

REFERENCE TITLE: disclosure; lobbyists; gifts; public officers

State of Arizona  
House of Representatives  
Fifty-second Legislature  
Second Regular Session  
2016

## **HB 2623**

Introduced by  
Representative Meyer

AN ACT

AMENDING SECTION 38-541, ARIZONA REVISED STATUTES; AMENDING SECTION 38-542, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2011, CHAPTER 332, SECTION 27; AMENDING SECTION 38-542, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2014, CHAPTER 149, SECTION 1; AMENDING SECTIONS 38-543 AND 38-544, ARIZONA REVISED STATUTES; AMENDING TITLE 38, CHAPTER 3.1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 38-546; AMENDING SECTIONS 41-1231, 41-1232.02, 41-1232.03 AND 41-1232.08, ARIZONA REVISED STATUTES; RELATING TO DISCLOSURE BY PUBLIC OFFICERS AND LOBBYISTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:  
2 Section 1. Section 38-541, Arizona Revised Statutes, is amended to  
3 read:  
4 38-541. Definitions  
5 In this chapter, unless the context otherwise requires:  
6 1. "Business" includes any enterprise, organization, trade, occupation  
7 or profession, whether or not operated as a legal entity or for profit,  
8 including any business trust, corporation, partnership, joint venture or sole  
9 proprietorship.  
10 2. "Compensation" means anything of value or advantage, present or  
11 prospective, including the forgiveness of debt.  
12 3. "Controlled business" means any business in which the public  
13 officer or any member of ~~his~~ THE OFFICER'S household has an ownership or  
14 beneficial interest, individually or combined, amounting to more than a fifty  
15 ~~per cent~~ PERCENT interest.  
16 4. "Dependent business" means any business in which the public officer  
17 or any member of ~~his~~ THE OFFICER'S household has an ownership or beneficial  
18 interest, individually or combined, amounting to more than a ten ~~per cent~~  
19 PERCENT interest, and during the preceding calendar year the business  
20 received from a single source more than ten thousand dollars and more than  
21 fifty ~~per cent~~ PERCENT of its gross income.  
22 5. "Gift" ~~includes~~ MEANS any gratuity, special discount, favor,  
23 hospitality, service, economic opportunity, loan, PAYMENT, DISTRIBUTION,  
24 EXPENDITURE, ADVANCE, DEPOSIT OR DONATION OF MONEY, ANY INTANGIBLE PERSONAL  
25 PROPERTY OR ANY KIND OF TANGIBLE PERSONAL OR REAL PROPERTY or other benefit  
26 received without equivalent consideration and not provided to members of the  
27 public at large. GIFT DOES NOT INCLUDE:  
28 (a) A GIFT, DEVISE OR INHERITANCE FROM AN INDIVIDUAL'S SPOUSE, CHILD,  
29 PARENT, GRANDPARENT, GRANDCHILD, BROTHER, SISTER, PARENT-IN-LAW,  
30 BROTHER-IN-LAW, SISTER-IN-LAW, NEPHEW, NIECE, AUNT, UNCLE OR FIRST COUSIN OR  
31 THE SPOUSE OF ANY SUCH INDIVIDUAL IF THE DONOR IS NOT ACTING AS THE AGENT OR  
32 INTERMEDIARY FOR SOMEONE OTHER THAN A PERSON COVERED BY THIS SUBDIVISION.  
33 (b) SALARY, COMPENSATION OR EMPLOYER REIMBURSED EXPENSES LAWFULLY PAID  
34 TO A PUBLIC OFFICER.  
35 (c) A PLAQUE OR OTHER FORM OF RECOGNITION SIMILAR TO A PLAQUE TO A  
36 PUBLIC OFFICER OR MEMBER OF THE PUBLIC OFFICER'S HOUSEHOLD TO SIGNIFY THE  
37 HONORARY RECOGNITION OF A SERVICE OR OTHER NOTABLE ACCOMPLISHMENT.  
38 (d) INFORMATIONAL MATERIAL SUCH AS BOOKS, REPORTS, PAMPHLETS,  
39 CALENDARS OR PERIODICALS.  
40 (e) AN ITEM THAT IS NOT USED AND THAT IS RETURNED WITHIN FIFTEEN  
41 CALENDAR DAYS AFTER RECEIPT TO THE DONOR OR THAT IS DELIVERED WITHIN FIFTEEN  
42 CALENDAR DAYS AFTER RECEIPT TO A CHARITABLE ORGANIZATION AND THAT IS NOT  
43 CLAIMED AS A CHARITABLE CONTRIBUTION FOR STATE OR FEDERAL INCOME TAX  
44 PURPOSES.

1 (f) A CAMPAIGN CONTRIBUTION OR A CONTRIBUTION TO AN OFFICEHOLDER  
2 EXPENSE ACCOUNT THAT IS PROPERLY RECEIVED AND REPORTED AS REQUIRED BY LAW.

3 (g) AN ITEM THAT IS GIVEN TO A PUBLIC OFFICER OR MEMBER OF THE PUBLIC  
4 OFFICER'S HOUSEHOLD IF THE PUBLIC OFFICER OR MEMBER OF THE HOUSEHOLD GIVES AN  
5 ITEM OF APPROXIMATELY THE SAME VALUE TO THE GIVER OF THE ITEM AT THE SAME  
6 TIME THAT THE ITEM IS GIVEN OR ON A SIMILAR OCCASION AS THE ONE THAT PROMPTED  
7 THE ORIGINAL ITEM TO BE GIVEN.

8 (h) GIFTS OF A PERSONAL NATURE THAT WERE CUSTOMARILY RECEIVED BY AN  
9 INDIVIDUAL FROM THE DONOR BEFORE THE INDIVIDUAL BECAME A PUBLIC OFFICER.

10 (i) AN ITEM THAT IS GIVEN TO THE GENERAL PUBLIC AT AN EVENT.

11 6. "Local public officer" means a person holding an elective office of  
12 an incorporated city or town, a county or a groundwater replenishment  
13 district established under title 48, chapter 27.

14 7. "Member of household" means a public officer's spouse and any minor  
15 child of whom the public officer has legal custody.

16 8. "Public officer" means a member of the legislature and any judge of  
17 the court of appeals or the superior court, or a person holding an elective  
18 office the constituency of which embraces the entire geographical limits of  
19 this state. Members of Congress are not public officers as defined in this  
20 paragraph.

21 Sec. 2. Section 38-542, Arizona Revised Statutes, as amended by Laws  
22 2011, chapter 332, section 27, is amended to read:

23 38-542. Duty to file financial disclosure statement; contents;  
24 exceptions

25 A. In addition to other statements and reports required by law, every  
26 public officer, as a matter of public record, shall file ELECTRONICALLY with  
27 the secretary of state on a form prescribed by the secretary of state a  
28 verified financial disclosure statement covering the preceding ~~calendar year~~  
29 SIX MONTHS. The statement SHALL BE PUBLICLY AVAILABLE ON THE SECRETARY OF  
30 STATE'S WEBSITE AND shall disclose:

31 1. The name and address of the public officer and each member of ~~his~~  
32 THE OFFICER'S household and all names and addresses under which each does  
33 business.

34 2. The name and address of each employer and of each other source of  
35 compensation other than gifts amounting to more than ~~one thousand~~ FIVE  
36 HUNDRED dollars received during the preceding ~~calendar year~~ SIX MONTHS by the  
37 public officer and members of ~~his~~ THE OFFICER'S household in their own names,  
38 or by any other person for the use or benefit of the public officer or  
39 members of ~~his~~ THE OFFICER'S household, a description of the services for  
40 which the compensation was received and the nature of the employer's  
41 business. This paragraph ~~shall not be construed to~~ DOES NOT require the  
42 disclosure of individual items of compensation that constituted a portion of  
43 the gross income of the business from which the public officer or members of  
44 ~~his~~ THE OFFICER'S household derived compensation.

1           3. For a controlled business, a description of the goods or services  
2 provided by the business, and if any single source of compensation to the  
3 business during the preceding ~~calendar-year~~ SIX MONTHS amounts to more than  
4 ~~ten~~ FIVE thousand dollars and is more than twenty-five ~~per-cent~~ PERCENT of  
5 the gross income of the business, the disclosure shall also include a  
6 description of the goods or services provided to the source of  
7 compensation. For a dependent business the statement shall disclose a  
8 description of the goods or services provided by the business and a  
9 description of the goods or services provided to the source of compensation  
10 from which the dependent business derived the amount of gross income  
11 described in section 38-541, paragraph 4. If the source of compensation for  
12 a controlled or dependent business is a business, the statement shall  
13 disclose a description of the business activities engaged in by the source of  
14 compensation.

15           4. The names and addresses of all businesses and trusts in which the  
16 public officer or members of ~~his~~ THE OFFICER'S household, or any other person  
17 for the use or benefit of the public officer or members of ~~his~~ THE OFFICER'S  
18 household, had an ownership or beneficial interest of over ~~one-thousand~~ FIVE  
19 HUNDRED dollars at any time during the preceding ~~calendar-year~~ SIX MONTHS,  
20 and the names and addresses of all businesses and trusts in which the public  
21 officer or any member of ~~his~~ THE OFFICER'S household held any office or had a  
22 fiduciary relationship at any time during the preceding ~~calendar-year~~ SIX  
23 MONTHS, together with the amount or value of the interest and a description  
24 of the interest, office or relationship.

25           5. All Arizona real property interests and real property improvements,  
26 including specific location and approximate size, in which the public  
27 officer, any member of ~~his~~ THE OFFICER'S household or a controlled or  
28 dependent business held legal title or a beneficial interest at any time  
29 during the preceding ~~calendar-year~~ SIX MONTHS, and the value of any such  
30 interest, except that this paragraph does not apply to a real property  
31 interest and improvements thereon used as the primary personal residence or  
32 for the personal recreational use of the public officer. If a public  
33 officer, any member of ~~his~~ THE OFFICER'S household or a controlled or  
34 dependent business acquired or divested any such interest during the  
35 preceding ~~calendar-year~~ SIX MONTHS, ~~he~~ THE OFFICER shall also disclose that  
36 the transaction was made and the date it occurred. If the controlled or  
37 dependent business is in the business of dealing in real property interests  
38 or improvements, disclosure need not include individual parcels or  
39 transactions ~~as long as~~ IF the aggregate value of all parcels of ~~such~~ THE  
40 property is reported.

41           6. The names and addresses of all creditors to whom the public officer  
42 or members of ~~his~~ THE OFFICER'S household, in their own names or in the name  
43 of any other person, owed a debt of more than ~~one-thousand~~ FIVE HUNDRED  
44 dollars or to whom a controlled business or a dependent business owed a debt  
45 of more than ~~ten~~ FIVE thousand dollars ~~which~~ THAT was also more than thirty

1 ~~per-cent~~ PERCENT of the total business indebtedness at any time during the  
 2 preceding ~~calendar-year~~ SIX MONTHS, listing each ~~such~~ creditor. This  
 3 paragraph ~~shall not be construed to~~ DOES NOT require the disclosure of debts  
 4 owed by the public officer or any member of ~~his~~ THE OFFICER'S household  
 5 resulting from the ordinary conduct of a business other than a controlled or  
 6 dependent business ~~nor shall disclosure be required~~ OR REQUIRE THE DISCLOSURE  
 7 of credit card transactions, retail installment contracts, debts on  
 8 residences or recreational property exempt from disclosure under paragraph 5  
 9 of this subsection, debts on motor vehicles not used for commercial purposes,  
 10 debts secured by cash values on life insurance or debts owed to relatives.  
 11 It is sufficient disclosure of a creditor if the name and address of a person  
 12 to whom payments are made is disclosed. If the public officer, any member of  
 13 ~~his~~ THE OFFICER'S household or a controlled or dependent business incurred or  
 14 discharged a debt ~~which~~ THAT is reportable under this subsection during the  
 15 preceding ~~calendar-year~~ SIX MONTHS, the report shall disclose that the  
 16 transaction was made and the date it occurred.

17 7. The identification and amount of each debt exceeding ~~one thousand~~  
 18 FIVE HUNDRED dollars owed at any time during the preceding ~~calendar-year~~ SIX  
 19 MONTHS to the public officer and members of ~~his~~ THE OFFICER'S household in  
 20 their own names, or to any other person for the use or benefit of the public  
 21 officer or any member of ~~his~~ THE OFFICER'S household. The disclosure shall  
 22 include the identification and amount of each debt exceeding ~~ten~~ FIVE  
 23 thousand dollars to a controlled business or dependent business ~~which~~ THAT  
 24 was also more than thirty ~~per-cent~~ PERCENT of the total indebtedness to the  
 25 business at any time during the preceding ~~calendar-year~~ SIX MONTHS. This  
 26 paragraph ~~shall not be construed to~~ DOES NOT require the disclosure of debts  
 27 from the ordinary conduct of a business other than a controlled or dependent  
 28 business. If the public officer, any member of ~~his~~ THE OFFICER'S household  
 29 or a controlled or dependent business incurred or discharged a debt ~~which~~  
 30 THAT is reportable under this subsection during the preceding ~~year~~ SIX  
 31 MONTHS, the report shall disclose that the transaction was made and the date  
 32 it occurred.

33 8. The name of each source of any gift, or accumulated gifts from a  
 34 single source, of more than ~~five~~ TWO hundred FIFTY dollars received by the  
 35 public officer and members of ~~his~~ THE OFFICER'S household in their own names  
 36 during the preceding ~~calendar-year~~ SIX MONTHS, or by any other person for the  
 37 use or benefit of the public officer or any member of ~~his~~ THE OFFICER'S  
 38 household ~~except gifts received by will or by virtue of intestate succession,~~  
 39 ~~or received by way of distribution from any inter vivos or testamentary trust~~  
 40 ~~established by a spouse or by an ancestor, or gifts received from any other~~  
 41 ~~member of the household or relatives to the second degree of consanguinity.~~  
 42 ~~Political campaign contributions shall not be construed as gifts if otherwise~~  
 43 ~~publicly reported as political campaign contributions as required by law.~~

1           9. A list of all business licenses issued to, held by or in which the  
2 public officer or any member of ~~his~~ THE OFFICER'S household had an interest  
3 at any time during the preceding ~~calendar-year~~ SIX MONTHS, including the name  
4 in which the license was issued, the type of business and its location.

5           10. A list of all bonds, together with their value, issued by this  
6 state or any political subdivision of this state and held at any time during  
7 the preceding ~~calendar-year~~ SIX MONTHS by the public officer or any member of  
8 ~~his~~ THE OFFICER'S household, which bonds issued by a single entity had a  
9 value in excess of one thousand FIVE HUNDRED dollars. If the public officer  
10 or any member of ~~his~~ THE OFFICER'S household acquired or divested any bonds  
11 during the preceding ~~calendar-year-which~~ SIX MONTHS THAT are reportable under  
12 this paragraph, the fact that the transaction occurred and the date shall  
13 also be shown.

14           B. If an amount or value is required to be reported pursuant to this  
15 section, it is sufficient to report whether the amount or value of the equity  
16 interest falls within:

17           1. Category 1, TWO HUNDRED FIFTY DOLLARS TO NINE HUNDRED NINETY-NINE  
18 DOLLARS.

19           2. CATEGORY 2, one thousand dollars to twenty-five thousand dollars.

20           ~~2-~~ 3. Category ~~2-~~ 3, more than twenty-five thousand dollars to one  
21 hundred thousand dollars.

22           ~~3-~~ 4. Category ~~3-~~ 4, more than one hundred thousand dollars.

23           C. This section does not require the disclosure of any information  
24 that is privileged by law.

25           D. The statement required to be filed pursuant to subsection A OF THIS  
26 SECTION shall be filed by all persons who qualified as public officers at any  
27 time during the preceding ~~calendar-year~~ SIX MONTHS on or before ~~January-31~~  
28 THE LAST DAY of ~~each-year~~ THAT SIX-MONTH PERIOD with the exceptions that a  
29 public officer appointed to fill a vacancy ~~shall~~, within ~~sixty~~ THIRTY days  
30 following ~~his~~ THE OFFICER'S taking of such office, SHALL file a financial  
31 disclosure statement covering as ~~his-annual~~ THE REPORTING period the ~~twelve~~  
32 ~~month~~ SIX-MONTH period ending with the last full month ~~prior-to~~ BEFORE the  
33 date of ~~his~~ THE OFFICER'S taking office, and a public officer whose final  
34 term expires less than thirty-one days into the immediately following  
35 calendar year may file the public officer's final financial disclosure at the  
36 same time as the disclosure for the last immediately preceding ~~year~~ SIX-MONTH  
37 PERIOD.

38           E. The secretary of state shall prepare written guidelines, forms and  
39 samples for completing the financial disclosure statement required by this  
40 section. A copy of the guidelines, forms and samples shall be distributed to  
41 each public officer and shall be made available to each candidate required to  
42 file a financial disclosure statement pursuant to section 38-543.

1           Sec. 3. Section 38-542, Arizona Revised Statutes, as amended by Laws  
2 2014, chapter 149, section 1, is amended to read:

3           38-542. Duty to file financial disclosure statement; contents;  
4                                   exceptions

5           A. In addition to other statements and reports required by law, every  
6 public officer, as a matter of public record, shall file ELECTRONICALLY with  
7 the secretary of state on a form prescribed by the secretary of state a  
8 verified financial disclosure statement covering the preceding ~~calendar-year~~  
9 SIX MONTHS. The statement SHALL BE PUBLICLY AVAILABLE ON THE SECRETARY OF  
10 STATE'S WEBSITE AND shall disclose:

11           1. The name and address of the public officer and each member of ~~his~~  
12 THE OFFICER'S household and all names and addresses under which each does  
13 business.

14           2. The name and address of each employer and of each other source of  
15 compensation other than gifts amounting to more than ~~one-thousand~~ FIVE  
16 HUNDRED dollars received during the preceding ~~calendar-year~~ SIX MONTHS by the  
17 public officer and members of ~~his~~ THE OFFICER'S household in their own names,  
18 or by any other person for the use or benefit of the public officer or  
19 members of ~~his~~ THE OFFICER'S household, a description of the services for  
20 which the compensation was received and the nature of the employer's  
21 business. This paragraph ~~shall not be construed to~~ DOES NOT require the  
22 disclosure of individual items of compensation that constituted a portion of  
23 the gross income of the business from which the public officer or members of  
24 ~~his~~ THE OFFICER'S household derived compensation.

25           3. For a controlled business, a description of the goods or services  
26 provided by the business, and if any single source of compensation to the  
27 business during the preceding ~~calendar-year~~ SIX MONTHS amounts to more than  
28 ~~ten~~ FIVE thousand dollars and is more than twenty-five ~~per-cent~~ PERCENT of  
29 the gross income of the business, the disclosure shall also include a  
30 description of the goods or services provided to the source of compensation.  
31 For a dependent business the statement shall disclose a description of the  
32 goods or services provided by the business and a description of the goods or  
33 services provided to the source of compensation from which the dependent  
34 business derived the amount of gross income described in section 38-541,  
35 paragraph 4. If the source of compensation for a controlled or dependent  
36 business is a business, the statement shall disclose a description of the  
37 business activities engaged in by the source of compensation.

38           4. The names and addresses of all businesses and trusts in which the  
39 public officer or members of ~~his~~ THE OFFICER'S household, or any other person  
40 for the use or benefit of the public officer or members of ~~his~~ THE OFFICER'S  
41 household, had an ownership or beneficial interest of over ~~one-thousand~~ FIVE  
42 HUNDRED dollars at any time during the preceding ~~calendar-year~~ SIX MONTHS,  
43 and the names and addresses of all businesses and trusts in which the public  
44 officer or any member of ~~his~~ THE OFFICER'S household held any office or had a  
45 fiduciary relationship at any time during the preceding ~~calendar-year~~ SIX

1 MONTHS, together with the amount or value of the interest and a description  
2 of the interest, office or relationship.

3 5. All Arizona real property interests and real property improvements,  
4 including specific location and approximate size, in which the public  
5 officer, any member of ~~his~~ THE OFFICER'S household or a controlled or  
6 dependent business held legal title or a beneficial interest at any time  
7 during the preceding ~~calendar-year~~ SIX MONTHS, and the value of any such  
8 interest, except that this paragraph does not apply to a real property  
9 interest and improvements thereon used as the primary personal residence or  
10 for the personal recreational use of the public officer. If a public  
11 officer, any member of ~~his~~ THE OFFICER'S household or a controlled or  
12 dependent business acquired or divested any such interest during the  
13 preceding ~~calendar-year~~ SIX MONTHS, ~~he~~ THE OFFICER shall also disclose that  
14 the transaction was made and the date it occurred. If the controlled or  
15 dependent business is in the business of dealing in real property interests  
16 or improvements, disclosure need not include individual parcels or  
17 transactions ~~as long as~~ IF the aggregate value of all parcels of ~~such~~ THE  
18 property is reported.

19 6. The names and addresses of all creditors to whom the public officer  
20 or members of ~~his~~ THE OFFICER'S household, in their own names or in the name  
21 of any other person, owed a debt of more than ~~one-thousand~~ FIVE HUNDRED  
22 dollars or to whom a controlled business or a dependent business owed a debt  
23 of more than ~~ten~~ FIVE thousand dollars ~~which~~ THAT was also more than thirty  
24 ~~per-cent~~ PERCENT of the total business indebtedness at any time during the  
25 preceding ~~calendar-year~~ SIX MONTHS, listing each such creditor. This  
26 paragraph ~~shall not be construed to~~ DOES NOT require the disclosure of debts  
27 owed by the public officer or any member of ~~his~~ THE OFFICER'S household  
28 resulting from the ordinary conduct of a business other than a controlled or  
29 dependent business ~~nor shall disclosure be required~~ OR REQUIRE THE DISCLOSURE  
30 of credit card transactions, retail installment contracts, debts on  
31 residences or recreational property exempt from disclosure under paragraph 5  
32 of this subsection, debts on motor vehicles not used for commercial purposes,  
33 debts secured by cash values on life insurance or debts owed to  
34 relatives. It is sufficient disclosure of a creditor if the name and address  
35 of a person to whom payments are made is disclosed. If the public officer,  
36 any member of ~~his~~ THE OFFICER'S household or a controlled or dependent  
37 business incurred or discharged a debt ~~which~~ THAT is reportable under this  
38 subsection during the preceding ~~calendar-year~~ SIX MONTHS, the report shall  
39 disclose that the transaction was made and the date it occurred.

40 7. The identification and amount of each debt exceeding ~~one-thousand~~  
41 FIVE HUNDRED dollars owed at any time during the preceding ~~calendar-year~~ SIX  
42 MONTHS to the public officer and members of ~~his~~ THE OFFICER'S household in  
43 their own names, or to any other person for the use or benefit of the public  
44 officer or any member of ~~his~~ THE OFFICER'S household. The disclosure shall  
45 include the identification and amount of each debt exceeding ~~ten~~ FIVE



1 thousand dollars to a controlled business or dependent business ~~which~~ THAT  
 2 was also more than thirty ~~per cent~~ PERCENT of the total indebtedness to the  
 3 business at any time during the preceding ~~calendar year~~ SIX MONTHS. This  
 4 paragraph ~~shall not be construed to~~ DOES NOT require the disclosure of debts  
 5 from the ordinary conduct of a business other than a controlled or dependent  
 6 business. If the public officer, any member of ~~his~~ THE OFFICER'S household or  
 7 a controlled or dependent business incurred or discharged a debt ~~which~~ THAT  
 8 is reportable under this subsection during the preceding ~~year~~ SIX MONTHS, the  
 9 report shall disclose that the transaction was made and the date it occurred.

10 8. The name of each source of any gift, or accumulated gifts from a  
 11 single source, of more than ~~five~~ TWO hundred FIFTY dollars received by the  
 12 public officer and members of ~~his~~ THE OFFICER'S household in their own names  
 13 during the preceding ~~calendar year~~ SIX MONTHS, or by any other person for the  
 14 use or benefit of the public officer or any member of ~~his~~ THE OFFICER'S  
 15 household ~~except gifts received by will or by virtue of intestate succession,~~  
 16 ~~or received by way of distribution from any inter vivos or testamentary trust~~  
 17 ~~established by a spouse or by an ancestor, or gifts received from any other~~  
 18 ~~member of the household or relatives to the second degree of consanguinity.~~  
 19 ~~Political campaign contributions shall not be construed as gifts if otherwise~~  
 20 ~~publicly reported as political campaign contributions as required by law.~~

21 9. A list of all business licenses issued to, held by or in which the  
 22 public officer or any member of ~~his~~ THE OFFICER'S household had an interest  
 23 at any time during the preceding ~~calendar year~~ SIX MONTHS, including the name  
 24 in which the license was issued, the type of business and its location.

25 10. A list of all bonds, together with their value, issued by this  
 26 state or any political subdivision of this state and held at any time during  
 27 the preceding ~~calendar year~~ SIX MONTHS by the public officer or any member of  
 28 ~~his~~ THE OFFICER'S household, which bonds issued by a single entity had a  
 29 value in excess of one thousand FIVE HUNDRED dollars. If the public officer  
 30 or any member of ~~his~~ THE OFFICER'S household acquired or divested any bonds  
 31 during the preceding ~~calendar year which~~ SIX MONTHS THAT are reportable under  
 32 this paragraph, the fact that the transaction occurred and the date shall  
 33 also be shown.

34 B. If an amount or value is required to be reported pursuant to this  
 35 section, it is sufficient to report whether the amount or value of the equity  
 36 interest falls within:

37 1. Category 1, TWO HUNDRED FIFTY DOLLARS TO NINE HUNDRED NINETY-NINE  
 38 DOLLARS.

39 2. CATEGORY 2, one thousand dollars to twenty-five thousand dollars.

40 ~~2-~~ 3. Category ~~2-~~ 3, more than twenty-five thousand dollars to one  
 41 hundred thousand dollars.

42 ~~3-~~ 4. Category ~~3-~~ 4, more than one hundred thousand dollars.

43 C. This section does not require the disclosure of any information  
 44 that is privileged by law.

1 D. The statement required to be filed pursuant to subsection A OF THIS  
2 SECTION shall be filed by all persons who qualified as public officers at any  
3 time during the preceding ~~calendar year~~ SIX MONTHS on or before ~~January 31~~  
4 THE LAST DAY of ~~each year~~ THAT SIX-MONTH PERIOD with the exceptions that a  
5 public officer appointed to fill a vacancy ~~shall~~, within ~~sixty~~ THIRTY days  
6 following ~~his~~ THE OFFICER'S taking of such office, SHALL file a financial  
7 disclosure statement covering as ~~his annual~~ THE REPORTING period the ~~twelve~~  
8 ~~month~~ SIX-MONTH period ending with the last full month ~~prior to~~ BEFORE the  
9 date of ~~his~~ THE OFFICER'S taking office, and a public officer whose final  
10 term expires less than thirty-one days into the immediately following  
11 calendar year may file the public officer's final financial disclosure at the  
12 same time as the disclosure for the last immediately preceding ~~year~~ SIX-MONTH  
13 PERIOD.

14 E. The secretary of state shall prepare written guidelines, forms and  
15 samples for completing the financial disclosure statement required by this  
16 section. A copy of the guidelines, forms and samples shall be distributed to  
17 each public officer and shall be made available to each candidate required to  
18 file a financial disclosure statement pursuant to section 38-543.

19 F. Beginning January 1, 2017, the statement required to be filed in  
20 subsection D of this section may be filed by the public officer in a form  
21 prescribed by the secretary of state that includes authorization for future  
22 filings to be submitted in an electronic format. Any subsequent filings  
23 required to be filed in subsection D of this section may be filed in an  
24 electronic format as prescribed by the secretary of state.

25 Sec. 4. Section 38-543, Arizona Revised Statutes, is amended to read:  
26 38-543. Duty to file financial disclosure statement by  
27 candidate for public office

28 A candidate for public office as specified in section 38-541, paragraph  
29 8 shall file ELECTRONICALLY a financial disclosure statement covering the  
30 preceding ~~twelve~~ SIX-month period and containing the information described in  
31 section 38-542 on a form prescribed by the secretary of state at the time of  
32 filing of nomination papers.

33 Sec. 5. Section 38-544, Arizona Revised Statutes, is amended to read:  
34 38-544. Violation: classification

35 A. Any public officer, local public officer or candidate who knowingly  
36 fails to file a financial disclosure statement required pursuant to section  
37 38-542, 38-543 or 38-545, who knowingly files an incomplete financial  
38 disclosure statement or who knowingly files a false financial disclosure  
39 statement is guilty of a class ~~1-misdemeanor~~ 6 FELONY.

40 B. Any public officer, local public officer or candidate who violates  
41 this chapter is subject to a civil penalty of fifty dollars for each day of  
42 noncompliance but not more than ~~five hundred~~ ONE THOUSAND dollars that may be  
43 imposed as prescribed in section 16-924.

44 C. ANY PUBLIC OFFICER, LOCAL PUBLIC OFFICER OR CANDIDATE WHO  
45 RECKLESSLY FAILS TO FILE A FINANCIAL DISCLOSURE STATEMENT REQUIRED PURSUANT

1 TO SECTION 38-542, 38-543 OR 38-545, WHO FILES AN INCOMPLETE FINANCIAL  
2 DISCLOSURE STATEMENT OR WHO FILES A FALSE FINANCIAL DISCLOSURE STATEMENT IS  
3 GUILTY OF A CLASS 1 MISDEMEANOR.

4 Sec. 6. Title 38, chapter 3.1, article 1, Arizona Revised Statutes, is  
5 amended by adding section 38-546, to read:

6 38-546. Electronic filing; financial disclosure statements

7 A. STATEMENTS THAT ARE FILED PURSUANT TO THIS CHAPTER IN THE OFFICE OF  
8 THE SECRETARY OF STATE IN ELECTRONIC FORMAT SHALL BE FILED USING COMPUTER  
9 PROGRAMS THAT ARE PROVIDED OR APPROVED BY THE SECRETARY OF STATE. THE  
10 SECRETARY OF STATE SHALL PROVIDE COMPUTER PROGRAMS TO ACCOMMODATE ELECTRONIC  
11 FILINGS AND SHALL IMPLEMENT AND MAINTAIN A SYSTEM FOR THE ELECTRONIC  
12 COLLECTION, FILING AND DISSEMINATION OF MATERIALS FILED PURSUANT TO SECTION  
13 38-542. A COUNTY OFFICER IN CHARGE OF ELECTIONS MAY IMPLEMENT AN ELECTRONIC  
14 FILING SYSTEM FOR STATEMENTS THAT ARE REQUIRED TO BE FILED WITH THE COUNTY  
15 OFFICER AND SUBSECTIONS B THROUGH F OF THIS SECTION APPLY TO AN ELECTRONIC  
16 FILING PROGRAM OPERATED BY A COUNTY.

17 B. IF THE FILINGS ARE COMPLETE AND CORRECT, ANY STATEMENTS,  
18 DESIGNATIONS OR REPORTS THAT ARE FILED IN THE SECRETARY OF STATE'S ELECTRONIC  
19 FILING FORMAT ARE DEEMED TO COMPLY WITH:

20 1. THE FILING REQUIREMENTS OF THIS CHAPTER.

21 2. THE REQUIREMENT THAT A FILING BE MADE UNDER OATH OR BE SUBMITTED  
22 WITH A WRITTEN SIGNATURE.

23 C. A STATEMENT THAT IS FILED IN ELECTRONIC FORMAT IS DEEMED TO BE  
24 FILED UNDER PENALTY OF PERJURY IF THE PRINTED FORMAT VERSION OF THAT DOCUMENT  
25 IS REQUIRED TO BE FILED UNDER PENALTY OF PERJURY.

26 D. A PUBLIC OFFICER WHO SUBMITS ANY STATEMENT PURSUANT TO THIS CHAPTER  
27 THAT IS NOT PROPERLY FORMATTED OR THAT DOES NOT CONTAIN THE INFORMATION  
28 PRESCRIBED BY THIS CHAPTER HAS NOT COMPLIED WITH THE REPORTING REQUIREMENTS  
29 OF THIS CHAPTER AND IS SUBJECT TO PENALTIES AND ENFORCEMENT AS OTHERWISE  
30 PROVIDED BY LAW.

31 E. DURING THE IMPLEMENTATION OF AN ELECTRONIC FILING SYSTEM IN A  
32 COUNTY, THE COUNTY OFFICER IN CHARGE OF ELECTIONS MAY REQUIRE THAT STATEMENTS  
33 BE FILED WITH AN ADDITIONAL WRITTEN OR PRINTED COPY.

34 F. FOR AN ELECTRONIC FILING SYSTEM IMPLEMENTED BY THE SECRETARY OF  
35 STATE OR OTHER FILING OFFICER, THE FILING OFFICER SHALL DESIGNATE ONE OR MORE  
36 APPROVED TRANSMITTAL FORMATS AND METHODS.

37 Sec. 7. Section 41-1231, Arizona Revised Statutes, is amended to read:

38 41-1231. Definitions

39 In this article, unless the context otherwise requires:

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

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

6           3. "Designated lobbyist" means the person who is designated by a  
7 principal as the single point of contact for the principal and who is listed  
8 as the designated lobbyist by the principal in its registration pursuant to  
9 section 41-1232.

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

14          5. "Entertainment" means the amount of any expenditure paid or  
15 incurred for admission to any sporting or cultural event or for participation  
16 in any sporting or cultural activity.

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

23          7. "Family gift" means a gift to a state officer or employee or a  
24 member of the officer's or employee's household from a principal, ~~A~~ lobbyist,  
25 ~~A~~ designated public lobbyist or ~~AN~~ authorized public lobbyist who is a  
26 relative of the state officer or employee or a member of the household of the  
27 state officer or employee if the donor is not acting as the agent or  
28 intermediary for someone other than a person covered by this paragraph.

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

33          9. "Gift" means ~~a~~ ANY GRATUITY, SPECIAL DISCOUNT, FAVOR, HOSPITALITY,  
34 SERVICE, ECONOMIC OPPORTUNITY, LOAN, payment, distribution, expenditure,  
35 advance, deposit or donation of money, any intangible personal property or  
36 any kind of tangible personal or real property OR OTHER BENEFIT RECEIVED  
37 WITHOUT EQUIVALENT CONSIDERATION AND NOT PROVIDED TO MEMBERS OF THE PUBLIC AT  
38 LARGE. For the purposes of this article, gift does not include:

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

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

- 1           ~~(i) A speaking engagement.~~  
2           ~~(ii) Food or beverages.~~  
3           ~~(iii) Travel and lodging.~~  
4           ~~(iv) Flowers.~~  
5           ~~(e)~~ (b) Salary, compensation or employer-reimbursed expenses lawfully  
6 paid to a public official.  
7           ~~(d)~~ (c) The value, cost or price of professional or consulting  
8 services that are not rendered to obtain a benefit for any registered  
9 principal, public body, lobbyist, designated public lobbyist or authorized  
10 public lobbyist or the clients of a principal or lobbyist.  
11           ~~(e) Expenses relating to a special event or function to which all~~  
12 ~~members of the legislature, either house of the legislature or any committee~~  
13 ~~of the legislature is invited.~~  
14           ~~(f)~~ (d) A plaque or other form of recognition similar to a plaque to  
15 a state officer or state employee to signify the honorary recognition of a  
16 service or other notable accomplishment.  
17           ~~(g)~~ (e) Informational material such as books, reports, pamphlets,  
18 calendars or periodicals.  
19           ~~(h)~~ (f) An item that is not used and that is returned within fifteen  
20 CALENDAR days of receipt to the donor or that is delivered within fifteen  
21 CALENDAR days of receipt to a charitable organization and that is not claimed  
22 as a charitable contribution for state or federal income tax purposes.  
23           ~~(i)~~ (g) A campaign contribution OR A CONTRIBUTION TO AN OFFICEHOLDER  
24 EXPENSE ACCOUNT that is properly received and reported as required by law.  
25           ~~(j)~~ (h) An item that is given to a state officer or employee if the  
26 state officer or employee gives an item of approximately the same value to  
27 the giver of the item at the same time that the item is given or on a similar  
28 occasion as the one that prompted the original item to be given.  
29           ~~(k)~~ (i) Gifts of a personal nature that were customarily received by  
30 an individual from the donor before the individual became a state officer or  
31 employee.  
32           ~~(l)~~ (j) An item that is given to the general public at an event.  
33           10. "Legislation" means bills, resolutions, memorials, amendments,  
34 nominations and other matters that are pending or proposed in either house of  
35 the legislature of this state.  
36           11. "Lobbying":  
37           (a) Means attempting to influence the passage or defeat of any  
38 legislation by directly communicating with any legislator OR THE GOVERNOR OR  
39 THE GOVERNOR'S STAFF, or attempting to influence any formal rulemaking  
40 proceeding pursuant to chapter 6 of this title or rulemaking proceedings that  
41 are exempt from chapter 6 of this title by directly communicating with any  
42 state officer or employee.  
43           (b) Includes, for a person who is otherwise required to be registered  
44 as a lobbyist for compensation pursuant to this article, attempting to

1 influence the procurement of materials, services or construction by an agency  
2 as defined in section 41-1001, including the office of the governor.

3 (c) Does not include:

4 (i) Interagency communications between state agency employees.

5 (ii) Communications between a public official or employee of a public  
6 body, designated public lobbyist or authorized public lobbyist and any state  
7 officer, except for a member of the legislature, or an employee of the  
8 legislature.

9 (iii) Oral questions or comments made by a person to a state officer  
10 or employee regarding a proposed rule and made in public at a meeting or  
11 workshop that is open to the public and that is sponsored by a state agency,  
12 board, commission, council or office.

13 (iv) Communications between a public body and a self-employed person  
14 or person employed by a partnership or company regarding the procurement of  
15 materials, services or construction unless the self-employed person or person  
16 employed by a partnership or company is otherwise required to register  
17 pursuant to this article or is employed by, supervised by at any level or  
18 contracted by a person who is otherwise required to register as a lobbyist  
19 for compensation pursuant to this article.

20 12. "Lobbyist" means any person, other than a designated public  
21 lobbyist or AN authorized public lobbyist, who is employed by, retained by or  
22 representing a person other than himself, with or without compensation, for  
23 the purpose of lobbying and who is listed as a lobbyist by the principal in  
24 its registration pursuant to section 41-1232. Lobbyist includes a lobbyist  
25 for compensation, A designated lobbyist and AN authorized lobbyist.

26 13. "Lobbyist for compensation" means a lobbyist who is compensated for  
27 the primary purpose of lobbying on behalf of a principal and who is listed by  
28 the principal in its registration pursuant to section 41-1232.

29 14. "Person" means an individual, partnership, committee, association  
30 or corporation and any other organization or group of persons, except  
31 legislators and political parties qualified for representation on the ballot  
32 pursuant to section 16-801 or 16-804.

33 15. "Personal hospitality" means hospitality, meals, beverages,  
34 transportation or lodging furnished but not commercially provided by a person  
35 on property or facilities owned or possessed by the person or the person's  
36 family.

37 16. "Principal" means any person, other than a public body, that  
38 employs, retains, engages or uses, with or without compensation, a lobbyist.  
39 Principal includes any subsidiary of a corporation.

40 17. "Procurement" has the same meaning prescribed in section 41-2503.

41 18. "Public body" means the Arizona board of regents, a university  
42 under the jurisdiction of the Arizona board of regents, the judicial  
43 department, any state agency, board, commission or council, any county, any  
44 county elected officer who elects to appoint a designated public lobbyist or  
45 any city, town, district or other political subdivision of this state that

1 receives and uses tax revenues and that employs, retains, engages or uses,  
2 with or without compensation, a designated public lobbyist or authorized  
3 public lobbyist.

4 19. "Public official" means a person who is duly elected, appointed or  
5 retained through election to an elected state, county or local office.

6 20. "Single expenditure" means an expenditure that provides a benefit  
7 of more than twenty dollars to an individual state officer or state employee  
8 and that is incurred by or on behalf of one or more principals, public  
9 bodies, lobbyists, designated public lobbyists or authorized public  
10 lobbyists.

11 ~~21. "Speaking engagement":~~

12 ~~(a) Means the amount of any expense paid or incurred for entrance~~  
13 ~~fees, lodging, food and beverage, entertainment, travel and other expenses~~  
14 ~~for the state officer's or employee's attendance at an event, committee,~~  
15 ~~meeting, conference or seminar, including meetings of state, regional or~~  
16 ~~national organizations or their committees concerned with legislative or~~  
17 ~~governmental activities if the state officer or employee participates in the~~  
18 ~~event as a speaker or panel participant by presenting information relating to~~  
19 ~~the state officer's or employee's legislative or official duties or by~~  
20 ~~performing a ceremonial function appropriate to the state officer's or~~  
21 ~~employee's position.~~

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

24 ~~22.~~ 21. "State employee" means an employee of the legislature OR THE  
25 GOVERNOR'S OFFICE, a university under the jurisdiction of the Arizona board  
26 of regents, the judicial department or a state office, agency, board,  
27 commission or council.

28 ~~23.~~ 22. "State officer" means a person who is duly elected, appointed  
29 or retained through election to any state office, or a member of any state  
30 board, commission or council, and includes a member of the legislature.

31 Sec. 8. Section 41-1232.02, Arizona Revised Statutes, is amended to  
32 read:

33 41-1232.02. Expenditure reporting; principals and lobbyists;  
34 gifts

35 A. Each principal shall report annually all single expenditures,  
36 whether or not the expenditures were made in the course of lobbying. These  
37 single expenditures shall be itemized separately, and each itemization shall  
38 include the date of the expenditure, the amount of the expenditure, the name  
39 of each state officer or employee receiving or benefitting from the  
40 expenditure, the category of the expenditure and the name of the lobbyist or  
41 other person who made the expenditure on behalf of the principal. In  
42 addition each principal shall report annually the aggregate of all  
43 expenditures of twenty dollars or less received by or benefitting a state  
44 officer or employee, whether or not the expenditures were made in the course  
45 of lobbying. The report shall be filed by March 1 and shall list the annual



1 expenditures made on behalf of the principal. If March 1 is a Saturday,  
2 Sunday or other legal holiday, the report shall be filed on the next business  
3 day.

4 B. Each lobbyist for compensation and designated lobbyist shall report  
5 quarterly all single expenditures incurred in the preceding calendar quarter  
6 by the lobbyist for compensation or designated lobbyist, whether or not the  
7 single expenditures were made in the course of lobbying. These single  
8 expenditures shall be itemized separately, and each itemization shall include  
9 the date of the expenditure, the amount of the expenditure, the name of the  
10 state officer or employee receiving or benefitting from the expenditure, the  
11 category of the expenditure and the principal on whose behalf the expenditure  
12 was made. If the expenditure was made by the lobbyist and was not made on  
13 behalf of a principal, it shall be itemized separately. The quarterly report  
14 shall be filed no later than the last day of the month following the end of  
15 the calendar quarter, unless the last day of the month is a Saturday, Sunday  
16 or other legal holiday. In that case, the report shall be filed on the next  
17 business day.

18 C. Each lobbyist for compensation and designated lobbyist shall also  
19 report quarterly the aggregate of all expenditures of twenty dollars or less  
20 received by or benefitting a state officer or employee, whether or not the  
21 expenditures were made in the course of lobbying. The report shall list  
22 separately the aggregate of expenditures made on behalf of each principal and  
23 the aggregate not made on behalf of any principal. In the fourth calendar  
24 quarter, these expenditures shall also be listed by cumulative total for the  
25 calendar year. Each quarterly lobbyist report shall include all reportable  
26 expenditures made by any employee of the lobbyist for compensation or  
27 designated lobbyist, regardless of whether that employee is listed as a  
28 lobbyist on any registration filed by a principal engaging the lobbyist. The  
29 quarterly report shall be filed no later than the last day of the month  
30 following the end of the calendar quarter, unless the last day of the month  
31 is a Saturday, Sunday or other legal holiday. In that case, the report shall  
32 be filed the next business day.

33 D. The reports required by subsections A and B of this section shall  
34 identify each single expenditure **BY SPECIFIC DOLLAR AMOUNT AND SHALL DESCRIBE**  
35 **THE ITEM, SERVICE OR OTHER BENEFIT PROVIDED.** ~~according to the following~~  
36 ~~categories:~~

- 37 ~~1. Food or beverages.~~
- 38 ~~2. Speaking engagement.~~
- 39 ~~3. Travel and lodging.~~
- 40 ~~4. Flowers.~~
- 41 ~~5. Other expenditures.~~

42 E. Expenditures by principals and lobbyists such as those for the  
43 lobbyist's personal sustenance, office expenses, filing fees, legal fees,  
44 employees' compensation, lodging and travel are not required to be reported.  
45 In addition, expenditures by a principal or a lobbyist for family gifts,



1 personal hospitality or those items excluded from the definition of gift  
2 pursuant to section 41-1231, paragraph 9, subdivision (a), (b), (c), (d),  
3 (e), (f), (g), (h), (i), ~~OR (j), (k) or (l)~~ are not required to be reported.

4 ~~F. All expenditures incurred by a principal or lobbyist in the case of~~  
5 ~~special events for legislators, including parties, dinners, athletic events,~~  
6 ~~entertainment and other functions, to which all members of the legislature,~~  
7 ~~either house of the legislature or any committee of the legislature are~~  
8 ~~invited shall be reported. Expenditures are not required to be allocated to~~  
9 ~~individual legislators, but for each such event a description of the event~~  
10 ~~and the date, location, name of the legislative body invited and total~~  
11 ~~expenditures incurred shall be reported. Expenditures for special events~~  
12 ~~held in conjunction with state, national or regional meetings of an~~  
13 ~~organization or association concerned or dealing with legislative or other~~  
14 ~~governmental activities to which all state officers or state employees in~~  
15 ~~attendance at such event are invited shall be reported in the same manner.~~

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

21 ~~H.~~ G. If a principal, lobbyist for compensation or designated  
22 lobbyist makes no expenditures that it would otherwise be required to report  
23 during a specified reporting period, the principal, lobbyist for compensation  
24 or designated lobbyist may sign a notarized form prescribed by the secretary  
25 of state indicating that there were no expenditures during the specific  
26 reporting period.

27 ~~I.~~ H. A person or organization shall not make a gift to or an  
28 expenditure on behalf of a state officer or employee through another person  
29 or organization for the purpose of disguising the identity of the person  
30 making the gift or expenditure.

31 ~~J. A principal or lobbyist or any other person acting on behalf of a~~  
32 ~~principal or lobbyist shall not give to any state officer or state employee~~  
33 ~~and a state officer or state employee shall not accept from a principal or~~  
34 ~~lobbyist either of the following:~~

35 ~~1. Gifts with a total value of more than ten dollars during any~~  
36 ~~calendar year.~~

37 ~~2. Gifts that are designed to influence the state officer's or state~~  
38 ~~employee's official conduct.~~

39 I. EACH REPORT REQUIRED TO BE FILED PURSUANT TO THIS SECTION SHALL BE  
40 SIGNED BY THE PRINCIPAL, LOBBYIST FOR COMPENSATION OR DESIGNATED LOBBYIST, AS  
41 APPROPRIATE, AND SHALL CONTAIN THE CERTIFICATION OF THE SIGNER UNDER PENALTY  
42 OF PERJURY THAT THE REPORT IS TRUE AND COMPLETE AND THAT THE SIGNER HAS READ  
43 AND COMPLIED WITH THE REQUIREMENTS OF THIS ARTICLE.

1           Sec. 9. Section 41-1232.03, Arizona Revised Statutes, is amended to  
2 read:

3           41-1232.03. Expenditure reporting: public bodies and public  
4                                   lobbyists: gifts

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

33           B. Each designated public lobbyist shall report quarterly all single  
34 expenditures received by or benefitting a member of the legislature and  
35 incurred in the preceding calendar quarter by the designated public lobbyist,  
36 whether or not the single expenditures were made in the course of lobbying.  
37 Each designated public lobbyist's report shall also include all single  
38 expenditures incurred in the preceding calendar quarter by each authorized  
39 public lobbyist who is registered pursuant to section 41-1232.01 by the same  
40 public body that registered the designated public lobbyist. This subsection  
41 does not apply to an expenditure that was made by a designated public  
42 lobbyist or AN authorized public lobbyist and that was received by or  
43 benefitted an employee of a public body, if the employee is not a member or  
44 employee of the legislature or a member of the household of a member or  
45 employee of the legislature. These expenditures shall be itemized

1 separately, and each itemization shall include the date of the expenditure,  
 2 the amount of the expenditure, the name of the member or employee receiving  
 3 or benefitting from the expenditure, the category of the expenditure and the  
 4 public body on whose behalf the expenditure was made. If the expenditure was  
 5 made by the designated public lobbyist or authorized public lobbyist and was  
 6 not made on behalf of a public body, it shall be itemized separately. The  
 7 quarterly report shall be filed no later than the last day of the month  
 8 following the end of the calendar quarter, unless the last day of the month  
 9 is a Saturday, Sunday or other legal holiday. In that case, the report shall  
 10 be filed on the next business day.

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

37 D. The reports required by subsections A and B of this section shall  
 38 identify the nature of each single expenditure BY SPECIFIC DOLLAR AMOUNT AND  
 39 SHALL DESCRIBE THE ITEM, SERVICE OR OTHER BENEFIT PROVIDED. ~~according to the~~  
 40 ~~following categories:~~

- 41 ~~1. Food or beverages.~~
- 42 ~~2. Speaking engagement.~~
- 43 ~~3. Travel and lodging.~~
- 44 ~~4. Flowers.~~
- 45 ~~5. Other expenditures.~~

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

6 ~~F. All expenditures incurred by a public body, designated public  
7 lobbyist or authorized public lobbyist in the case of special events for  
8 legislators, including parties, dinners, athletic events, entertainment and  
9 other functions, to which all members of the legislature, either house of the  
10 legislature or any committee of the legislature are invited shall be  
11 reported. Expenditures are not required to be allocated to individual  
12 legislators, but for each such event a description of the event and the date,  
13 location, name of the legislative body invited and total expenditures  
14 incurred shall be reported. Expenditures for special events held in  
15 conjunction with state, national or regional meetings of an organization or  
16 association concerned or dealing with legislative or other governmental  
17 activities to which all members or employees of the legislature in attendance  
18 at such event are invited shall be reported in the same manner.~~

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

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

29 ~~I.~~ H. A person or organization shall not make a gift to or an  
30 expenditure on behalf of a member or employee of the legislature through  
31 another person or organization for the purpose of disguising the identity of  
32 the person making the gift or expenditure.

33 ~~J. A public body, designated public lobbyist or authorized public  
34 lobbyist or any other person acting on behalf of a public body, designated  
35 public lobbyist or authorized public lobbyist shall not give to any member of  
36 the legislature and a member of the legislature shall not accept from a  
37 public body, designated public lobbyist or authorized public lobbyist either  
38 of the following:~~

39 ~~1. Gifts with a total value of more than ten dollars during any  
40 calendar year.~~

41 ~~2. Gifts that are designed to influence the member's or employee's  
42 official conduct.~~

43 ~~K. Subsection J of this section does not apply to gifts given by a  
44 public body, designated public lobbyist or authorized public lobbyist to an  
45 employee of a public body, if the employee is not a public official or a~~

1 ~~member of the household of a public official or if the gift is accepted on~~  
2 ~~behalf of the public body and remains the property of the public body.~~

3 I. EACH REPORT REQUIRED TO BE FILED PURSUANT TO THIS SECTION SHALL BE  
4 SIGNED BY THE PUBLIC BODY OR DESIGNATED PUBLIC LOBBYIST, AS APPROPRIATE, AND  
5 SHALL CONTAIN THE CERTIFICATION OF THE SIGNER UNDER PENALTY OF PERJURY THAT  
6 THE REPORT IS TRUE AND COMPLETE AND THAT THE SIGNER HAS READ AND COMPLIED  
7 WITH THE REQUIREMENTS OF THIS ARTICLE.

8 Sec. 10. Section 41-1232.08, Arizona Revised Statutes, is amended to  
9 read:

10 41-1232.08. Gift ban: state and political subdivisions

11 A. A principal, designated lobbyist, authorized lobbyist, lobbyist for  
12 compensation, public body, designated public lobbyist or authorized public  
13 lobbyist or any other person acting on that person's behalf shall not make an  
14 expenditure or single expenditure for ~~entertainment~~ A GIFT for a state  
15 officer or state employee. A state officer or state employee shall not  
16 accept an expenditure or single expenditure for ~~entertainment~~ A GIFT from a  
17 principal, designated lobbyist, authorized lobbyist, lobbyist for  
18 compensation, public body, designated public lobbyist or authorized public  
19 lobbyist or any other person acting on that person's behalf.

20 B. A person who for compensation attempts to influence the procurement  
21 of materials, services or construction by an agency as defined in section  
22 41-1001, including the office of the governor, or the passage or defeat of  
23 legislation, ordinances, rules, regulations, nominations and other matters  
24 that are pending or proposed or that are subject to formal approval by the  
25 corporation commission, a county board of supervisors, a city or town  
26 governing body or a school district governing board or any person acting on  
27 that person's behalf shall not make an expenditure or single expenditure for  
28 ~~entertainment for~~ A GIFT TO an elected or appointed member of the corporation  
29 commission, a county board of supervisors, a city or town governing body or a  
30 school district governing board. An elected or appointed member of the  
31 corporation commission, a county board of supervisors, a city or town  
32 governing body or a school district governing board shall not accept an  
33 expenditure or single expenditure for ~~entertainment~~ A GIFT from a person who  
34 for compensation attempts to influence the procurement of materials, services  
35 or construction by an agency as defined in section 41-1001, including the  
36 office of the governor, or the passage or defeat of legislation, ordinances,  
37 rules, regulations, nominations and other matters that are pending or  
38 proposed or that are subject to formal approval by the corporation  
39 commission, a county board of supervisors, a city or town governing body or a  
40 school district governing board.

41 ~~C. This section shall not apply to:~~

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

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

1           ~~3. The following persons while attending or participating in any~~  
2 ~~sporting or cultural event or activity, sponsored by the board, district or~~  
3 ~~institution, in a facility that is owned or operated by the board, district~~  
4 ~~or institution:~~

5           ~~(a) Employees of a school district governing board.~~

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

7           ~~(c) Employees of any institution under the jurisdiction of the Arizona~~  
8 ~~board of regents.~~

9           ~~D. The provisions of this article that define special events for~~  
10 ~~legislators apply to special events for members of the Arizona board of~~  
11 ~~regents.~~

12           Sec. 11. Effective date

13           Section 38-542, Arizona Revised Statutes, as amended by Laws 2014,  
14 chapter 149, section 1 and this act, is effective from and after December 31,  
15 2016.