

REFERENCE TITLE: disclosures; lobbyists; special events; gifts

State of Arizona
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SB 1069

Introduced by
Senators Ableser, Farley, Gallardo, Hobbs; Representative Mendez; Senators
Bradley, Meza, Pancrazi, Tovar; Representative Sherwood

AN ACT

AMENDING SECTIONS 41-1231, 41-1232.02, 41-1232.03 AND 41-1232.08, ARIZONA
REVISED STATUTES; RELATING TO REGISTRATION AND REGULATION OF LOBBYISTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 41-1231, Arizona Revised Statutes, is amended to
3 read:

4 41-1231. Definitions

5 In this article, unless the context otherwise requires:

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

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

16 3. "Designated lobbyist" means the person who is designated by a
17 principal as the single point of contact for the principal and who is listed
18 as the designated lobbyist by the principal in its registration pursuant to
19 section 41-1232.

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

24 5. "Entertainment" means the amount of any expenditure paid or
25 incurred for admission to any sporting or cultural event or for participation
26 in any sporting or cultural activity.

27 6. "Expenditure" means a payment, distribution, loan, advance, deposit
28 or gift of money or anything of value and includes a contract, promise or
29 agreement, whether or not legally enforceable, to make an expenditure that
30 provides a benefit to an individual state officer or state employee and that
31 is incurred by or on behalf of one or more principals, public bodies,
32 lobbyists, designated public lobbyists or authorized public lobbyists.

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

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

43 ~~9.~~ 8. "Gift" means a payment, distribution, expenditure, advance,
44 deposit or donation of money, any intangible personal property or any kind of

1 tangible personal or real property. For the purposes of this article, gift
2 does not include:

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

8 ~~(b) Expenditures that are either properly reported or exempt from~~
9 ~~reporting under this chapter for:~~

10 ~~(i) A speaking engagement.~~

11 ~~(ii) Food or beverages.~~

12 ~~(iii) Travel and lodging.~~

13 ~~(iv) Flowers.~~

14 ~~(c)~~ (b) Salary, compensation or employer reimbursed expenses lawfully
15 paid to a public official.

16 ~~(d)~~ (c) The value, cost or price of professional or consulting
17 services that are not rendered to obtain a benefit for any registered
18 principal, public body, lobbyist, designated public lobbyist or authorized
19 public lobbyist or the clients of a principal or lobbyist.

20 ~~(e) Expenses relating to a special event or function to which all~~
21 ~~members of the legislature, either house of the legislature or any committee~~
22 ~~of the legislature are invited.~~

23 ~~(f)~~ (d) A plaque or other form of recognition similar to a plaque to
24 a state officer or state employee to signify the honorary recognition of a
25 service or other notable accomplishment.

26 ~~(g)~~ (e) Informational material such as books, reports, pamphlets,
27 calendars or periodicals.

28 ~~(h)~~ (f) An item that is not used and that is returned within fifteen
29 days of receipt to the donor or that is delivered within fifteen days of
30 receipt to a charitable organization and that is not claimed as a charitable
31 contribution for state or federal income tax purposes.

32 ~~(i)~~ (g) A campaign contribution that is properly received and
33 reported as required by law.

34 ~~(j) An item that is given to a state officer or employee if the state~~
35 ~~officer or employee gives an item of approximately the same value to the~~
36 ~~giver of the item at the same time that the item is given or on a similar~~
37 ~~occasion as the one that prompted the original item to be given.~~

38 ~~(k) Gifts of a personal nature that were customarily received by an~~
39 ~~individual from the donor before the individual became a state officer or~~
40 ~~employee.~~

41 ~~(l)~~ (h) An item that is given to the general public at an event.

42 ~~10.~~ 9. "Legislation" means bills, resolutions, memorials, amendments,
43 nominations and other matters that are pending or proposed in either house of
44 the legislature of this state.

1 ~~11.~~ 10. "Lobbying":
2 (a) Means attempting to influence the passage or defeat of any
3 legislation by directly communicating with any legislator or attempting to
4 influence any formal rule making proceeding pursuant to chapter 6 of this
5 title or rule making proceedings that are exempt from chapter 6 of this title
6 by directly communicating with any state officer or employee.
7 (b) Includes, for a person who is otherwise required to be registered
8 as a lobbyist for compensation pursuant to this article, attempting to
9 influence the procurement of materials, services or construction by an agency
10 as defined in section 41-1001, including the office of the governor.
11 (c) Does not include:
12 (i) Interagency communications between state agency employees.
13 (ii) Communications between a public official or employee of a public
14 body, designated public lobbyist or authorized public lobbyist and any state
15 officer, except for a member of the legislature, or an employee of the
16 legislature.
17 (iii) Oral questions or comments made by a person to a state officer
18 or employee regarding a proposed rule and made in public at a meeting or
19 workshop that is open to the public and that is sponsored by a state agency,
20 board, commission, council or office.
21 (iv) Communications between a public body and a self-employed person
22 or person employed by a partnership or company regarding the procurement of
23 materials, services or construction unless the self-employed person or person
24 employed by a partnership or company is otherwise required to register
25 pursuant to this article or is employed by, supervised by at any level or
26 contracted with a person who is otherwise required to register pursuant to
27 this article.
28 ~~12.~~ 11. "Lobbyist" means any person, other than a designated public
29 lobbyist or authorized public lobbyist, who is employed by, retained by or
30 representing a person other than himself, with or without compensation, for
31 the purpose of lobbying and who is listed as a lobbyist by the principal in
32 its registration pursuant to section 41-1232. Lobbyist includes a lobbyist
33 for compensation, designated lobbyist and authorized lobbyist.
34 ~~13.~~ 12. "Lobbyist for compensation" means a lobbyist who is
35 compensated for the primary purpose of lobbying on behalf of a principal and
36 who is listed by the principal in its registration pursuant to section
37 41-1232.
38 ~~14.~~ 13. "Person" means an individual, partnership, committee,
39 association or corporation and any other organization or group of persons,
40 except legislators and political parties qualified for representation on the
41 ballot pursuant to section 16-801 or 16-804.
42 ~~15.~~ 14. "Personal hospitality" means hospitality, meals, beverages,
43 transportation or lodging furnished but not commercially provided by a person
44 on property or facilities owned or possessed by the person or the person's
45 family.

1 ~~16.~~ 15. "Principal" means any person, other than a public body, that
2 employs, retains, engages or uses, with or without compensation, a lobbyist.
3 Principal includes any subsidiary of a corporation.

4 ~~17.~~ 16. "Procurement" has the same meaning prescribed in section
5 41-2503.

6 ~~18.~~ 17. "Public body" means the Arizona board of regents, a university
7 under the jurisdiction of the Arizona board of regents, the judicial
8 department, any state agency, board, commission or council, any county, any
9 county elected officer who elects to appoint a designated public lobbyist or
10 any city, town, district or other political subdivision of this state that
11 receives and uses tax revenues and that employs, retains, engages or uses,
12 with or without compensation, a designated public lobbyist or authorized
13 public lobbyist.

14 ~~19.~~ 18. "Public official" means a person who is duly elected,
15 appointed or retained through election to an elected state, county or local
16 office.

17 ~~20.~~ 19. "Single expenditure" means an expenditure that provides a
18 benefit of more than twenty dollars to an individual state officer or state
19 employee and that is incurred by or on behalf of one or more principals,
20 public bodies, lobbyists, designated public lobbyists or authorized public
21 lobbyists.

22 ~~21. "Speaking engagement":~~

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

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

35 ~~22.~~ 20. "State employee" means an employee of the legislature, a
36 university under the jurisdiction of the Arizona board of regents, the
37 judicial department or a state office, agency, board, commission or council.

38 ~~23.~~ 21. "State officer" means a person who is duly elected, appointed
39 or retained through election to any state office, or a member of any state
40 board, commission or council, and includes a member of the legislature.

1 is a Saturday, Sunday or other legal holiday. In that case, the report shall
2 be filed the next business day.

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

- 5 ~~1. Food or beverages.~~
- 6 ~~2. Speaking engagement.~~
- 7 ~~3. Travel and lodging.~~
- 8 ~~4. Flowers.~~

- 9 1. SALARY OR OTHER COMPENSATION.
- 10 2. PROFESSIONAL OR CONSULTING SERVICES.
- 11 3. PLAQUE OR OTHER RECOGNITION.
- 12 4. INFORMATIONAL MATERIAL.
- 13 5. Other expenditures.

14 E. Expenditures by principals and lobbyists such as those for the
15 lobbyist's personal sustenance, office expenses, filing fees, legal fees,
16 employees' compensation, lodging and travel are not required to be reported.
17 In addition, expenditures by a principal or a lobbyist for family gifts,
18 personal hospitality or those items excluded from the definition of gift
19 pursuant to section 41-1231, paragraph ~~9~~ 8, subdivision (a), ~~(c), (d)~~, (f),
20 (g), ~~OR (h), (i), (j), (k) or (l)~~ are not required to be reported.

21 ~~F. All expenditures incurred by a principal or lobbyist in the case of
22 special events for legislators, including parties, dinners, athletic events,
23 entertainment and other functions, to which all members of the legislature,
24 either house of the legislature or any committee of the legislature are
25 invited shall be reported. Expenditures are not required to be allocated to
26 individual legislators, but for each such event a description of the event
27 and the date, location, name of the legislative body invited and total
28 expenditures incurred shall be reported. Expenditures for special events
29 held in conjunction with state, national or regional meetings of an
30 organization or association concerned or dealing with legislative or other
31 governmental activities to which all state officers or state employees in
32 attendance at such event are invited shall be reported in the same manner.~~

33 ~~G.~~ F. All information required to be filed pursuant to this section
34 with the secretary of state shall be filed in that office and preserved by
35 the secretary of state for five years from the date of filing, after which
36 time the information shall be destroyed. The information is a public record
37 and open to public inspection.

38 ~~H.~~ G. If a principal, lobbyist for compensation or designated
39 lobbyist makes no expenditures that it would otherwise be required to report
40 during a specified reporting period, the principal, lobbyist for compensation
41 or designated lobbyist may sign a notarized form prescribed by the secretary
42 of state indicating that there were no expenditures during the specific
43 reporting period.

44 ~~I.~~ H. A person or organization shall not make a gift to or an
45 expenditure on behalf of a state officer or employee through another person

1 or organization for the purpose of disguising the identity of the person
2 making the gift or expenditure.

3 ~~+~~ 1. A principal or lobbyist or any other person acting on behalf of
4 a principal or lobbyist shall not give to any state officer or state employee
5 and a state officer or state employee shall not accept from a principal or
6 lobbyist either of the following:

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

9 2. Gifts that are designed to influence the state officer's or state
10 employee's official conduct.

11 Sec. 3. Section 41-1232.03, Arizona Revised Statutes, is amended to
12 read:

13 41-1232.03. Expenditure reporting; public bodies and public
14 lobbyists; gifts

15 A. Each public body shall report annually all single expenditures
16 received by or benefitting a member of the legislature whether or not the
17 expenditures were made in the course of lobbying. These expenditures shall
18 be itemized separately, and each itemization shall include the date of the
19 expenditure, the amount of the expenditure, the name of each member of the
20 legislature receiving or benefitting from the expenditure, the category of
21 the expenditure and the name of the designated public lobbyist or authorized
22 public lobbyist who made the expenditure on behalf of the public body. In
23 addition each public body shall report annually the aggregate of all
24 expenditures of twenty dollars or less received by or benefitting a member of
25 the legislature, whether or not the expenditures were made in the course of
26 lobbying. The report shall list all expenditures by the public body made in
27 the course of lobbying for the personal sustenance, filing fee, legal fees,
28 employees' compensation, meals, lodging and travel of the designated public
29 lobbyist and all authorized public lobbyists employed or retained by, and
30 representing, the public body. The public body shall apportion expenditures
31 that are attributable both to lobbying and to other activities of the public
32 body and shall report only the portion attributable to lobbying. For the
33 purpose of reporting employee compensation, a public body, on establishing a
34 time allocation schedule for apportioned lobbying activity based on actual
35 experience under this article, may submit after the 1993 calendar year an
36 affidavit to the secretary of state stating the compensation attributable to
37 lobbying for subsequent years for the designated public lobbyist and all
38 authorized public lobbyists whose job responsibilities have not been
39 significantly altered since the time allocation schedule was established.
40 The report shall be filed by March 1 and shall list the annual expenditures
41 made on behalf of the public body. If March 1 is a Saturday, Sunday or other
42 legal holiday, the report shall be filed on the next business day.

43 B. Each designated public lobbyist shall report quarterly all single
44 expenditures received by or benefitting a member of the legislature and
45 incurred in the preceding calendar quarter by the designated public lobbyist,

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

21 C. Each designated public lobbyist shall also report quarterly the
22 aggregate of all expenditures of twenty dollars or less received by or
23 benefitting a member of the legislature, whether or not the expenditures were
24 made in the course of lobbying. Each designated public lobbyist's report
25 shall also include the aggregate of all expenditures of twenty dollars or
26 less that were received by or benefitted a member of the legislature and that
27 were made by an authorized public lobbyist who is registered pursuant to
28 section 41-1232.01 by the same public body that registered the designated
29 public lobbyist. This subsection does not apply to an expenditure that was
30 made by a designated public lobbyist or authorized public lobbyist and that
31 was received by or benefitted an employee of a public body, if the employee
32 is not a member or employee of the legislature or a member of the household
33 of a member or employee of the legislature. The report shall list separately
34 the aggregate of expenditures made on behalf of each public body and the
35 aggregate not made on behalf of any public body. In the fourth calendar
36 quarter, these expenditures shall also be listed by cumulative total for the
37 calendar year. Each quarterly lobbyist report shall include all reportable
38 expenditures made by any employee of the designated public lobbyist or
39 authorized public lobbyist, regardless of whether that employee is listed as
40 a designated public lobbyist or authorized public lobbyist on any
41 registration filed by a public body engaging the designated public lobbyist
42 or authorized public lobbyist. The quarterly report shall be filed no later
43 than the last day of the month following the end of the calendar quarter,
44 unless the last day of the month is a Saturday, Sunday or other legal
45 holiday. In that case, the report shall be filed on the next business day.

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

- 4 ~~1. Food or beverages.~~
- 5 ~~2. Speaking engagement.~~
- 6 ~~3. Travel and lodging.~~
- 7 ~~4. Flowers.~~

- 8 1. SALARY OR OTHER COMPENSATION.
- 9 2. PROFESSIONAL OR CONSULTING SERVICES.
- 10 3. PLAQUE OR OTHER RECOGNITION.
- 11 4. INFORMATIONAL MATERIAL.
- 12 5. Other expenditures.

13 E. Expenditures by a public body, designated public lobbyist or
14 authorized public lobbyist for personal sustenance, family gifts, personal
15 hospitality or those items excluded from the definition of gift pursuant to
16 section 41-1231, paragraph ~~9~~ 8, subdivision (a), ~~(c), (d),~~ (f), (g), ~~OR~~
17 ~~(h), (i), (j), (k) or (l)~~ are not required to be reported.

18 ~~F. All expenditures incurred by a public body, designated public~~
19 ~~lobbyist or authorized public lobbyist in the case of special events for~~
20 ~~legislators, including parties, dinners, athletic events, entertainment and~~
21 ~~other functions, to which all members of the legislature, either house of the~~
22 ~~legislature or any committee of the legislature are invited shall be~~
23 ~~reported. Expenditures are not required to be allocated to individual~~
24 ~~legislators, but for each such event a description of the event and the date,~~
25 ~~location, name of the legislative body invited and total expenditures~~
26 ~~incurred shall be reported. Expenditures for special events held in~~
27 ~~conjunction with state, national or regional meetings of an organization or~~
28 ~~association concerned or dealing with legislative or other governmental~~
29 ~~activities to which all members or employees of the legislature in attendance~~
30 ~~at such event are invited shall be reported in the same manner.~~

31 ~~G.~~ F. All information required to be filed pursuant to this section
32 with the secretary of state shall be filed in that office and preserved by
33 the secretary of state for five years from the date of filing, after which
34 time the information shall be destroyed. The information is a public record
35 and open to public inspection.

36 ~~H.~~ G. If a public body or designated public lobbyist makes no
37 expenditures that it would otherwise be required to report during a specified
38 reporting period, the public body or designated public lobbyist may sign a
39 notarized form prescribed by the secretary of state indicating that there
40 were no expenditures during the specific reporting period.

41 ~~I.~~ H. A person or organization shall not make a gift to or an
42 expenditure on behalf of a member or employee of the legislature through
43 another person or organization for the purpose of disguising the identity of
44 the person making the gift or expenditure.

1 ~~J~~ I. A public body, designated public lobbyist or authorized public
2 lobbyist or any other person acting on behalf of a public body, designated
3 public lobbyist or authorized public lobbyist shall not give to any member of
4 the legislature and a member of the legislature shall not accept from a
5 public body, designated public lobbyist or authorized public lobbyist either
6 of the following:

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

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

11 ~~K~~ J. Subsection ~~J~~ I of this section does not apply to gifts given
12 by a public body, designated public lobbyist or authorized public lobbyist to
13 an employee of a public body, if the employee is not a public official or a
14 member of the household of a public official or if the gift is accepted on
15 behalf of the public body and remains the property of the public body.

16 Sec. 4. Section 41-1232.08, Arizona Revised Statutes, is amended to
17 read:

18 41-1232.08. Entertainment ban; state and political
19 subdivisions; exceptions

20 A. A principal, designated lobbyist, authorized lobbyist, lobbyist for
21 compensation, public body, designated public lobbyist or authorized public
22 lobbyist or any other person acting on that person's behalf shall not make an
23 expenditure or single expenditure for entertainment for a state officer or
24 state employee. A state officer or state employee shall not accept an
25 expenditure or single expenditure for entertainment from a principal,
26 designated lobbyist, authorized lobbyist, lobbyist for compensation, public
27 body, designated public lobbyist or authorized public lobbyist or any other
28 person acting on that person's behalf.

29 B. A person who for compensation attempts to influence the procurement
30 of materials, services or construction by an agency as defined in section
31 41-1001, including the office of the governor, or the passage or defeat of
32 legislation, ordinances, rules, regulations, nominations and other matters
33 that are pending or proposed or that are subject to formal approval by the
34 corporation commission, a county board of supervisors, a city or town
35 governing body or a school district governing board or any person acting on
36 that person's behalf shall not make an expenditure or single expenditure for
37 entertainment for an elected or appointed member of the corporation
38 commission, a county board of supervisors, a city or town governing body or a
39 school district governing board. An elected or appointed member of the
40 corporation commission, a county board of supervisors, a city or town
41 governing body or a school district governing board shall not accept an
42 expenditure or single expenditure for entertainment from a person who for
43 compensation attempts to influence the procurement of materials, services or
44 construction by an agency as defined in section 41-1001, including the office
45 of the governor, or the passage or defeat of legislation, ordinances, rules,

1 regulations, nominations and other matters that are pending or proposed or
2 that are subject to formal approval by the corporation commission, a county
3 board of supervisors, a city or town governing body or a school district
4 governing board.

5 C. This section ~~shall~~ DOES not apply to:—

6 ~~1. Entertainment in connection with a special event properly reported~~
7 ~~pursuant to this article.~~

8 ~~2. Entertainment that is incidental to a speaking engagement.~~

9 ~~3.~~ the following persons while attending or participating in any
10 sporting or cultural event or activity, sponsored by the board, district or
11 institution, in a facility that is owned or operated by the board, district
12 or institution:

13 ~~(a)~~ 1. Employees of a school district governing board.

14 ~~(b)~~ 2. Employees of a community college district governing board.

15 ~~(c)~~ 3. Employees of any institution under the jurisdiction of the
16 Arizona board of regents.

17 ~~D. The provisions of this article that define special events for~~
18 ~~legislators apply to special events for members of the Arizona board of~~
19 ~~regents.~~