

REFERENCE TITLE: campaign finance; clean elections; violations

State of Arizona
Senate
Fifty-second Legislature
Second Regular Session
2016

SB 1480

Introduced by
Senator Sherwood

AN ACT

AMENDING SECTIONS 16-903, 16-905, 16-913, 16-916, 16-924, 16-942 AND 16-956,
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 16-903, Arizona Revised Statutes, is amended to
3 read:

4 16-903. Candidate's campaign committees; exploratory
5 committees; designation; candidate as agent;
6 violation; classification

7 A. Each candidate who intends to receive contributions or make
8 expenditures of more than five hundred dollars in connection with a campaign
9 for office shall designate in the format prescribed by the filing officer a
10 political committee for each election cycle to serve as the candidate's
11 campaign committee. The candidate shall make the designation pursuant to
12 this subsection by filing a statement of organization before making any
13 expenditures, accepting any contributions, distributing any campaign
14 literature or circulating any petitions. Each candidate who intends to
15 receive contributions or make expenditures of five hundred dollars or less
16 shall file a signed exemption statement in the format prescribed by the
17 filing officer that states that intention before making any expenditures,
18 accepting any contributions, distributing any campaign literature or
19 circulating petitions. If a candidate who has filed a five hundred dollar
20 exemption statement receives contributions or makes expenditures of more than
21 five hundred dollars, that candidate shall file a statement of organization
22 with the filing officer within five business days after exceeding the five
23 hundred dollar limit.

24 B. An individual who receives contributions or makes expenditures of
25 more than five hundred dollars for the purpose of determining whether the
26 individual will become a candidate for election to an office in this state
27 shall designate in the format prescribed by the filing officer a political
28 committee to serve as the individual's exploratory committee. The individual
29 shall make the designation pursuant to this subsection before making any
30 expenditures, accepting any contributions, circulating any petitions or
31 distributing any campaign literature.

32 C. An individual may have only one exploratory committee in existence
33 at one time. A candidate may have only one campaign committee designated for
34 each election cycle, but a candidate may have more than one campaign
35 committee simultaneously in existence.

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

39 E. Any candidate who receives a contribution or any loan for use in
40 connection with the campaign of that candidate for election or who makes a
41 disbursement in connection with that campaign shall be deemed as having
42 received the contribution or loan or as having made the disbursement as an
43 agent of the candidate's campaign committee for purposes of this article.

44 F. An elected official is not deemed to have offered himself for
45 nomination or election to an office within the meaning of section 38-296

1 solely by the elected official's designation of a candidate campaign
2 committee.

3 G. After designating an exploratory committee, a candidate may
4 lawfully collect signatures on nomination petitions and receive
5 contributions.

6 H. A person who ~~violates this section is subject to a civil penalty~~
7 ~~imposed as prescribed in section 16-924 of up to three times the amount of~~
8 ~~money that has been received, expended or promised in violation of this~~
9 ~~section or up to three times the value in money for an equivalent of money or~~
10 ~~other things of value that have been received, expended or promised in~~
11 ~~violation of this section~~ KNOWINGLY OR INTENTIONALLY MISSTATES OR FAILS TO
12 FULLY DISCLOSE A CONTRIBUTION OR EXPENDITURE OR ANY OTHER THING REQUIRED TO
13 BE REPORTED BY THIS ARTICLE IS GUILTY OF A CLASS 1 MISDEMEANOR.

14 Sec. 2. Section 16-905, Arizona Revised Statutes, is amended to read:
15 16-905. Contribution limitations; violation; classification;
16 civil penalty; complaint; reductions

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

20 1. For an election for a legislative office, six thousand two hundred
21 fifty dollars per election cycle from an individual.

22 2. For an election other than for a legislative office, six thousand
23 two hundred fifty dollars per election cycle from an individual.

24 3. For an election for a legislative office, six thousand two hundred
25 fifty dollars per election cycle from a single political committee, excluding
26 a political party, not certified under subsection G of this section to make
27 contributions at the higher limits prescribed by paragraph 5 of this
28 subsection and subsection B, paragraph 3 of this section.

29 4. For an election other than for a legislative office, six thousand
30 two hundred fifty dollars per election cycle from a single political
31 committee, excluding a political party, not certified under subsection G of
32 this section to make contributions at the higher limits prescribed by
33 subsection B, paragraph 3 of this section.

34 5. Twelve thousand five hundred dollars per election cycle from a
35 single political committee that is certified pursuant to subsection G of this
36 section, excluding a political party.

37 6. Six thousand two hundred fifty dollars per election cycle from a
38 single partnership. Contributions from a partnership shall be allocated to
39 the individual partners who are contributing, as designated by the
40 partnership. Partnership contributions from designated partners shall be
41 combined with other contributions by that individual partner to the same
42 recipient and are subject to the limits on an individual prescribed by this
43 section. Nonpartnership monies that are contributed by an individual shall
44 not be counted against the partnership contribution limit for that same
45 recipient.

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

4 1. Six thousand two hundred fifty dollars per election cycle from an
5 individual.

6 2. Six thousand two hundred fifty dollars per election cycle from a
7 single political committee, excluding a political party, not certified under
8 subsection G of this section to make contributions at the higher limits
9 prescribed by subsection A, paragraph 5 of this section and paragraph 3 of
10 this subsection.

11 3. Twelve thousand five hundred dollars per election cycle from a
12 single political committee that is certified pursuant to subsection G of this
13 section, excluding a political party.

14 4. Six thousand two hundred fifty dollars per election cycle from a
15 single partnership. Contributions from a partnership shall be allocated to
16 the individual partners who are contributing, as designated by the
17 partnership. Partnership contributions from designated partners shall be
18 combined with other contributions by that individual partner to the same
19 recipient and are subject to the limits on an individual prescribed by this
20 section. Nonpartnership monies that are contributed by an individual shall
21 not be counted against the partnership contribution limit for that same
22 recipient.

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

27 D. A nominee of a political party shall not accept contributions from
28 all political parties or political organizations combined totaling more than
29 ten thousand dollars for an election for an office other than a statewide
30 office, and one hundred thousand dollars for an election for a statewide
31 office.

32 E. An individual may make contributions as otherwise prescribed by
33 this section, and an individual is not restricted as to the aggregate total
34 that an individual may give. An individual may make an otherwise lawful
35 contribution using personal monies contained in a revocable trust, which
36 shall be reported as an individual contribution and which is subject to the
37 limits on an individual contribution.

38 F. A candidate's campaign committee or an individual's exploratory
39 committee shall not make a loan and shall not transfer or contribute money to
40 any other campaign or exploratory committee that is designated pursuant to
41 this chapter or 52 United States Code section 30101 except as follows:

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

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

3 (a) Subject to the contribution limits of this section per
4 contributor, transfer or contribute monies in the aggregate from one
5 committee to another if both committees have been designated for an election
6 in the same year including to a committee for another office or in another
7 jurisdiction.

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

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

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

34 I. The following specific limitations and procedures apply:

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

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

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

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

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

8 6. After the general election, all contributions may be combined for
9 use in a subsequent election cycle.

10 7. An individual or political committee shall not use economic
11 influence to induce members of an organization to make contributions to a
12 candidate, collect contributions from members of an organization for
13 transmittal to a candidate, make payments to candidates for public
14 appearances or services that are ordinarily uncompensated or use any similar
15 device to circumvent any of the limitations of this section.

16 J. A person who **KNOWINGLY** violates this section is **GUILTY OF A CLASS 1**
17 **MISDEMEANOR. A PERSON WHO UNKNOWINGLY VIOLATES THIS SECTION IS** subject to a
18 civil penalty imposed as prescribed in section 16-924 of three times the
19 amount of money that has been received, expended or promised in violation of
20 this section or three times the value in money for an equivalent of money or
21 other things of value that have been received, expended or promised in
22 violation of this section.

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

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

36 M. If a provision of this section or its application to any person or
37 circumstance is held invalid, the invalidity does not affect other provisions
38 or applications of the section that can be given effect without the invalid
39 provision or application, and to this end the provisions of this section are
40 severable.

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

1 0. For any statewide or legislative candidate who is not participating
2 in the citizens clean elections act funding system established pursuant to
3 article 2 of this chapter:

4 1. Complaints and investigations relating to an alleged violation of
5 this article are subject only to the jurisdiction, penalties and procedures
6 established pursuant to this article and the enforcement and investigative
7 authority of the secretary of state and attorney general.

8 2. The citizens clean elections commission has no authority to accept,
9 investigate or otherwise act on any complaint involving an alleged violation
10 of this article.

11 Sec. 3. Section 16-913, Arizona Revised Statutes, is amended to read:
12 16-913. Campaign finance reports; reporting of receipts and
13 disbursements; exemptions; civil penalty; violation;
14 classification

15 A. Except as provided in subsection K of this section, each political
16 committee shall file campaign finance reports in the format prescribed by the
17 filing officer setting forth the committee's receipts and disbursements
18 according to the schedule prescribed in subsections B and C of this section.

19 B. In any calendar year during which there is a regularly scheduled
20 election at which any candidates, measures, questions or propositions appear
21 or may appear on the ballot, the political committee shall file each of the
22 following campaign finance reports:

23 1. A report covering the period beginning January 1 through May 31,
24 filed no later than June 30.

25 2. A preelection report, that shall be filed not less than four days
26 before any election and that shall be complete through the twelfth day before
27 the election.

28 3. A postelection report, that shall be filed not more than thirty
29 days after any election and that shall be complete through the twentieth day
30 after the election.

31 C. In any other calendar year, the political committee shall file a
32 report covering the period beginning twenty-one days after the date of the
33 election in the preceding calendar year through December 31 of the
34 nonelection year filed no later than January 31 of the following calendar
35 year. For a special election for which the secretary of state is the filing
36 officer, a political committee that receives contributions or makes
37 expenditures to influence that election shall file the following:

38 1. For an initiative, referendum or recall, a preelection report that
39 is due within fifteen days of filing the petition with the secretary of state
40 and **THAT IS** current through the date the petition was filed.

41 2. A preelection report that is due within fifteen days of the
42 governor's proclamation calling the special election and **THAT IS** current
43 through the date of the governor's proclamation.

44 3. A preelection report that is due as prescribed by subsection B,
45 paragraph 2 of this section.

1 4. A postelection report that is due as prescribed by subsection B,
2 paragraph 3 of this section.

3 D. In the event that a political committee receives no contributions
4 and makes no expenditures during a period in which it is required to file a
5 campaign finance report, the committee treasurer or if the treasurer is
6 unavailable the candidate, in lieu of filing a report required by subsection
7 B of this section, may sign and file a form prescribed by the secretary of
8 state indicating no activity during the specific reporting period.

9 E. In lieu of the reports prescribed in subsections B and C of this
10 section, a candidate's political committee that remains active after an
11 election due to outstanding debts may file a document no later than January
12 31 in a form prescribed by the secretary of state that states that the
13 committee does not intend to receive any contributions or make any
14 expenditures during the year. If a candidate's political committee does
15 receive a contribution or make an expenditure during that year, the committee
16 shall report as prescribed by subsection B or C of this section.

17 F. A judge who has filed a declaration of the desire to be retained in
18 office is exempt from filing any report required by this section if the
19 judge, not later than twelve days before the general election, files a
20 statement signed and sworn to by the judge certifying that the judge has
21 received no contributions, has made no expenditures and has no campaign
22 committee and that the judge does not intend to receive contributions, make
23 expenditures or have a campaign committee for the purpose of influencing the
24 result of the vote on the question of the judge's retention. With respect to
25 superior court judges, a statement filed pursuant to this subsection is
26 effective until the earlier of twelve days before the third general election
27 following the filing of this statement or the judge receives contributions,
28 makes expenditures or authorizes a campaign committee. Such a statement
29 filed by a supreme court justice or a court of appeals judge is effective
30 until the earlier of twelve days before the fourth general election following
31 the filing of this statement or the justice or judge receives contributions,
32 makes expenditures or authorizes a campaign committee.

33 G. Reports in connection with special or recall elections shall
34 conform to the filing deadlines set forth in subsections B and C of this
35 section.

36 H. Except as provided in section 16-916, subsection B and subsection K
37 of this section, a political committee shall comply with the requirements of
38 this section in each jurisdiction in this state in which the committee has
39 filed a statement of organization until the committee terminates pursuant to
40 section 16-914, and its statements, designations and reports shall be filed
41 with each officer with whom it has filed a statement of organization, as
42 appropriate.

43 I. Each report required to be filed pursuant to this section shall be
44 signed by the committee treasurer or the candidate or the designating
45 individual if the treasurer is unavailable and shall contain the

1 certification of the signer under penalty of perjury that the report is true
2 and complete.

3 J. A political committee and the candidate, in the case of a
4 candidate's campaign committee, or the designating individual, in the case of
5 an exploratory committee, who violate this section are subject to the penalty
6 prescribed in section 16-918.

7 K. A standing political committee shall file reports with the
8 secretary of state and is exempt from filing a report with any other
9 jurisdiction in which it is active. The reports shall be in an electronic
10 format as prescribed by the secretary of state or by use of the internet.
11 The secretary of state shall promptly make the reports available to the
12 public on the internet and shall make the reports available by electronic
13 means by request. The standing committee shall file the following reports:

14 1. A preelection report that is due as prescribed by subsection B,
15 paragraph 2 of this section shall be filed for each consolidated election
16 date prescribed by section 16-204.

17 2. A postelection report that is due as prescribed by subsection B,
18 paragraph 3 of this section shall be filed for each consolidated election
19 date prescribed by section 16-204.

20 3. An annual report that is due by January 31 in the year immediately
21 following the calendar year that is the subject of the report.

22 L. A PERSON WHO KNOWINGLY OR INTENTIONALLY MISSTATES OR FAILS TO FULLY
23 DISCLOSE A CONTRIBUTION OR EXPENDITURE OR ANY OTHER THING REQUIRED TO BE
24 REPORTED BY THIS ARTICLE IS GUILTY OF A CLASS 1 MISDEMEANOR.

25 Sec. 4. Subject to the requirements of article IV, part 1, section 1,
26 Constitution of Arizona, section 16-916, Arizona Revised Statutes, is amended
27 to read:

28 16-916. Filing statements of contributions and expenditures:
29 public inspection

30 A. Except as provided in subsection B of this section, the statements,
31 designations and reports required to be filed pursuant to this article shall
32 be filed as follows:

33 1. In the office of the secretary of state for political committees
34 supporting or opposing the recall of a public officer elected statewide or to
35 the legislature, supporting the circulation of petitions for ballot measures,
36 questions and propositions appearing on a state general election ballot or
37 recall of public officials elected statewide or to the legislature or
38 supporting or opposing candidates for state offices and members of the
39 legislature, for justices of the supreme court, for judges of the court of
40 appeals and for a statewide initiative or referendum or any measure or
41 proposition appearing on a state general election ballot. The office of the
42 secretary of state shall post to its website in a format that is viewable by
43 the public the campaign finance information prescribed by this section AND
44 SHALL PROVIDE THAT FOR ALL FILINGS AND OTHER MATTERS RELATING TO ALL
45 CANDIDATES AND COMMITTEES FOR STATE OFFICES AND MEMBERS OF THE LEGISLATURE,

1 THE CITIZENS CLEAN ELECTIONS COMMISSION SHALL HAVE JOINT AND SIMULTANEOUS
2 ACCESS TO THOSE FILINGS AND MATTERS.

3 2. With the county officer in charge of elections for political
4 committees supporting or opposing the recall of public officers elected to
5 county offices, school district governing boards, community college district
6 governing boards or judges of the superior court, supporting the circulation
7 of petitions for ballot measures, questions and propositions appearing on a
8 county election ballot or for the recall of a public officer elected to
9 county offices, school district governing boards, community college district
10 governing boards or judges of the superior court or supporting or opposing
11 candidates for county offices, school district governing board members or
12 ballot questions, community college district governing board members or
13 ballot questions, judges of the superior court seeking retention, special
14 taxing districts and a county initiative or referendum or any measure or
15 proposition appearing on a county election ballot. For any county with a
16 population of more than one hundred thousand persons that operates a website,
17 the county officer in charge of elections shall post to that website in a
18 format that is viewable by the public the campaign finance information
19 prescribed by this section, which shall include the names of candidates who
20 have filed an exemption statement pursuant to section 16-902.01, subsection B
21 with that filing officer.

22 3. With the city or town clerk for political committees supporting or
23 opposing the recall of public officers elected to city or town offices,
24 supporting the circulation of petitions for ballot measures, questions and
25 propositions appearing on a city or town election ballot or recall of public
26 officers elected for city or town offices or supporting or opposing
27 candidates for city or town offices and for a city or town initiative or
28 referendum or any measure or proposition appearing on a city or town election
29 ballot. For any city or town with a population of more than two thousand
30 five hundred persons that operates a website, the city or town shall post to
31 that website in a format that is viewable by the public the campaign finance
32 information prescribed by this section, which shall include the names of
33 candidates who have filed an exemption statement pursuant to section
34 16-902.01, subsection B. For a city or town without a website, the
35 information shall be posted on the website operated by an association of
36 cities and towns in this state.

37 B. Campaign finance reports required pursuant to section 16-913 for
38 the office of member of the legislature and statewide offices shall be filed
39 with the secretary of state AND WITH THE CITIZENS CLEAN ELECTIONS COMMITTEES
40 PURSUANT TO SUBSECTION A OF THIS SECTION in the manner THAT IS prescribed by
41 the secretary of state AND THAT PROVIDES FOR JOINT AND SIMULTANEOUS FILING
42 WITH THE CITIZENS CLEAN ELECTIONS COMMISSION. The secretary of state may
43 provide through the procedures manual adopted pursuant to section 16-452 for
44 an alternative method for providing public access to the reports prescribed
45 by this section.

1 C. For all statements, designations and reports, the date of filing is
2 the date of actual receipt by the officer with whom the document is required
3 to be filed except as follows:

4 1. For documents filed by certified mail with a United States mail
5 postmark, the date of mailing constitutes the date of filing.

6 2. For documents filed by commercial delivery services that provide a
7 standardized delivery confirmation process, the date of delivery confirmation
8 constitutes the date of filing.

9 3. For documents filed by commercial delivery services that provide
10 for electronic tracking of specific delivery packages, the date of electronic
11 confirmation of delivery constitutes the date of filing.

12 D. If the date for filing any statement, designation or report
13 required by this article is a Saturday, a Sunday or another legal holiday,
14 the filing deadline is the next day that is not a Saturday, a Sunday or
15 another legal holiday.

16 Sec. 5. Section 16-924, Arizona Revised Statutes, is amended to read:

17 16-924. Civil penalties; attorney general; county, city or town
18 attorney; violation; classification

19 A. Unless another penalty is specifically prescribed in this title, if
20 the filing officer for campaign finance reports designated pursuant to
21 section 16-916, subsection A has reasonable cause to believe that a person is
22 violating any provision of this title, except for violations of chapter 6,
23 article 2, the secretary of state shall notify the attorney general for a
24 violation regarding a statewide office or the legislature, the county officer
25 in charge of elections shall notify the county attorney for that county for a
26 violation regarding a county office or the city or town clerk shall notify
27 the city or town attorney for a violation regarding a city or town office.
28 **IN MAKING A REASONABLE CAUSE DETERMINATION, THERE IS A REBUTTABLE PRESUMPTION**
29 **THAT THE PERSON HAS KNOWINGLY COMMITTED A VIOLATION UNLESS THE PERSON**
30 **DEMONSTRATES THAT THE VIOLATION WAS UNINTENTIONAL.** The attorney general,
31 county attorney or city or town attorney, as appropriate, may serve on the
32 person an order requiring compliance with that provision. The order shall
33 state with reasonable particularity the nature of the violation and shall
34 require compliance within twenty days from the date of issuance of the order.
35 The alleged violator has twenty days from the date of issuance of the order
36 to request a hearing pursuant to title 41, chapter 6.

37 B. If a person fails to take corrective action within the time
38 specified in the compliance order issued pursuant to subsection A **OF THIS**
39 **SECTION**, the attorney general, county attorney or city or town attorney, as
40 appropriate, shall issue an order assessing a civil penalty of not more than
41 one thousand dollars. The person alleged to have violated the compliance
42 order has thirty days from the date of issuance of the order assessing the
43 civil penalty to request a hearing pursuant to title 41, chapter 6.

1 C. Any party aggrieved by an order or decision of the attorney
2 general, county attorney or city or town attorney, as appropriate, may appeal
3 to the superior court as provided in title 12, chapter 7, article 6.

4 D. For the purposes of this section, failure to comply with a
5 compliance order issued by the attorney general, county attorney or city or
6 town attorney, as appropriate, as prescribed in subsection A is deemed an
7 intentional act.

8 E. IN ADDITION TO BEING SUBJECT TO A CIVIL PENALTY, A VIOLATION OF
9 THIS ARTICLE IS A CLASS 2 MISDEMEANOR UNLESS ANOTHER CLASSIFICATION IS
10 SPECIFICALLY PRESCRIBED IN THIS TITLE.

11 Sec. 6. Subject to the requirements of article IV, part 1, section 1,
12 Constitution of Arizona, section 16-942, Arizona Revised Statutes, is amended
13 to read:

14 16-942. Civil penalties and forfeiture of office

15 A. The civil penalty ISSUED BY THE COMMISSION for a violation of any
16 contribution or expenditure limit in section 16-941 by or on behalf of a
17 participating candidate shall be ten times the amount by which the
18 expenditures or contributions exceed the applicable limit. THE CIVIL PENALTY
19 ISSUED BY THE COMMISSION FOR A VIOLATION OF ANY CONTRIBUTION OR EXPENDITURE
20 LIMIT FOR ANY NONPARTICIPATING CANDIDATE SHALL BE THREE TIMES THE AMOUNT BY
21 WHICH THE EXPENDITURES OR CONTRIBUTIONS EXCEED THE APPLICABLE LIMIT.

22 B. In addition to any other penalties imposed by law, the civil
23 penalty ISSUED BY THE COMMISSION for a violation by or on behalf of any
24 PARTICIPATING OR NONPARTICIPATING candidate of any reporting requirement
25 imposed by this chapter shall be one hundred dollars per day for candidates
26 for the legislature and three hundred dollars per day for candidates for
27 statewide office. The penalty imposed by this subsection FOR A PARTICIPATING
28 CANDIDATE shall be doubled if the amount not reported for a particular
29 election cycle exceeds ten percent of the adjusted primary or general
30 election spending limit. No penalty imposed pursuant to this subsection
31 shall exceed twice the amount of expenditures or contributions not reported.
32 The candidate and the candidate's campaign account shall be jointly and
33 severally responsible for any penalty imposed pursuant to this subsection.

34 C. Any campaign finance report filed indicating a violation of section
35 16-941, ~~subsections~~ SUBSECTION A or B or ~~section 16-941~~, subsection C,
36 paragraph 1 BY A PARTICIPATING CANDIDATE AND involving an amount in excess of
37 ten percent of the sum of the adjusted primary election spending limit and
38 the adjusted general election spending limit for a particular candidate shall
39 result in disqualification of a candidate or forfeiture of office.

40 D. Any participating candidate adjudged to have committed a knowing
41 violation of section 16-941, subsection A or subsection C, paragraph 1 shall
42 repay from the candidate's personal monies to the fund all monies expended
43 from the candidate's campaign account and shall turn over the candidate's
44 campaign account to the fund. A PARTICIPATING CANDIDATE IS PRESUMED TO HAVE

1 COMMITTED A KNOWING VIOLATION UNLESS THE CANDIDATE REBUTS THAT PRESUMPTION BY
2 DEMONSTRATING THAT THE VIOLATION WAS UNINTENTIONAL.

3 E. All civil penalties collected pursuant to this article shall be
4 deposited into the fund.

5 Sec. 7. Subject to the requirements of article IV, part 1, section 1,
6 Constitution of Arizona, section 16-956, Arizona Revised Statutes, is amended
7 to read:

8 16-956. Voter education and enforcement duties

9 A. The commission shall:

10 1. Develop a procedure for publishing a document or section of a
11 document having a space of predefined size for a message chosen by each
12 candidate. For the document that is delivered before the primary election,
13 the document shall contain the names of every candidate for every statewide
14 and legislative district office in that primary election without regard to
15 whether the candidate is a participating candidate or a nonparticipating
16 candidate. For the document that is delivered before the general election,
17 the document shall contain the names of every candidate for every statewide
18 and legislative district office in that general election without regard to
19 whether the candidate is a participating candidate or a nonparticipating
20 candidate. The commission shall deliver one copy of each document to every
21 household that contains a registered voter. For the document that is
22 delivered before the primary election, the delivery may be made over a period
23 of days but shall be sent in time to be delivered to households before the
24 earliest date for receipt by registered voters of any requested early ballots
25 for the primary election. The commission may deliver the second document
26 over a period of days but shall send the second document in order to be
27 delivered to households before the earliest date for receipt by registered
28 voters of any requested early ballots for the general election. The primary
29 election and general election documents published by the commission shall
30 comply with all of the following:

31 (a) For any candidate who does not submit a message pursuant to this
32 paragraph, the document shall include with the candidate's listing the words
33 "no statement submitted".

34 (b) The document shall have printed on its cover the words "citizens
35 clean elections commission voter education guide" and the words "primary
36 election" or "general election" and the applicable year. The document shall
37 also contain at or near the bottom of the document cover in type that is no
38 larger than one-half the size of the type used for "citizens clean elections
39 commission voter education guide" the words "paid for by the citizens clean
40 elections fund".

41 (c) In order to prevent voter confusion, the document shall be easily
42 distinguishable from the publicity pamphlet that is required to be produced
43 by the secretary of state pursuant to section 19-123.

1 2. Sponsor debates among candidates, in such manner as determined by
2 the commission. The commission shall require participating candidates to
3 attend and participate in debates and may specify by rule penalties for
4 nonparticipation. The commission shall invite and permit nonparticipating
5 candidates to participate in debates.

6 3. Prescribe forms for reports, statements, notices and other
7 documents required by this article. The commission shall not require a
8 candidate to use a reporting system other than the reporting system jointly
9 approved by the commission and the office of the secretary of state.

10 4. Prepare and publish instructions setting forth methods of
11 bookkeeping and preservation of records to facilitate compliance with this
12 article and explaining the duties of persons and committees under this
13 article.

14 5. Produce a yearly report describing the commission's activities and
15 any recommendations for changes of law, administration or funding amounts and
16 accounting for monies in the fund.

17 6. Adopt rules to implement the reporting requirements of section
18 16-958, subsections D and E.

19 7. Enforce this ~~article~~ CHAPTER FOR BOTH PARTICIPATING AND
20 NONPARTICIPATING CANDIDATES, ensure that money from the fund is placed in
21 candidate campaign accounts or otherwise spent as specified in this article
22 and not otherwise, monitor reports filed pursuant to this chapter and
23 financial records of candidates as needed and ensure that money required by
24 this article to be paid to the fund is deposited in the fund. The commission
25 shall not take action on any external complaint that is filed more than
26 ninety days after the postelection report is filed or ninety days after the
27 completion of the canvass of the election to which the complaint relates,
28 whichever is later.

29 B. The commission may subpoena witnesses, compel their attendance and
30 testimony, administer oaths and affirmations, take evidence and require by
31 subpoena the production of any books, papers, records or other items material
32 to the performance of the commission's duties or the exercise of its powers
33 WITH RESPECT TO BOTH PARTICIPATING AND NONPARTICIPATING CANDIDATES.

34 C. The commission may adopt rules to carry out the purposes of this
35 article and to govern procedures of the commission. Commission rule making
36 is exempt from title 41, chapter 6, article 3. The commission shall propose
37 and adopt rules in public meetings, with at least sixty days allowed for
38 interested parties to comment after the rules are proposed. The commission
39 shall also file a notice of exempt rule making and the proposed rule in the
40 format prescribed in section 41-1022 with the secretary of state's office for
41 publication in the Arizona administrative register. After consideration of
42 the comments received in the sixty day comment period, the commission may
43 adopt the rule in an open meeting. Any rules given final approval in an open
44 meeting shall be filed in the format prescribed in section 41-1022 with the
45 secretary of state's office for publication in the Arizona administrative

1 register. Any rules adopted by the commission shall only be applied
2 prospectively from the date the rule was adopted.

3 D. Rules adopted by the commission are not effective until January 1
4 in the year following the adoption of the rule, except that rules adopted by
5 unanimous vote of the commission may be made immediately effective and
6 enforceable.

7 E. If, in the view of the commission, the action of a particular
8 candidate or committee requires immediate change to a commission rule, a
9 unanimous vote of the commission is required. Any rule change made pursuant
10 to this subsection that is enacted with less than a unanimous vote takes
11 effect for the next election cycle.

12 F. Based on the results of the elections in any quadrennial election
13 after 2002, and within six months after such election, the commission may
14 adopt rules changing the number of qualifying contributions required for any
15 office from those listed in section 16-950, subsection D, ~~by~~ by no more than
16 twenty ~~per-cent~~ PERCENT of the number applicable for the preceding election.

17 Sec. 8. Requirements for enactment; three-fourths vote

18 Pursuant to article IV, part 1, section 1, Constitution of Arizona,
19 sections 16-916, 16-942 and 16-956, Arizona Revised Statutes, as amended by
20 this act, are effective only on the affirmative vote of at least
21 three-fourths of the members of each house of the legislature.