

House Engrossed

campaign finance; third-party complaints

State of Arizona  
House of Representatives  
Fifty-seventh Legislature  
First Regular Session  
2025

## CHAPTER 33

# HOUSE BILL 2666

AN ACT

AMENDING SECTION 16-938, 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 16-938, Arizona Revised Statutes, is amended to  
3 read:

4 16-938. Enforcement authority; investigation; reasonable  
5 cause; notice of violation; appeal

6 A. Notwithstanding section 16-1021, on receipt of a complaint from  
7 a third party, a filing officer is the sole public officer who is  
8 authorized to initiate an investigation into alleged violations of this  
9 article and articles 1, 1.1, 1.2, 1.3, 1.4, 1.5 and 1.6 of this chapter,  
10 including the alleged failure to register as a committee. A filing  
11 officer shall limit an investigation to violations that are within the  
12 filing officer's jurisdiction. If the filing officer declares a conflict  
13 of interest, the filing officer may refer the investigation to any other  
14 filing officer in this state who agrees to accept the referral. **A FILING  
15 OFFICER SHALL NOT ACCEPT A COMPLAINT FROM A THIRD PARTY UNLESS THE  
16 COMPLAINT IS FILED BY AN INDIVIDUAL WHO SUBMITS EVIDENCE THAT THE  
17 INDIVIDUAL IS AN IDENTIFIABLE HUMAN BEING. ANY THIRD-PARTY COMPLAINT THAT  
18 IS SUBMITTED BY AN ENTITY SHALL BE SUBMITTED BY AN INDIVIDUAL ON BEHALF OF  
19 THAT ENTITY AND SHALL INCLUDE EVIDENCE THAT THE INDIVIDUAL IS AN  
20 IDENTIFIABLE HUMAN BEING.**

21 B. The secretary of state shall establish guidelines in the  
22 instructions and procedures manual adopted pursuant to section 16-452 that  
23 outline the procedures, timelines and other processes that apply to  
24 investigations by all filing officers in this state.

25 C. If after providing the subject of an investigation a reasonable  
26 opportunity to respond, the filing officer has reasonable cause to believe  
27 a person violated this article or article 1, 1.1, 1.2, 1.3, 1.4, 1.5 or  
28 1.6 of this chapter, the filing officer shall refer the matter to the  
29 enforcement officer as follows:

30 1. For matters investigated by the secretary of state, the  
31 secretary of state shall notify the attorney general.

32 2. For matters investigated by a county filing officer, the county  
33 filing officer shall notify the county attorney.

34 3. For matters investigated by a city or town filing officer, the  
35 city or town filing officer shall notify the city or town attorney.

36 D. Before a reasonable cause determination is made as prescribed in  
37 subsection C of this section, a filing officer, an enforcement officer and  
38 any other public officer or employee may not order a person to register as  
39 a committee and do not have audit or subpoena powers to compel the  
40 production of evidence or the attendance of witnesses concerning a  
41 potential campaign finance violation. A filing officer may request the  
42 voluntary production of evidence or attendance of witnesses in making a  
43 reasonable cause determination.

44 E. Only after receiving a referral from the filing officer, the  
45 enforcement officer may:

1           1. Conduct an investigation using the enforcement officer's  
2 subpoena powers, except that the enforcement officer shall not compel a  
3 person to file campaign finance reports unless the enforcement officer has  
4 determined that the person is a committee.

5           2. Serve the alleged violator with a notice of violation. The  
6 notice shall state with reasonable particularity the nature of the  
7 violation, shall specify the penalty imposed and shall require compliance  
8 within twenty days after the date of issuance of the notice. The  
9 enforcement officer shall impose a presumptive civil penalty equal to the  
10 value or amount of money that has been received, spent or promised in  
11 violation of this article and articles 1, 1.1, 1.2, 1.3, 1.4, 1.5 and 1.6  
12 of this chapter, except that after a finding of special circumstances, the  
13 enforcement officer may impose a penalty of up to three times the amount  
14 of the presumptive civil penalty, based on the severity, extent or wilful  
15 nature of the alleged violation. If the notice of violation requires a  
16 person to file campaign finance reports, the reports are not required to  
17 be filed until the enforcement officer's notice of violation has been  
18 upheld after any timely appeal.

19           3. Keep any nonpublic information gathered by the enforcement  
20 officer in the course of the committee status investigation confidential  
21 until the final disposition of any appeal of the enforcement order.

22           F. The enforcement officer has the sole and exclusive authority to  
23 initiate any applicable administrative or judicial proceedings to enforce  
24 an alleged violation of this article and articles 1, 1.1, 1.2, 1.3, 1.4,  
25 1.5 and 1.6 of this chapter that have been referred by the filing officer.

26           G. If the alleged violator:

27           1. Takes corrective action within twenty days after the date of the  
28 issuance of the notice of violation by the enforcement officer, the  
29 alleged violator is not subject to any penalty.

30           2. Does not take corrective action within twenty days after the  
31 date of issuance of the notice of violation by the enforcement officer,  
32 the enforcement officer shall impose the penalty set forth in the notice  
33 and shall provide formal notice that the imposition of the penalty may be  
34 appealed to the superior court.

35           H. Within thirty days after receiving the notice of the penalty  
36 from the enforcement officer, the alleged violator may file a notice of  
37 appeal in the superior court. The alleged violator shall provide a copy  
38 of the notice of appeal to the enforcement officer.

39           I. At the hearing on an appeal filed pursuant to subsection H of  
40 this section, the superior court shall conduct a trial de novo and the  
41 enforcement officer has the burden of proving any alleged violation by a  
42 preponderance of the evidence.

APPROVED BY THE GOVERNOR MARCH 31, 2025.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 31, 2025.