

House Engrossed

campaign finance complaints; resolution

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

HOUSE BILL 2667

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.

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

19 C. If after providing the subject of an investigation a reasonable
20 opportunity to respond, the filing officer has reasonable cause to believe
21 a person violated this article or article 1, 1.1, 1.2, 1.3, 1.4, 1.5 or
22 1.6 of this chapter, the filing officer shall refer the matter to the
23 enforcement officer as follows:

24 1. For matters investigated by the secretary of state, the
25 secretary of state shall notify the attorney general.

26 2. For matters investigated by a county filing officer, the county
27 filing officer shall notify the county attorney.

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

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

38 E. Only after receiving a referral from the filing officer, the
39 enforcement officer may:

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

44 2. Serve the alleged violator with a notice of violation. The
45 notice shall state with reasonable particularity the nature of the

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

13 3. Keep any nonpublic information gathered by the enforcement
14 officer in the course of the committee status investigation confidential
15 until the final disposition of any appeal of the enforcement order.

16 F. The enforcement officer has the sole and exclusive authority to
17 initiate any applicable administrative or judicial proceedings to enforce
18 an alleged violation of this article and articles 1, 1.1, 1.2, 1.3, 1.4,
19 1.5 and 1.6 of this chapter that have been referred by the filing officer.

20 G. If the alleged violator:

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

24 2. Does not take corrective action within twenty days after the
25 date of issuance of the notice of violation by the enforcement officer,
26 the enforcement officer shall impose the penalty set forth in the notice
27 and shall provide formal notice that the imposition of the penalty may be
28 appealed to the superior court.

29 H. Within thirty days after receiving the notice of the penalty
30 from the enforcement officer, the alleged violator may file a notice of
31 appeal in the superior court. The alleged violator shall provide a copy
32 of the notice of appeal to the enforcement officer.

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

37 J. FOR ANY COMPLAINT THAT IS FILED PURSUANT TO THIS SECTION, IF THE
38 COMPLAINT IS NOT RESOLVED, EXTENDED OR RULED ON WITHIN ONE HUNDRED EIGHTY
39 DAYS AFTER THE COMPLAINT IS FILED, THE COMPLAINT IS DEEMED DISMISSED.