

REFERENCE TITLE: campaign finance; third-party complaints

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

HB 2666

Introduced by
Representative Hendrix

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.