

State of Arizona
Senate
Fifty-fourth Legislature
First Regular Session
2019

CHAPTER 218
SENATE BILL 1261

AN ACT

AMENDING SECTIONS 41-1232, 41-1232.01, 41-1232.02, 41-1232.03, 41-1232.07
AND 41-1236, ARIZONA REVISED STATUTES; RELATING TO REGISTRATION AND
REGULATION OF LOBBYISTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 41-1232, Arizona Revised Statutes, is amended to
3 read:

4 41-1232. Registration of principals; fee

5 A. Except as provided in subsection B **OF THIS SECTION**, before any
6 principal causes any lobbying to occur on its behalf, the principal shall
7 register with the secretary of state by filing a written statement in a
8 format prescribed by the secretary of state, subscribed under ~~oath~~ **PENALTY**
9 **OF PERJURY**, containing the following information:

10 1. The name and business address of the principal.

11 2. The name and business address of a person who is the designated
12 lobbyist for the principal, regardless of whether ~~such~~ **THE** person is
13 engaged to lobby for compensation.

14 3. The name and business address of each lobbyist for compensation
15 or authorized lobbyist employed by, retained by or representing the
16 principal.

17 4. For each lobbyist for compensation, designated lobbyist or
18 authorized lobbyist that is not an individual, the name and business
19 address of all employees of that lobbyist who lobby on the principal's
20 behalf.

21 5. The nature of the primary business or activity, issue, interest
22 or purpose of the principal.

23 6. The duration of the engagement of any lobbyist.

24 7. A description of the expenses for which each lobbyist is to be
25 reimbursed by the principal.

26 8. A listing of the state entities the lobbyist has been engaged or
27 designated to lobby including the legislature and state agencies, boards,
28 commissions or councils.

29 B. If a registration as required by subsection A **OF THIS SECTION**
30 cannot be accomplished or is not practicable in advance of the first
31 attempt or occasion to lobby, registration must occur within five business
32 days after the day on which the first lobbying attempt, occasion or
33 activity occurs.

34 C. Each principal shall reregister ~~to~~ **NOT** later than 5:00 p.m. on
35 the second Monday in January of each odd numbered year unless at that time
36 the principal no longer engages any lobbyist. A principal shall file its
37 registration at any time beginning December 1 in the even numbered year
38 until 5:00 p.m. on the second Monday in January in the odd numbered year.
39 Each principal shall amend its registration statement within five business
40 days of any change in the information required by subsection A **OF THIS**
41 **SECTION**.

42 D. A principal shall provide notice to each lobbyist for
43 compensation, authorized lobbyist and designated lobbyist who is named in
44 the principal's registration or reregistration statement. The notice

1 shall state that the principal has listed the lobbyist for compensation,
2 authorized lobbyist or designated lobbyist on the principal's registration
3 or reregistration statement and that this listing obligates the lobbyist
4 for compensation or designated lobbyist to register and file all reports
5 required by this article. The notice shall be accompanied by a summary of
6 the lobbyist laws published by the secretary of state, the first page of
7 the principal's registration and the page of the schedule on which the
8 name of the lobbyist for compensation, authorized lobbyist or designated
9 lobbyist appears.

10 E. Each principal that registers a lobbyist for compensation or a
11 designated lobbyist who receives compensation for lobbying from the
12 principal, at the time of registering or reregistering, shall pay a
13 registration or reregistration fee of ~~twenty-five dollars~~ \$25 to the
14 secretary of state. ~~No~~ A principal may NOT be charged more than one
15 ~~twenty-five dollar~~ \$25 fee per registration period. Registration and
16 reregistration fees collected by the secretary of state shall be
17 deposited, pursuant to sections 35-146 and 35-147, in the state general
18 fund, and, subject to legislative appropriation, the registration and
19 reregistration fees for principals shall be used to reduce the costs
20 associated with enforcing the lobbyist registration laws.

21 Sec. 2. Section 41-1232.01, Arizona Revised Statutes, is amended to
22 read:

23 41-1232.01. Registration by public bodies; fee

24 A. Except as provided in subsection B OF THIS SECTION, before any
25 public body causes any lobbying to occur on its behalf, the public body
26 shall register with the secretary of state by filing a written statement
27 in a format prescribed by the secretary of state, subscribed under ~~oath~~
28 PENALTY OF PERJURY, containing the following information:

29 1. The name and business address of the public body.

30 2. The name and business address of a person who is the designated
31 public lobbyist for the public body, regardless of whether this person is
32 engaged to lobby for compensation.

33 3. The name and business address of each authorized public lobbyist
34 employed by, retained by or representing the public body.

35 4. For each designated public lobbyist or authorized public
36 lobbyist that is not an individual, the name and business address of all
37 employees of ~~such~~ THE designated public lobbyist or authorized public
38 lobbyist who may lobby on the public body's behalf.

39 5. A description of the expenses for which each designated public
40 lobbyist and authorized public lobbyist is to be reimbursed by the public
41 body.

42 B. If a registration as required by subsection A OF THIS SECTION
43 cannot be accomplished or is not practicable in advance of the first
44 attempt or occasion to lobby, registration must occur within five business

1 days after the day on which the first lobbying attempt, occasion or
2 activity occurs.

3 C. Each public body shall reregister ~~no~~ NOT later than 5:00 p.m. on
4 the second Monday in January of each odd numbered year unless at that time
5 the public body no longer engages any designated public lobbyist or
6 authorized public lobbyist. A public body shall file its registration at
7 any time beginning December 1 in the even numbered year until 5:00 p.m. on
8 the second Monday in January in the odd numbered year. Each public body
9 shall amend its registration statement within five business days of any
10 change in the information required by subsection A OF THIS SECTION.

11 D. A public body shall provide notice to each designated public
12 lobbyist or authorized public lobbyist who is named in the public body's
13 registration or reregistration statement. The notice shall state that the
14 public body has listed the designated public lobbyist or authorized public
15 lobbyist on the public body's registration or reregistration statement and
16 that this listing obligates the designated public lobbyist to register and
17 file all reports required by this article. The notice shall be
18 accompanied by a summary of the lobbyist laws published by the secretary
19 of state, the first page of the public body's registration and the page of
20 the schedule on which the designated or authorized public lobbyist's name
21 appears.

22 E. Each public body that registers a designated public lobbyist who
23 receives compensation for lobbying from the public body, at the time of
24 registering or reregistering, shall pay a registration or reregistration
25 fee of ~~twenty-five dollars~~ \$25 to the secretary of state. ~~No~~ A public
26 body may NOT be charged more than one ~~twenty-five dollar~~ \$25 fee per
27 registration period. Registration and reregistration fees collected by
28 the secretary of state shall be deposited, pursuant to sections 35-146 and
29 35-147, in the state general fund, and, subject to legislative
30 appropriation, the registration and reregistration fees for public bodies
31 shall be used to reduce the costs associated with enforcing the lobbyist
32 registration laws.

33 Sec. 3. Section 41-1232.02, Arizona Revised Statutes, is amended to
34 read:

35 41-1232.02. Expenditure reporting; principals and lobbyists;
36 gifts

37 A. Each principal shall report annually all single expenditures,
38 whether or not the expenditures were made in the course of lobbying.
39 These single expenditures shall be itemized separately, and each
40 itemization shall include the date of the expenditure, the amount of the
41 expenditure, the name of each state officer or employee receiving or
42 benefitting from the expenditure, the category of the expenditure and the
43 name of the lobbyist or other person who made the expenditure on behalf of
44 the principal. In addition each principal shall report annually the

1 aggregate of all expenditures of ~~twenty dollars~~ \$20 or less received by or
2 benefitting a state officer or employee, whether or not the expenditures
3 were made in the course of lobbying. The report shall be filed by March 1
4 and shall list the annual expenditures made on behalf of the principal.
5 If March 1 is a Saturday, Sunday or other legal holiday, the report shall
6 be filed on the next business day.

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

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

38 D. The reports required by subsections A and B of this section
39 shall identify each single expenditure according to the following
40 categories:

- 41 1. Food or beverages.
- 42 2. Speaking engagement.
- 43 3. Travel and lodging.
- 44 4. Flowers.

1 5. Other expenditures.

2 E. Expenditures by principals and lobbyists such as those for the
3 lobbyist's personal sustenance, office expenses, filing fees, legal fees,
4 employees' compensation, lodging and travel are not required to be
5 reported. In addition, expenditures by a principal or a lobbyist for
6 family gifts, personal hospitality or those items excluded from the
7 definition of gift pursuant to section 41-1231, paragraph 9, subdivision
8 (a), (c), (d), (f), (g), (h), (i), (j), (k) or (l) are not required to be
9 reported.

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

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

28 H. If a principal, lobbyist for compensation or designated lobbyist
29 makes no expenditures that it would otherwise be required to report during
30 a specified reporting period, the principal, lobbyist for compensation or
31 designated lobbyist may sign a ~~notarized~~ form UNDER PENALTY OF PERJURY
32 prescribed by the secretary of state indicating that there were no
33 expenditures during the specific reporting period.

34 I. A person or organization shall not make a gift to or an
35 expenditure on behalf of a state officer or employee through another
36 person or organization for the purpose of disguising the identity of the
37 person making the gift or expenditure.

38 J. A principal or lobbyist or any other person acting on behalf of
39 a principal or lobbyist shall not give to any state officer or state
40 employee and a state officer or state employee shall not accept from a
41 principal or lobbyist either of the following:

42 1. Gifts with a total value of more than ~~ten dollars~~ \$10 during any
43 calendar year.

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

3 Sec. 4. Section 41-1232.03, Arizona Revised Statutes, is amended to
4 read:

5 41-1232.03. Expenditure reporting; public bodies and public
6 lobbyists; gifts

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

37 B. Each designated public lobbyist shall report quarterly all
38 single expenditures received by or benefitting a member of the legislature
39 and incurred in the preceding calendar quarter by the designated public
40 lobbyist, whether or not the single expenditures were made in the course
41 of lobbying. Each designated public lobbyist's report shall also include
42 all single expenditures incurred in the preceding calendar quarter by each
43 authorized public lobbyist who is registered pursuant to section
44 41-1232.01 by the same public body that registered the designated public

1 lobbyist. This subsection does not apply to an expenditure that was made
2 by a designated public lobbyist or authorized public lobbyist and that was
3 received by or benefitted an employee of a public body, if the employee is
4 not a member or employee of the legislature or a member of the household
5 of a member or employee of the legislature. These expenditures shall be
6 itemized separately, and each itemization shall include the date of the
7 expenditure, the amount of the expenditure, the name of the member or
8 employee receiving or benefitting from the expenditure, the category of
9 the expenditure and the public body on whose behalf the expenditure was
10 made. If the expenditure was made by the designated public lobbyist or
11 authorized public lobbyist and was not made on behalf of a public body, it
12 shall be itemized separately. The quarterly report shall be filed ~~no~~ NOT
13 later than the last day of the month following the end of the calendar
14 quarter, unless the last day of the month is a Saturday, Sunday or other
15 legal holiday. In that case, the report shall be filed on the next
16 business day.

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

1 D. The reports required by subsections A and B of this section
2 shall identify the nature of each single expenditure according to the
3 following categories:

- 4 1. Food or beverages.
- 5 2. Speaking engagement.
- 6 3. Travel and lodging.
- 7 4. Flowers.
- 8 5. Other expenditures.

9 E. Expenditures by a public body, designated public lobbyist or
10 authorized public lobbyist for personal sustenance, family gifts, personal
11 hospitality or those items excluded from the definition of gift pursuant
12 to section 41-1231, paragraph 9, subdivision (a), (c), (d), (f), (g), (h),
13 (i), (j), (k) or (l) are not required to be reported.

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

28 G. All information required to be filed pursuant to this section
29 with the secretary of state shall be filed in that office and preserved by
30 the secretary of state for five years from the date of filing, after which
31 time the information shall be destroyed. The information is a public
32 record and open to public inspection.

33 H. If a public body or designated public lobbyist makes no
34 expenditures that it would otherwise be required to report during a
35 specified reporting period, the public body or designated public lobbyist
36 may sign a ~~notarized~~ form UNDER PENALTY OF PERJURY prescribed by the
37 secretary of state indicating that there were no expenditures during the
38 specific reporting period.

39 I. A person or organization shall not make a gift to or an
40 expenditure on behalf of a member or employee of the legislature through
41 another person or organization for the purpose of disguising the identity
42 of the person making the gift or expenditure.

43 J. A public body, designated public lobbyist or authorized public
44 lobbyist or any other person acting on behalf of a public body, designated

1 public lobbyist or authorized public lobbyist shall not give to any member
2 of the legislature and a member of the legislature shall not accept from a
3 public body, designated public lobbyist or authorized public lobbyist
4 either of the following:

5 1. Gifts with a total value of more than ~~ten dollars~~ \$10 during any
6 calendar year.

7 2. Gifts that are designed to influence the member's or employee's
8 official conduct.

9 K. Subsection J of this section does not apply to gifts given by a
10 public body, designated public lobbyist or authorized public lobbyist to
11 an employee of a public body, if the employee is not a public official or
12 a member of the household of a public official or if the gift is accepted
13 on behalf of the public body and remains the property of the public body.

14 Sec. 5. Section 41-1232.07, Arizona Revised Statutes, is amended to
15 read:

16 41-1232.07. Electronic filings

17 A. Any report or registration form that is required to be filed
18 pursuant to this article may be filed in an electronic format that is
19 approved by the secretary of state. The secretary of state may require
20 that reports or registration forms be filed with an additional written or
21 printed copy.

22 B. ~~Notwithstanding section 41-1236,~~ A report or registration form
23 that is filed in electronic format pursuant to this section is not
24 required to bear a notarized signature but is deemed to be filed under
25 penalty of perjury.

26 C. An electronic filing made pursuant to this section is sufficient
27 to comply with the filing requirements of this article if the filing is
28 properly formatted as prescribed by this article and the information
29 contained in the filing is complete and correct.

30 Sec. 6. Section 41-1236, Arizona Revised Statutes, is amended to
31 read:

32 41-1236. Reports and statements under oath

33 All reports and statements required under this article shall be made under
34 ~~oath, before an officer authorized by law to administer oaths~~ PENALTY OF
35 PERJURY.

APPROVED BY THE GOVERNOR MAY 13, 2019.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 13, 2019.