

Senate Engrossed House Bill

**FILED**

**KEN BENNETT  
SECRETARY OF STATE**

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

CHAPTER 257

## **HOUSE BILL 2779**

AN ACT

AMENDING SECTIONS 16-901.01, 16-913, 16-941, 16-945, 16-946, 16-947, 16-949, 16-950, 16-951, 16-952, 16-954, 16-956, 16-958, 16-959, 16-961, 41-2421, 43-323, 43-1071 AND 43-1096, 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. Subject to the requirements of article IV, part 1, section  
3 1, Constitution of Arizona, section 16-901.01, Arizona Revised Statutes, is  
4 amended to read:

5 16-901.01. Limitations on certain unreported expenditures and  
6 contributions

7 A. For THE purposes of this chapter, "expressly advocates" means:

8 1. Conveying a communication containing a phrase such as "vote for,"  
9 "elect," "~~re-elect~~ REELECT," "support," "endorse," "cast your ballot for,"  
10 "(name of candidate) in (year)," "(name of candidate) for (office)," "vote  
11 against," "defeat," "reject," or a campaign slogan or words that in context  
12 can have no reasonable meaning other than to advocate the election or defeat  
13 of one or more clearly identified candidates. ~~;~~

14 2. Making a general public communication, such as in a broadcast  
15 medium, newspaper, magazine, billboard, or direct mailer referring to one or  
16 more clearly identified candidates and targeted to the electorate of that  
17 candidate(s);

18 ~~(A)~~ that in context can have no reasonable meaning other than to  
19 advocate the election or defeat of the candidate(s), as evidenced by factors  
20 such as the presentation of the candidate(s) in a favorable or unfavorable  
21 light, the targeting, placement, or timing of the communication, or the  
22 inclusion of statements of the candidate(s) or opponents. ~~;~~

23 ~~(B) In the sixteen-week period immediately preceding a general~~  
24 ~~election.~~

25 B. A communication within the scope of subsection A, paragraph 2 shall  
26 not be considered as one that ~~"expressly advocates"~~ merely because it  
27 presents information about the voting record or position on a campaign issue  
28 of three or more candidates, so long as it is not made in coordination with a  
29 candidate, political party, agent of the candidate or party, or a person who  
30 is coordinating with a candidate or candidate's agent.

31 Sec. 2. Section 16-913, Arizona Revised Statutes, is amended to read:

32 16-913. Campaign finance reports; reporting of receipts and  
33 disbursements; exemptions; civil penalty

34 A. Except as provided in subsection K of this section, each political  
35 committee shall file campaign finance reports in the format prescribed by the  
36 filing officer setting forth the committee's receipts and disbursements  
37 according to the schedule prescribed in subsections B and C of this section.

38 B. In any calendar year during which there is a regularly scheduled  
39 election at which any candidates, measures, questions or propositions appear  
40 or may appear on the ballot, the political committee shall file each of the  
41 following campaign finance reports:

42 1. A report covering the period beginning January 1 through May 31,  
43 filed no later than June 30.

1           2. A preelection report, which shall be filed not less than ~~twelve~~  
2     FOUR days before any election and which shall be complete through the  
3     ~~twentieth~~ TWELFTH day before the election.

4           3. A postelection report, which shall be filed not more than thirty  
5     days after any election and which shall be complete through the twentieth day  
6     after the election.

7           C. In any other calendar year, the political committee shall file a  
8     report covering the period beginning twenty-one days after the date of the  
9     election in the preceding calendar year through December 31 of the  
10    nonelection year filed no later than January 31 of the following calendar  
11    year.

12          D. In the event that a political committee receives no contributions  
13    and makes no expenditures during a period in which it is required to file a  
14    campaign finance report, the committee treasurer or if the treasurer is  
15    unavailable the candidate, in lieu of filing a report required by subsection  
16    B of this section, may sign and file a form prescribed by the secretary of  
17    state indicating no activity during the specific reporting period.

18          E. In lieu of the reports prescribed in subsections B and C of this  
19    section, a candidate's political committee that remains active after an  
20    election due to outstanding debts may file a document no later than January  
21    31 in a form prescribed by the secretary of state that states that the  
22    committee does not intend to receive any contributions or make any  
23    expenditures during the year. If a candidate's political committee does  
24    receive a contribution or make an expenditure during that year, the committee  
25    shall report as prescribed by subsection B or C of this section.

26          F. A judge who has filed a declaration of the desire to be retained in  
27    office is exempt from filing any report required by this section if the  
28    judge, not later than twelve days before the general election, files a  
29    statement signed and sworn to by the judge certifying that the judge has  
30    received no contributions, has made no expenditures and has no campaign  
31    committee and that the judge does not intend to receive contributions, make  
32    expenditures or have a campaign committee for the purpose of influencing the  
33    result of the vote on the question of the judge's retention. With respect to  
34    superior court judges, a statement filed pursuant to this subsection is  
35    effective until the earlier of twelve days before the third general election  
36    following the filing of this statement or the judge receives contributions,  
37    makes expenditures or authorizes a campaign committee. Such a statement  
38    filed by a supreme court justice or a court of appeals judge is effective  
39    until the earlier of twelve days before the fourth general election following  
40    the filing of this statement or the justice or judge receives contributions,  
41    makes expenditures or authorizes a campaign committee.

42          G. Reports in connection with special or recall elections shall  
43    conform to the filing deadlines set forth in subsection B of this section.

44          H. Except as provided in section 16-916, subsection B and subsection K  
45    of this section, a political committee shall comply with the requirements of

1 this section in each jurisdiction in this state in which the committee has  
2 filed a statement of organization until the committee terminates pursuant to  
3 section 16-914, and its statements, designations and reports shall be filed  
4 with each officer with whom it has filed a statement of organization, as  
5 appropriate.

6 I. Each report required to be filed pursuant to this section shall be  
7 signed by the committee treasurer or the candidate or the designating  
8 individual if the treasurer is unavailable and shall contain the  
9 certification of the signer under penalty of perjury that the report is true  
10 and complete.

11 J. A political committee and the candidate, in the case of a  
12 candidate's campaign committee, or the designating individual, in the case of  
13 an exploratory committee, who violate this section are subject to the penalty  
14 prescribed in section 16-918.

15 K. A standing political committee shall file reports with the  
16 secretary of state and is exempt from filing a report with any other  
17 jurisdiction in which it is active. The reports shall be in an electronic  
18 format as prescribed by the secretary of state or by use of the internet.  
19 The secretary of state shall promptly make the reports available to the  
20 public on the internet and shall make the reports available by electronic  
21 means by request. The standing committee shall file the following reports:

22 1. A preelection report that is due as prescribed by subsection B,  
23 paragraph 2 of this section shall be filed for each consolidated election  
24 date prescribed by section 16-204.

25 2. A postelection report that is due as prescribed by subsection B,  
26 paragraph 3 of this section shall be filed for each consolidated election  
27 date prescribed by section 16-204.

28 3. An annual report that is due by January 31 in the year immediately  
29 following the calendar year that is the subject of the report.

30 Sec. 3. Subject to the requirements of article IV, part 1, section 1,  
31 Constitution of Arizona, section 16-941, Arizona Revised Statutes, is amended  
32 to read:

33 16-941. Limits on spending and contributions for political  
34 campaigns

35 A. Notwithstanding any law to the contrary, a participating candidate:

36 1. Shall not accept any contributions, other than a limited number of  
37 five-dollar qualifying contributions as specified in section 16-946 and early  
38 contributions as specified in section 16-945, except in the emergency  
39 situation specified in section 16-954, subsection F.

40 2. Shall not make expenditures of more than a total of five hundred  
41 dollars of the candidate's personal monies for a candidate for the  
42 legislature or more than one thousand dollars for a candidate for statewide  
43 office.

44 3. Shall not make expenditures in the primary election period in  
45 excess of the adjusted primary election spending limit.

1           4. Shall not make expenditures in the general election period in  
2 excess of the adjusted general election spending limit.

3           5. Shall comply with section 16-948 regarding campaign accounts and  
4 section 16-953 regarding returning unused monies to the citizens clean  
5 elections fund described in this article.

6           B. Notwithstanding any law to the contrary, a nonparticipating  
7 candidate:-

8           ~~1.~~ shall not accept contributions in excess of an amount that is  
9 twenty per cent less than the limits specified in section 16-905, subsections  
10 A through E, as adjusted by the secretary of state pursuant to section  
11 16-905, subsection H. Any violation of this paragraph SUBSECTION shall be  
12 subject to the civil penalties and procedures set forth in section 16-905,  
13 subsections J through M and section 16-924.

14           ~~2.~~ Shall comply with section 16-958 regarding reporting, including  
15 filing reports with the secretary of state indicating whenever  
16 (a) expenditures other than independent expenditures on behalf of the  
17 candidate, from the beginning of the election cycle to any date up to primary  
18 election day, exceed seventy per cent of the original primary election  
19 spending limit applicable to a participating candidate seeking the same  
20 office, or (b) contributions to a candidate, from the beginning of the  
21 election cycle to any date during the general election period, less  
22 expenditures made from the beginning of the election cycle through primary  
23 election day, exceed seventy per cent of the original general election  
24 spending limit applicable to a participating candidate seeking the same  
25 office. A nonparticipating candidate is exempt from this paragraph if there  
26 is no participating candidate running against that nonparticipating  
27 candidate.

28           C. Notwithstanding any law to the contrary, a candidate, whether  
29 participating or nonparticipating:

30           1. If specified in a written agreement signed by the candidate and one  
31 or more opposing candidates and filed with the citizens clean elections  
32 commission, shall not make any expenditure in the primary or general election  
33 period exceeding an agreed-upon amount lower than spending limits otherwise  
34 applicable by statute.

35           2. Shall continue to be bound by all other applicable election and  
36 campaign finance statutes and rules, with the exception of those provisions  
37 in express or clear conflict with this article.

38           D. Notwithstanding any law to the contrary, any person who makes  
39 independent expenditures related to a particular office cumulatively  
40 exceeding five hundred dollars in an election cycle, with the exception of  
41 any expenditure listed in section 16-920 and any independent expenditure by  
42 an organization arising from a communication directly to the organization's  
43 members, shareholders, employees, affiliated persons and subscribers, shall  
44 file reports with the secretary of state in accordance with section 16-958 so  
45 indicating, identifying the office and the candidate or group of candidates

1 whose election or defeat is being advocated and stating whether the person is  
2 advocating election or advocating defeat.

3 Sec. 4. Subject to the requirements of article IV, part 1, section 1,  
4 Constitution of Arizona, section 16-945, Arizona Revised Statutes, is amended  
5 to read:

6 16-945. Limits on early contributions

7 A. A participating candidate may accept early contributions only from  
8 individuals and only during the exploratory period and the qualifying period,  
9 subject to the following limitations:

10 1. Notwithstanding any law to the contrary, no contributor shall give,  
11 and no participating candidate shall accept, contributions from a contributor  
12 exceeding one hundred dollars during an election cycle.

13 2. Notwithstanding any law to the contrary, early contributions to a  
14 participating candidate from all sources for an election cycle shall not  
15 exceed, for a candidate for governor, forty thousand dollars or, for other  
16 candidates, ten percent PER CENT of the sum of the original primary election  
17 spending limit and the original general election spending limit.

18 3. Qualifying contributions specified in section 16-946 shall not be  
19 included in determining whether the limits in this subsection have been  
20 exceeded.

21 B. Early contributions specified in subsection A of this section and  
22 the candidate's personal monies specified in section 16-941, subsection A,  
23 paragraph 2 may be spent only during the exploratory period and the  
24 qualifying period. Any early contributions not spent by the end of the  
25 qualifying period shall be paid to the fund.

26 C. If a participating candidate has a debt from an election campaign  
27 in this state during a previous election cycle in which the candidate was not  
28 a participating candidate, then, during the exploratory period only, the  
29 candidate may accept, in addition to early contributions specified in  
30 subsection A of this section, contributions subject to the limitations in  
31 section 16-941, subsection B, ~~paragraph 1~~, or may exceed the limit on  
32 personal monies in section 16-941, subsection A, paragraph 2, provided that  
33 such contributions and monies are used solely to retire such debt.

34 Sec. 5. Subject to the requirements of article IV, part 1, section 1,  
35 Constitution of Arizona, section 16-946, Arizona Revised Statutes, is amended  
36 to read:

37 16-946. Qualifying contributions

38 A. During the qualifying period, a participating candidate may collect  
39 qualifying contributions, which shall be paid to the fund.

40 B. To qualify as a "qualifying contribution," a contribution must  
41 be:

42 1. Made by a qualified elector as defined in section 16-121, who at  
43 the time of the contribution is registered in the electoral district of the  
44 office the candidate is seeking and who has not given another qualifying  
45 contribution to that candidate during that election cycle. +

1           2. Made by a person who is not given anything of value in exchange for  
2 the qualifying contribution. ~~;~~

3           3. In the sum of five dollars, exactly. ~~;~~

4           4. Received unsolicited during the qualifying period or solicited  
5 during the qualifying period by a person who is not employed or retained by  
6 the candidate and who is not compensated to collect contributions by the  
7 candidate or on behalf of the candidate. ~~;~~

8           5. If made by check or money order, made payable to the candidate's  
9 campaign committee, or if in cash, deposited in the candidate's campaign  
10 committee's account. ~~;~~and

11           6. Accompanied by a three-part reporting slip that includes the  
12 printed name, registration address, and signature of the contributor, the  
13 name of the candidate for whom the contribution is made, the date, and the  
14 printed name and signature of the solicitor. AN ELECTRONIC SIGNATURE AS  
15 DEFINED IN SECTION 41-351 IS DEEMED TO COMPLY WITH THIS PARAGRAPH.

16           C. A copy of the reporting slip shall be given as a receipt to the  
17 contributor, and another copy shall be retained by the candidate's campaign  
18 committee. Delivery of an original reporting slip to the secretary of state  
19 shall excuse the candidate from disclosure of these contributions on campaign  
20 finance reports filed under article 1 of this chapter.

21           Sec. 6. Subject to the requirements of article IV, part 1, section 1,  
22 Constitution of Arizona, section 16-947, Arizona Revised Statutes, is amended  
23 to read:

24           16-947. Certification as a participating candidate

25           A. A candidate who wishes to be certified as a participating candidate  
26 shall FILE, before the end of the qualifying period, file an application with  
27 the secretary of state, in a form specified by the citizens clean elections  
28 commission.

29           B. The application shall identify the candidate, the office that the  
30 candidate plans to seek, and the candidate's party, if any, and shall  
31 contain the candidate's signature, under oath, certifying that:

32           1. The candidate has complied with the restrictions of section 16-941,  
33 subsection A during the election cycle to date.

34           2. The candidate's campaign committee and exploratory committee have  
35 filed all campaign finance reports required under article 1 of this chapter  
36 during the election cycle to date and that they are complete and accurate.

37           3. The candidate will comply with the requirements of section 16-941,  
38 subsection A during the remainder of the election cycle and, specifically,  
39 will not accept private contributions.

40           C. The commission shall act on the application within one week.  
41 Unless, within that time, the commission denies an application and provides  
42 written reasons that all or part of a certification in subsection B of this  
43 section is incomplete or untrue, the candidate shall be certified as a  
44 participating candidate. If the commission denies an application for failure  
45 to file all complete and accurate campaign finance reports or failure to make

1 the certification in subsection B, paragraph 3 of this section, the candidate  
2 may reapply within two weeks of the commission's decision by filing complete  
3 and accurate campaign finance reports and another sworn certification.

4 D. A CANDIDATE SHALL BE DENIED CERTIFICATION IF THAT CANDIDATE WAS  
5 REMOVED FROM OFFICE BY THE COMMISSION OR IF THE CANDIDATE IS DELINQUENT IN  
6 PAYMENT OF A DEBT TO THE COMMISSION. IF THE DEBT IS PAID IN FULL OR IF THE  
7 CANDIDATE IS CURRENT ON A PAYMENT AGREEMENT WITH THE COMMISSION, THE  
8 CANDIDATE MAY APPLY FOR CERTIFICATION AS A PARTICIPATING CANDIDATE AND IS  
9 ELIGIBLE TO BE CERTIFIED IF OTHERWISE QUALIFIED BY LAW.

10 Sec. 7. Subject to the requirements of article IV, part 1, section 1,  
11 Constitution of Arizona, section 16-949, Arizona Revised Statutes, is amended  
12 to read:

13 16-949. Controls on spending from citizens clean elections fund

14 A. The commission shall not spend, on all costs incurred under this  
15 article during a particular calendar year, more than five dollars times the  
16 number of Arizona resident personal income tax returns filed during the  
17 previous calendar year. ~~Tax reductions and tax credits awarded to taxpayers~~  
18 ~~pursuant to section 16-954, subsections A and B shall not be considered costs~~  
19 ~~incurred under this article for purposes of this section.~~ The commission may  
20 exceed this limit during a calendar year, provided that it is offset by an  
21 equal reduction of the limit during another calendar year during the same  
22 four-year period beginning January 1 immediately after a gubernatorial  
23 election.

24 B. The commission may use up to ten ~~percent~~ PER CENT of the amount  
25 specified in subsection A of this section for reasonable and necessary  
26 expenses of administration and enforcement, including the activities  
27 specified in section 16-956, subsection A, paragraphs 3 through 7 and  
28 subsections B and C. Any portion of the ten ~~percent~~ PER CENT not used for  
29 this purpose shall remain in the fund.

30 C. The commission ~~shall~~ MAY apply UP TO ten ~~percent~~ PER CENT of the  
31 amount specified in subsection A of this section for reasonable and necessary  
32 expenses associated with ~~voter education, including the activities specified~~  
33 ~~in section 16-956, subsection A~~ PUBLIC EDUCATION REGARDING PARTICIPATION AS A  
34 CANDIDATE OR A CONTRIBUTOR, OR REGARDING THE FUNCTIONS, PURPOSE AND TECHNICAL  
35 ASPECTS OF THE ACT. REASONABLE AND NECESSARY EXPENDITURES MADE PURSUANT TO  
36 SECTION 16-956 ARE NOT INCLUDED IN THIS SUBSECTION.

37 D. THE COMMISSION MAY SPEND MONIES IN THE FUND FOR THE REASONABLE AND  
38 NECESSARY EXPENSES TO IMPLEMENT THE ACT BUT SHALL NOT USE MONIES IN THE FUND  
39 TO PROMOTE THE BENEFITS OF THE CLEAN ELECTIONS ACT. EXPENDITURES MADE  
40 PURSUANT TO SUBSECTION C OF THIS SECTION OR IN SECTION 16-956, SUBSECTION A  
41 ARE DEEMED NOT TO CONSTITUTE PROMOTING THE BENEFITS OF THE CLEAN ELECTIONS  
42 ACT. EXPENDITURES PURSUANT TO THIS SUBSECTION SHALL NOT BE INCLUDED IN THE  
43 LIMITS PRESCRIBED IN SUBSECTION C OF THIS SECTION.

44 ~~D.~~ E. The state treasurer shall administer a citizens clean ~~election~~  
45 ELECTIONS fund from which costs incurred under this article shall be paid.

1 The auditor general shall review the monies in, payments into, and  
2 expenditures from the fund no less often than every four years.

3 Sec. 8. Subject to the requirements of article IV, part 1, section 1,  
4 Constitution of Arizona, section 16-950, Arizona Revised Statutes, is amended  
5 to read:

6 16-950. Qualification for clean elections funding

7 A. A candidate who has made an application for certification may also  
8 apply, in accordance with subsection B of this section, to receive funds from  
9 the citizens clean elections fund, instead of receiving private  
10 contributions.

11 B. To receive any clean ~~campaign~~ ELECTIONS funding, the candidate must  
12 present to the secretary of state no later than one week after the end of the  
13 qualifying period a list of names of persons who have made qualifying  
14 contributions pursuant to section 16-946 on behalf of the candidate. The  
15 list shall be divided by county. At the same time, the candidate must tender  
16 to the secretary of state the original reporting slips identified in section  
17 16-946, subsection C for persons on the list and an amount equal to the sum  
18 of the qualifying contributions collected. The secretary of state shall  
19 deposit the amount into the fund.

20 C. The secretary of state shall select at random a sample of five per  
21 cent of the number of ~~non-duplicative~~ NONDUPLICATIVE names on the list FOR A  
22 CANDIDATE FOR A STATEWIDE OFFICE AND TWENTY PER CENT OF THE NUMBER OF  
23 NONDUPLICATIVE NAMES ON THE LIST FOR A CANDIDATE FOR LEGISLATIVE OFFICE and  
24 SHALL forward facsimiles of the selected reporting slips to the county  
25 recorders for the counties of the addresses specified in the selected slips.  
26 Within ten days, the county recorders shall provide a report to the secretary  
27 of state identifying as disqualified any slips that are unsigned or undated  
28 or that the recorder is unable to verify as matching a person who is  
29 registered to vote in the electoral district of the office the candidate is  
30 seeking on the date specified on the slip. The secretary of state shall  
31 multiply the number of slips not disqualified by twenty, and if the result is  
32 greater than one hundred ten per cent of the quantity required, shall approve  
33 the candidate for funds, and if the result is less than one hundred ten per  
34 cent of the quantity required, the secretary of state shall forward  
35 facsimiles of all of the slips to the county recorders for verification, and  
36 the county recorders shall check all slips in accordance with the process  
37 above. A county recorder shall not check slips already verified. A county  
38 recorder shall report verified totals daily to the secretary of state until a  
39 determination is made that a sufficient number of verified slips has been  
40 submitted. If a sufficient number of verified slips has been submitted to  
41 one or more county recorders, the county recorders may stop the verification  
42 process.

43 D. To qualify for clean ~~campaign~~ ELECTIONS funding, a candidate must  
44 have been approved as a participating candidate pursuant to section 16-947  
45 and have obtained the following number of qualifying contributions:

1           1. For a candidate for legislature, two hundred.  
2           2. For candidate for mine inspector, five hundred.  
3           3. For a candidate for treasurer, superintendent of public instruction  
4 or corporation commission, one thousand five hundred.  
5           4. For a candidate for secretary of state or attorney general, two  
6 thousand five hundred.  
7           5. For a candidate for governor, four thousand.  
8           E. To qualify for clean ~~campaign~~ ELECTIONS funding, a candidate must  
9 have met the requirements of this section and either be an independent  
10 candidate or meet the following standards:  
11           1. To qualify for funding for a party primary election, a candidate  
12 must have properly filed nominating papers and nominating petitions with  
13 signatures pursuant to chapter 3, articles 2 and 3 of this title in the  
14 primary of a political organization entitled to continued representation on  
15 the official ballot in accordance with section 16-804.  
16           2. To qualify for clean ~~campaign~~ ELECTIONS funding for a general  
17 election, a candidate must be a party nominee of such a political  
18 organization.  
19           Sec. 9. Subject to the requirements of article IV, part 1, section 1,  
20 Constitution of Arizona, section 16-951, Arizona Revised Statutes, is amended  
21 to read:  
22           16-951. Clean elections funding  
23           A. At the beginning of the primary election period, the commission  
24 shall pay from the fund to the campaign account of each candidate who  
25 qualifies for clean ~~campaign~~ ELECTIONS funding:  
26           1. For a candidate who qualifies for clean ~~campaign~~ ELECTIONS funding  
27 for a party primary election, an amount equal to the original primary  
28 election spending limit. ~~;~~  
29           2. For an independent candidate who qualifies for clean ~~campaign~~  
30 ELECTIONS funding, an amount equal to seventy percent of the sum of the  
31 original primary election spending limit and the original general election  
32 spending limit. ~~;~~  
33           3. For a qualified participating candidate who is unopposed for an  
34 office in that candidate's primary, in the primary of any other party, ~~and~~  
35 by any opposing independent candidate, an amount equal to five dollars times  
36 the number of qualifying contributions for that candidate certified by the  
37 commission.  
38           B. At any time after the first day of January of an election year, any  
39 candidate who has met the requirements of section 16-950 may sign and cause  
40 to be filed a nomination paper in the form specified by section 16-311,  
41 subsection A, with a nominating petition and signatures, instead of filing  
42 such papers after the earliest time set for filing specified by that  
43 subsection. Upon such filing and verification of the signatures, the  
44 commission shall pay the amount specified in subsection A of this section

1 immediately, rather than waiting for the beginning of the primary election  
2 period.

3 C. At the beginning of the general election period, the commission  
4 shall pay from the fund to the campaign account of each candidate who  
5 qualifies for clean ~~campaign~~ ELECTIONS funding for the general election,  
6 except those candidates identified in subsection A, ~~paragraphs~~ PARAGRAPH 2  
7 ~~or 3~~ or subsection D of this section, an amount equal to the original general  
8 election spending limit.

9 D. At the beginning of the general election period, the commission  
10 shall pay from the fund to the campaign account of a qualified participating  
11 candidate who has not received funds pursuant to subsection A, paragraph 3 of  
12 this section and who is unopposed by any other party nominee or any opposing  
13 independent candidate an amount equal to five dollars times the number of  
14 qualifying contributions for that candidate certified by the commission.

15 E. The special original general election spending limit, for a  
16 candidate who has received funds pursuant to subsection A, paragraphs 2 or 3  
17 or subsection D of this section, shall be equal to the amount that the  
18 commission is obligated to pay to that candidate.

19 Sec. 10. Subject to the requirements of article IV, part 1, section 1,  
20 Constitution of Arizona, section 16-952, Arizona Revised Statutes, is amended  
21 to read:

22 16-952. One party dominant legislative district

23 A. ~~Whenever during a primary election period a report is filed, or~~  
24 ~~other information comes to the attention of the commission, indicating that a~~  
25 ~~nonparticipating candidate who is not unopposed in that primary has made~~  
26 ~~expenditures during the election cycle to date exceeding the original primary~~  
27 ~~election spending limit, including any previous adjustments, the commission~~  
28 ~~shall immediately pay from the fund to the campaign account of any~~  
29 ~~participating candidate in the same party primary as the nonparticipating~~  
30 ~~candidate an amount equal to any excess of the reported amount over the~~  
31 ~~primary election spending limit as previously adjusted, less six per cent for~~  
32 ~~a nonparticipating candidate's fund-raising expenses and less the amount of~~  
33 ~~early contributions raised for that participating candidate for that office~~  
34 ~~as prescribed by section 16-945. The primary election spending limit for all~~  
35 ~~such participating candidates shall be adjusted by increasing it by the~~  
36 ~~amount that the commission is obligated to pay to a participating candidate.~~

37 B. ~~Whenever during a general election period a report has been filed,~~  
38 ~~or other information comes to the attention of the commission, indicating~~  
39 ~~that the amount a nonparticipating candidate who is not unopposed has~~  
40 ~~received in contributions during the election cycle to date less the amount~~  
41 ~~of expenditures the nonparticipating candidate made through the end of the~~  
42 ~~primary election period exceeds the original general election spending limit,~~  
43 ~~including any previous adjustments, the commission shall immediately pay from~~  
44 ~~the fund to the campaign account of any participating candidate qualified for~~  
45 ~~the ballot and seeking the same office as the nonparticipating candidate an~~

1 amount equal to any excess of the reported difference over the general  
2 election spending limit, as previously adjusted, less six per cent for a  
3 nonparticipating candidate's fund-raising expenses. The general election  
4 spending limit for all such participating candidates shall be adjusted by  
5 increasing it by the amount that the commission is obligated to pay to a  
6 participating candidate.

7 C. For the purposes of subsections A and B of this section, the  
8 following expenditures reported pursuant to this article shall be treated as  
9 follows:

10 1. Independent expenditures against a participating candidate shall be  
11 treated as expenditures of each opposing candidate, for the purpose of  
12 subsection A of this section, or contributions to each opposing candidate,  
13 for the purpose of subsection B of this section.

14 2. Independent expenditures in favor of one or more nonparticipating  
15 opponents of a participating candidate shall be treated as expenditures of  
16 those nonparticipating candidates, for the purpose of subsection A of this  
17 section, or contributions to those nonparticipating candidates, for the  
18 purpose of subsection B of this section.

19 3. Independent expenditures in favor of a participating candidate  
20 shall be treated, for every opposing participating candidate, as though the  
21 independent expenditures were an expenditure of a nonparticipating opponent,  
22 for the purpose of subsection A of this section, or a contribution to a  
23 nonparticipating opponent, for the purpose of subsection B of this section.

24 4. Expenditures made during the primary election period by or on  
25 behalf of an independent candidate or a nonparticipating candidate who is  
26 unopposed in a party primary shall be deducted from the total amount of  
27 monies raised for purposes of determining the amount of equalizing funds, up  
28 to the amount of primary funds received by the participating candidate.  
29 Equalizing funds pursuant to subsection B of this section shall then be  
30 calculated and paid at the start of the general election period.

31 5. Expenditures made before the general election period that consist  
32 of a contract, promise or agreement to make an expenditure during the general  
33 election period resulting in an extension of credit shall be treated as  
34 though made during the general election period, and equalizing funds pursuant  
35 to subsection B of this section shall be paid at the start of the general  
36 election period.

37 6. Expenditures for or against a participating candidate promoting or  
38 opposing more than one candidate who is not running for the same office shall  
39 be allocated by the commission among candidates for different offices based  
40 on the relative size or length and relative prominence of the reference to  
41 candidates for different offices.

42 D. Upon applying for citizen CLEAN ELECTIONS funding pursuant to  
43 section 16-950, a participating candidate for the legislature in a  
44 one-party-dominant legislative district who is qualified for clean campaign  
45 ELECTIONS funding for the party primary election of the dominant party may

1 choose to reallocate a portion of funds from the general election period to  
2 the primary election period. At the beginning of the primary election  
3 period, the commission shall pay from the fund to the campaign account of a  
4 participating candidate who makes this choice an extra amount equal to fifty  
5 per cent of the original primary election spending limit, and the original  
6 primary election spending limit for the candidate who makes this choice shall  
7 be increased by the extra amount. ~~For a primary election in which one or~~  
8 ~~more participating candidates have made this choice, funds shall be paid~~  
9 ~~under subsections A and B of this section only to the extent of any excess~~  
10 ~~over the original primary election spending limit as so increased. If a~~  
11 ~~participating candidate who makes this choice becomes qualified for clean~~  
12 ~~campaign~~ ELECTIONS funding for the general election, the amount the candidate  
13 receives at the beginning of the general election period shall be reduced by  
14 the extra amount received at the beginning of the primary election period,  
15 and the original general election spending limit for that candidate shall be  
16 reduced by the extra amount. ~~For a general election in which a participating~~  
17 ~~candidate has made this choice, funds shall be paid under subsections A and B~~  
18 ~~of this section only to the extent of any excess over the original general~~  
19 ~~election spending limit, without such reduction, unless the candidate who has~~  
20 ~~made this choice is the only participating candidate in the general election,~~  
21 ~~in which case such funds shall be paid to the extent of excess over the~~  
22 ~~original general election spending limit with such reduction. For the~~  
23 ~~purpose of this subsection, a one-party-dominant legislative district is a~~  
24 ~~district in which the number of registered voters registered in the party~~  
25 ~~with the highest number of registered voters exceeds the number of registered~~  
26 ~~voters registered to each of the other parties by an amount at least as high~~  
27 ~~as ten per cent of the total number of voters registered in the district.~~  
28 The status of a district as a one-party-dominant legislative district shall  
29 be determined as of the beginning of the qualifying period.

30 ~~E. If an adjusted spending limit reaches three times the original~~  
31 ~~spending limit for a particular election, the commission shall not pay any~~  
32 ~~further amounts from the fund to the campaign account of any participating~~  
33 ~~candidate, and the spending limit shall not be adjusted further.~~

34 Sec. 11. Subject to the requirements of article IV, part 1, section 1,  
35 Constitution of Arizona, section 16-954, Arizona Revised Statutes, is amended  
36 to read:

37 16-954. Disposition of excess monies

38 ~~A. For tax years beginning on or after January 1, 1998, a taxpayer who~~  
39 ~~files on a state income tax return form may designate a five-dollar voluntary~~  
40 ~~contribution per taxpayer to the fund by marking an optional check-off box on~~  
41 ~~the first page of the form. A taxpayer who checks this box shall receive a~~  
42 ~~five-dollar reduction in the amount of tax, and five dollars from the amount~~  
43 ~~of taxes paid shall be transferred by the department of revenue to the fund.~~  
44 ~~The department of revenue shall provide check-off boxes, identified as the~~

1 ~~clean elections fund tax reduction, on the first page of income tax return~~  
2 ~~forms, for designations pursuant to this subsection.~~

3 ~~B. Any taxpayer may make a voluntary donation to the fund by~~  
4 ~~designating the fund on an income tax return form filed by the individual or~~  
5 ~~business entity or by making a payment directly to the fund. Any taxpayer~~  
6 ~~making a donation pursuant to this subsection shall receive a~~  
7 ~~dollar-for-dollar tax credit not to exceed twenty percent of the tax amount~~  
8 ~~on the return or five hundred dollars per taxpayer, whichever is higher.~~  
9 ~~Donations made pursuant to this section are otherwise not tax deductible and~~  
10 ~~cannot be designated as for the benefit of a particular candidate, political~~  
11 ~~party, or election contest. The department of revenue shall transfer to the~~  
12 ~~fund all donations made pursuant to this subsection. The department of~~  
13 ~~revenue shall provide a space, identified as the clean elections fund tax~~  
14 ~~credit, on the first page of income tax return forms, for donations pursuant~~  
15 ~~to this subsection.~~

16 ~~C. A. Beginning January 1, 1999, an additional surcharge of ten~~  
17 ~~percent PER CENT shall be imposed on all civil and criminal fines and~~  
18 ~~penalties collected pursuant to section 12-116.01 and shall be deposited into~~  
19 ~~the fund.~~

20 ~~D. B. At least once per year, the commission shall project the amount~~  
21 ~~of monies that the fund will collect over the next four years and the time~~  
22 ~~such monies shall become available. Whenever the commission determines that~~  
23 ~~the fund contains more monies than the commission determines that it requires~~  
24 ~~to meet current debts plus expected expenses, under the assumption that~~  
25 ~~expected expenses will be at the expenditure limit in section 16-949,~~  
26 ~~subsection A, and taking into account the projections of collections, the~~  
27 ~~commission shall designate such monies as excess monies and so notify the~~  
28 ~~state treasurer, who shall thereupon return TRANSFER the excess monies to the~~  
29 ~~general fund.~~

30 ~~E. C. At least once per year, the commission shall project the amount~~  
31 ~~of citizen CLEAN ELECTIONS funding for which all candidates will have~~  
32 ~~qualified pursuant to this article for the following calendar year. By the~~  
33 ~~end of each year, the commission shall announce whether the amount that the~~  
34 ~~commission plans to spend the following year pursuant to section 16-949,~~  
35 ~~subsection A exceeds the projected amount of citizen CLEAN ELECTIONS~~  
36 ~~funding. If the commission determines that the fund contains insufficient~~  
37 ~~monies or the spending cap would be exceeded were all candidate's CANDIDATES'~~  
38 ~~accounts to be fully funded, then the commission may include in the~~  
39 ~~announcement specifications for decreases in the following parameters, based~~  
40 ~~on the commission's projections of collections and expenses for the fund,~~  
41 ~~made in the following order:~~

42 ~~1. First, the commission may announce a decrease in the matching cap~~  
43 ~~under section 16-952, subsection E from three times to an amount between~~  
44 ~~three and one times.~~

1           2. ~~Next, the commission may announce that the fund will provide~~  
2 ~~equalization monies under section 16-952, subsections A and B as a fraction~~  
3 ~~of the amounts there specified.~~

4           3. ~~Finally, the commission may announce~~ INCLUDING that the fund will  
5 provide monies under section 16-951 as a fraction of the amounts there  
6 specified.

7           F. D. If the commission cannot provide participating candidates with  
8 all monies specified under sections 16-951 and 16-952, as decreased by any  
9 announcement pursuant to subsection E- C of this section, ~~then~~ the commission  
10 shall allocate any reductions in payments proportionately among candidates  
11 entitled to monies and shall declare an emergency. Upon declaration of an  
12 emergency, a participating candidate may accept private contributions to  
13 bring the total monies received by the candidate from the fund and from such  
14 private contributions up to the adjusted spending limits, as decreased by any  
15 announcement made pursuant to subsection E- C of this section.

16           Sec. 12. Subject to the requirements of article IV, part 1, section 1,  
17 Constitution of Arizona, section 16-956, Arizona Revised Statutes, is amended  
18 to read:

19           16-956. Voter education and enforcement duties

20           A. The commission shall:

21           1. Develop a procedure for publishing a document or section of a  
22 document having a space of predefined size for a message chosen by each  
23 candidate. For the document that is ~~mailed~~ DELIVERED before the primary  
24 election, the document shall contain the names of every candidate for every  
25 statewide and legislative district office in that primary election without  
26 regard to whether the candidate is a participating candidate or a  
27 nonparticipating candidate. For the document that is ~~mailed~~ DELIVERED before  
28 the general election, the document shall contain the names of every candidate  
29 for every statewide and legislative district office in that general election  
30 without regard to whether the candidate is a participating candidate or a  
31 nonparticipating candidate. The commission shall ~~mail~~ DELIVER one copy of  
32 each document to every household that contains a registered voter. For the  
33 document that is ~~mailed~~ DELIVERED before the primary election, the ~~mailing~~  
34 DELIVERY may be made over a period of days but shall be ~~mailed~~ SENT in ~~order~~  
35 TIME to be delivered to households before the earliest date for receipt by  
36 registered voters of any requested early ballots for the primary  
37 election. The commission may ~~mail~~ DELIVER the second document over a period  
38 of days but shall ~~mail~~ SEND the second document in order to be delivered to  
39 households before the earliest date for receipt by registered voters of any  
40 requested early ballots for the general election. The primary election and  
41 general election documents published by the commission shall comply with all  
42 of the following:

43           (a) For any candidate who does not submit a message pursuant to this  
44 paragraph, the document shall include with the candidate's listing the words  
45 "no statement submitted".

1 (b) The document shall have printed on its cover the words "citizens  
2 clean elections commission voter education guide" and the words "primary  
3 election" or "general election" and the applicable year. The document shall  
4 also contain at or near the bottom of the document cover in type that is no  
5 larger than one-half the size of the type used for "citizens clean elections  
6 commission voter education guide" the words "paid for by the citizens clean  
7 elections fund".

8 (c) In order to prevent voter confusion, the document shall be easily  
9 distinguishable from the publicity pamphlet that is required to be produced  
10 by the secretary of state pursuant to section 19-123.

11 2. Sponsor debates among candidates, in such manner as determined by  
12 the commission. The commission shall require participating candidates to  
13 attend and participate in debates and may specify by rule penalties for  
14 nonparticipation. The commission shall invite and permit nonparticipating  
15 candidates to participate in debates.

16 3. Prescribe forms for reports, statements, notices and other  
17 documents required by this article. The commission shall not require a  
18 candidate to use a reporting system other than the reporting system jointly  
19 approved by the commission and the office of the secretary of state.

20 4. Prepare and publish instructions setting forth methods of  
21 bookkeeping and preservation of records to facilitate compliance with this  
22 article and explaining the duties of persons and committees under this  
23 article.

24 5. Produce a yearly report describing the commission's activities and  
25 any recommendations for changes of law, administration or funding amounts and  
26 accounting for monies in the fund.

27 6. Adopt rules to implement the reporting requirements of section  
28 16-958, subsections D and E.

29 7. Enforce this article, ensure that money from the fund is placed in  
30 candidate campaign accounts or otherwise spent as specified in this article  
31 and not otherwise, monitor reports filed pursuant to this chapter and  
32 financial records of candidates as needed ~~to ensure that equalization monies~~  
33 ~~are paid promptly to opposing qualified candidates under section 16-952~~ and  
34 ensure that money required by this article to be paid to the fund is  
35 deposited in the fund. The commission shall not take action on any external  
36 complaint that is filed more than ninety days after the postelection report  
37 is filed or ninety days after the completion of the canvass of the election  
38 to which the complaint relates, whichever is later.

39 B. The commission may subpoena witnesses, compel their attendance and  
40 testimony, administer oaths and affirmations, take evidence and require by  
41 subpoena the production of any books, papers, records or other items material  
42 to the performance of the commission's duties or the exercise of its powers.

1 C. The commission may adopt rules to carry out the purposes of this  
2 article and to govern procedures of the commission. Commission rule making  
3 is exempt from title 41, chapter 6, article 3. The commission shall propose  
4 and adopt rules in public meetings, with at least sixty days allowed for  
5 interested parties to comment after the rules are proposed. The commission  
6 shall also file a notice of exempt rule making and the proposed rule in the  
7 format prescribed in section 41-1022 with the secretary of state's office for  
8 publication in the Arizona administrative register. After consideration of  
9 the comments received in the sixty day comment period, the commission may  
10 adopt the rule in an open meeting. Any rules given final approval in an open  
11 meeting shall be filed in the format prescribed in section 41-1022 with the  
12 secretary of state's office for publication in the Arizona administrative  
13 register. Any rules adopted by the commission shall only be applied  
14 prospectively from the date the rule was adopted.

15 D. ~~Beginning January 1, 2010,~~ Rules adopted by the commission are not  
16 effective until January 1 in the year following the adoption of the rule,  
17 except that rules adopted by unanimous vote of the commission may be made  
18 immediately effective and enforceable.

19 E. If, in the view of the commission, the action of a particular  
20 candidate or committee requires immediate change to a commission rule, a  
21 unanimous vote of the commission is required. Any rule change made pursuant  
22 to this subsection that is enacted with less than a unanimous vote takes  
23 effect for the next election cycle.

24 F. Based on the results of the elections in ~~the year 2002 or any~~  
25 quadrennial election ~~thereafter~~ AFTER 2002, and within six months after such  
26 election, the commission may adopt rules changing the number of qualifying  
27 contributions required for any office from those listed in section 16-950,  
28 subsection D, by no more than twenty per cent of the number applicable for  
29 the preceding election.

30 Sec. 13. Subject to the requirements of article IV, part 1, section 1,  
31 Constitution of Arizona, section 16-958, Arizona Revised Statutes, is amended  
32 to read:

33 16-958. Manner of filing reports

34 A. Any person who has previously reached the dollar amount specified  
35 in section 16-941, subsection D for filing an original report shall file a  
36 supplemental report each time previously unreported independent expenditures  
37 specified by that subsection exceeds one thousand dollars. ~~Any person who~~  
38 ~~has previously reached the dollar amounts specified in section 16-941,~~  
39 ~~subsection B, paragraph 2 for filing an original report shall file a~~  
40 ~~supplemental report to declare that previously unreported expenditures or~~  
41 ~~contributions specified by that paragraph exceed ten per cent of the original~~  
42 ~~primary election spending limit or twenty five thousand dollars, whichever is~~  
43 ~~lower, before the general election period, or ten per cent of the original~~  
44 ~~general election spending limit or twenty five thousand dollars, whichever is~~  
45 ~~lower, during the general election period.~~ Such reports shall be filed at

1 the times specified in subsection B of this section and shall identify the  
2 dollar amount being reported, the candidate and the date, and no other detail  
3 is required in reports made pursuant to this section.

4 B. Any person who must file an original report pursuant to section  
5 16-941, ~~subsection B, paragraph 2 or~~ subsection D or who must file a  
6 supplemental report for previously unreported amounts pursuant to subsection  
7 A of this section shall file as follows:

8 1. Before the beginning of the primary election period, the person  
9 shall file a report on the first of each month, unless the person has not  
10 reached the dollar amount for filing an original or supplemental report on  
11 that date.

12 2. Thereafter, except as stated in paragraph 3 of this subsection, the  
13 person shall file a report on any Tuesday by which the person has reached the  
14 dollar amount for filing an original or supplemental report.

15 3. During the last two weeks before the primary election and the last  
16 two weeks before the general election, the person shall file a report within  
17 one business day of reaching the dollar amount for filing an original or  
18 supplemental report.

19 C. Any filing under this article on behalf of a candidate may be made  
20 by the candidate's campaign committee. All candidates shall deposit any  
21 check received by and intended for the campaign and made payable to the  
22 candidate or the candidate's campaign committee, and all cash received by and  
23 intended for the campaign, in the candidate's campaign account before the due  
24 date of the next report specified in subsection B of this section. No  
25 candidate or person acting on behalf of a candidate shall conspire with a  
26 donor to postpone delivery of a donation to the campaign for the purpose of  
27 postponing the reporting of the donation in any subsequent report.

28 D. The secretary of state shall immediately notify the commission of  
29 the filing of each report under this section and deliver a copy of the report  
30 to the commission, and the commission shall promptly mail or otherwise  
31 deliver a copy of each report filed pursuant to this section to all  
32 participating candidates opposing the candidate identified in section 16-941,  
33 ~~subsection B, paragraph 2 or~~ subsection D.

34 E. Any report filed pursuant to this section or section 16-916,  
35 subsection A, paragraph 1 or subsection B shall be filed in electronic  
36 format. The secretary of state shall distribute computer software to  
37 political committees to accommodate such electronic filing.

38 F. During the primary election period and the general election period,  
39 all candidates shall make available for public inspection all bank accounts,  
40 campaign finance reports and financial records relating to the candidate's  
41 campaign, either by immediate disclosure through electronic means or at the  
42 candidate's campaign headquarters, in accordance with rules adopted by the  
43 commission.

1           Sec. 14. Subject to the requirements of article IV, part 1, section 1,  
2 Constitution of Arizona, section 16-959, Arizona Revised Statutes, is amended  
3 to read:

4           16-959. Inflationary and other adjustments of dollar values

5           A. Every two years, the secretary of state shall modify the dollar  
6 values specified in the following parts of this article, in the manner  
7 specified by section 16-905, subsection H, to account for inflation: section  
8 16-941, subsection A, paragraph 2 or subsection D; section 16-942, subsection  
9 B; section 16-945, subsection A, paragraphs 1 and 2; section 16-948,  
10 subsection C; ~~section 16-954, subsection B~~; section 16-955, subsection G; and  
11 section 16-961, subsections G and H. In addition, the secretary of state  
12 shall make a similar inflation adjustment by modifying the dollar values in  
13 section 16-949, subsection A ~~and section 16-954, subsection A to the nearest~~  
14 ~~dollar~~ TO REFLECT CUMULATIVE INFLATION SINCE THE ENACTMENT OF THIS ARTICLE.  
15 In addition, every two years, the secretary of state shall change the dollar  
16 values in section 16-961, subsections G and H in proportion to the change in  
17 the number of Arizona resident personal income tax returns filed during the  
18 previous calendar year.

19           B. Based on the results of the elections in ~~the year 2002 or any~~  
20 quadrennial election ~~thereafter~~ AFTER 2002, and within six months after such  
21 election, the commission may adopt rules in a public meeting reallocating  
22 funds available to all candidates between the primary and general elections  
23 by selecting a fraction for primary election spending limits that is between  
24 one-third and one-half of the spending limits for the election as a whole.  
25 For each office, the primary election spending limit shall be modified to be  
26 the sum of the primary and general spending limits times the selected  
27 fraction, and the general election spending limit shall be modified to be the  
28 same sum times one less the selected fraction.

29           Sec. 15. Subject to the requirements of article IV, part 1, section 1,  
30 Constitution of Arizona, section 16-961, Arizona Revised Statutes, is amended  
31 to read:

32           16-961. Definitions

33           A. The terms "candidate's campaign committee," "contribution,"  
34 "expenditures," "exploratory committee," "independent expenditure," "personal  
35 monies," "political committee" and "statewide office" are defined in section  
36 16-901.

37           B. 1. "Election cycle" means the period between successive general  
38 elections for a particular office.

39           2. "Exploratory period" means the period beginning on the day after a  
40 general election and ending the day before the start of the qualifying  
41 period.

42           3. "Qualifying period" means the period beginning on the first day of  
43 August in a year preceding an election, ~~for an election for a statewide~~  
44 ~~office, or on the first day of January of an election year, for an election~~

1 ~~for legislator, and ending seventy-five days before the day of the general~~  
2 ~~election~~ ONE WEEK BEFORE THE PRIMARY ELECTION.

3 4. "Primary election period" means the nine-week period ending on the  
4 day of the primary election.

5 5. "General election period" means the period beginning on the day  
6 after the primary election and ending on the day of the general election.

7 6. For any recall election, the qualifying period shall begin when the  
8 election is called and last for thirty days, there shall be no primary  
9 election period and the general election period shall extend from the day  
10 after the end of the qualifying period to the day of the recall election.  
11 For recall elections, any reference to "general election" in this article  
12 shall be treated as if referring to the recall election.

13 C. 1. "Participating candidate" means a candidate who becomes  
14 certified as a participating candidate pursuant to section 16-947.

15 2. "Nonparticipating candidate" means a candidate who does not become  
16 certified as a participating candidate pursuant to section 16-947.

17 3. Any limitation of this article that is applicable to a  
18 participating candidate or a nonparticipating candidate shall also apply to  
19 that candidate's campaign committee or exploratory committee.

20 D. "Commission" means the citizens clean elections commission  
21 established pursuant to section 16-955.

22 E. "Fund" means the citizens clean elections fund defined by this  
23 article.

24 F. 1. "Party nominee" means a person who has been nominated by a  
25 political party pursuant to section 16-301 or 16-343.

26 2. "Independent candidate" means a candidate who has properly filed  
27 nominating papers and nominating petitions with signatures pursuant to  
28 section 16-341.

29 3. "Unopposed" means with reference to an election for:

30 (a) A member of the house of representatives, opposed by no more than  
31 one other candidate who has qualified for the ballot and who is running in  
32 the same district.

33 (b) A member of the corporation commission, opposed by a number of  
34 candidates who have qualified for the ballot that is fewer than the number of  
35 corporation commission seats open at that election and for which the term of  
36 office ends on the same date.

37 (c) All other offices, opposed by no other candidate who has qualified  
38 for the ballot and who is running in that district or running for that same  
39 office and term.

40 G. "Primary election spending limits" means:

41 1. For a candidate for the legislature, twelve thousand nine hundred  
42 twenty-one dollars.

43 2. For a candidate for mine inspector, forty-one thousand three  
44 hundred forty-nine dollars.



1 section. This subsection does not apply to monies collected by the courts  
2 pursuant to section 16-954, subsection ~~C~~ A or for child support, restitution  
3 or exonerated bonds.

4 D. The supreme court shall adopt guidelines regarding the collection  
5 of revenues pursuant to subsections A and C of this section.

6 E. The county treasurer shall allocate the monies deposited pursuant  
7 to subsection C of this section according to the following formula:

- 8 1. 21.61 per cent for the purposes specified in section 11-539.
- 9 2. 20.53 per cent for the purposes specified in section 11-588.
- 10 3. 57.37 per cent to the local courts assistance fund established by  
11 section 12-102.03.

12 4. 0.49 per cent to the state treasurer for transmittal to the  
13 department of law for the processing of criminal cases.

14 F. The board of supervisors in each county shall separately account  
15 for all monies received pursuant to subsections C and E of this section and  
16 expenditures of these monies may be made only after the requirements of  
17 subsections G and H of this section have been met.

18 G. By December 1 of each year each county board of supervisors shall  
19 certify if the total revenues received by the justice courts and the superior  
20 court, including the clerk of the superior court, exceed the amount received  
21 in fiscal year 1997-1998. If the board so certifies, then the board shall  
22 distribute the lesser of either:

23 1. The total amount deposited pursuant to subsection C of this  
24 section.

25 2. The amount collected and deposited pursuant to subsection C of this  
26 section that exceeds the base year collections of fiscal year 1997-1998.  
27 These monies shall be distributed according to the formula specified in  
28 subsection E of this section. Any monies remaining after this allocation  
29 shall be transmitted as otherwise provided by law.

30 H. If a county board of supervisors determines that the total revenues  
31 transmitted by the superior court, including the clerk of the superior court  
32 and the justice courts in the county, do not equal the base year collections  
33 transmitted in fiscal year 1997-1998 the monies specified in subsection C of  
34 this section shall be transmitted by the county treasurer as otherwise  
35 provided by law.

36 I. For the purposes of this section, base year collections shall be  
37 those collections specified in subsection C of this section.

38 J. Monies collected pursuant to section 12-116.01, subsection B shall  
39 be allocated as follows:

40 1. 15.44 per cent to the state aid to county attorneys fund  
41 established by section 11-539.

42 2. 14.66 per cent to the state aid to indigent defense fund  
43 established by section 11-588.

44 3. 40.97 per cent to the state aid to the courts fund established by  
45 section 12-102.02.

1           4. 0.35 per cent to the department of law for the processing of  
2 criminal cases.

3           5. 14.29 per cent to the Arizona criminal justice commission for  
4 distribution to state, county and municipal law enforcement full service  
5 forensic crime laboratories pursuant to rules adopted by the Arizona criminal  
6 justice commission.

7           6. 14.29 per cent to the supreme court for allocation to the municipal  
8 courts pursuant to subsection K of this section.

9           K. The supreme court shall administer and allocate the monies received  
10 pursuant to subsection J, paragraph 6 of this section to the municipal courts  
11 based on the total amount of surcharges transmitted pursuant to section  
12 12-116.01 by that jurisdiction's city treasurer to the state treasurer for  
13 the prior fiscal year divided by the total amount of surcharges transmitted  
14 to the state treasurer pursuant to section 12-116.01 by all city treasurers  
15 statewide for the prior fiscal year. The municipal court shall use the  
16 monies received to improve, maintain and enhance the ability to collect and  
17 manage monies assessed or received by the courts, to improve court automation  
18 and to improve case processing or the administration of justice. The  
19 municipal court shall submit a plan to the supreme court and the supreme  
20 court shall approve the plan before the municipal court begins to spend these  
21 allocated monies.

22           Sec. 17. Section 43-323, Arizona Revised Statutes, is amended to read:

23           43-323. Place and form of filing returns

24           A. All returns required by this title shall be in such form as the  
25 department may from time to time prescribe and shall be filed with the  
26 department.

27           B. The department shall prescribe a short form return for individual  
28 taxpayers who:

29           1. Are eligible and elect to pay tax based on the optional tax tables  
30 pursuant to section 43-1012.

31           2. Elect to claim the optional standard deduction pursuant to section  
32 43-1041.

33           3. Elect not to file for credits against income tax liability other  
34 than those contained in ~~section 16-954, subsection B and~~ sections 43-1072,  
35 43-1072.01 and 43-1073.

36           4. Are not required to add any income under section 43-1021 and do not  
37 elect any subtractions under section 43-1022, except for the exemptions  
38 allowed under section 43-1023.

39           C. The department may provide a simplified return form for individual  
40 taxpayers who:

41           1. Are eligible and elect to pay tax based on the optional tax tables  
42 pursuant to section 43-1012.

43           2. Are residents for the full taxable year.

44           3. File as single individuals or married couples filing joint returns  
45 under section 43-309.



1           3. Interest shall be added to and collected as a part of the tax at  
2 the rate determined pursuant to section 42-1123 from the date the credit was  
3 allowed under this chapter to the date of the notice and demand.

4           4. If the tax and interest are not paid within ten days from the date  
5 of notice and demand, there shall be collected as a part of the tax interest  
6 on the unpaid amount of tax and interest at the rate of twelve per cent a  
7 year from the date of the notice and demand until the amount is paid.

8           C. The credit against the taxes imposed by this chapter for net income  
9 taxes paid to another state or country shall not be allowed to any taxpayer  
10 or any class of taxpayers if the allowances of the credit will result in any  
11 invalid or illegal discrimination against another taxpayer or another class  
12 of taxpayers.

13           D. For taxable years beginning on or after January 1, 2002 and subject  
14 to the following conditions, a resident of this state, who is also considered  
15 to be a resident of another state under the laws of the other state, is  
16 allowed a credit against the taxes imposed by this title for net income taxes  
17 imposed by and paid to that state on income taxable under this title as  
18 follows:

19           1. The credit is allowed only if the other state taxes the income to  
20 the resident of this state and does not allow the taxpayer a credit against  
21 taxes imposed by that state on that income for taxes paid or payable on that  
22 income under this title.

23           2. The credit is allowed only for the proportion of the taxes paid to  
24 the other state as the income taxable under this title and also subject to  
25 tax in the other state bears to the entire income on which the taxes paid to  
26 the other state are imposed.

27           3. The credit may not exceed the proportion of the tax payable under  
28 this title as the income taxable under this title and also subject to tax in  
29 the other state bears to the entire income taxable under this title.

30           4. For the purpose of the credit allowed under this subsection,  
31 "income taxable under this title and also subject to tax in the other state"  
32 means income that would be sourced to the other state if the other state were  
33 imposing its income tax on the taxpayer as if the taxpayer was a nonresident  
34 of that other state.

35           E. For the purposes of this section, net income taxes imposed by  
36 another country include taxes that qualify for a credit under sections 901  
37 and 903 of the internal revenue code and the regulations under those  
38 sections.

39           F. For the purposes of this section:

40           1. "Entire income on which the other state's or country's tax is  
41 imposed" means the other state's or country's income computed under the  
42 equivalent of section 43-1094 but does not include any exemption allowable  
43 under the equivalent of section 43-1023.



1           4. The credit shall not exceed the proportion of the tax payable under  
2 this title as the income taxable under this title and also subject to tax in  
3 the state or country of residence bears to the entire income taxable under  
4 this title.

5           B. For the purposes of this section, net income taxes imposed by  
6 another country include taxes that qualify for a credit under sections 901  
7 and 903 of the internal revenue code and the regulations under those  
8 sections.

9           C. For the purposes of this section:

10           1. "Entire income on which the taxes paid to the state or country of  
11 residence are imposed" means the other state's or country's adjusted gross  
12 income computed under the equivalent of section 43-1001, but does not include  
13 any exemption allowable under the equivalent of section 43-1023.

14           2. "Entire income taxable under this title" means Arizona adjusted  
15 gross income computed under section 43-1094 but does not include any  
16 exemption allowed under section 43-1023.

17           3. "Income taxable under this title and also subject to tax in the  
18 state or country of residence" means the portion of income that is included  
19 in entire income taxable under this title that is also included in the entire  
20 income on which the taxes paid to the state or country of residence are  
21 imposed. The taxpayer shall increase or reduce the portion of income that is  
22 included in the entire income taxable under this title by any related  
23 additions under section 43-1021 and by any related subtractions under section  
24 43-1022. The taxpayer shall increase or reduce the portion of income that is  
25 included in the entire income on which taxes paid to the state or country of  
26 residence are imposed by any related additions and subtractions under the  
27 other state's equivalent of sections 43-1021 and 43-1022, as applicable.

28           4. "Tax payable under this title" means the income tax imposed by this  
29 state on the taxpayer's taxable income computed under section 43-1095 minus  
30 all of the following:

31           ~~(a) The reduction amount received under section 16-954, subsection A.~~

32           ~~(b) Any tax credit amount claimed under section 16-954, subsection B.~~

33           ~~(c) any tax credit amount claimed for the taxable year under article 5~~  
34 of this chapter but not including the credit amount allowed under this  
35 section.

36           Sec. 20. Legislative intent; increase base amount of  
37 participating legislative candidates' qualifying  
38 contributions; effect on pending litigation

39           A. It is the intent of the legislature by this act to:

40           1. Indicate the legislature's support for the citizens clean elections  
41 commission to adopt by rule for the 2014 election cycle an increase in the  
42 minimum number of qualifying contributions required under section 16-950,  
43 subsection D, Arizona Revised Statutes. Pursuant to section 16-956,  
44 subsection F, Arizona Revised Statutes, the citizens clean elections  
45 commission by rule may increase the number of qualifying contributions by

1 twenty per cent of the number applicable for the preceding election, and the  
2 legislature supports the adoption of a thirteen per cent increase for  
3 participating candidates for legislative office.

4 2. Confirm that this enactment is not intended to affect any existing  
5 litigation regarding the clean elections act.

6 Sec. 21. Applicability; delayed effective date

7 Notwithstanding section 16-949, Arizona Revised Statutes, subsection C,  
8 as amended by this act, the limitations on the amount of money that the  
9 citizens clean elections commission may expend on voter education and public  
10 education regarding participating in clean elections or regarding the  
11 functions, purpose and technical aspects of clean elections and the  
12 implementation of the clean elections act are effective from and after  
13 December 31, 2012.

14 Sec. 22. Severability

15 If a section of this act or its application to any person or  
16 circumstance is held invalid, the invalidity does not affect other sections  
17 or applications of the act that can be given effect without the invalid  
18 section or application, and to this end the sections of this act are  
19 severable.

20 Sec. 23. Requirements for enactment; three-fourths vote

21 Pursuant to article IV, part 1, section 1, Constitution of Arizona,  
22 sections 16-901.01, 16-941, 16-945, 16-946, 16-947, 16-949, 16-950, 16-951,  
23 16-952, 16-954, 16-956, 16-958, 16-959 and 16-961, Arizona Revised Statutes,  
24 as amended by this act, are effective only on the affirmative vote of at  
25 least three-fourths of the members of each house of the legislature.

APPROVED BY THE GOVERNOR APRIL 12, 2012.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 12, 2012.

Passed the House March 6, 2012

Passed the Senate April 3, 2012

by the following vote: 56 Ayes,

by the following vote: 29 Ayes,

1 Nays, 3 Not Voting  
Article IV, Part 1, Section 1  
L. M. Tol

0 Nays, 1 Not Voting  
Art. IV, part, sect. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15  
Steve Turen

Speaker of the House

President of the Senate

Cheryl Laube  
Chief Clerk of the House

Charmine Bellinger  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill received by the Governor this

\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary to the Governor

Approved this \_\_\_\_\_ day of

\_\_\_\_\_

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State

H.B. 2779

HOUSE CONCURS IN SENATE  
AMENDMENTS AND FINAL PASSAGE

April 10, 2012,

by the following vote: 59 Ayes,

0 Nays, 1 Not Voting  
*Pursuant to Article IV, Part 1, Section 1, Sections 1, 3, 4-15*

[Signature]  
Speaker of the House

Cheryl Laube  
Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

10<sup>th</sup> day of April, 2012,

at 4:32 o'clock P M.

[Signature]  
Secretary to the Governor

Approved this 12<sup>th</sup> day of

April, 2012,

at 2:20 o'clock P M.

[Signature]  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 12<sup>th</sup> day of April, 2012,

at 4:51 o'clock P M.

[Signature]  
Secretary of State

H.B. 2779