



NEWS RELEASE

Arizona State Legislature

Speaker Ben Toma (R-27)

President Warren Petersen (R-14)

1700 West Washington • Phoenix, Arizona • 85007

Thursday, January 26, 2023

FOR IMMEDIATE RELEASE

Legislative Leaders Call on Governor to Transfer \$1.3M Excess Inaugural Fund to Protocol Fund for Transparency & Accountability

PHOENIX, ARIZONA — House Speaker Ben Toma and Senate President Warren Petersen today sent a letter urging Governor Katie Hobbs to commit the balance of her \$1.3 million inaugural fund proceeds to the state, as past governors have, for the sake of transparency & accountability to the people of Arizona.

It is our understanding that the inauguration costs and expenses totaled \$207,000, leaving a balance of roughly \$1.3 million in the Inaugural Fund. As you may know, when former Arizona Governors have found themselves with excess private funds that were collected to pay for inauguration events, they used those funds to further or promote state interests. This is unsurprising; Arizona law has long allowed the Governor to “accept and expend public or private gifts, grants, donations or monies for the purpose of promoting the interests of the state or to promote and encourage citizen public service to the state.” A.R.S. § 41-1105(A).

When private money is deposited in the Governor’s Protocol Fund through § 41-1105, those funds become public money that must be spent for the broad purposes listed in § 41-1105(A). See A.R.S. § 41-1105(B), (D); State v. Mecham, 173 Ariz. 474, 481 (App. 1992). And the Protocol Fund comes with the added benefit of de facto transparency, which promotes accountability to the people of Arizona. See A.R.S. § 41-1105(E) (requiring an annual written report including “a detailed listing of expenditures” from the Protocol Fund).

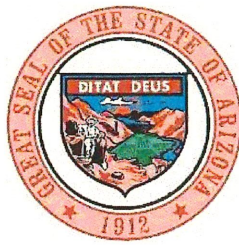
We urge you to follow in your predecessors’ footsteps and transfer any monies left over in the Inaugural Fund to the Protocol Fund. Given this historical practice, as well as the Inaugural Fund’s own descriptive title, Arizonans would have reasonably anticipated that any excess funds would be used for state interests. In any event, given the public resources that were utilized to solicit funds for the Inaugural Fund and to host the inauguration, it would be inappropriate to utilize any monies in the Inaugural Fund to influence an election. See A.R.S. § 16-192 (prohibiting use of public resources to influence an election).

We trust you will be mindful of these historical and practical considerations, and that you share our goal of prioritizing Arizonans’ interests above those of special interests.

A copy of the entire letter is attached.

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DISTRICT 27

Arizona State Legislature

January 26, 2023

Via hand-delivery

Hon. Katie Hobbs
Governor of Arizona
1700 W. Washington St., 9th Floor
Phoenix, Arizona 85007

Dear Governor Hobbs:

We appreciate your commitment to transparency in releasing the list of 120 donors and the amounts of each donation to the "Katie Hobbs Inaugural Fund" ("Inaugural Fund"). With no apparent contribution limits in place, this fund received more than \$1.5 million.

It is our understanding that the inauguration costs and expenses totaled \$207,000, leaving a balance of roughly \$1.3 million in the Inaugural Fund. As you may know, when former Arizona Governors have found themselves with excess private funds that were collected to pay for inauguration events, they used those funds to further or promote state interests. This is unsurprising; Arizona law has long allowed the Governor to "accept and expend public or private gifts, grants, donations or monies for the purpose of promoting the interests of the state or to promote and encourage citizen public service to the state." A.R.S. § 41-1105(A).

When private money is deposited in the Governor's Protocol Fund through § 41-1105, those funds become public money that must be spent for the broad purposes listed in § 41-1105(A). See A.R.S. § 41-1105(B), (D); *State v. Mecham*, 173 Ariz. 474, 481 (App. 1992). And the Protocol Fund comes with the added benefit of *de facto* transparency, which promotes accountability to the people of Arizona. See A.R.S. § 41-1105(E) (requiring an annual written report including "a detailed listing of expenditures" from the Protocol Fund).

We urge you to follow in your predecessors' footsteps and transfer any monies left over in the Inaugural Fund to the Protocol Fund. Given this historical practice, as well as the Inaugural Fund's own descriptive title, Arizonans would have reasonably anticipated that any excess funds would be used for state interests. In any event, given the public resources that were utilized to solicit funds for the Inaugural Fund and to host the inauguration, it would be inappropriate to utilize any monies in the Inaugural Fund to influence an election. See A.R.S. § 16-192 (prohibiting use of public resources to influence an election).

We trust you will be mindful of these historical and practical considerations, and that you share our goal of prioritizing Arizonans' interests above those of special interests.

Respectfully,

A handwritten signature in black ink, appearing to read "Warren Petersen".

Warren Petersen
President, Arizona State Senate

A handwritten signature in blue ink, appearing to read "Ben Toma".

Ben Toma
Speaker, Arizona House of Representatives