

State of Arizona
House of Representatives
Fifty-first Legislature
First Regular Session
2013

CHAPTER 98
HOUSE BILL 2593

AN ACT

AMENDING SECTIONS 16-901 AND 16-905, ARIZONA REVISED STATUTES; AMENDING TITLE 16, CHAPTER 6, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 16-913.01; RELATING TO CAMPAIGN CONTRIBUTIONS.

(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.

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

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

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

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

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

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

36 (vi) Independent expenditures.

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

1 or amortization schedule and shall bear the usual and customary interest rate
2 of the lending institution.

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

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

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

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

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

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

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

42 7. "Election" means any election for any initiative, referendum or
43 other measure or proposition or a primary, general, recall, special or runoff
44 election for any office in this state other than the office of precinct
45 committeeman and other than a federal office. For THE purposes of sections

1 16-903 and 16-905, the general election ~~includes~~ DOES NOT INCLUDE the primary
2 election.

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

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

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

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

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

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

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

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

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

1 12. "Identification" means:

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

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

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

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

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

28 (b) There is any arrangement, coordination or direction with respect
29 to the expenditure between the candidate or the candidate's agent and the
30 person making the expenditure, including any officer, director, employee or
31 agent of that person.

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

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

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

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

43 15. "In-kind contribution" means a contribution of goods or services or
44 anything of value and not a monetary contribution.

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

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

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

5 (a) Assets to which the candidate has a legal right of access or
6 control at the time he becomes a candidate and with respect to which the
7 candidate has either legal title or an equitable interest.

8 (b) Salary and other earned income from bona fide employment of the
9 candidate, dividends and proceeds from the sale of the stocks or investments
10 of the candidate, bequests to the candidate, income to the candidate from
11 trusts established before candidacy, income to the candidate from trusts
12 established by bequest after candidacy of which the candidate is a
13 beneficiary, gifts to the candidate of a personal nature that have been
14 customarily received before the candidacy and proceeds received by the
15 candidate from lotteries and other legal games of chance.

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

19 (d) Family contributions.

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

37 (a) A candidate's campaign committee.

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

40 (c) A committee acting in support of or opposition to the
41 qualification, passage or defeat of a ballot measure, question or
42 proposition.

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

45 (e) A political party.

1 (f) A committee organized for the purpose of making independent
2 expenditures.

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

5 (h) A political organization.

6 (i) An exploratory committee.

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

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

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

18 23. "Standing political committee" means a political committee that
19 satisfies all of the following:

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

22 (b) Files a statement of organization as prescribed by section
23 16-902.01, subsection E.

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

26 (i) A separate, segregated fund.

27 (ii) A political party.

28 (iii) A committee organized for the purpose of making independent
29 expenditures.

30 (iv) A political organization.

31 24. "Statewide office" means the office of governor, secretary of
32 state, state treasurer, attorney general, superintendent of public
33 instruction, corporation commissioner or mine inspector.

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

37 Sec. 2. Section 16-905, Arizona Revised Statutes, is amended to read:
38 16-905. Contribution limitations; civil penalty; complaint

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

42 1. For an election for a legislative office, ~~four hundred eighty-eight~~
43 TWO THOUSAND FIVE HUNDRED dollars from an individual.

44 2. For an election other than for a legislative office, ~~three hundred~~
45 ~~ninety~~ TWO THOUSAND FIVE HUNDRED dollars from an individual.

1 3. For an election for a legislative office, ~~four hundred eighty eight~~
2 TWO THOUSAND FIVE HUNDRED dollars from a single political committee,
3 excluding a political party, not certified under subsection G of this section
4 to make contributions at the higher limits prescribed by paragraph 5 of this
5 subsection and subsection B, paragraph 3 of this section.

6 4. For an election other than for a legislative office, ~~three hundred~~
7 ~~ninety~~ TWO THOUSAND FIVE HUNDRED dollars from a single political committee,
8 excluding a political party, not certified under subsection G of this section
9 to make contributions at the higher limits prescribed by subsection B,
10 paragraph 3 of this section.

11 5. ~~Two~~ FIVE thousand dollars from a single political committee,
12 excluding a political party, certified pursuant to subsection G of this
13 section.

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

17 1. ~~One~~ TWO thousand ~~ten~~ FIVE HUNDRED dollars from an individual.

18 2. ~~One~~ TWO thousand ~~ten~~ FIVE HUNDRED dollars from a single political
19 committee, excluding a political party, not certified under subsection G of
20 this section to make contributions at the higher limits prescribed by
21 subsection A, paragraph 5 of this section and paragraph 3 of this subsection.

22 3. Five thousand ten dollars from a single political committee
23 excluding political parties certified pursuant to subsection G of this
24 section.

25 C. A candidate ~~shall not~~ MAY accept contributions from ~~all~~ political
26 committees, excluding political parties, ~~combined totaling more than:~~

27 ~~1. For an election for a legislative office, sixteen thousand one~~
28 ~~hundred fifty dollars.~~

29 ~~2. For an office other than a legislative office or a statewide~~
30 ~~office, ten thousand twenty dollars.~~

31 ~~3. For a statewide office, one hundred thousand one hundred ten~~
32 ~~dollars~~ AS OTHERWISE PRESCRIBED IN THIS SECTION AND A CANDIDATE IS NOT
33 RESTRICTED AS TO THE AGGREGATE TOTAL THAT A CANDIDATE MAY LAWFULLY RECEIVE
34 FROM ALL POLITICAL COMMITTEES, EXCLUDING POLITICAL PARTIES.

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

40 E. An individual ~~shall not~~ MAY make contributions ~~totaling more than~~
41 ~~five thousand six hundred ten dollars in a calendar year to state and local~~
42 ~~candidates and political committees contributing to state or local~~
43 ~~candidates. Contributions to political parties and contributions to~~
44 ~~independent expenditure committees are exempt from the limitations of this~~
45 ~~subsection~~ AS OTHERWISE PRESCRIBED BY THIS SECTION, AND AN INDIVIDUAL IS NOT
46 RESTRICTED AS TO THE AGGREGATE TOTAL THAT AN INDIVIDUAL MAY GIVE.

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

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

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

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

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

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

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

39 I. The following specific limitations and procedures apply:

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

42 2. The limits of subsections A, ~~AND B and C~~ of this section apply to
43 the total contributions from all separate segregated funds established, as
44 provided in section 16-920, by a corporation, labor organization, trade
45 association, cooperative or corporation without capital stock.

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

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

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

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

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

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

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

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

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

45 Sec. 3. Title 16, chapter 6, article 1, Arizona Revised Statutes, is
46 amended by adding section 16-913.01, to read:

