

REFERENCE TITLE: **utilities; contributions; nonrecoverable expenses; lobbying**

State of Arizona
Senate
Fifty-seventh Legislature
Second Regular Session
2026

SB 1384

Introduced by
Senator Sundareshan

AN ACT

AMENDING SECTION 16-916, ARIZONA REVISED STATUTES; AMENDING TITLE 40, CHAPTER 2, ARTICLE 7, ARIZONA REVISED STATUTES, BY ADDING SECTION 40-363; AMENDING TITLE 41, CHAPTER 7, ARTICLE 8.1, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-1232.09; RELATING TO UTILITIES SPENDING.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 16-916, Arizona Revised Statutes, is amended to
3 read:

4 16-916. Corporation, limited liability company and labor
5 organization contributions; separate segregated
6 fund; limits; requirements

7 A. A corporation, limited liability company or labor organization
8 shall not make contributions to a candidate committee.

9 B. A corporation, limited liability company or labor organization
10 may make unlimited contributions to persons other than candidate
11 committees.

12 C. A corporation, limited liability company or labor organization
13 may sponsor a separate segregated fund. Employees, members, executives,
14 stockholders and retirees and their families of a corporation, limited
15 liability company or labor organization and any subsidiary or affiliate of
16 a corporation, limited liability company or labor organization may make
17 contributions to the separate segregated fund, subject to the following:

18 1. The separate segregated fund must register as a political action
19 committee.

20 2. The sponsor or its affiliate may pay the administrative,
21 personnel and fund-raising expenses of its separate segregated fund, which
22 shall not be deemed contributions to the fund.

23 3. The sponsor or its separate segregated fund may solicit
24 contributions from the sponsor's, sponsor's affiliates' or sponsor's
25 subsidiaries' employees, members, executives, stockholders and retirees
26 and their families. The following additional restrictions apply:

27 (a) With respect to an insurer, an insurer or its separate
28 segregated fund may also solicit contributions from an insurance
29 producer's employees, members, executives, stockholders and retirees and
30 their families.

31 (b) With respect to a trade association or membership organization,
32 the association or organization may solicit contributions from its
33 members' employees, executives, stockholders, subsidiaries and retirees
34 and their families.

35 4. A sponsor or its affiliate or a trade association or membership
36 organization may facilitate the making of contributions to its separate
37 segregated fund by establishing a payroll deduction system or other
38 similar payment transfer method.

39 5. A sponsor, trade association, membership organization or
40 separate segregated fund may rely on the federal election commission's
41 written guidance interpreting 52 United States Code section 30118(b) and
42 rules adopted under that section when interpreting this subsection, if
43 otherwise consistent with this article and articles 1, 1.1, 1.3, 1.4, 1.5,
44 1.6 and 1.7 of this chapter.

1 D. A PUBLIC SERVICE CORPORATION THAT IS REGULATED BY THE
2 CORPORATION COMMISSION OR A PUBLIC POWER ENTITY AS DEFINED IN SECTION
3 30-901, INCLUDING AN AGRICULTURAL IMPROVEMENT DISTRICT FORMED UNDER TITLE
4 48, CHAPTER 17 AND A POWER DISTRICT FORMED UNDER TITLE 48, CHAPTER 11, MAY
5 NOT MAKE CONTRIBUTIONS TO:

6 1. ANY POLITICAL ACTION COMMITTEE THAT MAKES EXPENDITURES,
7 INCLUDING A COMMITTEE THAT MAKES INDEPENDENT EXPENDITURES, FOR OR AGAINST
8 ANY CANDIDATE.

9 2. A CORPORATION THAT IS REGISTERED UNDER SECTION 501(c)(3) OR
10 501(c)(4) OF THE INTERNAL REVENUE CODE AND THAT MAKES EXPENDITURES TO
11 INFLUENCE THE OUTCOME OF AN ELECTION OF ONE OR MORE CANDIDATES FOR THE
12 CORPORATION COMMISSION.

13 Sec. 2. Title 40, chapter 2, article 7, Arizona Revised Statutes,
14 is amended by adding section 40-363, to read:

15 40-363. Nonrecoverable expenditures

16 A PUBLIC SERVICE CORPORATION THAT IS REGULATED BY THE CORPORATION
17 COMMISSION, THE PUBLIC SERVICE CORPORATION'S PARENT COMPANY AND ANY
18 SUBSIDIARY OF THE PUBLIC SERVICE CORPORATION OR A PUBLIC POWER ENTITY AS
19 DEFINED IN SECTION 30-901, INCLUDING AN AGRICULTURAL IMPROVEMENT DISTRICT
20 FORMED UNDER TITLE 48, CHAPTER 17 AND A POWER DISTRICT FORMED UNDER TITLE
21 48, CHAPTER 11, MAY NOT SPEND RATEPAYER MONIES ON ANY OF THE FOLLOWING:

22 1. MEMBERSHIP, DUES, SPONSORSHIPS OR CONTRIBUTIONS TO ANY ENTITY
23 THAT IS EXEMPT FROM TAXATION UNDER SECTION 501 OF THE INTERNAL REVENUE
24 CODE, INCLUDING BUSINESSES OR TRADE ASSOCIATIONS.

25 2. CHARITABLE GIVING, INCLUDING CONTRIBUTIONS TO AN ORGANIZATION
26 THAT IS EXEMPT FROM TAXATION UNDER SECTION 501(c)(3) OR 501(c)(4) OF THE
27 INTERNAL REVENUE CODE, AND ANY EXPENSES RELATED TO CHARITABLE GIVING.

28 3. ADVERTISING.

29 4. ANY COMPENSATION FOR ANY EMPLOYEE, IF ANY PORTION OF THAT
30 COMPENSATION SUPPORTS POLITICAL INFLUENCE ACTIVITIES OR ADVERTISING.

31 5. LITIGATION REGARDING EXISTING OR PROPOSED FEDERAL, STATE OR
32 LOCAL REGULATIONS, LEGISLATION OR ORDINANCES.

33 6. ANY COSTS, INCLUDING MARKETING, ADMINISTRATION, CUSTOMER SERVICE
34 OR OTHER COSTS FOR PRODUCTS OR SERVICES THAT ARE NOT REGULATED BY THE
35 COMMISSION.

36 7. PENALTIES OR FINES, INCLUDING TAX PENALTIES OR FINES, THAT ARE
37 ISSUED AGAINST THE PUBLIC SERVICE CORPORATION.

38 8. TRAVEL, LODGING, GIFTS, ENTERTAINMENT AND FOOD AND BEVERAGE
39 EXPENSES FOR THE PUBLIC SERVICE CORPORATION'S BOARD OF DIRECTORS AND
40 OFFICERS OR THE BOARD OF DIRECTORS AND OFFICERS OF AN AFFILIATE.

41 9. ANY OWNED, LEASED OR CHARTERED AIRCRAFT FOR THE BOARD OF
42 DIRECTORS AND OFFICERS OR THE BOARD OF DIRECTORS AND OFFICERS OF AN
43 AFFILIATE.

44 10. INVESTOR RELATIONS.

