

House Engrossed

FILED

**KEN BENNETT
SECRETARY OF STATE**

State of Arizona
House of Representatives
Fiftieth Legislature
Second Regular Session
2012

CHAPTER 125

HOUSE BILL 2612

AN ACT

AMENDING SECTION 16-921, 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 16-921, Arizona Revised Statutes, is amended to
3 read:

4 16-921. Unlawful contributions by corporations and labor
5 organizations from a fund; procedures; definitions

6 A. It is unlawful under any fund established by a corporation or labor
7 organization pursuant to section 16-920, subsection A, paragraph 3:

8 1. For such a fund to make a contribution or expenditure by utilizing
9 money or anything of value secured by physical force, job discrimination,
10 financial reprisals or the threat of force, job discrimination or financial
11 reprisal or by dues, fees or other monies required as a condition of
12 membership in a labor organization or as a condition of employment or by
13 monies obtained in any commercial transaction.

14 2. For any person soliciting an employee for a contribution to such a
15 fund to fail to inform such employee of the political purposes of such fund
16 at the time of such solicitation.

17 3. For any person soliciting an employee for a contribution to such a
18 fund to fail to inform such employee, at the time of such solicitation, of
19 his right to refuse to so contribute without any reprisal.

20 B. Except as provided in subsections C, D and E of this section it is
21 unlawful for a corporation, or a separate segregated fund established by a
22 corporation, to solicit contributions to such a fund from any person other
23 than ~~its~~ THE stockholders OF THE CORPORATION and their families ~~and its~~, THE
24 executive or administrative personnel OF THE CORPORATION and their families,
25 AND THE EXECUTIVE OR ADMINISTRATIVE PERSONNEL OF THE CORPORATION'S
26 SUBSIDIARIES, BRANCHES, DIVISIONS AND AFFILIATES AND THEIR FAMILIES, and for
27 a labor organization, or a separate segregated fund established by a labor
28 organization, to solicit contributions to such a fund from any person other
29 than its members and their families.

30 C. A corporation or a separate segregated fund established by such
31 corporation may make no more than two written solicitations for contributions
32 during the calendar year from any employee who is not a stockholder or
33 executive or administrative personnel of such corporation, OR OF SUCH
34 CORPORATION'S SUBSIDIARIES, BRANCHES, DIVISIONS AND AFFILIATES, or the
35 families of such ~~persons~~ EMPLOYEES. A solicitation under this subsection may
36 be made only by mail addressed to employees who are not stockholders or
37 executive or administrative personnel at their residence.

38 D. An insurer that is licensed in this state or a separate segregated
39 fund established by such insurer may make no more than two written
40 solicitations for contributions during the calendar year from persons who are
41 licensed insurance producers and with whom it has a contract to produce
42 insurance business. Those solicitations are lawful only if the insurance
43 producer has an exclusive contract with the insurer. This subsection does
44 not change an insurance producer's status as an independent contractor.

1 E. A labor organization or a separate segregated fund established by
2 such labor organization may make no more than two written solicitations for
3 contributions during the calendar year from any stockholder, executive or
4 administrative personnel or employee of a corporation who is not a union
5 member, or the families of such persons, if such labor organization
6 represents members working for such corporation. A solicitation under this
7 subsection may be made only by mail addressed to such stockholders, executive
8 or administrative personnel or employees who are not union members at their
9 residences.

10 F. This section shall not prevent a membership organization,
11 cooperative or corporation without capital stock, or a separate segregated
12 fund established by a membership organization, cooperative or corporation
13 without capital stock, from soliciting contributions to such a fund from
14 members of such organization, cooperative or corporation without capital
15 stock.

16 G. This section shall not prevent a trade association, or a separate
17 segregated fund established by a trade association, from soliciting
18 contributions from the stockholders and executive or administrative personnel
19 of the member corporations of such trade association and the families of such
20 stockholders or personnel.

21 H. Notwithstanding any provision of law to the contrary, any method of
22 soliciting voluntary contributions or of facilitating the making of voluntary
23 contributions to a separate segregated fund established by a corporation,
24 permitted by law to corporations with regard to stockholders and executive or
25 administrative personnel, shall also be permitted to labor organizations with
26 regard to their members.

27 I. Any corporation, including its subsidiaries, branches, divisions
28 and affiliates, that utilizes a method of soliciting voluntary contributions
29 or facilitating the making of voluntary contributions shall make available
30 such method, on written request and at a cost sufficient only to reimburse
31 the corporation for the expenses incurred thereby, to a labor organization
32 representing any members working for such corporation and its subsidiaries,
33 branches, divisions and affiliates.

34 J. For the purposes of this section:

35 1. "AFFILIATE" MEANS ANY ORGANIZATION THAT CONTROLS, IS CONTROLLED BY
36 OR IS UNDER COMMON CONTROL WITH THE CORPORATION.

37 2. "CONTROL" MEANS TO POSSESS, DIRECTLY OR INDIRECTLY, THE POWER TO
38 DIRECT, OR CAUSE THE DIRECTION OF, THE MANAGEMENT OR POLICIES OF ANOTHER
39 ORGANIZATION, WHETHER THROUGH THE ABILITY TO EXERCISE VOTING POWER, BY
40 OWNERSHIP OR CONTRACT, OR OTHERWISE.

41 ~~1.~~ 3. "Exclusive contract" means either:

42 (a) An insurance producer's contract with an insurer that prohibits
43 the producer from soliciting insurance business for any other insurer.

1 (b) An insurance producer's contract with an insurer that requires a
2 first right of refusal on all lines of insurance business written by the
3 insurer and solicited by the producer.

4 ~~2.~~ 4. "Executive or administrative personnel" means individuals who
5 are employed by a corporation and who are paid on a salary, rather than
6 hourly, basis and who have policymaking, managerial, professional or
7 supervisory responsibilities.

8 ~~3.~~ 5. "Insurance producer" has the same meaning as prescribed in
9 section 20-281.

10 Sec. 2. Emergency

11 This act is an emergency measure that is necessary to preserve the
12 public peace, health or safety and is operative immediately as provided by
13 law.

APPROVED BY THE GOVERNOR MARCH 29, 2012.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 29, 2012.

Passed the House March 1, 2012

Passed the Senate March 24, 2012

by the following vote: 54 Ayes,

by the following vote: 28 Ayes,

0 Nays, 5 Not Voting
w/ emergency 1 vacant

0 Nays, 2 Not Voting
Steve Fierce *With Emergency*

[Signature]
Speaker of the House

[Signature]
President of the Senate :

[Signature]
Chief Clerk of the House

[Signature]
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

27 day of March, 2012

at 11:10 o'clock A M.

[Signature]
Secretary to the Governor

Approved this 29th day of

March

at 10:13 o'clock A M.

[Signature]
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 29th day of March, 2012

at 4:58 o'clock M M.

[Signature]
Secretary of State

H.B. 2612