PROPOSITION ___
[C-03-2018]

Stop Political Dirty Money Amendment

ANALYSIS BY LEGISLATIVE COUNCIL

[LEGISLATIVE COUNCIL STAFF DRAFT]

1   Proposition ___ would amend the Arizona Constitution to require a person or entity that makes
2   campaign expenditures of more than $10,000 in a two-year election cycle to disclose the original source of
3   any contribution of $2,500 or more that is used for the campaign expenditure. An original source would be
4   a person or entity that contributes money, goods or services from sources that include wages, investment
5   income or revenue from selling goods or services, but that do not include contributions, donations or gifts.
6   If approved by the voters, beginning January 1, 2020, Proposition ___ would:
7   1. Apply to campaign expenditures made for a public communication that is not susceptible to any
8   reasonable interpretation other than an appeal to vote for or against a clearly identified state or local
9   candidate or ballot measure or that clearly identifies one or more state or local candidates or ballot measures
10   and is distributed within the period beginning 45 days before the primary election and ending on the general
11   election date at which voters consider those candidates or ballot measures.
12   2. Require disclosure of original sources within five days after making the initial $10,000 in
13   campaign expenditures. Additional campaign expenditures totaling $10,000 or more would require
14   supplemental disclosure within 24 hours after making the campaign expenditure.
15   3. Require disclosure of any intermediary person or entity for contributions that are not made
16   directly from an original source.
17   4. Require disclosure of the original sources if multiple original sources contribute for a campaign
18   expenditure, or if contributions are made through an intermediary person or entity. If after diligent
19   investigation it is not possible to determine the original source, the last monies received before the campaign
20   expenditure or intermediary transfer would be attributed to that expenditure or transfer.
21   5. Allow political committees to provide periodic reports that are available to the public, that
22   identify the original source of contributions of more than $2,500 and that allow protection from public
23   disclosure for persons with protected addresses or for persons who demonstrate that disclosure would
24   subject them to risk of physical harm.
25   6. Exempt contributions of less than $2,500 from the original source disclosure requirement. An
26   inheritance in any amount or dues of less than $5,000 per year per member paid by members to a
27   membership organization or trade association would not be contributions, donations or gifts.
28   7. Allow an original source to either direct the use or prohibit the use of its money for a campaign
29   expenditure, and the person filing the report could rely on that direction in making reports if the person has
30   complied with the direction from the original source.
31   8. Require reports to be filed with the Secretary of State unless otherwise provided by law.
32   9. Provide for the Citizens Clean Elections Commission to be the primary agency to enact rules to
33   implement and enforce this Proposition by:
34   (a) Imposing civil fines of not less than the amount of money undisclosed or improperly disclosed
35   and up to three times the amount of that campaign expenditure.
36   (b) Imposing penalties for late or incomplete disclosures.
37   (c) Requiring that public communications paid for with expenditures subject to this Proposition
38   identify the original sources of contributions for that expenditure.
39   (d) Adjusting dollar amounts once every 10 years to reflect the cost of living.

1   10. Allow persons who are eligible to register to vote in Arizona to sue to enforce the Proposition
2   and be awarded reasonable attorney fees and costs if they prevail. The political committee supporting
3   Proposition ___ would be authorized to defend the measure in any legal challenge regarding the validity of
4   the measure.
5   11. Require the Legislature, Secretary of State and Citizens Clean Elections Commission and state
6   and local elections officials to make the changes in laws, rules and procedures necessary to implement the
7   Proposition.
8   12. Allow the Legislature, county boards of supervisors and municipal governments to enact
9   disclosure requirements that are more stringent than this Proposition.