

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

CHAPTER 254
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
45 FROM REQUESTING AND ENTERING INTO A MAINTENANCE AGREEMENT WITH A
46 MUNICIPALITY.

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

3 11-810. Requirement of planned community prohibited

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

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

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

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

22 16-411. Designation of election precincts and polling places;
23 voting centers; electioneering; wait times

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

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

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

40 2. Adjacent precincts may be combined if boundaries so established are
41 included in election districts prescribed by law for state elected officials
42 and political subdivisions including community college districts but not
43 including elected officials prescribed by titles 30 and 48. The officer in
44 charge of elections may also split a precinct for administrative purposes.
45 ~~Any such~~ THE polling places shall be listed in separate sections of the order
46 or resolution.

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

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

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

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

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

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

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

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

43 F. The principal of the school may deny a request to provide space for
44 use as a polling place for any city, county or state election if, within two
45 weeks after a request has been made, the principal provides a written

1 statement indicating a reason the election cannot be held in the school,
2 including any of the following:

3 1. Space is not available at the school.

4 2. The safety or welfare of the children would be jeopardized.

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

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

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

38 1. AN ACT OF GOD RENDERS A PREVIOUSLY SET POLLING PLACE AS UNUSABLE.

39 2. A COUNTY RECORDER OR OTHER OFFICER IN CHARGE OF ELECTIONS HAS
40 EXHAUSTED ALL OPTIONS AND THERE ARE NO SUITABLE FACILITIES IN A PRECINCT THAT
41 ARE WILLING TO BE A POLLING PLACE UNLESS A FACILITY CAN BE GIVEN AN EMERGENCY
42 DESIGNATION.

43 ~~I.~~ J. The secretary of state shall provide through the instructions
44 and procedures manual adopted pursuant to section 16-452 the maximum
45 allowable wait time for any election that is subject to section 16-204 and
46 provide for a method to reduce voter wait time at the polls in the primary

1 and general elections. The method shall consider at least all of the
2 following for primary and general elections in each precinct:

3 1. The number of ballots voted in the prior primary and general
4 elections.

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

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

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

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

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

22 ARTICLE 8.2. OPTIONAL CITY AND TOWN APPROVAL VOTING

23 16-559. City and town approval voting study committee;
24 membership; duties

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

27 1. THREE MEMBERS OF THE SENATE WHO ARE APPOINTED BY THE PRESIDENT OF
28 THE SENATE, NOT MORE THAN TWO OF WHOM ARE MEMBERS OF THE SAME POLITICAL
29 PARTY. THE PRESIDENT OF THE SENATE SHALL DESIGNATE ONE OF THESE MEMBERS AS
30 COCHAIRPERSON OF THE COMMITTEE.

31 2. THREE MEMBERS OF THE HOUSE OF REPRESENTATIVES WHO ARE APPOINTED BY
32 THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, NOT MORE THAN TWO OF WHOM ARE
33 MEMBERS OF THE SAME POLITICAL PARTY. THE SPEAKER OF THE HOUSE OF
34 REPRESENTATIVES SHALL DESIGNATE ONE OF THESE MEMBERS AS COCHAIRPERSON OF THE
35 COMMITTEE.

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

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

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

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

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

7 In this chapter, unless the context otherwise requires:

8 1. "Agent" means, with respect to any person other than a candidate,
9 any person who has oral or written authority, either express or implied, to
10 make or authorize the making of expenditures as defined in this section on
11 behalf of a candidate, any person who has been authorized by the treasurer of
12 a political committee to make or authorize the making of expenditures or a
13 political consultant for a candidate or political committee.

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

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

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

22 5. "Contribution" means any gift, subscription, loan, advance or
23 deposit of money or anything of value made for the purpose of influencing an
24 election including supporting or opposing the recall of a public officer or
25 supporting or opposing the circulation of a petition for a ballot measure,
26 question or proposition or the recall of a public officer and:

27 (a) Includes all of the following:

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

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

33 (iii) The entire amount paid to a political committee to attend a
34 fund-raising or other political event and the entire amount paid to a
35 political committee as the purchase price for a fund-raising meal or item,
36 except that no contribution results if the actual cost of the meal or
37 fund-raising item, based on the amount charged to the committee by the
38 vendor, constitutes the entire amount paid by the purchaser for the meal or
39 item, the meal or item is for the purchaser's personal use and not for resale
40 and the actual cost is the entire amount paid by the purchaser in connection
41 with the event. This exception does not apply to auction items.

42 (iv) Unless specifically exempted, the provision of goods or services
43 without charge or at a charge that is less than the usual and normal charge
44 for such goods and services. THE ACQUISITION OR USE OF CAMPAIGN ASSETS BY A
45 COMMITTEE THAT ARE PAID FOR WITH THE CANDIDATE'S PERSONAL MONIES, INCLUDING
46 CAMPAIGN SIGNS AND OTHER SIMILAR PROMOTIONAL MATERIALS, IS A CONTRIBUTION AND

1 IS REPORTABLE BY THE CANDIDATE'S CAMPAIGN COMMITTEE AS A CONTRIBUTION TO THE
2 CAMPAIGN.

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

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

7 (ii) Money or the value of anything directly or indirectly provided to
8 defray the expense of an elected official meeting with constituents if the
9 elected official is engaged in the performance of the duties of his office or
10 provided by the state or a political subdivision to an elected official for
11 communication with constituents if the elected official is engaged in the
12 performance of the duties of his office.

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

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

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

38 (vi) Independent expenditures.

39 (vii) Monies loaned by a state bank, a federally chartered depository
40 institution or a depository institution the deposits or accounts of which are
41 insured by the federal deposit insurance corporation or the national credit
42 union administration, other than an overdraft made with respect to a checking
43 or savings account, that is made in accordance with applicable law and in the
44 ordinary course of business. In order for this exemption to apply, this loan
45 shall be deemed a loan by each endorser or guarantor, in that proportion of
46 the unpaid balance that each endorser or guarantor bears to the total number

1 of endorsers or guarantors, the loan shall be made on a basis that assures
2 repayment, evidenced by a written instrument, shall be subject to a due date
3 or amortization schedule and shall bear the usual and customary interest rate
4 of the lending institution.

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

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

14 (x) The payment by a political party of the costs of campaign
15 materials, including pins, bumper stickers, handbills, brochures, posters,
16 party tabloids and yard signs, used by the party in connection with volunteer
17 activities on behalf of any nominee of the party or the payment by a state or
18 local committee of a political party of the costs of voter registration and
19 get-out-the-vote activities conducted by the committee if the payments are
20 not for the costs of campaign materials or activities used in connection with
21 any telecommunication, newspaper, magazine, billboard, direct mail or similar
22 type of general public communication or political advertising.

23 (xi) Transfers between political committees to distribute monies
24 raised through a joint fund-raising effort in the same proportion to each
25 committee's share of the fund-raising expenses and payments from one
26 political committee to another in reimbursement of a committee's
27 proportionate share of its expenses in connection with a joint fund-raising
28 effort.

29 (xii) An extension of credit for goods and services made in the
30 ordinary course of the creditor's business if the terms are substantially
31 similar to extensions of credit to nonpolitical debtors that are of similar
32 risk and size of obligation and if the creditor makes a commercially
33 reasonable attempt to collect the debt, except that any extension of credit
34 under this item made for the purpose of influencing an election that remains
35 unsatisfied by the candidate after six months, notwithstanding good faith
36 collection efforts by the creditor, shall be deemed receipt of a contribution
37 by the candidate but not a contribution by the creditor.

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

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

44 7. "Election" means any election for any initiative, referendum or
45 other measure or proposition or a primary, general, recall, special or runoff
46 election for any office in this state other than the office of precinct

1 committeeman and other than a federal office. For THE purposes of sections
2 16-903 and 16-905, the general election includes the primary election.

3 8. "Expenditures" includes any purchase, payment, distribution, loan,
4 advance, deposit or gift of money or anything of value made by a person for
5 the purpose of influencing an election in this state including supporting or
6 opposing the recall of a public officer or supporting or opposing the
7 circulation of a petition for a ballot measure, question or proposition or
8 the recall of a public officer and a contract, promise or agreement to make
9 an expenditure resulting in an extension of credit and the value of any
10 in-kind contribution received. Expenditure does not include any of the
11 following:

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

16 (b) Nonpartisan activity designed to encourage individuals to vote or
17 to register to vote.

18 (c) The payment by a political party of the costs of preparation,
19 display, mailing or other distribution incurred by the party with respect to
20 any printed slate card, sample ballot or other printed listing of three or
21 more candidates for any public office for which an election is held, except
22 that this subdivision does not apply to costs incurred by the party with
23 respect to a display of any listing of candidates made on any
24 telecommunications system or in newspapers, magazines or similar types of
25 general public political advertising.

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

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

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

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

45 11. "Filing officer" means the office that is designated by section
46 16-916 to conduct the duties prescribed by this chapter.

1 12. "Identification" means:

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

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

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

12 14. "Independent expenditure" means an expenditure by a person or
13 political committee, other than a candidate's campaign committee, that
14 expressly advocates the election or defeat of a clearly identified candidate,
15 that is made without cooperation or consultation with any candidate or
16 committee or agent of the candidate and that is not made in concert with or
17 at the request or suggestion of a candidate, or any committee or agent of the
18 candidate. Independent expenditure includes an expenditure that is subject
19 to the requirements of section 16-917, which requires a copy of campaign
20 literature or advertisement to be sent to a candidate named or otherwise
21 referred to in the literature or advertisement. An expenditure is not an
22 independent expenditure if any of the following applies:

23 (a) Any officer, member, employee or agent of the political committee
24 making the expenditure is also an officer, member, employee or agent of the
25 committee of the candidate whose election or whose opponent's defeat is being
26 advocated by the expenditure or an agent of the candidate whose election or
27 whose opponent's defeat is being advocated by the expenditure.

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

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

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

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

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

45 15. "In-kind contribution" means a contribution of goods or services or
46 anything of value and not a monetary contribution. **THE USE BY A CANDIDATE'S**

1 CAMPAIGN COMMITTEE OF A DISTINCTIVE TRADE NAME, TRADEMARK OR TRADE DRESS
2 ITEM, INCLUDING A LOGO, THAT IS OWNED BY A BUSINESS OR OTHER ENTITY THAT IS
3 OWNED BY THAT CANDIDATE OR IN WHICH THE CANDIDATE HAS A CONTROLLING INTEREST
4 IS DEEMED TO BE AN IN-KIND CONTRIBUTION TO THE CANDIDATE'S CAMPAIGN COMMITTEE
5 AND SHALL BE REPORTED AS OTHERWISE PRESCRIBED BY LAW.

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

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

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

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

16 (b) Salary and other earned income from bona fide employment of the
17 candidate, dividends and proceeds from the sale of the stocks or investments
18 of the candidate, bequests to the candidate, income to the candidate from
19 trusts established before candidacy, income to the candidate from trusts
20 established by bequest after candidacy of which the candidate is a
21 beneficiary, gifts to the candidate of a personal nature that have been
22 customarily received before the candidacy and proceeds received by the
23 candidate from lotteries and other legal games of chance.

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

27 (d) Family contributions.

28 19. "Political committee" means a candidate or any association or
29 combination of persons that is organized, conducted or combined for the
30 purpose of influencing the result of any election or to determine whether an
31 individual will become a candidate for election in this state or in any
32 county, city, town, district or precinct in this state, that engages in
33 political activity in behalf of or against a candidate for election or
34 retention or in support of or opposition to an initiative, referendum or
35 recall or any other measure or proposition and that applies for a serial
36 number and circulates petitions and, in the case of a candidate for public
37 office except those exempt pursuant to section 16-903, that receives
38 contributions or makes expenditures of more than two hundred fifty dollars in
39 connection therewith, notwithstanding that the association or combination of
40 persons may be part of a larger association, combination of persons or
41 sponsoring organization not primarily organized, conducted or combined for
42 the purpose of influencing the result of any election in this state or in any
43 county, city, town or precinct in this state. Political committee includes
44 the following types of committees:

45 (a) A candidate's campaign committee.

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

3 (c) A committee acting in support of or opposition to the
4 qualification, passage or defeat of a ballot measure, question or
5 proposition.

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

8 (e) A political party.

9 (f) A committee organized for the purpose of making independent
10 expenditures.

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

13 (h) A political organization.

14 (i) An exploratory committee.

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

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

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

26 23. "Standing political committee" means a political committee that
27 satisfies all of the following:

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

30 (b) Files a statement of organization as prescribed by section
31 16-902.01, subsection E.

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

34 (i) A separate, segregated fund.

35 (ii) A political party.

36 (iii) A committee organized for the purpose of making independent
37 expenditures.

38 (iv) A political organization.

39 24. "Statewide office" means the office of governor, secretary of
40 state, state treasurer, attorney general, superintendent of public
41 instruction, corporation commissioner or mine inspector.

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

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

46 16-905. Contribution limitations; civil penalty; complaint

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

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

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

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

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

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

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

22 1. One thousand ten dollars from an individual.

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

27 3. Five thousand ten dollars from a single political committee
28 excluding political parties certified pursuant to subsection G of this
29 section.

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

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

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

36 3. For a statewide office, one hundred thousand one hundred ten
37 dollars.

38 D. A nominee of a political party shall not accept contributions from
39 all political parties or political organizations combined totaling more than
40 ten thousand twenty dollars for an election for an office other than a
41 statewide office, and one hundred thousand one hundred ten dollars for an
42 election for a statewide office.

43 E. An individual shall not make contributions totaling more than five
44 thousand six hundred ten dollars in a calendar year to state and local
45 candidates and political committees contributing to state or local
46 candidates. Contributions to political parties and contributions to

1 independent expenditure committees are exempt from the limitations of this
2 subsection.

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

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

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

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

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

18 G. Only political committees that received monies from five hundred or
19 more individuals in amounts of ten dollars or more in the ~~one~~ TWO year period
20 immediately before application to the secretary of state for qualification as
21 a political committee pursuant to this section may make contributions to
22 candidates under subsection A, paragraph 5 of this section and subsection B,
23 paragraph 3 of this section. The secretary of state shall obtain information
24 necessary to make the determination that a committee meets the requirements
25 of this subsection and shall provide written certification of the fact to the
26 committee. A political committee certification is valid for ~~two~~ FOUR
27 years. A candidate's campaign committee shall not accept a contribution
28 pursuant to this subsection unless it is accompanied by a copy of the
29 certification. All political committees that do not meet the requirements of
30 this subsection are subject to the individual campaign contribution limits of
31 subsection A, paragraphs 1 and 2 of this section and subsection B, paragraph
32 1 of this section.

33 H. The secretary of state biennially shall adjust to the nearest ten
34 dollars the amounts in subsections A through E of this section by the
35 percentage change in the consumer price index and publish the new amounts for
36 distribution to election officials, candidates and campaign committees. For
37 the purposes of this subsection, "consumer price index" means the consumer
38 price index for all urban consumers, United States city average, that is
39 published by the United States department of labor, bureau of labor
40 statistics.

41 I. The following specific limitations and procedures apply:

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

44 2. The limits of subsections A, B and C of this section apply to the
45 total contributions from all separate segregated funds established, as

1 provided in section 16-920, by a corporation, labor organization, trade
2 association, cooperative or corporation without capital stock.

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

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

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

14 6. An individual or political committee shall not use economic
15 influence to induce members of an organization to make contributions to a
16 candidate, collect contributions from members of an organization for
17 transmittal to a candidate, make payments to candidates for public
18 appearances or services ~~which~~ THAT are ordinarily uncompensated or use any
19 similar device to circumvent any of the limitations of this section.

20 J. A person who violates this section is subject to a civil penalty
21 imposed as prescribed in section 16-924 of three times the amount of money
22 that has been received, expended or promised in violation of this section or
23 three times the value in money for an equivalent of money or other things of
24 value that have been received, expended or promised in violation of this
25 section.

26 K. Any qualified elector may file a sworn complaint with the attorney
27 general or the county attorney of the county in which a violation of this
28 section is believed to have occurred, and the attorney general or the county
29 attorney shall investigate the complaint for possible action.

30 L. If the filing officer, attorney general or county attorney fails to
31 institute an action within forty-five working days after receiving a
32 complaint under subsection K of this section, the individual filing the
33 complaint may bring a civil action in the individual's own name and at the
34 individual's own expense, with the same effect as if brought by the filing
35 officer, attorney general or county attorney. The individual shall execute a
36 bond payable to the defendant if the individual fails to prosecute the action
37 successfully. The court shall award to the prevailing party costs and
38 reasonable attorney fees.

39 M. If a provision of this section or its application to any person or
40 circumstance is held invalid, the invalidity does not affect other provisions
41 or applications of the section ~~which~~ THAT can be given effect without the
42 invalid provision or application, and to this end the provisions of this
43 section are severable.

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

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

2 16-912. Candidates and independent expenditures: campaign
3 literature and advertisement sponsors:
4 identification: civil penalty

5 A. A political committee that makes an expenditure for campaign
6 literature or advertisements that expressly advocate the election or defeat
7 of any candidate or that make any solicitation of contributions to any
8 political committee shall be registered pursuant to this chapter at the time
9 of distribution, placement or solicitation and shall include on the
10 literature or advertisement the words "paid for by" followed by the name of
11 the committee that appears on its statement of organization or five hundred
12 dollar exemption statement.

13 B. If the expenditure for the campaign literature or advertisements by
14 a political committee is an independent expenditure, the political committee,
15 in addition to the disclosures required by subsection A of this section,
16 shall include on the literature or advertisement the names and telephone
17 numbers of the three political committees making the largest contributions to
18 the political committee making the independent expenditure. If an acronym is
19 used to name any political committee outlined in this section, the name of
20 any sponsoring organization of the political committee shall also be printed
21 or spoken. For THE purposes of determining the three contributors to be
22 disclosed, ~~ONLY the contributions of each political committee to the~~
23 ~~political committee making the independent expenditure during the one year~~
24 ~~period before the election being affected are aggregated.~~ MADE DURING THE
25 CALENDAR YEAR IN WHICH THE INDEPENDENT EXPENDITURE IS MADE SHALL BE
26 CONSIDERED.

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

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

39 1. If the ~~advertisement~~ COMMUNICATION is broadcast on
40 ~~a telecommunications system~~ RADIO, the disclosure shall be spoken AT THE END
41 OF THE COMMUNICATION.

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

1 the contributor is an out-of-state contributor on its literature or
2 advertisement in support of or in opposition to a ballot proposition.

3 D. Contributors that make contributions to more than one political
4 committee that supports or opposes the same ballot proposition shall notify
5 each political committee of the cumulative total of these contributions.
6 Cumulative totals must be disclosed by each political committee that received
7 contributions from the same contributor if the cumulative totals qualify as a
8 major funding source to be disclosed pursuant to subsection A OF THIS
9 SECTION.

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

18 1. If the communication is broadcast on radio, the ~~information~~
19 DISCLOSURE shall be spoken at the end of the communication.

20 2. If the communication is broadcast on a telecommunications system,
21 THE FOLLOWING APPLY:

22 (a) The ~~information~~ DISCLOSURE shall be both written and spoken at the
23 end of the communication, except that if the WRITTEN disclosure statement is
24 ~~written~~ DISPLAYED for at least five seconds of a thirty second ~~advertisement~~
25 COMMUNICATIONS broadcast or ten seconds of a sixty second ~~advertisement~~
26 COMMUNICATIONS broadcast, a spoken disclosure statement is not required.

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

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

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

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

42 I. Any committee that violates this section is liable in a civil
43 action brought by the attorney general, county attorney or city or town
44 attorney, as appropriate, or by any other person for a civil penalty of three
45 times the total cost of the advertisement. A donor who does not accurately

1 disclose its contributions is liable for a civil penalty of three times the
2 amount donated.

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

6 Sec. 10. Section 16-920, Arizona Revised Statutes, is amended to read:

7 16-920. Permitted expenditures by corporations and labor
8 organizations; federal law; definitions

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

11 1. Communications by a corporation to its stockholders and executive
12 or administrative personnel and their families, or by a labor organization to
13 its members and their families, on any subject.

14 2. Nonpartisan registration and get-out-the-vote campaigns by a
15 corporation aimed at its stockholders and executive or administrative
16 personnel and their families or by a labor organization aimed at its members
17 and their families.

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

22 4. The establishment, administration and solicitation of voluntary
23 contributions from employees of a corporation or limited liability company,
24 including contributions made by payroll deduction, deposit or transfer or
25 other similar method, and that are made directly to a separate segregated
26 fund that is used for political purposes by a trade association of which the
27 employing corporation or limited liability company is a member.
28 Contributions received under this subsection shall be reported pursuant to
29 section 16-915, subsection A, paragraph 2, subdivision (a) or subsection E.

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

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

34 B. A membership organization, trade association, cooperative or
35 corporation without capital stock may engage in the activities permitted in
36 subsection A, paragraphs 1 and 2 of this section if such activities are
37 directed PRIMARILY toward its members, stockholders or members of its
38 members, its and its members' executive or administrative personnel and their
39 families.

40 C. A PERSON MAY RELY ON THE FEDERAL ELECTION COMMISSION'S RULES,
41 POLICY STATEMENTS, INTERPRETIVE RULES AND OTHER GUIDANCE ADOPTED AS OF
42 JANUARY 1, 2013 IN INTERPRETING AND APPLYING 2 UNITED STATES CODE SECTION
43 441b(B)(2) IN INTERPRETING SUBSECTION A, PARAGRAPHS 1 THROUGH 4 OF THIS
44 SECTION.

45 D. FOR THE PURPOSES OF THIS SECTION:

1 subsection does not change an insurance producer's status as an independent
2 contractor.

3 E. A labor organization or a separate segregated fund established by
4 such labor organization may make no more than two written solicitations for
5 contributions during the calendar year from any stockholder, executive or
6 administrative personnel or employee of a corporation who is not a union
7 member, or the families of such persons, if such labor organization
8 represents members working for such corporation. A solicitation under this
9 subsection may be made only by mail addressed to such stockholders, executive
10 or administrative personnel or employees who are not union members at their
11 residences.

12 F. This section shall not prevent a membership organization,
13 cooperative or corporation without capital stock, or a separate segregated
14 fund established by a membership organization, cooperative or corporation
15 without capital stock, from soliciting contributions to such a fund from
16 members of such organization, cooperative or corporation without capital
17 stock.

18 G. This section shall not prevent a trade association, or a separate
19 segregated fund established by a trade association, from soliciting
20 contributions from the stockholders and executive or administrative personnel
21 of the member corporations of such trade association and the families of such
22 stockholders or personnel.

23 H. Notwithstanding any ~~provision of~~ law to the contrary, any method of
24 soliciting voluntary contributions or of facilitating the making of voluntary
25 contributions to a separate segregated fund established by a corporation,
26 permitted by law to corporations with regard to stockholders and executive or
27 administrative personnel, shall also be permitted to labor organizations with
28 regard to their members.

29 I. Any corporation, including its subsidiaries, branches, divisions
30 and affiliates, that ~~utilizes~~ **USES** a method of soliciting voluntary
31 contributions or facilitating the making of voluntary contributions shall
32 make available such method, on written request and at a cost sufficient only
33 to reimburse the corporation for the expenses incurred thereby, to a labor
34 organization representing any members working for such corporation and its
35 subsidiaries, branches, divisions and affiliates.

36 J. For the purposes of this section:

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

39 2. "Control" means to possess, directly or indirectly, the power to
40 direct, or cause the direction of, the management or policies of another
41 organization, whether through the ability to exercise voting power, by
42 ownership or contract, or otherwise.

43 3. "Exclusive contract" means either:

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

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

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

8 5. "Insurance producer" has the same meaning prescribed in section
9 20-281.

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

13 16-948. Controls on participating candidates' campaign accounts

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

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

22 C. The candidate or a person authorized under subsection B of this
23 section shall pay monies from a participating candidate's campaign account
24 directly to the person providing goods or services to the campaign and shall
25 identify, on a report filed pursuant to article 1 of this chapter, the full
26 name and street address of the person and the nature of the goods and
27 services and compensation for which payment has been made. Notwithstanding
28 the previous sentence, a campaign committee may establish one or more petty
29 cash accounts, which in aggregate shall not exceed one thousand dollars at
30 any time. No single expenditure shall be made from a petty cash account
31 exceeding one hundred dollars.

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

37 E. A PARTICIPATING CANDIDATE SHALL NOT USE CLEAN ELECTIONS MONIES TO
38 PURCHASE GOODS OR SERVICES THAT BEAR A DISTINCTIVE TRADE NAME, TRADEMARK OR
39 TRADE DRESS ITEM, INCLUDING A LOGO, THAT IS OWNED BY A BUSINESS OR OTHER
40 ENTITY THAT IS OWNED BY THAT PARTICIPATING CANDIDATE OR IN WHICH THE
41 CANDIDATE HAS A CONTROLLING INTEREST. THE USE OF GOODS OR SERVICES THAT ARE
42 PROHIBITED BY THIS SUBSECTION IS DEEMED TO BE AN UNLAWFUL IN-KIND
43 CONTRIBUTION TO THE PARTICIPATING CANDIDATE.

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

1 16-950. Qualification for clean elections funding

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

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

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

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

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

1 4. For a candidate for secretary of state or attorney general, two
2 thousand five hundred.

3 5. For a candidate for governor, four thousand.

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

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

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

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

16 16-1019. Political signs; printed materials; tampering;
17 classification

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

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

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

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

36 2. The sign supports or opposes a candidate for public office or it
37 supports or opposes a ballot measure.

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

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

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

1 D. If the city, town or county deems that the placement of a political
2 sign constitutes an emergency, the jurisdiction may immediately relocate the
3 sign. The jurisdiction shall notify the candidate or campaign committee that
4 placed the sign within twenty-four hours after the relocation. If a sign is
5 placed in violation of subsection C and the placement is not deemed to
6 constitute an emergency, the city, town or county may notify the candidate or
7 campaign committee that placed the sign of the violation. If the sign
8 remains in violation at least twenty-four hours after the jurisdiction
9 notified the candidate or campaign committee, the jurisdiction may remove the
10 sign. The jurisdiction shall contact the candidate or campaign committee
11 contact and shall retain the sign for at least ten business days to allow the
12 candidate or campaign committee to retrieve the sign without penalty.

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

17 F. Subsection C does not apply to commercial tourism, commercial
18 resort and hotel sign free zones as those zones are designated by
19 municipalities. The total area of those zones shall not be larger than three
20 square miles, and each zone shall be identified as a specific contiguous area
21 where, by resolution of the municipal governing body, the municipality has
22 determined that based on a predominance of commercial tourism, resort and
23 hotel uses within the zone the placement of political signs within the
24 rights-of-way in the zone will detract from the scenic and aesthetic appeal
25 of the area within the zone and deter its appeal to tourists. Not more than
26 two zones may be identified within a municipality.

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

29 H. Subsection C applies only during the period commencing sixty days
30 before a primary election and ending fifteen days after the general election,
31 except that for a sign for a candidate in a primary election who does not
32 advance to the general election, the period ends fifteen days after the
33 primary election.

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

36 Sec. 15. Section 22-512, Arizona Revised Statutes, is amended to read:
37 22-512. Parties; representation

38 A. Any natural person, corporation, partnership, association, marital
39 community or other organization may commence or defend a small claims action,
40 but no assignee or other person not a real party to the original transaction
41 giving rise to the action may commence such an action except as a personal
42 representative duly appointed pursuant to a proceeding as provided in
43 title 14.

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

45 1. An individual shall represent himself.

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

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

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

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

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

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

11 C. FOR AN ASSOCIATION AS DEFINED IN SECTION 33-1202 OR 33-1802 THAT
12 HAS EMPLOYEES OR THAT IS CONTRACTED WITH A CORPORATION, LIMITED LIABILITY
13 COMPANY, LIMITED LIABILITY PARTNERSHIP, SOLE PROPRIETOR OR OTHER LAWFULLY
14 FORMED AND OPERATING ENTITY THAT PROVIDES MANAGEMENT SERVICES TO THE
15 ASSOCIATION, THE EMPLOYEES OF THE ASSOCIATION AND THE MANAGEMENT COMPANY AND
16 ITS OFFICERS AND EMPLOYEES MAY LAWFULLY ACT ON BEHALF OF THE ASSOCIATION AND
17 ITS BOARD OF DIRECTORS BY:

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

21 (a) THE ASSOCIATION EMPLOYEE OR THE OFFICER OR EMPLOYEE OF THE
22 MANAGEMENT COMPANY IS SPECIFICALLY AUTHORIZED IN WRITING BY THE ASSOCIATION
23 TO RECORD NOTICES OF LIEN OR NOTICES OF CLAIM OF LIEN ON BEHALF OF THE
24 ASSOCIATION AND THE OFFICER OR EMPLOYEE IS A CERTIFIED LEGAL DOCUMENT
25 PREPARER AS PRESCRIBED IN THE ARIZONA CODE OF JUDICIAL ADMINISTRATION.

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

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

31 (d) THE LIEN RIGHT EXISTS BY OPERATION OF LAW PURSUANT TO SECTION
32 33-1256 OR 33-1807 AND IS NOT THE RESULT OF OBTAINING A FINAL JUDGMENT IN AN
33 ACTION TO WHICH THE ASSOCIATION IS A PARTY.

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

36 (a) THE EMPLOYEE OF THE ASSOCIATION OR THE OFFICER OR EMPLOYEE OF THE
37 MANAGEMENT COMPANY IS SPECIFICALLY AUTHORIZED IN WRITING BY THE ASSOCIATION
38 TO APPEAR ON BEHALF OF THE ASSOCIATION.

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

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

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

1 DESIGNATED AGENT ON ANY MATTER RELATING TO THE UNIT OWNER'S RENTAL UNIT
2 CONSTITUTES NOTICE TO THE UNIT OWNER.

3 C. NOTWITHSTANDING ANY PROVISION IN THE CONDOMINIUM DOCUMENTS, ON
4 RENTAL OF A UNIT AN ASSOCIATION SHALL NOT REQUIRE A UNIT OWNER OR A UNIT
5 OWNER'S AGENT TO DISCLOSE ANY INFORMATION REGARDING A TENANT OTHER THAN THE
6 NAME AND CONTACT INFORMATION FOR ANY ADULTS OCCUPYING THE UNIT, THE TIME
7 PERIOD OF THE LEASE, INCLUDING THE BEGINNING AND ENDING DATES OF THE TENANCY,
8 AND A DESCRIPTION AND THE LICENSE PLATE NUMBERS OF THE TENANTS' VEHICLES. IF
9 THE CONDOMINIUM IS AN AGE RESTRICTED CONDOMINIUM, THE UNIT OWNER, THE UNIT
10 OWNER'S AGENT OR THE TENANT SHALL SHOW A GOVERNMENT ISSUED IDENTIFICATION
11 THAT BEARS A PHOTOGRAPH AND THAT CONFIRMS THAT THE TENANT MEETS THE
12 CONDOMINIUM'S AGE RESTRICTIONS OR REQUIREMENTS.

13 D. ON REQUEST OF AN ASSOCIATION OR ITS MANAGING AGENT FOR THE
14 DISCLOSURES PRESCRIBED IN SUBSECTION C OF THIS SECTION, THE ASSOCIATION OR
15 ITS MANAGING AGENT MAY CHARGE A FEE OF NOT MORE THAN TWENTY-FIVE DOLLARS
16 WHICH SHALL BE PAID WITHIN FIFTEEN DAYS AFTER THE POSTMARKED REQUEST. THE
17 FEE MAY BE CHARGED FOR EACH NEW TENANCY FOR THAT UNIT BUT MAY NOT BE CHARGED
18 FOR A RENEWAL OF A LEASE. EXCEPT FOR THE FEE PERMITTED BY THIS SUBSECTION,
19 THE ASSOCIATION OR ITS MANAGING AGENT SHALL NOT ASSESS, LEVY OR CHARGE A FEE
20 OR FINE OR OTHERWISE IMPOSE A REQUIREMENT ON A UNIT OWNER'S RENTAL UNIT ANY
21 DIFFERENTLY THAN ON AN OWNER-OCCUPIED UNIT IN THE ASSOCIATION.

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

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

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

32 3. PROHIBITING OR OTHERWISE RESTRICTING A UNIT OWNER FROM SERVING ON
33 THE BOARD OF DIRECTORS BASED ON THE OWNER'S NOT BEING AN OCCUPANT OF THE
34 UNIT.

35 4. IMPOSING ON A UNIT OWNER OR MANAGING AGENT ANY FEE, ASSESSMENT,
36 PENALTY OR OTHER CHARGE IN AN AMOUNT GREATER THAN FIFTEEN DOLLARS FOR
37 INCOMPLETE OR LATE INFORMATION REGARDING THE INFORMATION REQUESTED PURSUANT
38 TO SUBSECTION C OF THIS SECTION. ANY ATTEMPT BY AN ASSOCIATION TO CHARGE A
39 FEE, ASSESSMENT, PENALTY OR OTHER CHARGE THAT IS NOT AUTHORIZED BY THIS
40 SECTION VOIDS THE FEE AUTHORIZED UNDER SUBSECTION D OF THIS SECTION AND VOIDS
41 THE REQUIREMENT TO PROVIDE THE INFORMATION TO THE ASSOCIATION THAT IS
42 PRESCRIBED IN SUBSECTION C OF THIS SECTION.

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

45 33-1261. Flag display; for sale, rent or lease signs; political
46 signs and activities; applicability

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

3 1. The American flag or an official or replica of a flag of the United
4 States army, navy, air force, marine corps or coast guard by a unit owner on
5 that unit owner's property if the American flag or military flag is displayed
6 in a manner consistent with the federal flag code (P.L. 94-344; 90 Stat. 810;
7 4 United States Code sections 4 through 10).

8 2. The POW/MIA flag.

9 3. The Arizona state flag.

10 4. An Arizona Indian nations flag.

11 5. The Gadsden flag.

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

17 C. Notwithstanding any provision in the condominium documents, an
18 association shall not prohibit or charge a fee for the use of, the placement
19 of or the indoor or outdoor display of a for sale, for rent or for lease sign
20 and a sign rider by a unit owner on that owner's property in any combination,
21 including a sign that indicates the unit owner is offering the property for
22 sale by owner. The size of a sign offering a property for sale, for rent or
23 for lease shall be in conformance with the industry standard size sign, which
24 shall not exceed eighteen by twenty-four inches, and the industry standard
25 size sign rider, which shall not exceed six by twenty-four inches. This
26 subsection applies only to a commercially produced sign and an association
27 may prohibit the use of signs that are not commercially produced. With
28 respect to real estate for sale, for rent or for lease in the condominium, an
29 association shall not prohibit in any way other than as is specifically
30 authorized by this section or otherwise regulate any of the following:

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

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

41 3. An owner's or an owner's agent's for rent or for lease sign unless
42 an association's documents prohibit or restrict leasing of a unit or units.
43 An association shall not further regulate a for rent or for lease sign or
44 require the use of a particular for rent or for lease sign other than the for
45 rent or for lease sign shall not be any larger than the industry standard
46 size sign of eighteen by twenty-four inches and on or in the unit owner's

1 property. If rental or leasing of a unit is allowed, the association may
2 prohibit an open house for rental or leasing being held before 8:00 a.m. or
3 after 6:00 p.m.

4 D. Notwithstanding any provision in the condominium documents, an
5 association shall not prohibit door to door political activity, including
6 solicitations of support or opposition regarding candidates or ballot issues,
7 and shall not prohibit the circulation of political petitions, including
8 candidate nomination petitions or petitions in support of or opposition to an
9 initiative, referendum or recall or other political issue on property
10 normally open to visitors within the association, except that an association
11 may do the following:

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

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

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

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

45 G. A condominium is not required to comply with subsection D of this
46 section if the condominium restricts vehicular or pedestrian access to the

1 condominium. Nothing in this section requires a condominium to make its
2 common elements other than roadways and sidewalks that are normally open to
3 visitors available for the circulation of political petitions to anyone who
4 is not an owner or resident of the community.

5 H. An association or managing agent that violates subsection C of this
6 section forfeits and extinguishes the lien rights authorized under section
7 33-1256 against that unit for a period of six consecutive months from the
8 date of the violation.

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

11 Sec. 19. Title 33, chapter 16, article 1, Arizona Revised Statutes, is
12 amended by adding section 33-1806.01, to read:

13 33-1806.01. Rental property; member and agent information; fee;
14 disclosure

15 A. A MEMBER MAY USE THE MEMBER'S PROPERTY AS A RENTAL PROPERTY UNLESS
16 PROHIBITED IN THE DECLARATION AND SHALL USE IT IN ACCORDANCE WITH THE
17 DECLARATION'S RENTAL TIME PERIOD RESTRICTIONS.

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

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

37 D. ON REQUEST OF AN ASSOCIATION OR ITS MANAGING AGENT FOR THE
38 DISCLOSURES PRESCRIBED IN SUBSECTION C OF THIS SECTION, THE ASSOCIATION OR
39 ITS MANAGING AGENT MAY CHARGE A FEE OF NOT MORE THAN TWENTY-FIVE DOLLARS
40 WHICH SHALL BE PAID WITHIN FIFTEEN DAYS AFTER THE POSTMARKED REQUEST. THE
41 FEE MAY BE CHARGED FOR EACH NEW TENANCY FOR THAT PROPERTY BUT MAY NOT BE
42 CHARGED FOR A RENEWAL OF A LEASE. EXCEPT FOR THE FEE PERMITTED BY THIS
43 SUBSECTION, THE ASSOCIATION OR ITS MANAGING AGENT SHALL NOT ASSESS, LEVY OR
44 CHARGE A FEE OR FINE OR OTHERWISE IMPOSE A REQUIREMENT ON A MEMBER'S RENTAL
45 PROPERTY ANY DIFFERENTLY THAN ON AN OWNER-OCCUPIED PROPERTY IN THE
46 ASSOCIATION.

1 E. NOTWITHSTANDING ANY PROVISION IN THE COMMUNITY DOCUMENTS, THE
2 ASSOCIATION IS PROHIBITED FROM DOING ANY OF THE FOLLOWING:

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

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

11 3. PROHIBITING OR OTHERWISE RESTRICTING A MEMBER FROM SERVING ON THE
12 BOARD OF DIRECTORS BASED ON THE MEMBER'S NOT BEING AN OCCUPANT OF THE
13 PROPERTY.

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

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

24 33-1812. Proxies; absentee ballots; definition

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

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

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

38 3. The **absentee** ballot is valid for only one specified election or
39 meeting of the members and expires automatically after the completion of the
40 election or meeting.

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

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

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

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

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

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

13 41-2198.01. Hearing; rights and procedures

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

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

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

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

45 C. The petition shall be in writing on a form approved by the
46 department, shall list the complaints and shall be signed by or on behalf of

1 the persons filing and include their addresses, stating that a hearing is
2 desired, and shall be filed with the department.

3 D. On receipt of the petition and the filing fee the department shall
4 mail by certified mail a copy of the petition along with notice to the named
5 respondent that a response is required within twenty days of mailing of the
6 petition showing cause, if any, why the petition should be dismissed.

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

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

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

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

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

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

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

31 Sec. 22. Implementation of consolidated elections: expenditure
32 limitations

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

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

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

43 2. For a limitation that is scheduled to expire in 2015 or 2016, the
44 penalties prescribed in section 41-1279.07, Arizona Revised Statutes, shall
45 not apply to that city or town in fiscal year 2015, 2016 or 2017 and the
46 amount of the expenditure limitation remains at the level established before

1 the expiration of the alternate expenditure limitation if the city or town
2 seeks voter approval of an alternate expenditure limitation at the next
3 eligible regular election in 2014, 2015 or 2016.

4 Sec. 23. Delayed repeal

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

7 Sec. 24. Severability

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

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

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

APPROVED BY THE GOVERNOR JUNE 20, 2013.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 21, 2013.