HEIGHT THAT IS EQUAL TO OR GREATER THAN FOUR PER CENT OF
31 THE VERTICAL PICTURE HEIGHT.

32 E. A person who violates this section is subject to a civil penalty of
33 up to three times the cost of producing and distributing the literature or
34 advertisement. This civil penalty shall be imposed as prescribed in section
35 16-924.

36 Sec. 9. Section 16-912.01, Arizona Revised Statutes, is amended to
37 read:

38 16-912.01. Ballot measure committees; campaign literature and
39 advertising funding; identification; disclosure;
40 civil penalty; definition

41 A. A political committee that makes an expenditure in connection with
42 any literature or advertisement to support or oppose a ballot proposition
43 shall disclose and, after November 2, 2010, shall include on the literature
44 or advertisement the words "paid for by", followed by the name of the
45 committee that appears on its statement of organization or five hundred

1 dollar threshold exemption statement, and shall also include in such
2 literature or advertisement the four largest of its major funding sources as
3 of the time the literature or advertisement is printed, recorded or otherwise
4 produced for dissemination. If a political committee has fewer than four
5 major funding sources, the committee shall disclose all major funding
6 sources.

7 B. For the purposes of this section, a major funding source of a
8 political committee is any contributor that is not an individual person and
9 that has made cumulative contributions of either:

10 1. Ten thousand dollars or more for an expenditure in support of or
11 opposition to a statewide ballot proposition or a ballot proposition of a
12 political subdivision with a population of one hundred thousand persons or
13 more.

14 2. Five thousand dollars or more for an expenditure in support of or
15 opposition to a ballot proposition of a political subdivision with a
16 population of less than one hundred thousand persons.

17 C. If an out-of-state contributor or group of out-of-state
18 contributors is a major funding source to a political committee disclosed
19 pursuant to subsection A **OF THIS SECTION**, the political committee shall state
20 the contributor is an out-of-state contributor on its literature or
21 advertisement in support of or in opposition to a ballot proposition.

22 D. Contributors that make contributions to more than one political
23 committee that supports or opposes the same ballot proposition shall notify
24 each political committee of the cumulative total of these contributions.
25 Cumulative totals must be disclosed by each political committee that received
26 contributions from the same contributor if the cumulative totals qualify as a
27 major funding source to be disclosed pursuant to subsection A **OF THIS**
28 **SECTION**.

29 E. Any disclosure statement required by this section shall be printed
30 clearly and legibly in a conspicuous manner ~~in type at least as large as the~~
31 ~~majority of the printed text~~. For printed material that is delivered or
32 provided by hand or by mail, the disclosure shall be printed ~~in a font that~~
33 ~~is at least 3/32 inches tall in dark type on light background surrounded by a~~
34 ~~dark box~~ **IN A CLEARLY LEGIBLE MANNER. THE DISCLOSURE STATEMENT SHALL INCLUDE**
35 **THE WORDS "PAID FOR BY" FOLLOWED BY THE NAME OF THE ENTITY MAKING THE**
36 **EXPENDITURE. DISCLOSURE STATEMENTS SHALL ALSO COMPLY WITH THE FOLLOWING:**

37 1. If the communication is broadcast on radio, the ~~information~~
38 **DISCLOSURE** shall be spoken at the end of the communication.

39 2. If the communication is broadcast on a telecommunications system,
40 **THE FOLLOWING APPLY:**

41 (a) The ~~information~~ **DISCLOSURE** shall be both written and spoken at the
42 end of the communication, except that if the **WRITTEN** disclosure statement is
43 ~~written~~ **DISPLAYED** for at least five seconds of a thirty second ~~advertisement~~
44 **COMMUNICATIONS** broadcast or ten seconds of a sixty second ~~advertisement~~
45 **COMMUNICATIONS** broadcast, a spoken disclosure statement is not required.

1 (b) ~~If the communication is broadcast on a telecommunications system,~~
2 The written disclosure statement shall be printed in letters THAT ARE
3 DISPLAYED IN A HEIGHT equal to or ~~larger~~ GREATER than four per cent of the
4 vertical picture height.

5 F. ~~Subsection~~ SUBSECTIONS A AND E OF THIS SECTION ~~does~~ DO not apply to
6 bumper stickers, pins, buttons, pens and similar small items on which the
7 statements required in ~~subsection~~ SUBSECTIONS A AND E OF THIS SECTION cannot
8 be conveniently printed or to a communication by an organization solely to
9 its members.

10 G. A committee shall change future literature and advertisements to
11 reflect any change in funding sources that must be disclosed pursuant to
12 subsection A OF THIS SECTION.

13 H. This section only applies to advertisements the contents of which
14 are more than fifty per cent devoted to one or more ballot propositions or
15 proposed measures on the same subject.

16 I. Any committee that violates this section is liable in a civil
17 action brought by the attorney general, county attorney or city or town
18 attorney, as appropriate, or by any other person for a civil penalty of three
19 times the total cost of the advertisement. A donor who does not accurately
20 disclose its contributions is liable for a civil penalty of three times the
21 amount donated.

22 J. For the purposes of this section, "advertisement" means general
23 public advertising through the print and electronic media, signs, billboards
24 and direct mail.

25 Sec. 10. Section 16-920, Arizona Revised Statutes, is amended to read:
26 16-920. Permitted expenditures by corporations and labor
27 organizations; federal law; definitions

28 A. Expenditures for the following purposes ~~shall~~ ARE not ~~be construed~~
29 ~~to be~~ political contributions prohibited by law:

30 1. Communications by a corporation to its stockholders and executive
31 or administrative personnel and their families, or by a labor organization to
32 its members and their families, on any subject.

33 2. Nonpartisan registration and get-out-the-vote campaigns by a
34 corporation aimed at its stockholders and executive or administrative
35 personnel and their families or by a labor organization aimed at its members
36 and their families.

37 3. The establishment, administration and solicitation of voluntary
38 contributions to a separate segregated fund to be ~~utilized~~ USED for political
39 purposes by a corporation, labor organization, membership organization, trade
40 association, cooperative or corporation without capital stock.

41 4. The establishment, administration and solicitation of voluntary
42 contributions from employees of a corporation or limited liability company,
43 including contributions made by payroll deduction, deposit or transfer or
44 other similar method, and that are made directly to a separate segregated
45 fund that is used for political purposes by a trade association of which the

1 employing corporation or limited liability company is a member.
2 Contributions received under this subsection shall be reported pursuant to
3 section 16-915, subsection A, paragraph 2, subdivision (a) or subsection E.

4 5. Contributions for use to support or oppose an initiative or
5 referendum measure or amendment to the constitution.

6 6. Independent expenditures and contributions to independent
7 expenditure committees made pursuant to section 16-914.02.

8 B. A membership organization, trade association, cooperative or
9 corporation without capital stock may engage in the activities permitted in
10 subsection A, paragraphs 1 and 2 of this section if such activities are
11 directed PRIMARILY toward its members, stockholders or members of its
12 members, its and its members' executive or administrative personnel and their
13 families.

14 C. A PERSON MAY RELY ON THE FEDERAL ELECTION COMMISSION'S RULES,
15 POLICY STATEMENTS, INTERPRETIVE RULES AND OTHER GUIDANCE ADOPTED AS OF
16 JANUARY 1, 2013 IN INTERPRETING AND APPLYING 2 UNITED STATES CODE SECTION
17 441b(B)(2) IN INTERPRETING SUBSECTION A, PARAGRAPHS 1 THROUGH 4 OF THIS
18 SECTION.

19 D. FOR THE PURPOSES OF THIS SECTION:

20 1. "EXECUTIVE OR ADMINISTRATIVE PERSONNEL" HAS THE SAME MEANING
21 PRESCRIBED IN SECTION 16-921.

22 2. "LABOR ORGANIZATION" HAS THE SAME MEANING PRESCRIBED IN SECTION
23 16-919.

24 Sec. 11. Section 16-921, Arizona Revised Statutes, is amended to read:
25 16-921. Unlawful contributions by corporations and labor
26 organizations from a fund; procedures; definitions

27 A. It is unlawful under any fund established by a corporation or labor
28 organization pursuant to section 16-920, subsection A, paragraph 3:

29 1. For such a fund to make a contribution or expenditure by ~~utilizing~~
30 USING money or anything of value secured by physical force, job
31 discrimination, financial reprisals or the threat of force, job
32 discrimination or financial reprisal or by dues, fees or other monies
33 required as a condition of membership in a labor organization or as a
34 condition of employment or by monies obtained in any commercial transaction.

35 2. For any person soliciting an employee for a contribution to such a
36 fund to fail to inform such employee of the political purposes of such fund
37 at the time of such solicitation.

38 3. For any person soliciting an employee for a contribution to such a
39 fund to fail to inform such employee, at the time of such solicitation, of
40 ~~his~~ THE EMPLOYEE'S right to refuse to so contribute without any reprisal.

41 B. Except as provided in subsections C, D and E of this section it is
42 unlawful for a corporation, or a separate segregated fund established by a
43 corporation, to solicit contributions to such a fund from any person other
44 than the stockholders of the corporation and their families, the executive or
45 administrative personnel of the corporation and their families, THE RETIREES

1 OF THE CORPORATION AND THEIR FAMILIES and the executive or administrative
2 personnel OR RETIREES of the corporation's subsidiaries, branches, divisions
3 and affiliates and their families, and for a labor organization, or a
4 separate segregated fund established by a labor organization, to solicit
5 contributions to such a fund from any person other than its members and their
6 families.

7 C. A corporation or a separate segregated fund established by such
8 corporation may make no more than two written solicitations for contributions
9 during the calendar year from any employee who is not a stockholder or
10 executive or administrative personnel of such corporation, or of such
11 corporation's subsidiaries, branches, divisions and affiliates, or the
12 families of such employees. A solicitation under this subsection may be made
13 only by mail addressed to employees who are not stockholders or executive or
14 administrative personnel at their residence.

15 D. An insurer that is licensed in this state or a separate segregated
16 fund established by such insurer may make written solicitations for
17 contributions during the calendar year from persons who are licensed
18 insurance producers and with whom it has a contract to produce insurance
19 business, and those persons' families. Those solicitations are lawful only
20 if the insurance producer has an exclusive contract with the insurer. This
21 subsection does not change an insurance producer's status as an independent
22 contractor.

23 E. A labor organization or a separate segregated fund established by
24 such labor organization may make no more than two written solicitations for
25 contributions during the calendar year from any stockholder, executive or
26 administrative personnel or employee of a corporation who is not a union
27 member, or the families of such persons, if such labor organization
28 represents members working for such corporation. A solicitation under this
29 subsection may be made only by mail addressed to such stockholders, executive
30 or administrative personnel or employees who are not union members at their
31 residences.

32 F. This section shall not prevent a membership organization,
33 cooperative or corporation without capital stock, or a separate segregated
34 fund established by a membership organization, cooperative or corporation
35 without capital stock, from soliciting contributions to such a fund from
36 members of such organization, cooperative or corporation without capital
37 stock.

38 G. This section shall not prevent a trade association, or a separate
39 segregated fund established by a trade association, from soliciting
40 contributions from the stockholders and executive or administrative personnel
41 of the member corporations of such trade association and the families of such
42 stockholders or personnel.

43 H. Notwithstanding any ~~provision of~~ law to the contrary, any method of
44 soliciting voluntary contributions or of facilitating the making of voluntary
45 contributions to a separate segregated fund established by a corporation,

1 permitted by law to corporations with regard to stockholders and executive or
2 administrative personnel, shall also be permitted to labor organizations with
3 regard to their members.

4 I. Any corporation, including its subsidiaries, branches, divisions
5 and affiliates, that ~~utilizes~~ USES a method of soliciting voluntary
6 contributions or facilitating the making of voluntary contributions shall
7 make available such method, on written request and at a cost sufficient only
8 to reimburse the corporation for the expenses incurred thereby, to a labor
9 organization representing any members working for such corporation and its
10 subsidiaries, branches, divisions and affiliates.

11 J. For the purposes of this section:

12 1. "Affiliate" means any organization that controls, is controlled by
13 or is under common control with the corporation.

14 2. "Control" means to possess, directly or indirectly, the power to
15 direct, or cause the direction of, the management or policies of another
16 organization, whether through the ability to exercise voting power, by
17 ownership or contract, or otherwise.

18 3. "Exclusive contract" means either:

19 (a) An insurance producer's contract with an insurer that prohibits
20 the producer from soliciting insurance business for any other insurer.

21 (b) An insurance producer's contract with an insurer that requires a
22 first right of refusal on all lines of insurance business written by the
23 insurer and solicited by the producer.

24 4. "Executive or administrative personnel" means individuals who are
25 employed by a corporation and who are paid on a salary, rather than hourly,
26 basis and who have policymaking, managerial, professional or supervisory
27 responsibilities.

28 5. "Insurance producer" has the same meaning prescribed in section
29 20-281.

30 Sec. 12. Subject to the requirements of article IV, part 1, section 1,
31 Constitution of Arizona, section 16-948, Arizona Revised Statutes, is amended
32 to read:

33 16-948. Controls on participating candidates' campaign accounts

34 A. A participating candidate shall conduct all financial activity
35 through a single campaign account of the candidate's campaign committee. A
36 participating candidate shall not make any deposits into the campaign account
37 other than those permitted under ~~sections~~ SECTION 16-945 or 16-946.

38 B. A candidate may designate other persons with authority to withdraw
39 funds from the candidate's campaign account. The candidate and any person so
40 designated shall sign a joint statement under oath promising to comply with
41 the requirements of this title.

42 C. The candidate or a person authorized under subsection B of this
43 section shall pay monies from a participating candidate's campaign account
44 directly to the person providing goods or services to the campaign and shall
45 identify, on a report filed pursuant to article 1 of this chapter, the full

1 name and street address of the person and the nature of the goods and
2 services and compensation for which payment has been made. Notwithstanding
3 the previous sentence, a campaign committee may establish one or more petty
4 cash accounts, which in aggregate shall not exceed one thousand dollars at
5 any time. No single expenditure shall be made from a petty cash account
6 exceeding one hundred dollars.

7 D. Monies in a participating candidate's campaign account shall not be
8 used to pay fines or civil penalties, for costs or legal fees related to
9 representation before the commission, or for defense of any enforcement
10 action under this chapter. Nothing in this subsection shall prevent a
11 participating candidate from having a legal defense fund.

12 E. A PARTICIPATING CANDIDATE SHALL NOT USE CLEAN ELECTIONS MONIES TO
13 PURCHASE GOODS OR SERVICES THAT BEAR A DISTINCTIVE TRADE NAME, TRADEMARK OR
14 TRADE DRESS ITEM, INCLUDING A LOGO, THAT IS OWNED BY A BUSINESS OR OTHER
15 ENTITY THAT IS OWNED BY THAT PARTICIPATING CANDIDATE OR IN WHICH THE
16 CANDIDATE HAS A CONTROLLING INTEREST. THE USE OF GOODS OR SERVICES THAT ARE
17 PROHIBITED BY THIS SUBSECTION IS DEEMED TO BE AN UNLAWFUL IN-KIND
18 CONTRIBUTION TO THE PARTICIPATING CANDIDATE.

19 Sec. 13. Subject to the requirements of article IV, part 1, section 1,
20 Constitution of Arizona, section 16-950, Arizona Revised Statutes, is amended
21 to read:

22 16-950. Qualification for clean elections funding

23 A. A candidate who has made an application for certification may also
24 apply, in accordance with subsection B of this section, to receive funds from
25 the citizens clean elections fund, instead of receiving private
26 contributions.

27 B. To receive any clean elections funding, the candidate must present
28 to the secretary of state no later than one week after the end of the
29 qualifying period a list of names of persons who have made qualifying
30 contributions pursuant to section 16-946 on behalf of the candidate. The
31 list shall be divided by county. At the same time, the candidate must tender
32 to the secretary of state the original reporting slips identified in section
33 16-946, subsection C for persons on the list and an amount equal to the sum
34 of the qualifying contributions collected. The secretary of state shall
35 deposit the amount into the fund.

36 C. The secretary of state shall select at random a sample of five per
37 cent of the number of nonduplicative names on the list for a candidate for a
38 statewide office and twenty per cent of the number of nonduplicative names on
39 the list for a candidate for legislative office and shall forward facsimiles
40 of the selected reporting slips to the county recorders for the counties of
41 the addresses specified in the selected slips. Within ten days, the county
42 recorders shall provide a report to the secretary of state identifying as
43 disqualified any slips that are unsigned or undated or that the recorder is
44 unable to verify as matching a person who is registered to vote in the
45 electoral district of the office the candidate is seeking on the date

1 specified on the slip. The secretary of state shall multiply the number of
2 slips not disqualified by twenty FOR STATEWIDE CANDIDATES, AND SHALL MULTIPLY
3 THE NUMBER OF SLIPS NOT DISQUALIFIED BY FIVE FOR LEGISLATIVE CANDIDATES, and
4 if the result is greater than one hundred ten per cent of the quantity
5 required, shall approve the candidate for funds, and if the result is less
6 than one hundred ten per cent of the quantity required, the secretary of
7 state shall forward facsimiles of all of the slips to the county recorders
8 for verification, and the county recorders shall check all slips in
9 accordance with the process above. A county recorder shall not check slips
10 already verified. A county recorder shall report verified totals daily to
11 the secretary of state until a determination is made that a sufficient number
12 of verified slips has been submitted. If a sufficient number of verified
13 slips has been submitted to one or more county recorders, the county
14 recorders may stop the verification process.

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

- 18 1. For a candidate for legislature, two hundred.
- 19 2. For candidate for mine inspector, five hundred.
- 20 3. For a candidate for treasurer, superintendent of public instruction
21 or corporation commission, one thousand five hundred.
- 22 4. For a candidate for secretary of state or attorney general, two
23 thousand five hundred.
- 24 5. For a candidate for governor, four thousand.

25 E. To qualify for clean elections funding, a candidate must have met
26 the requirements of this section and either be an independent candidate or
27 meet the following standards:

28 1. To qualify for funding for a party primary election, a candidate
29 must have properly filed nominating papers and nominating petitions with
30 signatures pursuant to chapter 3, articles 2 and 3 of this title in the
31 primary of a political organization entitled to continued representation on
32 the official ballot in accordance with section 16-804.

33 2. To qualify for clean elections funding for a general election, a
34 candidate must be a party nominee of such a political organization.

35 Sec. 14. Section 16-1019, Arizona Revised Statutes, is amended to
36 read:

37 16-1019. Political signs; printed materials; tampering;
38 classification

39 A. It is a class 2 misdemeanor for any person to knowingly remove,
40 alter, deface or cover any political sign of any candidate for public office
41 or knowingly remove, alter or deface any political mailers, handouts, flyers
42 or other printed materials of a candidate that are delivered by hand to a
43 residence for the period commencing forty-five days before a primary election
44 and ending seven days after the general election.

1 B. This section does not apply to the removal, alteration, defacing or
2 covering of a political sign or other printed materials by the candidate or
3 the authorized agent of the candidate in support of whose election the sign
4 ~~was~~ OR MATERIALS WERE placed, by the owner or authorized agent of the owner
5 of private property on which such signs OR PRINTED MATERIALS are placed with
6 or without permission of the owner or placed in violation of state law or
7 county, city or town ordinance or regulation.

8 C. Notwithstanding any other statute, ordinance or regulation, a city,
9 town or county of this state shall not remove, alter, deface or cover any
10 political sign if the following conditions are met:

11 1. The sign is placed in a public right-of-way that is owned or
12 controlled by that jurisdiction.

13 2. The sign supports or opposes a candidate for public office or it
14 supports or opposes a ballot measure.

15 3. The sign is not placed in a location that is hazardous to public
16 safety, obstructs clear vision in the area or interferes with the
17 requirements of the Americans with disabilities act (42 United States Code
18 sections 12101 through 12213 and 47 United States Code sections 225 and 611).

19 4. The sign has a maximum area of sixteen square feet, if the sign is
20 located in an area zoned for residential use, or a maximum area of thirty-two
21 square feet if the sign is located in any other area.

22 5. The sign contains the name and telephone number OR WEBSITE ADDRESS
23 of the candidate or campaign committee contact person.

24 D. If the city, town or county deems that the placement of a political
25 sign constitutes an emergency, the jurisdiction may immediately relocate the
26 sign. The jurisdiction shall notify the candidate or campaign committee that
27 placed the sign within twenty-four hours after the relocation. If a sign is
28 placed in violation of subsection C and the placement is not deemed to
29 constitute an emergency, the city, town or county may notify the candidate or
30 campaign committee that placed the sign of the violation. If the sign
31 remains in violation at least twenty-four hours after the jurisdiction
32 notified the candidate or campaign committee, the jurisdiction may remove the
33 sign. The jurisdiction shall contact the candidate or campaign committee
34 contact and shall retain the sign for at least ten business days to allow the
35 candidate or campaign committee to retrieve the sign without penalty.

36 E. A city, town or county employee acting within the scope of the
37 employee's employment is not liable for an injury caused by the failure to
38 remove a sign pursuant to subsection D unless the employee intended to cause
39 injury or was grossly negligent.

40 F. Subsection C does not apply to commercial tourism, commercial
41 resort and hotel sign free zones as those zones are designated by
42 municipalities. The total area of those zones shall not be larger than three
43 square miles, and each zone shall be identified as a specific contiguous area
44 where, by resolution of the municipal governing body, the municipality has
45 determined that based on a predominance of commercial tourism, resort and

1 hotel uses within the zone the placement of political signs within the
2 rights-of-way in the zone will detract from the scenic and aesthetic appeal
3 of the area within the zone and deter its appeal to tourists. Not more than
4 two zones may be identified within a municipality.

5 G. A city, town or county may prohibit the installation of a sign on
6 any structure owned by the jurisdiction.

7 H. Subsection C applies only during the period commencing sixty days
8 before a primary election and ending fifteen days after the general election,
9 except that for a sign for a candidate in a primary election who does not
10 advance to the general election, the period ends fifteen days after the
11 primary election.

12 I. This section does not apply to state highways or routes, or
13 overpasses over those state highways or routes.

14 Sec. 15. Section 22-512, Arizona Revised Statutes, is amended to read:
15 22-512. Parties; representation

16 A. Any natural person, corporation, partnership, association, marital
17 community or other organization may commence or defend a small claims action,
18 but no assignee or other person not a real party to the original transaction
19 giving rise to the action may commence such an action except as a personal
20 representative duly appointed pursuant to a proceeding as provided in
21 title 14.

22 B. ~~Notwithstanding section 32-261,~~ In a small claims action:

23 1. An individual shall represent himself.

24 2. Either spouse or both may represent a marital community.

25 3. An active general partner or an authorized full-time employee shall
26 represent a partnership.

27 4. A full-time officer or authorized employee shall represent a
28 corporation.

29 5. An active member or an authorized full-time employee shall
30 represent an association.

31 6. Any other organization or entity shall be represented by one of its
32 active members or authorized full-time employees.

33 7. An attorney-at-law shall not appear or take any part in the filing
34 or prosecution or defense of any matter designated as a small claim.

35 C. FOR AN ASSOCIATION AS DEFINED IN SECTION 33-1202 OR 33-1802 THAT
36 HAS EMPLOYEES OR THAT IS CONTRACTED WITH A CORPORATION, LIMITED LIABILITY
37 COMPANY, LIMITED LIABILITY PARTNERSHIP, SOLE PROPRIETOR OR OTHER LAWFULLY
38 FORMED AND OPERATING ENTITY THAT PROVIDES MANAGEMENT SERVICES TO THE
39 ASSOCIATION, THE EMPLOYEES OF THE ASSOCIATION AND THE MANAGEMENT COMPANY AND
40 ITS OFFICERS AND EMPLOYEES MAY LAWFULLY ACT ON BEHALF OF THE ASSOCIATION AND
41 ITS BOARD OF DIRECTORS BY:

42 1. RECORDING A NOTICE OF LIEN OR NOTICE OF CLAIM OF LIEN OF THE
43 ASSOCIATION AGAINST AN OWNER'S PROPERTY IN A CONDOMINIUM OR PLANNED COMMUNITY
44 IF ALL OF THE FOLLOWING APPLY:

1 (a) THE ASSOCIATION EMPLOYEE OR THE OFFICER OR EMPLOYEE OF THE
2 MANAGEMENT COMPANY IS SPECIFICALLY AUTHORIZED IN WRITING BY THE ASSOCIATION
3 TO RECORD NOTICES OF LIEN OR NOTICES OF CLAIM OF LIEN ON BEHALF OF THE
4 ASSOCIATION AND THE OFFICER OR EMPLOYEE IS A CERTIFIED LEGAL DOCUMENT
5 PREPARER AS PRESCRIBED IN THE ARIZONA CODE OF JUDICIAL ADMINISTRATION.

6 (b) THE RECORDATION OF NOTICES OF LIEN OR NOTICES OF CLAIM OF LIEN IS
7 NOT THE PRIMARY DUTY OF THE OFFICER OR EMPLOYEE WITH RESPECT TO THE
8 ASSOCIATION AND IS A SECONDARY OR INCIDENTAL DUTY TO THE ASSOCIATION.

9 (c) THE ASSOCIATION IS THE ORIGINAL PARTY TO THE LIEN AND THE LIEN
10 RIGHT IS NOT THE RESULT OF AN ASSIGNMENT OF RIGHTS.

11 (d) THE LIEN RIGHT EXISTS BY OPERATION OF LAW PURSUANT TO SECTION
12 33-1256 OR 33-1807 AND IS NOT THE RESULT OF OBTAINING A FINAL JUDGMENT IN AN
13 ACTION TO WHICH THE ASSOCIATION IS A PARTY.

14 2. APPEARING ON BEHALF OF THE ASSOCIATION IN A SMALL CLAIMS ACTION IF
15 ALL OF THE FOLLOWING APPLY:

16 (a) THE EMPLOYEE OF THE ASSOCIATION OR THE OFFICER OR EMPLOYEE OF THE
17 MANAGEMENT COMPANY IS SPECIFICALLY AUTHORIZED IN WRITING BY THE ASSOCIATION
18 TO APPEAR ON BEHALF OF THE ASSOCIATION.

19 (b) APPEARING IN SMALL CLAIMS ACTIONS IS NOT THE PRIMARY DUTY OF THE
20 OFFICER OR EMPLOYEE WITH RESPECT TO THE ASSOCIATION AND IS A SECONDARY OR
21 INCIDENTAL DUTY TO THE ASSOCIATION.

22 (c) THE ASSOCIATION IS AN ORIGINAL PARTY TO THE SMALL CLAIMS ACTION.

23 ~~C.~~ D. Notwithstanding subsection B of this section, at any time ~~prior~~
24 ~~to~~ BEFORE THE hearing, the parties may stipulate by written agreement to the
25 participation of attorneys in actions designated as small claims.

26 ~~D.~~ E. This section is not intended to limit or otherwise interfere
27 with a party's right to assign or to employ counsel to pursue ~~his~~ THE PARTY'S
28 rights and remedies subsequent to the entry of judgment in a small claims
29 action.

30 ~~E.~~ F. Attorneys-at-law may represent themselves in propria persona.

31 Sec. 16. Section 33-1250, Arizona Revised Statutes, is amended to
32 read:

33 33-1250. Voting; proxies; absentee ballots; applicability;
34 definition

35 A. If only one of the multiple owners of a unit is present at a
36 meeting of the association, the owner is entitled to cast all the votes
37 allocated to that unit. If more than one of the multiple owners are present,
38 the votes allocated to that unit may be cast only in accordance with the
39 agreement of a majority in interest of the multiple owners unless the
40 declaration expressly provides otherwise. There is majority agreement if any
41 one of the multiple owners casts the votes allocated to that unit without
42 protest being made promptly to the person presiding over the meeting by any
43 of the other owners of the unit.

1 B. During the period of declarant control, votes allocated to a unit
2 may be cast pursuant to a proxy duly executed by a unit owner. If a unit is
3 owned by more than one person, each owner of the unit may vote or register
4 protest to the casting of votes by the other owners of the unit through a
5 duly executed proxy. A unit owner may not revoke a proxy given pursuant to
6 this section except by actual notice of revocation to the person presiding
7 over a meeting of the association. A proxy is void if it is not dated or
8 purports to be revocable without notice. The proxy is revoked on
9 presentation of a later dated proxy executed by the same unit owner. A proxy
10 terminates one year after its date, unless it specifies a shorter term or
11 unless it states that it is coupled with an interest and is irrevocable.

12 C. Notwithstanding any provision in the condominium documents, after
13 termination of the period of declarant control, votes allocated to a unit may
14 not be cast pursuant to a proxy. The association shall provide for votes to
15 be cast in person and by absentee ballot and, **IN ADDITION, THE ASSOCIATION**
16 **may provide for voting by some other form of delivery, INCLUDING THE USE OF**
17 **ELECTRONIC MAIL AND FACSIMILE DELIVERY.** Notwithstanding section 10-3708 or
18 the provisions of the condominium documents, any action taken at an annual,
19 regular or special meeting of the members shall comply with all of the
20 following if absentee ballots **OR BALLOTS PROVIDED BY SOME OTHER FORM OF**
21 **DELIVERY** are used:

22 1. The **absentee** ballot shall set forth each proposed action.

23 2. The **absentee** ballot shall provide an opportunity to vote for or
24 against each proposed action.

25 3. The **absentee** ballot is valid for only one specified election or
26 meeting of the members and expires automatically after the completion of the
27 election or meeting.

28 4. The **absentee** ballot specifies the time and date by which the ballot
29 must be delivered to the board of directors in order to be counted, which
30 shall be at least seven days after the date that the board delivers the
31 unvoted **absentee** ballot to the member.

32 5. The **absentee** ballot does not authorize another person to cast votes
33 on behalf of the member.

34 D. Votes cast by absentee ballot or other form of **DELIVERY, INCLUDING**
35 **THE USE OF ELECTRONIC MAIL AND FACSIMILE** delivery, are valid for the purpose
36 of establishing a quorum.

37 E. Notwithstanding subsection C of this section, an association for a
38 timeshare plan as defined in section 32-2197 may permit votes by a proxy that
39 is duly executed by a unit owner.

40 F. If the declaration requires that votes on specified matters
41 affecting the condominium be cast by lessees rather than unit owners of
42 leased units all of the following apply:

43 1. The provisions of subsections A and B of this section apply to
44 lessees as if they were unit owners.

1 2. Unit owners who have leased their units to other persons shall not
2 cast votes on those specified matters.

3 3. Lessees are entitled to notice of meetings, access to records and
4 other rights respecting those matters as if they were unit owners. Unit
5 owners shall also be given notice, in the manner prescribed in section
6 33-1248, of all meetings at which lessees may be entitled to vote.

7 G. Unless the declaration provides otherwise, votes allocated to a
8 unit owned by the association shall not be cast.

9 H. This section does not apply to timeshare plans or associations that
10 are subject to chapter 20 of this title.

11 I. For the purposes of this section, "period of declarant control"
12 means the time during which the declarant or persons designated by the
13 declarant may elect or appoint the members of the board of directors pursuant
14 to the condominium documents or by virtue of superior voting power.

15 Sec. 17. Title 33, chapter 9, article 3, Arizona Revised Statutes, is
16 amended by adding section 33-1260.01, to read:

17 33-1260.01. Rental property; unit owner and agent information;
18 fee; disclosure

19 A. A UNIT OWNER MAY USE THE UNIT OWNER'S UNIT AS A RENTAL PROPERTY
20 UNLESS PROHIBITED IN THE DECLARATION AND SHALL USE IT IN ACCORDANCE WITH THE
21 DECLARATION'S RENTAL TIME PERIOD RESTRICTIONS.

22 B. A UNIT OWNER MAY DESIGNATE IN WRITING A THIRD PARTY TO ACT AS THE
23 UNIT OWNER'S AGENT WITH RESPECT TO ALL ASSOCIATION MATTERS RELATING TO THE
24 RENTAL UNIT. THE UNIT OWNER SHALL SIGN THE WRITTEN DESIGNATION AND SHALL
25 PROVIDE A COPY OF THE WRITTEN DESIGNATION TO THE ASSOCIATION. ON DELIVERY OF
26 THE WRITTEN DESIGNATION, THE ASSOCIATION IS AUTHORIZED TO CONDUCT ALL
27 ASSOCIATION BUSINESS RELATING TO THE UNIT OWNER'S RENTAL UNIT THROUGH THE
28 DESIGNATED AGENT. ANY NOTICE GIVEN BY THE ASSOCIATION TO A UNIT OWNER'S
29 DESIGNATED AGENT ON ANY MATTER RELATING TO THE UNIT OWNER'S RENTAL UNIT
30 CONSTITUTES NOTICE TO THE UNIT OWNER.

31 C. NOTWITHSTANDING ANY PROVISION IN THE CONDOMINIUM DOCUMENTS, ON
32 RENTAL OF A UNIT AN ASSOCIATION SHALL NOT REQUIRE A UNIT OWNER OR A UNIT
33 OWNER'S AGENT TO DISCLOSE ANY INFORMATION REGARDING A TENANT OTHER THAN THE
34 NAME AND CONTACT INFORMATION FOR ANY ADULTS OCCUPYING THE UNIT, THE TIME
35 PERIOD OF THE LEASE, INCLUDING THE BEGINNING AND ENDING DATES OF THE TENANCY,
36 AND A DESCRIPTION AND THE LICENSE PLATE NUMBERS OF THE TENANTS' VEHICLES. IF
37 THE CONDOMINIUM IS AN AGE RESTRICTED CONDOMINIUM, THE UNIT OWNER, THE UNIT
38 OWNER'S AGENT OR THE TENANT SHALL SHOW A GOVERNMENT ISSUED IDENTIFICATION
39 THAT BEARS A PHOTOGRAPH AND THAT CONFIRMS THAT THE TENANT MEETS THE
40 CONDOMINIUM'S AGE RESTRICTIONS OR REQUIREMENTS.

41 D. ON REQUEST OF AN ASSOCIATION OR ITS MANAGING AGENT FOR THE
42 DISCLOSURES PRESCRIBED IN SUBSECTION C OF THIS SECTION, THE ASSOCIATION OR
43 ITS MANAGING AGENT MAY CHARGE A FEE OF NOT MORE THAN TWENTY-FIVE DOLLARS
44 WHICH SHALL BE PAID WITHIN FIFTEEN DAYS AFTER THE POSTMARKED REQUEST. THE
45 FEE MAY BE CHARGED FOR EACH NEW TENANCY FOR THAT UNIT BUT MAY NOT BE CHARGED

1 FOR A RENEWAL OF A LEASE. EXCEPT FOR THE FEE PERMITTED BY THIS SUBSECTION,
2 THE ASSOCIATION OR ITS MANAGING AGENT SHALL NOT ASSESS, LEVY OR CHARGE A FEE
3 OR FINE OR OTHERWISE IMPOSE A REQUIREMENT ON A UNIT OWNER'S RENTAL UNIT ANY
4 DIFFERENTLY THAN ON AN OWNER-OCCUPIED UNIT IN THE ASSOCIATION.

5 E. NOTWITHSTANDING ANY PROVISION IN THE CONDOMINIUM DOCUMENTS, THE
6 ASSOCIATION IS PROHIBITED FROM DOING ANY OF THE FOLLOWING:

7 1. REQUIRING A UNIT OWNER TO PROVIDE THE ASSOCIATION WITH A COPY OF
8 THE TENANT'S RENTAL APPLICATION, CREDIT REPORT, LEASE AGREEMENT OR RENTAL
9 CONTRACT OR OTHER PERSONAL INFORMATION EXCEPT AS PRESCRIBED BY THIS SECTION.
10 THIS PARAGRAPH DOES NOT PROHIBIT THE ASSOCIATION FROM ACQUIRING A CREDIT
11 REPORT ON A PERSON IN AN ATTEMPT TO COLLECT A DEBT.

12 2. REQUIRING THE TENANT TO SIGN A WAIVER OR OTHER DOCUMENT LIMITING
13 THE TENANT'S DUE PROCESS RIGHTS AS A CONDITION OF THE TENANT'S OCCUPANCY OF
14 THE RENTAL UNIT.

15 3. PROHIBITING OR OTHERWISE RESTRICTING A UNIT OWNER FROM SERVING ON
16 THE BOARD OF DIRECTORS BASED ON THE OWNER'S NOT BEING AN OCCUPANT OF THE
17 UNIT.

18 4. IMPOSING ON A UNIT OWNER OR MANAGING AGENT ANY FEE, ASSESSMENT,
19 PENALTY OR OTHER CHARGE IN AN AMOUNT GREATER THAN FIFTEEN DOLLARS FOR
20 INCOMPLETE OR LATE INFORMATION REGARDING THE INFORMATION REQUESTED PURSUANT
21 TO SUBSECTION C OF THIS SECTION. ANY ATTEMPT BY AN ASSOCIATION TO CHARGE A
22 FEE, ASSESSMENT, PENALTY OR OTHER CHARGE THAT IS NOT AUTHORIZED BY THIS
23 SECTION VOIDS THE FEE AUTHORIZED UNDER SUBSECTION D OF THIS SECTION AND VOIDS
24 THE REQUIREMENT TO PROVIDE THE INFORMATION TO THE ASSOCIATION THAT IS
25 PRESCRIBED IN SUBSECTION C OF THIS SECTION.

26 Sec. 18. Section 33-1261, Arizona Revised Statutes, is amended to
27 read:

28 33-1261. Flag display; for sale, rent or lease signs; political
29 signs and activities; applicability

30 A. Notwithstanding any provision in the condominium documents, an
31 association shall not prohibit the outdoor display of any of the following:

32 1. The American flag or an official or replica of a flag of the United
33 States army, navy, air force, marine corps or coast guard by a unit owner on
34 that unit owner's property if the American flag or military flag is displayed
35 in a manner consistent with the federal flag code (P.L. 94-344; 90 Stat. 810;
36 4 United States Code sections 4 through 10).

37 2. The POW/MIA flag.

38 3. The Arizona state flag.

39 4. An Arizona Indian nations flag.

40 5. The Gadsden flag.

41 B. The association shall adopt reasonable rules and regulations
42 regarding the placement and manner of display of the American flag, the
43 military flag, the POW/MIA flag, the Arizona state flag or an Arizona Indian
44 nations flag. The association rules may regulate the location and size of
45 flagpoles but shall not prohibit the installation of a flagpole.

1 C. Notwithstanding any provision in the condominium documents, an
2 association shall not prohibit or charge a fee for the use of, the placement
3 of or the indoor or outdoor display of a for sale, for rent or for lease sign
4 and a sign rider by a unit owner on that owner's property in any combination,
5 including a sign that indicates the unit owner is offering the property for
6 sale by owner. The size of a sign offering a property for sale, for rent or
7 for lease shall be in conformance with the industry standard size sign, which
8 shall not exceed eighteen by twenty-four inches, and the industry standard
9 size sign rider, which shall not exceed six by twenty-four inches. This
10 subsection applies only to a commercially produced sign and an association
11 may prohibit the use of signs that are not commercially produced. With
12 respect to real estate for sale, for rent or for lease in the condominium, an
13 association shall not prohibit in any way other than as is specifically
14 authorized by this section or otherwise regulate any of the following:

15 1. Temporary open house signs or a unit owner's for sale sign. The
16 association shall not require the use of particular signs indicating an open
17 house or real property for sale and may not further regulate the use of
18 temporary open house or for sale signs that are industry standard size and
19 that are owned or used by the seller or the seller's agent.

20 2. Open house hours. The association may not limit the hours for an
21 open house for real estate that is for sale in the condominium, except that
22 the association may prohibit an open house being held before 8:00 a.m. or
23 after 6:00 p.m. and may prohibit open house signs on the common elements of
24 the condominium.

25 3. An owner's or an owner's agent's for rent or for lease sign unless
26 an association's documents prohibit or restrict leasing of a unit or units.
27 An association shall not further regulate a for rent or for lease sign or
28 require the use of a particular for rent or for lease sign other than the for
29 rent or for lease sign shall not be any larger than the industry standard
30 size sign of eighteen by twenty-four inches and on or in the unit owner's
31 property. If rental or leasing of a unit is allowed, the association may
32 prohibit an open house for rental or leasing being held before 8:00 a.m. or
33 after 6:00 p.m.

34 D. Notwithstanding any provision in the condominium documents, an
35 association shall not prohibit door to door political activity, including
36 solicitations of support or opposition regarding candidates or ballot issues,
37 and shall not prohibit the circulation of political petitions, including
38 candidate nomination petitions or petitions in support of or opposition to an
39 initiative, referendum or recall or other political issue on property
40 normally open to visitors within the association, except that an association
41 may do the following:

42 1. Restrict or prohibit door to door political activity regarding
43 candidates or ballot issues from sunset to sunrise.

1 2. Require the prominent display of an identification tag for each
2 person engaged in the activity, along with the prominent identification of
3 the candidate or ballot issue that is the subject of the support or
4 opposition.

5 E. NOTWITHSTANDING ANY PROVISION IN THE CONDOMINIUM DOCUMENTS, AN
6 ASSOCIATION SHALL NOT PROHIBIT THE INDOOR OR OUTDOOR DISPLAY OF A POLITICAL
7 SIGN BY A UNIT OWNER BY PLACEMENT OF A SIGN IN THE COMMON ELEMENT GROUND THAT
8 IS ADJACENT TO THE UNIT OR ON THAT UNIT OWNER'S PROPERTY, INCLUDING ANY
9 LIMITED COMMON ELEMENTS FOR THAT UNIT, EXCEPT THAT AN ASSOCIATION MAY
10 PROHIBIT THE DISPLAY OF POLITICAL SIGNS EARLIER THAN SEVENTY-ONE DAYS BEFORE
11 THE DAY OF AN ELECTION AND LATER THAN THREE DAYS AFTER AN ELECTION DAY. AN
12 ASSOCIATION MAY REGULATE THE SIZE AND NUMBER OF POLITICAL SIGNS THAT MAY BE
13 PLACED IN THE COMMON ELEMENT GROUND, ON A UNIT OWNER'S PROPERTY OR ON A
14 LIMITED COMMON ELEMENT FOR THAT UNIT IF THE ASSOCIATION'S REGULATION IS NO
15 MORE RESTRICTIVE THAN ANY APPLICABLE CITY, TOWN OR COUNTY ORDINANCE THAT
16 REGULATES THE SIZE AND NUMBER OF POLITICAL SIGNS ON RESIDENTIAL PROPERTY. IF
17 THE CITY, TOWN OR COUNTY IN WHICH THE PROPERTY IS LOCATED DOES NOT REGULATE
18 THE SIZE AND NUMBER OF POLITICAL SIGNS ON RESIDENTIAL PROPERTY, THE
19 ASSOCIATION SHALL NOT LIMIT THE NUMBER OF POLITICAL SIGNS, EXCEPT THAT THE
20 MAXIMUM AGGREGATE TOTAL DIMENSIONS OF ALL POLITICAL SIGNS ON A UNIT OWNER'S
21 PROPERTY SHALL NOT EXCEED NINE SQUARE FEET. An association shall not make
22 any regulations regarding the number of candidates supported, the number of
23 public officers supported or opposed in a recall or the number of
24 propositions supported or opposed on a political sign. FOR THE PURPOSES OF
25 THIS SUBSECTION, "POLITICAL SIGN" MEANS A SIGN THAT ATTEMPTS TO INFLUENCE THE
26 OUTCOME OF AN ELECTION, INCLUDING SUPPORTING OR OPPOSING THE RECALL OF A
27 PUBLIC OFFICER OR SUPPORTING OR OPPOSING THE CIRCULATION OF A PETITION FOR A
28 BALLOT MEASURE, QUESTION OR PROPOSITION OR THE RECALL OF A PUBLIC OFFICER.

29 F. An association shall not require political signs to be commercially
30 produced or professionally manufactured or prohibit the utilization of both
31 sides of a political sign.

32 G. A condominium is not required to comply with subsection D of this
33 section if the condominium restricts vehicular or pedestrian access to the
34 condominium. Nothing in this section requires a condominium to make its
35 common elements other than roadways and sidewalks that are normally open to
36 visitors available for the circulation of political petitions to anyone who
37 is not an owner or resident of the community.

38 H. An association or managing agent that violates subsection C of this
39 section forfeits and extinguishes the lien rights authorized under section
40 33-1256 against that unit for a period of six consecutive months from the
41 date of the violation.

42 I. This section does not apply to timeshare plans or associations that
43 are subject to chapter 20 of this title.

1 2. REQUIRING THE TENANT TO SIGN A WAIVER OR OTHER DOCUMENT LIMITING
2 THE TENANT'S DUE PROCESS RIGHTS AS A CONDITION OF THE TENANT'S OCCUPANCY OF
3 THE RENTAL PROPERTY.

4 3. PROHIBITING OR OTHERWISE RESTRICTING A MEMBER FROM SERVING ON THE
5 BOARD OF DIRECTORS BASED ON THE MEMBER'S NOT BEING AN OCCUPANT OF THE
6 PROPERTY.

7 4. IMPOSING ON A MEMBER OR MANAGING AGENT ANY FEE, ASSESSMENT, PENALTY
8 OR OTHER CHARGE IN AN AMOUNT GREATER THAN FIFTEEN DOLLARS FOR INCOMPLETE OR
9 LATE INFORMATION REGARDING THE INFORMATION REQUESTED PURSUANT TO SUBSECTION C
10 OF THIS SECTION. ANY ATTEMPT BY AN ASSOCIATION TO CHARGE A FEE, ASSESSMENT,
11 PENALTY OR OTHER CHARGE THAT IS NOT AUTHORIZED BY THIS SECTION VOIDS THE FEE
12 AUTHORIZED UNDER SUBSECTION D OF THIS SECTION AND VOIDS THE REQUIREMENT TO
13 PROVIDE THE INFORMATION TO THE ASSOCIATION THAT IS PRESCRIBED IN SUBSECTION C
14 OF THIS SECTION.

15 Sec. 20. Section 33-1812, Arizona Revised Statutes, is amended to
16 read:

17 33-1812. Proxies; absentee ballots; definition

18 A. Notwithstanding any provision in the community documents, after
19 termination of the period of declarant control, votes allocated to a unit may
20 not be cast pursuant to a proxy. The association shall provide for votes to
21 be cast in person and by absentee ballot and, IN ADDITION, THE ASSOCIATION
22 may provide for voting by some other form of delivery, INCLUDING THE USE OF
23 ELECTRONIC MAIL AND FACSIMILE DELIVERY. Notwithstanding section 10-3708 or
24 the provisions of the community documents, any action taken at an annual,
25 regular or special meeting of the members shall comply with all of the
26 following if absentee ballots OR BALLOTS PROVIDED BY SOME OTHER FORM OF
27 DELIVERY are used:

28 1. The absentee ballot shall set forth each proposed action.

29 2. The absentee ballot shall provide an opportunity to vote for or
30 against each proposed action.

31 3. The absentee ballot is valid for only one specified election or
32 meeting of the members and expires automatically after the completion of the
33 election or meeting.

34 4. The absentee ballot specifies the time and date by which the ballot
35 must be delivered to the board of directors in order to be counted, which
36 shall be at least seven days after the date that the board delivers the
37 unvoted absentee ballot to the member.

38 5. The absentee ballot does not authorize another person to cast votes
39 on behalf of the member.

40 B. Votes cast by absentee ballot or other form of DELIVERY, INCLUDING
41 THE USE OF ELECTRONIC MAIL AND FACSIMILE delivery, are valid for the purpose
42 of establishing a quorum.

43 C. Notwithstanding subsection A of this section, an association for a
44 timeshare plan as defined in section 32-2197 may permit votes by a proxy that
45 is duly executed by a unit owner.

1 D. For the purposes of this section, "period of declarant control"
2 means the time during which the declarant or persons designated by the
3 declarant may elect or appoint the members of the board of directors pursuant
4 to the community documents or by virtue of superior voting power.

5 Sec. 21. Section 41-2198.01, Arizona Revised Statutes, is amended to
6 read:

7 41-2198.01. Hearing; rights and procedures

8 A. A person who is subject to title 33, chapter 11 or a party to a
9 rental agreement entered into pursuant to title 33, chapter 11 may petition
10 the department for a hearing concerning violations of the Arizona mobile home
11 parks residential landlord and tenant act by filing a petition with the
12 department and paying a nonrefundable filing fee in an amount to be
13 established by the director. All monies collected shall be deposited in the
14 state general fund and are not refundable.

15 B. For a dispute between an owner and a condominium association or
16 planned community association that is regulated pursuant to title 33, chapter
17 9 or 16, the owner or association may petition the department for a hearing
18 concerning violations of condominium documents or planned community documents
19 or violations of the statutes that regulate condominiums or planned
20 communities. The petitioner shall file a petition with the department and
21 pay a ~~nonrefundable~~ filing fee in an amount to be established by the
22 director. The filing fee shall be deposited in the condominium and planned
23 community hearing office fund established by section 41-2198.05. **ON**
24 **DISMISSAL OF A PETITION AT THE REQUEST OF THE PETITIONER BEFORE A HEARING IS**
25 **SCHEDULED OR BY STIPULATION OF THE PARTIES BEFORE A HEARING IS SCHEDULED, THE**
26 **FILING FEE SHALL BE REFUNDED TO THE PETITIONER.** The department does not have
27 jurisdiction to hear:

28 1. Any dispute among or between owners to which the association is not
29 a party.

30 2. Any dispute between an owner and any person, firm, partnership,
31 corporation, association or other organization that is engaged in the
32 business of designing, constructing or selling a condominium as defined in
33 section 33-1202 or any property or improvements within a planned community as
34 defined in section 33-1802, including any person, firm, partnership,
35 corporation, association or other organization licensed pursuant to title 32,
36 chapter 20, arising out of or related to the design, construction, condition
37 or sale of the condominium or any property or improvements within a planned
38 community.

39 C. The petition shall be in writing on a form approved by the
40 department, shall list the complaints and shall be signed by or on behalf of
41 the persons filing and include their addresses, stating that a hearing is
42 desired, and shall be filed with the department.

43 D. On receipt of the petition and the filing fee the department shall
44 mail by certified mail a copy of the petition along with notice to the named

1 respondent that a response is required within twenty days of mailing of the
2 petition showing cause, if any, why the petition should be dismissed.

3 E. After receiving the response, the director or the director's
4 designee shall promptly review the petition for hearing and, if justified,
5 refer the petition to the office of administrative hearings. The director
6 may dismiss a petition for hearing if it appears to the director's
7 satisfaction that the disputed issue or issues have been resolved by the
8 parties.

9 F. Failure of the respondent to answer is deemed an admission of the
10 allegations made in the petition, and the director shall issue a default
11 decision.

12 G. Informal disposition may be made of any contested case.

13 H. Either party or the party's authorized agent may inspect any file
14 of the department that pertains to the hearing, if ~~such~~ THE authorization is
15 filed in writing with the department.

16 I. At a hearing conducted pursuant to this section, a corporation may
17 be represented by a corporate officer, employee or contractor of the
18 corporation who is not a member of the state bar if:

19 1. The corporation has specifically authorized the officer, employee
20 or contractor of the corporation to represent it.

21 2. The representation is not the officer's, employee's or contractor
22 of the corporation's primary duty to the corporation but is secondary or
23 incidental to the officer's, ~~or~~ employee's OR CONTRACTOR OF THE
24 CORPORATION'S, LIMITED LIABILITY COMPANY'S, LIMITED LIABILITY PARTNERSHIP'S,
25 SOLE PROPRIETOR'S OR OTHER LAWFULLY FORMED AND OPERATING ENTITY'S duties
26 relating to the management or operation of the corporation.

27 Sec. 22. Implementation of consolidated elections: expenditure
28 limitations

29 A. Notwithstanding any other law, in order to comply with the
30 consolidation of election dates prescribed in Laws 2012, chapter 353, a city
31 or town may lengthen the terms of office for its elected officials.

32 B. Notwithstanding section 16-204, Arizona Revised Statutes, for any
33 city or town whose alternate expenditure limit is scheduled to expire in 2014
34 or 2015, the following apply:

35 1. For a limitation that is scheduled to expire in the spring of 2014,
36 the penalties prescribed in section 41-1279.07, Arizona Revised Statutes,
37 shall not apply to that city or town in fiscal year 2015 if the city or town
38 seeks voter approval of an alternative expenditure limit in the fall of 2014.

39 2. For a limitation that is scheduled to expire in 2015 or 2016, the
40 penalties prescribed in section 41-1279.07, Arizona Revised Statutes, shall
41 not apply to that city or town in fiscal year 2015, 2016 or 2017 and the
42 amount of the expenditure limitation remains at the level established before
43 the expiration of the alternate expenditure limitation if the city or town
44 seeks voter approval of an alternate expenditure limitation at the next
45 eligible regular election in 2014, 2015 or 2016.

1 Sec. 23. Delayed repeal

2 Section 16-559, Arizona Revised Statutes, as added by this act, is
3 repealed from and after December 31, 2013.

4 Sec. 24. Severability

5 If a provision of this act or its application to any person or
6 circumstance is held invalid, the invalidity does not affect other provisions
7 or applications of the act that can be given effect without the invalid
8 provision or application, and to this end the provisions of this act are
9 severable.

10 Sec. 25. Requirements for enactment; three-fourths vote

11 Pursuant to article IV, part 1, section 1, Constitution of Arizona,
12 sections 16-948 and 16-950, Arizona Revised Statutes, as amended by this act,
13 are effective only on the affirmative vote of at least three-fourths of the
14 members of each house of the legislature.