

REFERENCE TITLE: political committees, expenditures, contributions; definitions

State of Arizona
Senate
Fifty-second Legislature
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2015

SB 1418

Introduced by
Senator Dial

AN ACT

AMENDING SECTIONS 16-901 AND 16-911, ARIZONA REVISED STATUTES; RELATING TO
CAMPAIGN CONTRIBUTIONS AND EXPENSES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 16-901, Arizona Revised Statutes, is amended to
3 read:

4 16-901. Definitions

5 In this chapter, unless the context otherwise requires:

6 1. "Agent" means, with respect to any person other than a candidate,
7 any person who has oral or written authority, either express or implied, to
8 make or authorize the making of POLITICAL expenditures as defined in this
9 section on behalf of a candidate, any person who has been authorized by the
10 treasurer of a political committee to make or authorize the making of
11 POLITICAL expenditures or a political consultant for a candidate or political
12 committee.

13 2. "BALLOT MEASURE COMMITTEE" MEANS A POLITICAL COMMITTEE THAT SEEKS
14 TO QUALIFY A MEASURE TO BE PLACED ON THE BALLOT OR THAT MAKES POLITICAL
15 EXPENDITURES EXPRESSLY ADVOCATING THE PASSAGE OR DEFEAT OF A BALLOT MEASURE.

16 ~~2-~~ 3. "Candidate" means an individual who receives or gives consent
17 for receipt of a contribution for his nomination for or election to any
18 office in this state other than a federal office.

19 ~~3-~~ 4. "Candidate's campaign committee" means a political committee
20 ~~designated and authorized by a candidate~~ THAT IS ESTABLISHED, MAINTAINED,
21 CONTROLLED AND USED BY A CANDIDATE TO ACCEPT DONATIONS OR CONTRIBUTIONS TO
22 PAY FOR THE CANDIDATE'S EXPENSES IN SEEKING ELECTIVE OFFICE AND THAT HAS
23 TOTAL INCOME OR EXPENSES OF MORE THAN ONE THOUSAND DOLLARS.

24 ~~4-~~ 5. "Clearly identified candidate" means that the name, a
25 photograph or a drawing of the candidate appears or the identity of the
26 candidate is otherwise apparent by unambiguous reference.

27 ~~5-~~ 6. "Contribution" means any gift, subscription, loan, advance or
28 deposit of money or PAYMENT OR anything of value ~~made for the purpose of~~
29 ~~influencing an election including supporting or opposing the recall of a~~
30 ~~public officer or supporting or opposing the circulation of a petition for a~~
31 ~~ballot measure, question or proposition or the recall of a public officer~~
32 ~~and:~~

33 ~~(a) Includes all of the following:~~

34 ~~(i) A contribution made to retire campaign debt.~~

35 ~~(ii) Money or the fair market value of anything directly or indirectly~~
36 ~~given or loaned to an elected official for the purpose of defraying the~~
37 ~~expense of communications with constituents, regardless of whether the~~
38 ~~elected official has declared his candidacy.~~

39 ~~(iii) The entire amount paid to a political committee to attend a~~
40 ~~fund-raising or other political event and the entire amount paid to a~~
41 ~~political committee as the purchase price for a fund-raising meal or item,~~
42 ~~except that no contribution results if the actual cost of the meal or~~
43 ~~fund-raising item, based on the amount charged to the committee by the~~
44 ~~vendor, constitutes the entire amount paid by the purchaser for the meal or~~
45 ~~item, the meal or item is for the purchaser's personal use and not for resale~~

1 ~~and the actual cost is the entire amount paid by the purchaser in connection~~
2 ~~with the event. This exception does not apply to auction items.~~

3 ~~(iv) Unless specifically exempted, the provision of goods or services~~
4 ~~without charge or at a charge that is less than the usual and normal charge~~
5 ~~for such goods and services. The acquisition or use of campaign assets by a~~
6 ~~committee that are paid for with the candidate's personal monies, including~~
7 ~~campaign signs and other similar promotional materials, is a contribution and~~
8 ~~is reportable by the candidate's campaign committee as a contribution to the~~
9 ~~campaign.~~

10 ~~(b) Does not include any of the following:~~

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

14 ~~(ii) Money or the value of anything directly or indirectly provided to~~
15 ~~defray the expense of an elected official meeting with constituents if the~~
16 ~~elected official is engaged in the performance of the duties of his office or~~
17 ~~provided by the state or a political subdivision to an elected official for~~
18 ~~communication with constituents if the elected official is engaged in the~~
19 ~~performance of the duties of his office.~~

20 ~~(iii) The use of real or personal property, including a church or~~
21 ~~community room used on a regular basis by members of a community for~~
22 ~~noncommercial purposes, that is obtained by an individual in the course of~~
23 ~~volunteering personal services to any candidate, candidate's committee or~~
24 ~~political party, and the cost of invitations, food and beverages voluntarily~~
25 ~~provided by an individual to any candidate, candidate's campaign committee or~~
26 ~~political party in rendering voluntary personal services on the individual's~~
27 ~~residential premises or in the church or community room for candidate related~~
28 ~~or political party related activities, to the extent that the cumulative~~
29 ~~value of the invitations, food and beverages provided by the individual on~~
30 ~~behalf of any single candidate does not exceed one hundred dollars with~~
31 ~~respect to any single election.~~

32 ~~(iv) Any unreimbursed payment for personal travel expenses made by an~~
33 ~~individual who on his own behalf volunteers his personal services to a~~
34 ~~candidate.~~

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

45 ~~(vi) Independent expenditures.~~

1 ~~(vii) Monies loaned by a state bank, a federally chartered depository~~
2 ~~institution or a depository institution the deposits or accounts of which are~~
3 ~~insured by the federal deposit insurance corporation or the national credit~~
4 ~~union administration, other than an overdraft made with respect to a checking~~
5 ~~or savings account, that is made in accordance with applicable law and in the~~
6 ~~ordinary course of business. In order for this exemption to apply, this loan~~
7 ~~shall be deemed a loan by each endorser or guarantor, in that proportion of~~
8 ~~the unpaid balance that each endorser or guarantor bears to the total number~~
9 ~~of endorsers or guarantors, the loan shall be made on a basis that assures~~
10 ~~repayment, evidenced by a written instrument, shall be subject to a due date~~
11 ~~or amortization schedule and shall bear the usual and customary interest rate~~
12 ~~of the lending institution.~~

13 ~~(viii) A gift, subscription, loan, advance or deposit of money or~~
14 ~~anything of value to a national or a state committee of a political party~~
15 ~~specifically designated to defray any cost for the construction or purchase~~
16 ~~of an office facility not acquired for the purpose of influencing the~~
17 ~~election of a candidate in any particular election.~~

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

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

31 ~~(xi) Transfers between political committees to distribute monies~~
32 ~~raised through a joint fund raising effort in the same proportion to each~~
33 ~~committee's share of the fund raising expenses and payments from one~~
34 ~~political committee to another in reimbursement of a committee's~~
35 ~~proportionate share of its expenses in connection with a joint fund raising~~
36 ~~effort.~~

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

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

3 THAT IS GIVEN TO ANY ENTITY THAT IS REQUIRED TO BE REGISTERED AS A POLITICAL
4 COMMITTEE AT THE TIME THE CONTRIBUTION IS MADE OR THAT IS GIVEN TO BE USED
5 SPECIFICALLY FOR MAKING A CONTRIBUTION TO OTHER RECIPIENTS OR TO BE USED FOR
6 MAKING POLITICAL EXPENDITURES AND INCLUDES A POLITICAL EXPENDITURE THAT IS
7 MADE IN COORDINATION WITH A CANDIDATE, A CANDIDATE CAMPAIGN COMMITTEE, A
8 BALLOT MEASURE COMMITTEE OR A POLITICAL PARTY COMMITTEE. CONTRIBUTION DOES
9 NOT INCLUDE:

10 (a) ANY PAYMENT, GIFT, SUBSCRIPTION, LOAN, ADVANCE OR DEPOSIT OF MONEY
11 OR ANYTHING OF VALUE MADE OR GIVEN AS PART OF A BONA FIDE COMMERCIAL
12 TRANSACTION, INCLUDING ANY LOANS, REFUNDS, REBATES OR DISCOUNTS OFFERED TO
13 THE GENERAL PUBLIC OR SIMILAR CUSTOMERS ON SUBSTANTIALLY THE SAME MATERIAL
14 TERMS.

15 (b) THE PAYMENT BY ANY CORPORATION OR LABOR ORGANIZATION FOR THE COSTS
16 OF ESTABLISHING, ADMINISTERING AND SOLICITING CONTRIBUTIONS FROM ITS
17 RESTRICTED CLASS TO ITS SEPARATE SEGREGATED FUND.

18 (c) THE PAYMENT BY ANY CORPORATION OR LABOR ORGANIZATION FOR THE COSTS
19 OF COMMUNICATING WITH ITS RESTRICTED CLASS ABOUT ANY SUBJECT, REGARDLESS OF
20 WHETHER SUCH COMMUNICATIONS ARE MADE IN COORDINATION WITH ANY CANDIDATE,
21 CANDIDATE CAMPAIGN COMMITTEE, BALLOT MEASURE COMMITTEE, EXPLORATORY
22 COMMITTEE, POLITICAL PARTY COMMITTEE OR OFFICEHOLDER COMMITTEE.

23 (d) THE APPEARANCE BY A CANDIDATE OR A REPRESENTATIVE OF A BALLOT
24 MEASURE COMMITTEE AT ANY RESIDENCE OR THE FACILITIES OF ANY CORPORATION,
25 LABOR ORGANIZATION, SOCIAL OR CIVIC ORGANIZATION OR EDUCATIONAL INSTITUTION
26 TO SPEAK ABOUT THE CANDIDATE'S CAMPAIGN OR ABOUT A BALLOT MEASURE IF THE
27 VENUE IS FURNISHED BY THE VENUE'S OWNER AND IS NOT PAID FOR BY A THIRD PARTY
28 AND THE VENUE IS NOT A SPORTS STADIUM, COLISEUM, CONVENTION CENTER, HOTEL
29 BALLROOM, CONCERT HALL OR OTHER SIMILAR PUBLIC ARENA.

30 (e) THE PAYMENT OF COSTS OF HOSTING A DEBATE OR CANDIDATE FORUM IF AT
31 LEAST TWO OPPOSING CANDIDATES WITH RESPECT TO ANY GIVEN OFFICE SOUGHT OR
32 REPRESENTATIVES OF AT LEAST TWO OPPOSING BALLOT MEASURE COMMITTEES WITH
33 RESPECT TO ANY MEASURE ON THE BALLOT ARE INVITED WITH THE SAME OR SIMILAR
34 ADVANCE NOTICE AND METHOD OF INVITATION.

35 (f) THE PREPARATION AND DISTRIBUTION OF VOTER GUIDES, SUBJECT TO THE
36 FOLLOWING:

37 (i) THE SPONSOR INCLUDES IN THE VOTER GUIDE SIMILAR BIOGRAPHICAL
38 INFORMATION ON EACH FEATURED CANDIDATE, SUCH AS EDUCATION, EMPLOYMENT
39 POSITIONS AND OFFICES HELD AND COMMUNITY INVOLVEMENT, OR SIMILAR BACKGROUND
40 INFORMATION ON EACH MEASURE.

41 (ii) COMPARABLE INFORMATION IS PROVIDED ON EACH CANDIDATE FEATURED IN
42 THE VOTER GUIDE FOR A PARTICULAR OFFICE OR EACH CANDIDATE FEATURED IS
43 PROVIDED AN EQUAL OPPORTUNITY TO RESPOND TO QUESTIONS.

1 (iii) NO FEATURED CANDIDATE RECEIVES GREATER PROMINENCE IN THE VOTER
2 GUIDE THAN ANY OTHER CANDIDATE OR SUBSTANTIALLY MORE SPACE FOR DESCRIPTIONS
3 OF THE CANDIDATE'S POSITIONS OR RESPONSES.

4 (iv) FOR EACH BALLOT MEASURE FEATURED IN THE VOTER GUIDE, ONE OR MORE
5 REPRESENTATIVES OF BALLOT MEASURE COMMITTEES FOR AND AGAINST EACH MEASURE ARE
6 PROVIDED AN EQUAL OPPORTUNITY TO PRESENT THEIR ARGUMENTS. IF THERE IS NO
7 BALLOT MEASURE COMMITTEE EITHER FOR OR AGAINST A MEASURE IN THE VOTER GUIDE,
8 INDIVIDUALS WHO DO NOT REPRESENT A BALLOT MEASURE COMMITTEE MAY ARGUE FOR OR
9 AGAINST THE MEASURE.

10 (v) THE SPONSOR OF THE VOTER GUIDE DOES NOT INCLUDE ANY MESSAGE OF THE
11 SPONSOR THAT CONSTITUTES A POLITICAL EXPENDITURE.

12 (g) THE VALUE OF SERVICES PROVIDED WITHOUT COMPENSATION BY ANY
13 INDIVIDUAL WHO VOLUNTEERS ON BEHALF OF ANY CANDIDATE, CANDIDATE CAMPAIGN
14 COMMITTEE, BALLOT MEASURE COMMITTEE, POLITICAL PARTY COMMITTEE OR OTHER
15 POLITICAL COMMITTEE, OR ANY UNREIMBURSED PAYMENT FOR EXPENSES RELATED TO THAT
16 VOLUNTEER ACTIVITY.

17 (h) THE COST OF INVITATIONS, FOOD AND BEVERAGES IF THOSE ITEMS ARE
18 VOLUNTARILY PROVIDED BY AN INDIVIDUAL WHO VOLUNTEERS PERSONAL SERVICES ON THE
19 INDIVIDUAL'S RESIDENTIAL PREMISES IF THE AGGREGATE COST IS LESS THAN FIVE
20 THOUSAND DOLLARS IN A CALENDAR YEAR.

21 (i) THE PAYMENT FOR ANY COMMUNICATION BY ANY ORGANIZATION THAT IS
22 ELIGIBLE TO RECEIVE TAX DEDUCTIBLE DONATIONS UNDER 26 UNITED STATES CODE
23 SECTION 170 AND REGULATIONS OF THE UNITED STATES DEPARTMENT OF TREASURY.

24 (j) ANY COST INCURRED FOR COVERING OR CARRYING A NEWS STORY,
25 COMMENTARY OR EDITORIAL BY A BROADCASTING STATION OR CABLE TELEVISION
26 OPERATOR, WEBSITE OR NEWSPAPER OR OTHER PERIODICAL PUBLICATION, INCLUDING AN
27 INTERNET OR OTHER ELECTRONIC PUBLICATION, IF THE COST FOR THE NEWS STORY,
28 COMMENTARY OR EDITORIAL IS NOT PAID FOR BY AND THE MEDIUM IS NOT OWNED OR
29 CONTROLLED BY A CANDIDATE, CANDIDATE CAMPAIGN COMMITTEE, BALLOT MEASURE
30 COMMITTEE, POLITICAL PARTY COMMITTEE OR OTHER POLITICAL COMMITTEE.

31 (k) THE PAYMENT OR PROVISION OF LEGAL AND ACCOUNTING SERVICES RENDERED
32 TO A CANDIDATE, CANDIDATE CAMPAIGN COMMITTEE, BALLOT MEASURE COMMITTEE,
33 POLITICAL PARTY COMMITTEE OR OTHER POLITICAL COMMITTEE IF THE SERVICES ARE
34 SOLELY FOR THE PURPOSE OF ENSURING COMPLIANCE WITH OR CHALLENGING THE
35 CONSTITUTIONAL VALIDITY OR INTERPRETATION OF THIS CHAPTER.

36 (l) THE PAYMENT BY A POLITICAL PARTY COMMITTEE OF THE COSTS OF
37 PREPARATION, DISPLAY, MAILING OR OTHER DISTRIBUTION INCURRED BY THE COMMITTEE
38 WITH RESPECT TO A PRINTED SLATE CARD, SAMPLE BALLOT OR OTHER PRINTED LISTING
39 OF THREE OR MORE CANDIDATES FOR ANY ELECTED STATE OR LOCAL OFFICE. THIS
40 SUBDIVISION DOES NOT APPLY TO COMMUNICATIONS DISSEMINATED THROUGH
41 BROADCASTING STATIONS, NEWSPAPERS, MAGAZINES OR OTHER SIMILAR TYPES OF PAID
42 GENERAL PUBLIC ADVERTISING.

43 (m) THE PAYMENT BY A POLITICAL PARTY COMMITTEE OF THE COSTS OF
44 CAMPAIGN MATERIALS, INCLUDING PINS, BUMPER STICKERS, HANDBILLS, BROCHURES,
45 POSTERS, PARTY TABLOIDS AND YARD SIGNS, THAT ARE USED BY THAT COMMITTEE IN

1 CONNECTION WITH VOLUNTEER ACTIVITIES ON BEHALF OF NOMINEES OF THAT PARTY IF
2 BOTH OF THE FOLLOWING APPLY:

3 (i) THOSE PAYMENTS ARE NOT FOR THE COSTS OF CAMPAIGN MATERIALS OR
4 ACTIVITIES USED IN CONNECTION WITH ANY BROADCASTING, NEWSPAPER, MAGAZINE,
5 BILLBOARD, DIRECT MAIL OR OTHER SIMILAR TYPE OF PAID GENERAL PUBLIC
6 ADVERTISING.

7 (ii) THOSE PAYMENTS ARE NOT MADE FROM CONTRIBUTIONS DESIGNATED TO BE
8 SPENT ON BEHALF OF ANY ONE OR MORE PARTICULAR CANDIDATE.

9 (n) THE PAYMENT BY A POLITICAL PARTY COMMITTEE OF THE COSTS OF VOTER
10 REGISTRATION AND GET-OUT-THE-VOTE ACTIVITIES CONDUCTED BY THAT COMMITTEE ON
11 BEHALF OF NOMINEES OF THAT PARTY IF BOTH OF THE FOLLOWING APPLY:

12 (i) THOSE PAYMENTS ARE NOT FOR THE COSTS OF CAMPAIGN MATERIALS OR
13 ACTIVITIES USED IN CONNECTION WITH ANY BROADCASTING, NEWSPAPER, MAGAZINE,
14 BILLBOARD, DIRECT MAIL OR OTHER SIMILAR TYPE OF PAID GENERAL PUBLIC
15 ADVERTISING.

16 (ii) THOSE PAYMENTS ARE NOT MADE FROM EARMARKED CONTRIBUTIONS.

17 ~~6-~~ 7. "Earmarked" means a designation, instruction or encumbrance
18 that results in all or any part of a contribution or POLITICAL expenditure
19 being made to, or expended on behalf of, a clearly identified candidate or a
20 candidate's campaign committee.

21 ~~7-~~ 8. "Election" means any election for any initiative, referendum or
22 other measure or proposition or a primary, general, recall, special or runoff
23 election for any office in this state other than the office of precinct
24 committeeman and other than a federal office. Unless otherwise provided by
25 law, the general election does not include the primary election.

26 ~~8-~~ "Expenditures" includes any purchase, payment, distribution, loan,
27 advance, deposit or gift of money or anything of value made by a person for
28 the purpose of influencing an election in this state including supporting or
29 opposing the recall of a public officer or supporting or opposing the
30 circulation of a petition for a ballot measure, question or proposition or
31 the recall of a public officer and a contract, promise or agreement to make
32 an expenditure resulting in an extension of credit and the value of any
33 in-kind contribution received. Expenditure does not include any of the
34 following:

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

39 (b) Nonpartisan activity designed to encourage individuals to vote or
40 to register to vote.

41 (c) The payment by a political party of the costs of preparation,
42 display, mailing or other distribution incurred by the party with respect to
43 any printed slate card, sample ballot or other printed listing of three or
44 more candidates for any public office for which an election is held, except
45 that this subdivision does not apply to costs incurred by the party with

1 ~~respect to a display of any listing of candidates made on any~~
2 ~~telecommunications system or in newspapers, magazines or similar types of~~
3 ~~general public political advertising.~~

4 ~~(d) The payment by a political party of the costs of campaign~~
5 ~~materials, including pins, bumper stickers, handbills, brochures, posters,~~
6 ~~party tabloids and yard signs, used by the party in connection with volunteer~~
7 ~~activities on behalf of any nominee of the party or the payment by a state or~~
8 ~~local committee of a political party of the costs of voter registration and~~
9 ~~get-out-the-vote activities conducted by the committee if the payments are~~
10 ~~not for the costs of campaign materials or activities used in connection with~~
11 ~~any telecommunications system, newspaper, magazine, billboard, direct mail or~~
12 ~~similar type of general public communication or political advertising.~~

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

16 9. "Exploratory committee" means a political committee that is formed
17 for the purpose of determining whether an individual will become a candidate
18 and that receives contributions or makes POLITICAL expenditures of more than
19 ~~five hundred~~ ONE THOUSAND dollars in connection with that purpose.

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

23 11. "Filing officer" means the office that is designated by section
24 16-916 to conduct the duties prescribed by this chapter.

25 12. "HYBRID COMMITTEE" MEANS A POLITICAL COMMITTEE THAT MAINTAINS
26 SEPARATE BANK ACCOUNTS, ONE OF WHICH CARRIES ON THE ACTIVITIES OF AN
27 INDEPENDENT EXPENDITURE-ONLY COMMITTEE AND ONE OF WHICH MAKES POLITICAL
28 CONTRIBUTIONS, AND THAT ALLOCATES ITS SOLICITATION AND ADMINISTRATIVE COSTS
29 BETWEEN THE TWO ACCOUNTS ACCORDING TO THE RATIO OF FUNDS RECEIVED BY EACH.

30 ~~12-~~ 13. "Identification" means:

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

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

37 ~~13-~~ 14. "Incomplete contribution" means any contribution received by a
38 political committee for which the contributor's mailing address, occupation,
39 employer or identification number has not been obtained and is not in the
40 possession of the political committee.

41 ~~14-~~ 15. "Independent expenditure" means ~~an~~ A POLITICAL expenditure by
42 a person or political committee, other than a candidate's campaign committee,
43 that expressly advocates the election or defeat of a clearly identified
44 candidate, ~~AND~~ that is made without ~~cooperation or consultation with any~~
45 ~~candidate or committee or agent of the candidate and that is not made in~~

1 ~~concert with or at~~ the SPECIFIC request ~~or suggestion~~ of a candidate, or any
2 committee or agent of the candidate. Independent expenditure includes ~~an~~ A
3 POLITICAL expenditure that is subject to the requirements of section 16-917,
4 which requires a copy of campaign literature or advertisement to be sent to a
5 candidate named or otherwise referred to in the literature or advertisement.

6 16. "INDEPENDENT EXPENDITURE-ONLY COMMITTEE" MEANS A POLITICAL
7 COMMITTEE THAT MAKES ONLY POLITICAL EXPENDITURES AND THAT DOES NOT MAKE ANY
8 POLITICAL CONTRIBUTIONS TO ANY CANDIDATE, CANDIDATE COMMITTEE OR POLITICAL
9 PARTY COMMITTEE. AN INDEPENDENT EXPENDITURE-ONLY COMMITTEE MAY MAKE
10 POLITICAL CONTRIBUTIONS TO OTHER INDEPENDENT EXPENDITURE-ONLY COMMITTEES OR
11 TO THE INDEPENDENT EXPENDITURE-ONLY ACCOUNTS OF HYBRID POLITICAL COMMITTEES.

12 ~~15.~~ 17. "In-kind contribution" means a contribution of goods or
13 services or anything of value and not a monetary contribution. The use by a
14 candidate's campaign committee of a distinctive trade name, trademark or
15 trade dress item, including a logo, that is owned by a business or other
16 entity that is owned by that candidate or in which the candidate has a
17 controlling interest is deemed to be an in-kind contribution to the
18 candidate's campaign committee and shall be reported as otherwise prescribed
19 by law.

20 ~~16.~~ 18. "Itemized" means that each contribution received or POLITICAL
21 expenditure made is set forth separately.

22 ~~17.~~ 19. "Literature or advertisement" means information or materials
23 that are mailed, distributed or placed in some medium of communication for
24 the purpose of influencing the outcome of an election.

25 20. "OFFICEHOLDER EXPENSE COMMITTEE" MEANS ANY ENTITY THAT IS
26 ESTABLISHED, MAINTAINED, CONTROLLED AND USED BY AN ELECTED OR APPOINTED
27 HOLDER OF PUBLIC OFFICE AS PRESCRIBED IN SECTION 41-133 TO ACCEPT DONATIONS
28 OR CONTRIBUTIONS TO PAY FOR THE OFFICEHOLDER'S OFFICIAL EXPENSES AS OTHERWISE
29 PERMITTED BY LAW, OR TO EXPEND MONIES AS OTHERWISE PERMITTED BY LAW. AN
30 OFFICEHOLDER EXPENSE COMMITTEE IS REQUIRED TO REGISTER AND REPORT AS A
31 POLITICAL COMMITTEE WITHOUT REGARD TO ITS INCOME OR SPENDING LEVELS.

32 ~~18.~~ 21. "Personal monies" means any of the following:

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

37 (b) Salary and other earned income from bona fide employment of the
38 candidate, dividends and proceeds from the sale of the stocks or investments
39 of the candidate, bequests to the candidate, income to the candidate from
40 trusts established before candidacy, income to the candidate from trusts
41 established by bequest after candidacy of which the candidate is a
42 beneficiary, gifts to the candidate of a personal nature that have been
43 customarily received before the candidacy and proceeds received by the
44 candidate from lotteries and other legal games of chance.

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

4 (d) Family contributions.

5 ~~19. 22. "Political committee" means a candidate or any association or~~
6 ~~combination of persons that is organized, conducted or combined for the~~
7 ~~purpose of influencing the result of any election or to determine whether an~~
8 ~~individual will become a candidate for election in this state or in any~~
9 ~~county, city, town, district or precinct in this state, that engages in~~
10 ~~political activity in behalf of or against a candidate for election or~~
11 ~~retention or in support of or opposition to an initiative, referendum or~~
12 ~~recall or any other measure or proposition and that applies for a serial~~
13 ~~number and circulates petitions and, in the case of a candidate for public~~
14 ~~office except those exempt pursuant to section 16-903, that receives~~
15 ~~contributions or makes expenditures of more than two hundred fifty dollars in~~
16 ~~connection therewith, notwithstanding that the association or combination of~~
17 ~~persons may be part of a larger association, combination of persons or~~
18 ~~sponsoring organization not primarily organized, conducted or combined for~~
19 ~~the purpose of influencing the result of any election in this state or in any~~
20 ~~county, city, town or precinct in this state. Political committee includes~~
21 ~~the following types of committees:~~

22 ~~(a) A candidate's campaign committee.~~

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

25 ~~(c) A committee acting in support of or opposition to the~~
26 ~~qualification, passage or defeat of a ballot measure, question or~~
27 ~~proposition.~~

28 ~~(d) A committee organized to circulate or oppose a recall petition or~~
29 ~~to influence the result of a recall election.~~

30 ~~(e) A political party.~~

31 ~~(f) A committee organized for the purpose of making independent~~
32 ~~expenditures.~~

33 ~~(g) A committee organized in support of or opposition to one or more~~
34 ~~candidates.~~

35 ~~(h) A political organization.~~

36 ~~(i) An exploratory committee.~~

37 ANY GROUP OF TWO OR MORE INDIVIDUALS WHO ARE UNRELATED BY MARRIAGE OR ANY
38 OTHER ORGANIZATION OR ENTITY THAT MAKES TOTAL POLITICAL CONTRIBUTIONS OR
39 POLITICAL EXPENDITURES OF MORE THAN ONE THOUSAND DOLLARS DURING ANY CALENDAR
40 YEAR AND THE MAJOR PURPOSE OF WHICH IS THE MAKING OF POLITICAL CONTRIBUTIONS
41 OR POLITICAL EXPENDITURES. POLITICAL COMMITTEE INCLUDES THE FOLLOWING TYPES
42 OF COMMITTEE:

43 (a) A BALLOT MEASURE COMMITTEE.

44 (b) A POLITICAL PARTY COMMITTEE.

45 (c) A SEPARATE SEGREGATED FUND COMMITTEE.

- 1 (d) AN INDEPENDENT EXPENDITURE-ONLY COMMITTEE.
- 2 (e) A HYBRID COMMITTEE.
- 3 (f) A CANDIDATE CAMPAIGN COMMITTEE.
- 4 (g) AN OFFICEHOLDER EXPENSE COMMITTEE.
- 5 (h) AN EXPLORATORY COMMITTEE.
- 6 23. "POLITICAL EXPENDITURES":
- 7 (a) MEANS THE PAYMENT FOR:
- 8 (i) ANY COMMUNICATIONS THAT IN EXPRESS TERMS CALL FOR THE ELECTION,
- 9 RETENTION, RECALL OR DEFEAT OF A CLEARLY IDENTIFIED CANDIDATE OR CANDIDATES
- 10 AFFILIATED WITH A POLITICAL PARTY OR THE PASSAGE OR DEFEAT OF A MEASURE
- 11 CLEARLY IDENTIFIED BY ITS NUMBER, NAME OR BALLOT TITLE, BY USING PHRASES SUCH
- 12 AS "VOTE FOR THE GOVERNOR", "REELECT YOUR SENATOR", "RETAIN JUDGE SMITH",
- 13 "DEFEAT SHERIFF JONES", "SUPPORT THE DEMOCRATIC NOMINEE", "CAST YOUR BALLOT
- 14 FOR THE REPUBLICAN CHALLENGER FOR STATE REPRESENTATIVE IN DISTRICT 1", "DOE
- 15 FOR MAYOR", "YES ON MEASURE 1", "VOTE FOR CHAMPIONS OF THE TAXPAYERS"
- 16 ACCOMPANIED BY A LISTING OF CLEARLY IDENTIFIED CANDIDATES ASSOCIATED WITH
- 17 BEING "CHAMPIONS OF THE TAXPAYERS", "DEFEAT" ACCOMPANIED BY A PICTURE OF ONE
- 18 OR MORE CANDIDATES OR "REJECT THE INCUMBENT".
- 19 (ii) THE REPUBLICATION OF ANY CANDIDATE'S, CANDIDATE CAMPAIGN
- 20 COMMITTEE'S, BALLOT MEASURE COMMITTEE'S, POLITICAL PARTY COMMITTEE'S OR
- 21 POLITICAL COMMITTEE'S CAMPAIGN MATERIALS.
- 22 (b) DOES NOT INCLUDE:
- 23 (i) PAYMENT FOR THE REPUBLICATION OF MATERIALS IN A VOTER GUIDE AS
- 24 PRESCRIBED IN PARAGRAPH 6 OF THIS SECTION AND THE REPUBLICATION OF CAMPAIGN
- 25 MATERIALS THAT COMMENT ON OR EXPLAIN A CANDIDATE'S POSITION ON ANY ISSUE AND
- 26 THAT DO NOT OTHERWISE IN EXPRESS TERMS CALL FOR THE ELECTION, RETENTION,
- 27 RECALL OR DEFEAT OF ANY CLEARLY IDENTIFIED CANDIDATE OR THE PASSAGE OR DEFEAT
- 28 OF A CLEARLY IDENTIFIED MEASURE AS PRESCRIBED IN SUBDIVISION (a), ITEM (i) OF
- 29 THIS PARAGRAPH.
- 30 (ii) THE REPUBLICATION OF PUBLICLY AVAILABLE PHOTOGRAPHS OR VIDEO
- 31 FOOTAGE OF A CANDIDATE THAT IS DEVOID OF ANY TEXT OR AUDIO CONTENT IN OR FROM
- 32 THE ORIGINAL MATERIAL.
- 33 (iii) ANYTHING THAT IS SPECIFICALLY EXCLUDED FROM THE DEFINITION OF
- 34 POLITICAL CONTRIBUTION.
- 35 ~~20-~~ 24. "Political organization" means an organization that is
- 36 formally affiliated with and recognized by a political party including a
- 37 district committee organized pursuant to section 16-823.
- 38 ~~21-~~ 25. "Political party" means the state committee as prescribed by
- 39 section 16-825 or the county committee as prescribed by section 16-821 of an
- 40 organization that meets the requirements for recognition as a political party
- 41 pursuant to section 16-801 or section 16-804, subsection A.
- 42 26. "POLITICAL PARTY COMMITTEE" MEANS A POLITICAL COMMITTEE THAT
- 43 NOMINATES ONE OR MORE CANDIDATES WHOSE NAMES APPEAR ON THE BALLOT AS THE
- 44 CANDIDATES OF THAT GROUP, ORGANIZATION OR ENTITY.

1 27. "SEPARATE SEGREGATED FUND COMMITTEE" MEANS A POLITICAL COMMITTEE
2 THAT IS ESTABLISHED, MAINTAINED, CONTROLLED AND USED BY A CORPORATION OR
3 LABOR ORGANIZATION TO SOLICIT AND ACCEPT CONTRIBUTIONS FROM A RESTRICTED
4 CLASS THAT CONSISTS OF ITS DIRECTORS, OFFICERS, EMPLOYEES OR MEMBERS, IN ANY
5 COMBINATION, AND THE SPOUSES OF THOSE PERSONS. THE CORPORATION OR LABOR
6 ORGANIZATION MAY DEFINE PERSONS WHO QUALIFY AS MEMBERS ELIGIBLE FOR THIS
7 RESTRICTED CLASS IF THOSE PERSONS HAVE AT A MINIMUM EITHER ACCEPTED OR
8 AFFIRMED THEIR MEMBERSHIP OR MADE A CONTRIBUTION TO THE CORPORATION OR LABOR
9 ORGANIZATION WITHIN THE IMMEDIATELY PRECEDING THREE YEARS.

10 ~~22-~~ 28. "Sponsoring organization" means any organization that
11 establishes, administers or contributes financial support to the
12 administration of, or that has common or overlapping membership or officers
13 with, a political committee other than a candidate's campaign committee.

14 ~~23-~~ 29. "Standing political committee" means a political committee
15 that satisfies all of the following:

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

18 (b) Files a statement of organization as prescribed by section
19 16-902.01, subsection E.

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

22 (i) A separate, segregated fund.

23 (ii) A political party.

24 (iii) A committee organized for the purpose of making independent
25 expenditures.

26 (iv) A political organization.

27 ~~24-~~ 30. "Statewide office" means the office of governor, secretary of
28 state, state treasurer, attorney general, superintendent of public
29 instruction, corporation commissioner or mine inspector.

30 ~~25-~~ 31. "Surplus monies" means those monies of a political committee
31 remaining after all of the committee's POLITICAL expenditures have been made
32 and its debts have been extinguished.

33 Sec. 2. Section 16-911, Arizona Revised Statutes, is amended to read:

34 16-911. Independent expenditures; coordination

35 A. In evaluating whether ~~an~~ A POLITICAL expenditure is an independent
36 expenditure as defined in section 16-901 OR IS UNLAWFULLY COORDINATED, ~~an~~
37 ~~election official shall use the following as evidence of coordination and an~~
38 A POLITICAL expenditure is not an independent expenditure if any of the
39 following applies:

40 ~~1. Any officer, member, employee or agent of the political committee~~
41 ~~making the expenditure is also an officer, member, employee or agent of the~~
42 ~~committee of the candidate whose election or whose opponent's defeat is being~~
43 ~~advocated by the expenditure or an agent of the candidate whose election or~~
44 ~~whose opponent's defeat is being advocated by the expenditure.~~

1 ~~2. There is any arrangement, coordination or direction with respect to~~
2 ~~the expenditure between the candidate or the candidate's agent and the person~~
3 ~~making the expenditure, including any officer, director, employee or agent of~~
4 ~~that person.~~

5 ~~3. In the same election the person making the expenditure, including~~
6 ~~any officer, director, employee or agent of that person, is or has been:~~

7 ~~(a) Authorized to raise or expend monies on behalf of the candidate or~~
8 ~~the candidate's authorized committees.~~

9 ~~(b) Receiving any form of compensation or reimbursement from the~~
10 ~~candidate, the candidate's committees or the candidate's agent.~~

11 ~~4. The expenditure is based on information about the candidate's~~
12 ~~plans, projects or needs, or those of the candidate's campaign committee,~~
13 ~~provided to the expending person by the candidate or by the candidate's~~
14 ~~agents or any officer, member or employee of the candidate's campaign~~
15 ~~committee with a view toward having the expenditure made.~~

16 1. THE POLITICAL EXPENDITURE IS CREATED, PRODUCED, DISTRIBUTED OR
17 UNDERTAKEN AT THE SPECIFIC REQUEST OF A CANDIDATE OR CANDIDATE CAMPAIGN
18 COMMITTEE AND THE SPECIFIC REQUEST IS MADE TO THE PERSON MAKING THE
19 EXPENDITURE.

20 2. THE POLITICAL EXPENDITURE IS CREATED, PRODUCED, DISTRIBUTED OR
21 UNDERTAKEN AT THE SPECIFIC REQUEST OF A PERSON WHO IS PAYING FOR THE
22 EXPENDITURE.

23 B. For the purposes of ~~subsection A, paragraphs 2 and 3 of this~~
24 ~~section,~~ THE FOLLOWING ARE DEEMED TO BE SAFE HARBORS AND DO NOT CONSTITUTE
25 UNLAWFUL COORDINATION:

26 ~~1. The actions of an officer, director, employee or agent of a trade~~
27 ~~association organized and recognized by the United States internal revenue~~
28 ~~service under section 501(c)(6) of the internal revenue code are not~~
29 ~~attributable to the trade association making an independent expenditure if~~
30 ~~all of the following apply:~~

31 ~~(a) The officer, director, employee or agent did not participate in~~
32 ~~any way in deciding to make an independent expenditure or in deciding the~~
33 ~~content, timing or targeting of an independent expenditure.~~

34 ~~(b) The trade association had an express written policy describing the~~
35 ~~requisite separation prescribed in subdivision (a) of this paragraph.~~

36 ~~(c) The trade association and the officer, director, employee or agent~~
37 ~~followed the written policy prescribed in subdivision (b) of this paragraph.~~

38 ~~2. Serving on a host committee for a fund-raising event does not~~
39 ~~presumptively demonstrate any arrangement, coordination or direction.~~

40 1. MAKING A POLITICAL EXPENDITURE IF THE INFORMATION MATERIAL TO THE
41 POLITICAL EXPENDITURE WAS OBTAINED FROM A PUBLICLY AVAILABLE SOURCE.

42 2. SERVING ON A HOST COMMITTEE FOR A FUND-RAISING EVENT.

43 3. USING A CANDIDATE'S OR A POLITICAL PARTY COMMITTEE'S RESPONSE TO AN
44 INQUIRY ABOUT THAT CANDIDATE'S OR POLITICAL PARTY COMMITTEE'S POSITIONS ON

1 LEGISLATIVE OR POLICY ISSUES, INCLUDING SUBSTANTIVE DISCUSSION OF THE
2 LEGISLATIVE OR POLICY ISSUES.

3 4. A CANDIDATE'S ENDORSEMENT OF ANOTHER CANDIDATE.

4 5. A CANDIDATE'S SOLICITATION OF MONIES FOR ANOTHER CANDIDATE, A
5 CANDIDATE CAMPAIGN COMMITTEE, ANY OTHER POLITICAL COMMITTEE OR AN
6 ORGANIZATION THAT IS ELIGIBLE TO RECEIVE TAX DEDUCTIBLE DONATIONS UNDER 26
7 UNITED STATES CODE SECTION 170 AND REGULATIONS OF THE UNITED STATES
8 DEPARTMENT OF TREASURY.

9 6. DISSEMINATING A COMMUNICATION IN WHICH A CANDIDATE IS CLEARLY
10 IDENTIFIED ONLY IN THE CANDIDATE'S CAPACITY AS THE OWNER OR OPERATOR OF A
11 BUSINESS THAT EXISTED BEFORE THE CANDIDACY IF THE COMMUNICATION DOES NOT
12 REFER TO AN ELECTION OR ANOTHER CANDIDATE WHO SEEKS THE SAME OFFICE AS THAT
13 CANDIDATE.

14 Sec. 3. Conforming legislation

15 The legislative council staff shall prepare proposed legislation
16 conforming the Arizona Revised Statutes to the provisions of this act for
17 consideration in the fifty-second legislature, second regular session.