

REFERENCE TITLE: campaign finance; election; candidate committees

State of Arizona  
House of Representatives  
Fifty-first Legislature  
Second Regular Session  
2014

# HB 2665

Introduced by  
Representative Mesnard

AN ACT

AMENDING SECTIONS 16-901, 16-902, 16-903 AND 16-905, ARIZONA REVISED  
STATUTES; RELATING TO CAMPAIGN CONTRIBUTIONS AND EXPENSES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:  
2 Section 1. Section 16-901, Arizona Revised Statutes, is amended to  
3 read:  
4 16-901. Definitions  
5 In this chapter, unless the context otherwise requires:  
6 1. "Agent" means, with respect to any person other than a candidate,  
7 any person who has oral or written authority, either express or implied, to  
8 make or authorize the making of expenditures as defined in this section on  
9 behalf of a candidate, any person who has been authorized by the treasurer of  
10 a political committee to make or authorize the making of expenditures or a  
11 political consultant for a candidate or political committee.  
12 2. "Candidate" means an individual who receives or gives consent for  
13 receipt of a contribution for his nomination for or election to any office in  
14 this state other than a federal office.  
15 3. "Candidate's campaign committee" means a political committee  
16 designated and authorized by a candidate.  
17 4. "Clearly identified candidate" means that the name, a photograph or  
18 a drawing of the candidate appears or the identity of the candidate is  
19 otherwise apparent by unambiguous reference.  
20 5. "Contribution" means any gift, subscription, loan, advance or  
21 deposit of money or anything of value made for the purpose of influencing an  
22 election including supporting or opposing the recall of a public officer or  
23 supporting or opposing the circulation of a petition for a ballot measure,  
24 question or proposition or the recall of a public officer and:  
25 (a) Includes all of the following:  
26 (i) A contribution made to retire campaign debt.  
27 (ii) Money or the fair market value of anything directly or indirectly  
28 given or loaned to an elected official for the purpose of defraying the  
29 expense of communications with constituents, regardless of whether the  
30 elected official has declared his candidacy.  
31 (iii) The entire amount paid to a political committee to attend a  
32 fund-raising or other political event and the entire amount paid to a  
33 political committee as the purchase price for a fund-raising meal or item,  
34 except that no contribution results if the actual cost of the meal or  
35 fund-raising item, based on the amount charged to the committee by the  
36 vendor, constitutes the entire amount paid by the purchaser for the meal or  
37 item, the meal or item is for the purchaser's personal use and not for resale  
38 and the actual cost is the entire amount paid by the purchaser in connection  
39 with the event. This exception does not apply to auction items.  
40 (iv) Unless specifically exempted, the provision of goods or services  
41 without charge or at a charge that is less than the usual and normal charge  
42 for such goods and services. The acquisition or use of campaign assets by a  
43 committee that are paid for with the candidate's personal monies, including  
44 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

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

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

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

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

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

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

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

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

1           7. "Election" means any election for any initiative, referendum or  
2 other measure or proposition or a primary, general, recall, special or runoff  
3 election for any office in this state other than the office of precinct  
4 committeeman and other than a federal office. ~~For the purposes of sections~~  
5 ~~16-903 and 16-905~~, UNLESS OTHERWISE PROVIDED BY LAW, the general election  
6 does not include the primary election.

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

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

20           (b) Nonpartisan activity designed to encourage individuals to vote or  
21 to register to vote.

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

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

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

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

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

4           11. "Filing officer" means the office that is designated by section  
5 16-916 to conduct the duties prescribed by this chapter.

6           12. "Identification" means:

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

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

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

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

28           (a) Any officer, member, employee or agent of the political committee  
29 making the expenditure is also an officer, member, employee or agent of the  
30 committee of the candidate whose election or whose opponent's defeat is being  
31 advocated by the expenditure or an agent of the candidate whose election or  
32 whose opponent's defeat is being advocated by the expenditure.

33           (b) There is any arrangement, coordination or direction with respect  
34 to the expenditure between the candidate or the candidate's agent and the  
35 person making the expenditure, including any officer, director, employee or  
36 agent of that person. For the purposes of this subdivision, serving on a  
37 host committee for a fund-raising event does not presumptively demonstrate  
38 any arrangement, coordination or direction.

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

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

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

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

6 15. "In-kind contribution" means a contribution of goods or services or  
7 anything of value and not a monetary contribution. The use by a candidate's  
8 campaign committee of a distinctive trade name, trademark or trade dress  
9 item, including a logo, that is owned by a business or other entity that is  
10 owned by that candidate or in which the candidate has a controlling interest  
11 is deemed to be an in-kind contribution to the candidate's campaign committee  
12 and shall be reported as otherwise prescribed by law.

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

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

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

19 (a) Except as prescribed in paragraph 15 of this section, assets to  
20 which the candidate has a legal right of access or control at the time he  
21 becomes a candidate and with respect to which the candidate has either legal  
22 title or an equitable interest.

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

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

34 (d) Family contributions.

35 19. "Political committee" means a candidate or any association or  
36 combination of persons that is organized, conducted or combined for the  
37 purpose of influencing the result of any election or to determine whether an  
38 individual will become a candidate for election in this state or in any  
39 county, city, town, district or precinct in this state, that engages in  
40 political activity in behalf of or against a candidate for election or  
41 retention or in support of or opposition to an initiative, referendum or  
42 recall or any other measure or proposition and that applies for a serial  
43 number and circulates petitions and, in the case of a candidate for public  
44 office except those exempt pursuant to section 16-903, that receives  
45 contributions or makes expenditures of more than two hundred fifty dollars in

1 connection therewith, notwithstanding that the association or combination of  
2 persons may be part of a larger association, combination of persons or  
3 sponsoring organization not primarily organized, conducted or combined for  
4 the purpose of influencing the result of any election in this state or in any  
5 county, city, town or precinct in this state. Political committee includes  
6 the following types of committees:

7 (a) A candidate's campaign committee.

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

10 (c) A committee acting in support of or opposition to the  
11 qualification, passage or defeat of a ballot measure, question or  
12 proposition.

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

15 (e) A political party.

16 (f) A committee organized for the purpose of making independent  
17 expenditures.

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

20 (h) A political organization.

21 (i) An exploratory committee.

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

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

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

33 23. "Standing political committee" means a political committee that  
34 satisfies all of the following:

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

37 (b) Files a statement of organization as prescribed by section  
38 16-902.01, subsection E.

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

41 (i) A separate, segregated fund.

42 (ii) A political party.

43 (iii) A committee organized for the purpose of making independent  
44 expenditures.

45 (iv) A political organization.

1           24. "Statewide office" means the office of governor, secretary of  
2 state, state treasurer, attorney general, superintendent of public  
3 instruction, corporation commissioner or mine inspector.

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

7           Sec. 2. Section 16-902, Arizona Revised Statutes, is amended to read:  
8 16-902. Organization of political committees; accounting

9           A. Each political committee shall have a chairman and treasurer. The  
10 position of chairman and treasurer of a single political committee may not be  
11 held by the same individual, except that a candidate may be chairman and  
12 treasurer of his own campaign committee.

13           B. The name of each political committee shall include the name of any  
14 sponsoring organization, and, in the case of a candidate's campaign  
15 committee, the committee's name shall include the name of the candidate, or,  
16 if for an exploratory committee, the individual, who designated the committee  
17 pursuant to section 16-903.

18           C. Before a political committee accepts a contribution or makes an  
19 expenditure it shall designate one or more state banks, federally chartered  
20 depository institutions or depository institutions the deposits or accounts  
21 of which are insured by the federal deposit insurance corporation or the  
22 national credit union administration as its campaign depository or  
23 depositories. The political committee shall notify the filing officer of the  
24 designation of the financial institution either at the time of filing the  
25 statement of organization pursuant to section 16-902.01 or within five  
26 business days after opening an account. All withdrawals or disbursements  
27 from these accounts require the signature of the treasurer or a designated  
28 agent of the political committee.

29           D. IF A COMMITTEE RECEIVES CONTRIBUTIONS DESIGNATED FOR USE IN THE  
30 GENERAL ELECTION BEFORE THE PRIMARY ELECTION, THE COMMITTEE MUST USE AN  
31 ACCEPTABLE ACCOUNTING METHOD TO DISTINGUISH BETWEEN CONTRIBUTIONS RECEIVED  
32 FOR THE PRIMARY ELECTION AND CONTRIBUTIONS RECEIVED FOR THE GENERAL ELECTION.  
33 ACCEPTABLE ACCOUNTING METHODS INCLUDE DESIGNATING SEPARATE ACCOUNTS FOR EACH  
34 ELECTION OR ESTABLISHING SEPARATE BOOKS AND RECORDS FOR EACH ELECTION.

35           Sec. 3. Section 16-903, Arizona Revised Statutes, is amended to read:  
36 16-903. Candidate's campaign committees; exploratory  
37 committees; designation; candidate as agent; civil  
38 penalty

39           A. Each candidate who intends to receive contributions or make  
40 expenditures of more than five hundred dollars in connection with a campaign  
41 for office shall designate in the format prescribed by the filing officer a  
42 political committee for each election to serve as the candidate's campaign  
43 committee. SUBJECT TO SECTION 16-902, SUBSECTION D, A CANDIDATE SHALL ONLY  
44 DESIGNATE A SINGLE CANDIDATE CAMPAIGN COMMITTEE THAT APPLIES TO BOTH THE  
45 PRIMARY ELECTION AND THE GENERAL ELECTION FOR THAT DESIGNATED OFFICE. The

1 candidate shall make the designation pursuant to this subsection by filing a  
2 statement of organization before making any expenditures, accepting any  
3 contributions, distributing any campaign literature or circulating any  
4 petitions. Each candidate who intends to receive contributions or make  
5 expenditures of five hundred dollars or less shall file a signed exemption  
6 statement in the format prescribed by the filing officer that states that  
7 intention before making any expenditures, accepting any contributions,  
8 distributing any campaign literature or circulating petitions. If a  
9 candidate who has filed a five hundred dollar exemption statement receives  
10 contributions or makes expenditures of more than five hundred dollars, that  
11 candidate shall file a statement of organization with the filing officer  
12 within five business days after exceeding the five hundred dollar limit.

13 B. An individual who receives contributions or makes expenditures of  
14 more than five hundred dollars for the purpose of determining whether the  
15 individual will become a candidate for election to an office in this state  
16 shall designate in the format prescribed by the filing officer a political  
17 committee to serve as the individual's exploratory committee. The individual  
18 shall make the designation pursuant to this subsection before making any  
19 expenditures, accepting any contributions, circulating any petitions or  
20 distributing any campaign literature. IF AN INDIVIDUAL'S EXPLORATORY  
21 COMMITTEE RECEIVES CONTRIBUTIONS DESIGNATED FOR USE IN THE GENERAL ELECTION  
22 BEFORE THE PRIMARY ELECTION, THE COMMITTEE MUST USE AN ACCEPTABLE ACCOUNTING  
23 METHOD TO DISTINGUISH BETWEEN CONTRIBUTIONS RECEIVED FOR THE PRIMARY ELECTION  
24 AND CONTRIBUTIONS RECEIVED FOR THE GENERAL ELECTION. ACCEPTABLE ACCOUNTING  
25 METHODS INCLUDE DESIGNATING SEPARATE ACCOUNTS FOR EACH ELECTION OR  
26 ESTABLISHING SEPARATE BOOKS AND RECORDS FOR EACH ELECTION.

27 C. An individual may have only one exploratory committee in existence  
28 at one time. A candidate may have only one campaign committee designated for  
29 each election, but a candidate may have more than one campaign committee  
30 simultaneously in existence.

31 D. A political committee that supports or has supported another  
32 candidate or more than one candidate may not be designated as a candidate's  
33 campaign committee.

34 E. Any candidate who receives a contribution or any loan for use in  
35 connection with the campaign of that candidate for election or who makes a  
36 disbursement in connection with that campaign shall be deemed as having  
37 received the contribution or loan or as having made the disbursement as an  
38 agent of the candidate's campaign committee for purposes of this article.

39 F. An elected official is not deemed to have offered himself for  
40 nomination or election to an office within the meaning of section 38-296  
41 solely by his designation of a candidate campaign committee.

42 G. After designating an exploratory committee, a candidate may  
43 lawfully collect signatures on nomination petitions and receive  
44 contributions.

1 H. A person who violates this section is subject to a civil penalty  
2 imposed as prescribed in section 16-924 of up to three times the amount of  
3 money that has been received, expended or promised in violation of this  
4 section or up to three times the value in money for an equivalent of money or  
5 other things of value that have been received, expended or promised in  
6 violation of this section.

7 Sec. 4. Section 16-905, Arizona Revised Statutes, is amended to read:  
8 16-905. Contribution limitations; civil penalty; complaint

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

12 1. For an election for a legislative office, two thousand five hundred  
13 dollars from an individual.

14 2. For an election other than for a legislative office, two thousand  
15 five hundred dollars from an individual.

16 3. For an election for a legislative office, two thousand five hundred  
17 dollars from a single political committee, excluding a political party, not  
18 certified under subsection G of this section to make contributions at the  
19 higher limits prescribed by paragraph 5 of this subsection and subsection B,  
20 paragraph 3 of this section.

21 4. For an election other than for a legislative office, two thousand  
22 five hundred dollars from a single political committee, excluding a political  
23 party, not certified under subsection G of this section to make contributions  
24 at the higher limits prescribed by subsection B, paragraph 3 of this section.

25 5. Five thousand dollars from a single political committee, ~~excluding~~  
26 ~~a political party~~, THAT IS certified pursuant to subsection G of this  
27 section, EXCLUDING A POLITICAL PARTY AND EXCLUDING A CANDIDATE CAMPAIGN  
28 COMMITTEE FOR THE SAME CANDIDATE.

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

32 1. Two thousand five hundred dollars from an individual.

33 2. Two thousand five hundred dollars from a single political  
34 committee, excluding a political party, not certified under subsection G of  
35 this section to make contributions at the higher limits prescribed by  
36 subsection A, paragraph 5 of this section and paragraph 3 of this subsection.

37 3. Five thousand ten dollars from a single political committee  
38 ~~excluding political parties~~ THAT IS certified pursuant to subsection G of  
39 this section, EXCLUDING A POLITICAL PARTY.

40 C. A candidate may accept contributions from political committees,  
41 excluding political parties, as otherwise prescribed in this section and a  
42 candidate is not restricted as to the aggregate total that a candidate may  
43 lawfully receive from all political committees, excluding political parties.

44 D. A nominee of a political party shall not accept contributions from  
45 all political parties or political organizations combined totaling more than

1 ten thousand twenty dollars for an election for an office other than a  
2 statewide office, and one hundred thousand one hundred ten dollars for an  
3 election for a statewide office.

4 E. An individual may make contributions as otherwise prescribed by  
5 this section, and an individual is not restricted as to the aggregate total  
6 that an individual may give.

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

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

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

16 (a) Subject to the contribution limits of this section PER  
17 CONTRIBUTOR, transfer or contribute monies IN THE AGGREGATE from one  
18 committee to another if both committees have been designated for an election  
19 in the same year INCLUDING TO A COMMITTEE FOR ANOTHER OFFICE OR IN ANOTHER  
20 JURISDICTION.

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

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

39 H. The secretary of state biennially shall adjust to the nearest ten  
40 dollars the amounts in subsections A through E of this section by the  
41 percentage change in the consumer price index and publish the new amounts for  
42 distribution to election officials, candidates and campaign committees. For  
43 the purposes of this subsection, "consumer price index" means the consumer  
44 price index for all urban consumers, United States city average, that is

1 published by the United States department of labor, bureau of labor  
2 statistics.

3 I. The following specific limitations and procedures apply:

4 1. The limits of subsections A through E of this section apply to each  
5 election for any office or offices that the candidate seeks.

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

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

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

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

21 6. A CONTRIBUTION TO A CANDIDATE'S EXPLORATORY OR CAMPAIGN COMMITTEE  
22 SHALL BE APPLIED TO THE PRIMARY ELECTION UNLESS:

23 (a) THE CONTRIBUTOR HAS DESIGNATED OTHERWISE.

24 (b) THAT APPLICATION WOULD RESULT IN EXCEEDING A CONTRIBUTION LIMIT.  
25 IN THAT EVENT, THE COMMITTEE MAY:

26 (i) APPLY THAT PORTION OF THE CONTRIBUTION THAT EXCEEDS THE LIMIT TO  
27 THE GENERAL ELECTION. ANY PORTION APPLIED TO THE GENERAL ELECTION IS SUBJECT  
28 TO THE CONTRIBUTION LIMITS FOR THAT ELECTION AND FOR THAT CONTRIBUTOR.

29 (ii) REFUND THE EXCESS AMOUNT.

30 (c) THE CONTRIBUTION WAS RECEIVED AFTER THE PRIMARY ELECTION AND THE  
31 CONTRIBUTION WAS NOT BEING USED TO RETIRE PRIMARY ELECTION DEBT. IN THAT  
32 EVENT, THE CONTRIBUTION SHALL BE APPLIED TO THE GENERAL ELECTION SUBJECT TO  
33 THE CONTRIBUTION LIMITS FOR THAT ELECTION AND FOR THAT CONTRIBUTOR.

34 7. CONTRIBUTIONS MADE TO THE CANDIDATE'S GENERAL ELECTION ACCOUNT ARE  
35 SOLELY FOR INFLUENCING THE GENERAL ELECTION. AFTER THE PRIMARY ELECTION,  
36 UNEXPENDED OR UNENCUMBERED PRIMARY ELECTION ACCOUNT CONTRIBUTIONS MAY BE  
37 TRANSFERRED TO THE GENERAL ELECTION ACCOUNT IF THE CANDIDATE PREVAILED IN THE  
38 PRIMARY ELECTION OR IF THE CANDIDATE HAS FILED PURSUANT TO SECTION 16-341.  
39 AFTER THE GENERAL ELECTION, CONTRIBUTIONS IN EITHER ACCOUNT MAY BE COMBINED  
40 INTO A PRIMARY ELECTION ACCOUNT OR A GENERAL ELECTION ACCOUNT FOR USE IN A  
41 SUBSEQUENT ELECTION.

42 ~~6-~~ 8. An individual or political committee shall not use economic  
43 influence to induce members of an organization to make contributions to a  
44 candidate, collect contributions from members of an organization for  
45 transmittal to a candidate, make payments to candidates for public

1 appearances or services that are ordinarily uncompensated or use any similar  
2 device to circumvent any of the limitations of this section.

3 J. A person who violates this section is subject to a civil penalty  
4 imposed as prescribed in section 16-924 of three times the amount of money  
5 that has been received, expended or promised in violation of this section or  
6 three times the value in money for an equivalent of money or other things of  
7 value that have been received, expended or promised in violation of this  
8 section.

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

13 L. If the filing officer, attorney general or county attorney fails to  
14 institute an action within forty-five working days after receiving a  
15 complaint under subsection K of this section, the individual filing the  
16 complaint may bring a civil action in the individual's own name and at the  
17 individual's own expense, with the same effect as if brought by the filing  
18 officer, attorney general or county attorney. The individual shall execute a  
19 bond payable to the defendant if the individual fails to prosecute the action  
20 successfully. The court shall award to the prevailing party costs and  
21 reasonable attorney fees.

22 M. If a provision of this section or its application to any person or  
23 circumstance is held invalid, the invalidity does not affect other provisions  
24 or applications of the section that can be given effect without the invalid  
25 provision or application, and to this end the provisions of this section are  
26 severable.

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

30 Sec. 5. Retroactivity

31 A. Sections 16-901, 16-902, 16-903 and 16-905, Arizona Revised  
32 Statutes, as amended by this act, apply retroactively to from and after  
33 September 12, 2013.

34 B. Section 16-905, subsection C, Arizona Revised Statutes, applies  
35 retroactively to all contributions made for an election in the 2014 election  
36 cycle.

37 Sec. 6. Applicability; separate committees; allocations

38 For the 2014 primary and general elections:

39 1. A person is not required and shall not be required to have separate  
40 political committees for the primary election and the general election in  
41 order to receive a contribution for either of those elections if the person  
42 has established at least one candidate committee or exploratory committee for  
43 an election in the 2014 election cycle.

1           2. Candidates who had monies remaining from the 2012 election or  
2 earlier may allocate those monies or portions of those monies to either a  
3 primary election account or a general election account without limitation.

4           3. Notwithstanding section 16-905, subsection F, paragraph 2,  
5 subdivision (a), Arizona Revised Statutes, as amended by this act, unless the  
6 contributor specified otherwise, candidates who received contributions from  
7 individuals or committees between September 13, 2013 and the effective date  
8 of this act and who allocated those contributions to the general election  
9 account may reallocate to the primary election account up to an amount that  
10 does not violate the contribution limits prescribed in section 16-905,  
11 Arizona Revised Statutes, as amended by this act. Contributions allocated in  
12 this manner may not be credited to another individual contributor or  
13 committee.

14           Sec. 7. Secretary of state; campaign finance reporting system

15           As soon as is practicable but not later than March 31, 2014, the office  
16 of the secretary of state shall modify the electronic campaign finance  
17 reporting system operated by that office to incorporate the amendments made  
18 to this state's campaign finance laws by this act and shall combine separate  
19 committees created for the primary and general elections into one committee  
20 for the 2014 election cycle.

21           Sec. 8. Legislative intent; contribution limitations; Arizona  
22 Citizens Clean Elections Commission v. Brain

23           It is the intent of the legislature by this act to confirm that  
24 amendments to campaign contribution limits made to sections 16-901 and  
25 16-905, Arizona Revised Statutes, as amended by Laws 2013, chapter 98, that  
26 were reinstated by order of the Arizona supreme court filed December 17, 2013  
27 in Arizona Citizens Clean Elections Commission v. Brain, CV-13-0341-PR, are  
28 effective beginning from and after September 12, 2013 and are and have been  
29 applicable continuously since that date and that contributions that are made  
30 after September 13, 2013 and that are in compliance with Laws 2013, chapter  
31 98 are lawful without regard to whether the contributions were made before or  
32 after the December 17, 2013 order.

33           Sec. 9. Emergency

34           This act is an emergency measure that is necessary to preserve the  
35 public peace, health or safety and is operative immediately as provided by  
36 law.