House Engrossed Senate Bill

FILED
KEN BENNETT
SECRETARY OF STATE

State of Arizona
Senate
Fifty-first Legislature
First Regular Session
2013

CHAPTER 254

SENATE BILL 1454

AN ACT

AMENDING SECTION 9-231, ARIZONA REVISED STATUTES; AMENDING TITLE 9, CHAPTER 4, ARTICLE 6, ARIZONA REVISED STATUTES, BY ADDING SECTION 9-461.15; AMENDING TITLE 11, CHAPTER 6, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 11-810; AMENDING SECTION 16-411, ARIZONA REVISED STATUTES; AMENDING TITLE 16, CHAPTER 4, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 8.2; AMENDING SECTIONS 16-901, 16-905, 16-912, 16-912.01, 16-920, 16-921, 16-948, 16-950, 16-1019, 22-512 AND 33-1250, ARIZONA REVISED STATUTES; AMENDING TITLE 33, CHAPTER 9, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 33-1260.01; AMENDING SECTION 33-1261, ARIZONA REVISED STATUTES; AMENDING TITLE 33, CHAPTER 16, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 33-1806.01; AMENDING SECTIONS 33-1812 AND 41-2198.01, ARIZONA REVISED STATUTES; PROVIDING FOR THE DELAYED REPEAL OF SECTION 16-559, ARIZONA REVISED STATUTES, AS ADDED BY THIS ACT; RELATING TO ELECTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Section 9-231, Arizona Revised Statutes, is amended to read:

9-231. Common council

A. The corporate powers of a town incorporated under ~~the provisions of~~ section 9-101 shall be vested in a common council. The first common council shall be appointed by the board of supervisors, ~~upon~~ ON declaring the town incorporated, and the members shall continue in office until their successors are elected and qualified. The successors shall be elected by qualified electors residing in the town at an election held for that purpose on the third Tuesday in May following, and on the third Tuesday in May each two years thereafter, ~~unless and until the date of such election is changed pursuant to the provisions of subsection C of this~~ PURSUANT TO section 16-204.

B. The common council of every town shall consist of five members if the population is fifteen hundred persons or less, or seven members if the population exceeds fifteen hundred persons at the time of incorporation. If thereafter the population of ~~such~~ THE town exceeds fifteen hundred persons as determined by the latest official United States census, the council may pass an ordinance increasing the membership to seven, with the additional two members to be elected at the first election subsequent to the passage of the ordinance.

~~C. A city or town may only hold a general election on a date prescribed by section 16-204.~~

Sec. 2. Title 9, chapter 4, article 6, Arizona Revised Statutes, is amended by adding section 9-461.15, to read:

9-461.15. Requirement of planned community prohibited

A. THE PLANNING AGENCY OF A MUNICIPALITY IN EXERCISING ITS AUTHORITY PURSUANT TO THIS TITLE SHALL NOT REQUIRE AS PART OF A SUBDIVISION REGULATION OR ZONING ORDINANCE THAT A SUBDIVIDER OR DEVELOPER ESTABLISH AN ASSOCIATION AS DEFINED IN SECTION 33-1802. A SUBDIVIDER OR DEVELOPER SHALL NOT BE PENALIZED BECAUSE A REAL ESTATE SUBDIVISION OR DEVELOPMENT DOES NOT CONSTITUTE OR INCLUDE A PLANNED COMMUNITY.

B. A MUNICIPALITY MAY REQUIRE A SUBDIVIDER OR DEVELOPER TO ESTABLISH AN ASSOCIATION TO MAINTAIN PRIVATE, COMMON OR COMMUNITY OWNED IMPROVEMENTS THAT ARE APPROVED AND INSTALLED AS PART OF A PRELIMINARY PLAT, FINAL PLAT OR SPECIFIC PLAN. A MUNICIPALITY SHALL NOT REQUIRE THAT AN ASSOCIATION BE FORMED OR OPERATED OTHER THAN FOR THE MAINTENANCE OF COMMON AREAS OR COMMUNITY OWNED PROPERTY. THIS SUBSECTION APPLIES ONLY TO PLANNED COMMUNITIES THAT ARE ESTABLISHED IN PLATS RECORDED AFTER THE EFFECTIVE DATE OF THIS SECTION.

C. THIS SECTION DOES NOT LIMIT THE SUBDIVIDER OR DEVELOPER IN THE ESTABLISHMENT OR AUTHORITY OF ANY PLANNED COMMUNITY ESTABLISHED PURSUANT TO TITLE 33, CHAPTER 16 OR LIMIT A SUBDIVIDER, A DEVELOPER OR AN ASSOCIATION

FROM REQUESTING AND ENTERING INTO A MAINTENANCE AGREEMENT WITH A MUNICIPALITY.

Sec. 3. Title 11, chapter 6, article 1, Arizona Revised Statutes, is amended by adding section 11-810, to read:

11-810. Requirement of planned community prohibited

A. A COUNTY PLANNING AND ZONING COMMISSION IN EXERCISING ITS AUTHORITY PURSUANT TO THIS TITLE SHALL NOT REQUIRE AS PART OF A SUBDIVISION APPROVAL OR ZONING ORDINANCE THAT A SUBDIVIDER OR DEVELOPER ESTABLISH AN ASSOCIATION AS DEFINED IN SECTION 33-1802. A SUBDIVIDER OR DEVELOPER SHALL NOT BE PENALIZED BECAUSE A REAL ESTATE SUBDIVISION OR DEVELOPMENT DOES NOT CONSTITUTE OR INCLUDE A PLANNED COMMUNITY.

B. A COUNTY MAY REQUIRE A SUBDIVIDER OR DEVELOPER TO ESTABLISH AN ASSOCIATION TO MAINTAIN PRIVATE, COMMON AREA OR COMMUNITY OWNED IMPROVEMENTS THAT ARE APPROVED AND INSTALLED AS PART OF A PRELIMINARY PLAT, FINAL PLAT OR SPECIFIC PLAN. A COUNTY SHALL NOT REQUIRE THAT AN ASSOCIATION BE FORMED OR OPERATED OTHER THAN FOR THE MAINTENANCE OF COMMON AREAS OR COMMUNITY OWNED PROPERTY. THIS SUBSECTION APPLIES ONLY TO PLANNED COMMUNITIES THAT ARE ESTABLISHED IN PLATS RECORDED AFTER THE EFFECTIVE DATE OF THIS SECTION.

C. THIS SECTION DOES NOT LIMIT THE SUBDIVIDER OR DEVELOPER IN THE ESTABLISHMENT OR AUTHORITY OF ANY PLANNED COMMUNITY ESTABLISHED PURSUANT TO TITLE 33, CHAPTER 16 OR LIMIT A SUBDIVIDER, A DEVELOPER OR AN ASSOCIATION FROM REQUESTING AND ENTERING INTO A MAINTENANCE AGREEMENT WITH A COUNTY.

Sec. 4. Section 16-411, Arizona Revised Statutes, is amended to read:

16-411. Designation of election precincts and polling places; voting centers; electioneering; wait times

A. Except as prescribed by subsection J of this section, the board of supervisors of each county, on or before December 1 of each year preceding the year of a general election, by an order, shall establish a convenient number of election precincts in the county and define the boundaries of the precincts. ~~Such~~ THE election precinct boundaries shall be so established as included within election districts prescribed by law for elected officers of the state and its political subdivisions including community college district precincts, except those elected officers provided for in titles 30 and 48.

B. Not less than twenty days before a general or primary election, and at least ten days before a special election, the board shall designate one polling place within each precinct where the election shall be held, except that:

1. On a specific finding of the board, included in the order or resolution designating polling places pursuant to this subsection, that no suitable polling place is available within a precinct, a polling place for ~~such~~ THAT precinct may be designated within an adjacent precinct.

2. Adjacent precincts may be combined if boundaries so established are included in election districts prescribed by law for state elected officials and political subdivisions including community college districts but not including elected officials prescribed by titles 30 and 48. The officer in

charge of elections may also split a precinct for administrative purposes. ~~Any such~~ THE polling places shall be listed in separate sections of the order or resolution.

3. On a specific finding of the board that the number of persons who are listed as permanent early voters pursuant to section 16-544 is likely to substantially reduce the number of voters appearing at one or more specific polling places at that election, adjacent precincts may be consolidated by combining polling places and precinct boards for that election. The board of supervisors shall ensure that a reasonable and adequate number of polling places will be designated for that election. Any consolidated polling places shall be listed in separate sections of the order or resolution of the board.

4. On a specific resolution of the board, the board may authorize the use of voting centers in place of or in addition to specifically designated polling places. A voting center shall allow any voter in that county to receive the appropriate ballot for that voter on election day and lawfully cast the ballot. Voting centers may be established in coordination and consultation with the county recorder, at other county offices or at other locations in the county deemed appropriate.

C. If the board fails to designate the place for holding the election, or if it cannot be held at or about the place designated, the justice of the peace in the precinct, two days before the election, by an order, copies of which the justice of the peace shall immediately post in three public places in the precinct, shall designate the place within the precinct for holding the election. If there is no justice of the peace in the precinct, or if the justice of the peace fails to do so, the election board of the precinct shall designate and give notice of the place within the precinct of holding the election. For any election in which there are no candidates for elected office appearing on the ballot, the board may consolidate polling places and precinct boards and may consolidate the tabulation of results for that election if all of the following apply:

1. All affected voters are notified by mail of the change at least thirty-three days before the election.

2. Notice of the change in polling places includes notice of the new voting location, notice of the hours for voting on election day and notice of the telephone number to call for voter assistance.

3. All affected voters receive information on early voting that includes the application used to request an early voting ballot.

D. The board is not required to designate a polling place for special district mail ballot elections held pursuant to article 8.1 of this chapter, but the board may designate one or more sites for voters to deposit marked ballots until 7:00 p.m. on the day of the election.

E. Except as provided in subsection F of this section, a public school shall provide sufficient space for use as a polling place for any city, county or state election when requested by the officer in charge of elections.

F. The principal of the school may deny a request to provide space for use as a polling place for any city, county or state election if, within two weeks after a request has been made, the principal provides a written statement indicating a reason the election cannot be held in the school, including any of the following:

1. Space is not available at the school.

2. The safety or welfare of the children would be jeopardized.

G. The board shall make available to the public as a public record a list of the polling places for all precincts in which the election is to be held including identification of polling place changes that were submitted to the United States department of justice for approval.

H. Except in the case of an emergency, any facility that is used as a polling place on election day or that is used as an early voting site during the period of early voting shall allow persons to electioneer and engage in other political activity outside of the seventy-five foot limit prescribed by section 16-515 in public areas and parking lots used by voters. This subsection shall not be construed to permit the temporary or permanent construction of structures in public areas and parking lots or the blocking or other impairment of access to parking spaces for voters. The county recorder OR OTHER OFFICER IN CHARGE OF ELECTIONS shall post on its website at least two weeks before election day a list of those polling places in which emergency conditions prevent electioneering and shall specify the reason the emergency ~~exemption~~ DESIGNATION was granted AND THE NUMBER OF ATTEMPTS THAT WERE MADE TO FIND A POLLING PLACE BEFORE GRANTING AN EMERGENCY DESIGNATION. If the polling place is not on the website list of polling places with emergency ~~conditions~~ DESIGNATIONS, electioneering and other political activity shall be permitted outside of the seventy-five foot limit. If an emergency arises after the county ~~recorder's~~ RECORDER OR OTHER OFFICER IN CHARGE OF ELECTIONS' initial website posting, the county recorder OR OTHER OFFICER IN CHARGE OF ELECTIONS shall update the website as soon as is practicable to include any new polling places, shall highlight the polling place location on the website and shall specify the reason the emergency ~~exemption~~ DESIGNATION was granted AND THE NUMBER OF ATTEMPTS THAT WERE MADE TO FIND A POLLING PLACE BEFORE GRANTING AN EMERGENCY DESIGNATION.

I. FOR THE PURPOSES OF THIS SECTION, A COUNTY RECORDER OR OTHER OFFICER IN CHARGE OF ELECTIONS SHALL DESIGNATE A POLLING PLACE AS AN EMERGENCY POLLING PLACE AND THUS PROHIBIT PERSONS FROM ELECTIONEERING AND ENGAGING IN OTHER POLITICAL ACTIVITY OUTSIDE OF THE SEVENTY-FIVE FOOT LIMIT PRESCRIBED BY SECTION 16-515 BUT INSIDE THE PROPERTY OF THE FACILITY THAT IS HOSTING THE POLLING PLACE IF ANY OF THE FOLLOWING OCCURS:

1. AN ACT OF GOD RENDERS A PREVIOUSLY SET POLLING PLACE AS UNUSABLE.

2. A COUNTY RECORDER OR OTHER OFFICER IN CHARGE OF ELECTIONS HAS EXHAUSTED ALL OPTIONS AND THERE ARE NO SUITABLE FACILITIES IN A PRECINCT THAT ARE WILLING TO BE A POLLING PLACE UNLESS A FACILITY CAN BE GIVEN AN EMERGENCY DESIGNATION.

~~I.~~ J. The secretary of state shall provide through the instructions and procedures manual adopted pursuant to section 16-452 the maximum allowable wait time for any election that is subject to section 16-204 and provide for a method to reduce voter wait time at the polls in the primary and general elections. The method shall consider at least all of the following for primary and general elections in each precinct:

1. The number of ballots voted in the prior primary and general elections.

2. The number of registered voters who voted early in the prior primary and general elections.

3. The number of registered voters and the number of registered voters who cast an early ballot for the current primary or general election.

4. The number of election board members and clerks and the number of rosters that will reduce voter wait time at the polls.

~~J.~~ K. The board of supervisors of a county shall not change precinct lines during the period after July 31, 2008 and before January 1, 2011. The board of supervisors may subdivide an election precinct for administrative purposes or may provide for more than one polling place within the boundaries of the election precincts established for use in voting in elections held after July 31, 2008 and before January 1, 2011. In providing for multiple polling places within a precinct, the board of supervisors shall consider the particular population characteristics of each precinct in order to provide the voters the most reasonable access to the polls possible.

Sec. 5. Title 16, chapter 4, Arizona Revised Statutes, is amended by adding article 8.2, to read:

ARTICLE 8.2. OPTIONAL CITY AND TOWN APPROVAL VOTING

16-559. <u>City and town approval voting study committee; membership; duties</u>

A. THE CITY AND TOWN APPROVAL VOTING STUDY COMMITTEE IS ESTABLISHED CONSISTING OF THE FOLLOWING MEMBERS:

1. THREE MEMBERS OF THE SENATE WHO ARE APPOINTED BY THE PRESIDENT OF THE SENATE, NOT MORE THAN TWO OF WHOM ARE MEMBERS OF THE SAME POLITICAL PARTY. THE PRESIDENT OF THE SENATE SHALL DESIGNATE ONE OF THESE MEMBERS AS COCHAIRPERSON OF THE COMMITTEE.

2. THREE MEMBERS OF THE HOUSE OF REPRESENTATIVES WHO ARE APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, NOT MORE THAN TWO OF WHOM ARE MEMBERS OF THE SAME POLITICAL PARTY. THE SPEAKER OF THE HOUSE OF REPRESENTATIVES SHALL DESIGNATE ONE OF THESE MEMBERS AS COCHAIRPERSON OF THE COMMITTEE.

B. THE COMMITTEE SHALL MEET AND CONSIDER ISSUES RELATING TO A CITY OR TOWN IN THIS STATE ESTABLISHING AND USING A SYSTEM OF APPROVAL VOTING IN THAT CITY'S OR TOWN'S PRIMARY OR FIRST ELECTION. AN APPROVAL VOTING SYSTEM SHALL PROVIDE FOR THE FOLLOWING:

1. THE VOTER IN THE PRIMARY OR FIRST ELECTION SHALL BE PERMITTED TO VOTE FOR AS MANY CANDIDATES FOR A SINGLE OFFICE AS THE VOTER CHOOSES TO APPROVE.

2. THE TWO CANDIDATES WHO RECEIVE THE HIGHEST AND SECOND HIGHEST NUMBER OF VOTES IN THE PRIMARY OR FIRST ELECTION SHALL ADVANCE TO THE GENERAL OR RUNOFF ELECTION FOR THAT CITY OR TOWN WITHOUT REGARD TO WHETHER ANY ONE CANDIDATE HAS RECEIVED A MAJORITY OF THE VOTES CAST FOR THAT OFFICE.

3. THE BALLOT AND ALL OTHER VOTING MATERIALS SHALL CLEARLY INDICATE THAT THE VOTER MAY VOTE FOR AS MANY CANDIDATES IN THAT ELECTION AS THE VOTER CHOOSES, AND THAT THE CANDIDATES WHO RECEIVE THE TWO HIGHEST NUMBER OF VOTES SHALL ADVANCE TO THE GENERAL OR RUNOFF ELECTION.

Sec. 6. Section 16-901, Arizona Revised Statutes, is amended to read:

16-901. Definitions

In this chapter, unless the context otherwise requires:

1. "Agent" means, with respect to any person other than a candidate, any person who has oral or written authority, either express or implied, to make or authorize the making of expenditures as defined in this section on behalf of a candidate, any person who has been authorized by the treasurer of a political committee to make or authorize the making of expenditures or a political consultant for a candidate or political committee.

2. "Candidate" means an individual who receives or gives consent for receipt of a contribution for his nomination for or election to any office in this state other than a federal office.

3. "Candidate's campaign committee" means a political committee designated and authorized by a candidate.

4. "Clearly identified candidate" means that the name, a photograph or a drawing of the candidate appears or the identity of the candidate is otherwise apparent by unambiguous reference.

5. "Contribution" means any gift, subscription, loan, advance or deposit of money or anything of value made for the purpose of influencing an election including supporting or opposing the recall of a public officer or supporting or opposing the circulation of a petition for a ballot measure, question or proposition or the recall of a public officer and:

(a) Includes all of the following:

(i) A contribution made to retire campaign debt.

(ii) Money or the fair market value of anything directly or indirectly given or loaned to an elected official for the purpose of defraying the expense of communications with constituents, regardless of whether the elected official has declared his candidacy.

(iii) The entire amount paid to a political committee to attend a fund-raising or other political event and the entire amount paid to a political committee as the purchase price for a fund-raising meal or item, except that no contribution results if the actual cost of the meal or fund-raising item, based on the amount charged to the committee by the vendor, constitutes the entire amount paid by the purchaser for the meal or

item, the meal or item is for the purchaser's personal use and not for resale and the actual cost is the entire amount paid by the purchaser in connection with the event. This exception does not apply to auction items.

(iv) Unless specifically exempted, the provision of goods or services without charge or at a charge that is less than the usual and normal charge for such goods and services. THE ACQUISITION OR USE OF CAMPAIGN ASSETS BY A COMMITTEE THAT ARE PAID FOR WITH THE CANDIDATE'S PERSONAL MONIES, INCLUDING CAMPAIGN SIGNS AND OTHER SIMILAR PROMOTIONAL MATERIALS, IS A CONTRIBUTION AND IS REPORTABLE BY THE CANDIDATE'S CAMPAIGN COMMITTEE AS A CONTRIBUTION TO THE CAMPAIGN.

(b) Does not include any of the following:

(i) The value of services provided without compensation by any individual who volunteers on behalf of a candidate, a candidate's campaign committee or any other political committee.

(ii) Money or the value of anything directly or indirectly provided to defray the expense of an elected official meeting with constituents if the elected official is engaged in the performance of the duties of his office or provided by the state or a political subdivision to an elected official for communication with constituents if the elected official is engaged in the performance of the duties of his office.

(iii) The use of real or personal property, including a church or community room used on a regular basis by members of a community for noncommercial purposes, that is obtained by an individual in the course of volunteering personal services to any candidate, candidate's committee or political party, and the cost of invitations, food and beverages voluntarily provided by an individual to any candidate, candidate's campaign committee or political party in rendering voluntary personal services on the individual's residential premises or in the church or community room for candidate-related or political party-related activities, to the extent that the cumulative value of the invitations, food and beverages provided by the individual on behalf of any single candidate does not exceed one hundred dollars with respect to any single election.

(iv) Any unreimbursed payment for personal travel expenses made by an individual who on his own behalf volunteers his personal services to a candidate.

(v) The payment by a political party for party operating expenses, party staff and personnel, party newsletters and reports, voter registration and efforts to increase voter turnout, party organization building and maintenance and printing and postage expenses for slate cards, sample ballots, other written materials that substantially promote three or more nominees of the party for public office and other election activities not related to a specific candidate, except that this item does not apply to costs incurred with respect to a display of the listing of candidates made on telecommunications systems or in newspapers, magazines or similar types of general circulation advertising.

(vi) Independent expenditures.

(vii) Monies loaned by a state bank, a federally chartered depository institution or a depository institution the deposits or accounts of which are insured by the federal deposit insurance corporation or the national credit union administration, other than an overdraft made with respect to a checking or savings account, that is made in accordance with applicable law and in the ordinary course of business. In order for this exemption to apply, this loan shall be deemed a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors, the loan shall be made on a basis that assures repayment, evidenced by a written instrument, shall be subject to a due date or amortization schedule and shall bear the usual and customary interest rate of the lending institution.

(viii) A gift, subscription, loan, advance or deposit of money or anything of value to a national or a state committee of a political party specifically designated to defray any cost for the construction or purchase of an office facility not acquired for the purpose of influencing the election of a candidate in any particular election.

(ix) Legal or accounting services rendered to or on behalf of a political committee or a candidate, if the only person paying for the services is the regular employer of the individual rendering the services and if the services are solely for the purpose of compliance with this title.

(x) The payment by a political party of the costs of campaign materials, including pins, bumper stickers, handbills, brochures, posters, party tabloids and yard signs, used by the party in connection with volunteer activities on behalf of any nominee of the party or the payment by a state or local committee of a political party of the costs of voter registration and get-out-the-vote activities conducted by the committee if the payments are not for the costs of campaign materials or activities used in connection with any telecommunication, newspaper, magazine, billboard, direct mail or similar type of general public communication or political advertising.

(xi) Transfers between political committees to distribute monies raised through a joint fund-raising effort in the same proportion to each committee's share of the fund-raising expenses and payments from one political committee to another in reimbursement of a committee's proportionate share of its expenses in connection with a joint fund-raising effort.

(xii) An extension of credit for goods and services made in the ordinary course of the creditor's business if the terms are substantially similar to extensions of credit to nonpolitical debtors that are of similar risk and size of obligation and if the creditor makes a commercially reasonable attempt to collect the debt, except that any extension of credit under this item made for the purpose of influencing an election that remains unsatisfied by the candidate after six months, notwithstanding good faith

collection efforts by the creditor, shall be deemed receipt of a contribution by the candidate but not a contribution by the creditor.

(xiii) Interest or dividends earned by a political committee on any bank accounts, deposits or other investments of the political committee.

6. "Earmarked" means a designation, instruction or encumbrance that results in all or any part of a contribution or expenditure being made to, or expended on behalf of, a clearly identified candidate or a candidate's campaign committee.

7. "Election" means any election for any initiative, referendum or other measure or proposition or a primary, general, recall, special or runoff election for any office in this state other than the office of precinct committeeman and other than a federal office. For THE purposes of sections 16-903 and 16-905, the general election includes the primary election.

8. "Expenditures" includes any purchase, payment, distribution, loan, advance, deposit or gift of money or anything of value made by a person for the purpose of influencing an election in this state including supporting or opposing the recall of a public officer or supporting or opposing the circulation of a petition for a ballot measure, question or proposition or the recall of a public officer and a contract, promise or agreement to make an expenditure resulting in an extension of credit and the value of any in-kind contribution received. Expenditure does not include any of the following:

(a) A news story, commentary or editorial distributed through the facilities of any telecommunications system, newspaper, magazine or other periodical publication, unless the facilities are owned or controlled by a political committee, political party or candidate.

(b) Nonpartisan activity designed to encourage individuals to vote or to register to vote.

(c) The payment by a political party of the costs of preparation, display, mailing or other distribution incurred by the party with respect to any printed slate card, sample ballot or other printed listing of three or more candidates for any public office for which an election is held, except that this subdivision does not apply to costs incurred by the party with respect to a display of any listing of candidates made on any telecommunications system or in newspapers, magazines or similar types of general public political advertising.

(d) The payment by a political party of the costs of campaign materials, including pins, bumper stickers, handbills, brochures, posters, party tabloids and yard signs, used by the party in connection with volunteer activities on behalf of any nominee of the party or the payment by a state or local committee of a political party of the costs of voter registration and get-out-the-vote activities conducted by the committee if the payments are not for the costs of campaign materials or activities used in connection with any telecommunications system, newspaper, magazine, billboard, direct mail or similar type of general public communication or political advertising.

(e) Any deposit or other payment filed with the secretary of state or any other similar officer to pay any portion of the cost of printing an argument in a publicity pamphlet advocating or opposing a ballot measure.

9. "Exploratory committee" means a political committee that is formed for the purpose of determining whether an individual will become a candidate and that receives contributions or makes expenditures of more than five hundred dollars in connection with that purpose.

10. "Family contribution" means any contribution that is provided to a candidate's campaign committee by a parent, grandparent, spouse, child or sibling of the candidate or a parent or spouse of any of those persons.

11. "Filing officer" means the office that is designated by section 16-916 to conduct the duties prescribed by this chapter.

12. "Identification" means:

(a) For an individual, his name and mailing address, his occupation and the name of his employer.

(b) For any other person, including a political committee, the full name and mailing address of the person. For a political committee, identification includes the identification number issued on the filing of a statement of organization pursuant to section 16-902.01.

13. "Incomplete contribution" means any contribution received by a political committee for which the contributor's mailing address, occupation, employer or identification number has not been obtained and is not in the possession of the political committee.

14. "Independent expenditure" means an expenditure by a person or political committee, other than a candidate's campaign committee, that expressly advocates the election or defeat of a clearly identified candidate, that is made without cooperation or consultation with any candidate or committee or agent of the candidate and that is not made in concert with or at the request or suggestion of a candidate, or any committee or agent of the candidate. Independent expenditure includes an expenditure that is subject to the requirements of section 16-917, which requires a copy of campaign literature or advertisement to be sent to a candidate named or otherwise referred to in the literature or advertisement. An expenditure is not an independent expenditure if any of the following applies:

(a) Any officer, member, employee or agent of the political committee making the expenditure is also an officer, member, employee or agent of the committee of the candidate whose election or whose opponent's defeat is being advocated by the expenditure or an agent of the candidate whose election or whose opponent's defeat is being advocated by the expenditure.

(b) There is any arrangement, coordination or direction with respect to the expenditure between the candidate or the candidate's agent and the person making the expenditure, including any officer, director, employee or agent of that person. FOR THE PURPOSES OF THIS SUBDIVISION, SERVING ON A HOST COMMITTEE FOR A FUNDRAISING EVENT DOES NOT PRESUMPTIVELY DEMONSTRATE ANY ARRANGEMENT, COORDINATION OR DIRECTION.

(c) In the same election the person making the expenditure, including any officer, director, employee or agent of that person, is or has been:

(i) Authorized to raise or expend monies on behalf of the candidate or the candidate's authorized committees.

(ii) Receiving any form of compensation or reimbursement from the candidate, the candidate's committees or the candidate's agent.

(d) The expenditure is based on information about the candidate's plans, projects or needs, or those of his campaign committee, provided to the expending person by the candidate or by the candidate's agents or any officer, member or employee of the candidate's campaign committee with a view toward having the expenditure made.

15. "In-kind contribution" means a contribution of goods or services or anything of value and not a monetary contribution. THE USE BY A CANDIDATE'S CAMPAIGN COMMITTEE OF A DISTINCTIVE TRADE NAME, TRADEMARK OR TRADE DRESS ITEM, INCLUDING A LOGO, THAT IS OWNED BY A BUSINESS OR OTHER ENTITY THAT IS OWNED BY THAT CANDIDATE OR IN WHICH THE CANDIDATE HAS A CONTROLLING INTEREST IS DEEMED TO BE AN IN-KIND CONTRIBUTION TO THE CANDIDATE'S CAMPAIGN COMMITTEE AND SHALL BE REPORTED AS OTHERWISE PRESCRIBED BY LAW.

16. "Itemized" means that each contribution received or expenditure made is set forth separately.

17. "Literature or advertisement" means information or materials that are mailed, distributed or placed in some medium of communication for the purpose of influencing the outcome of an election.

18. "Personal monies" means any of the following:

(a) EXCEPT AS PRESCRIBED IN PARAGRAPH 15 OF THIS SECTION, assets to which the candidate has a legal right of access or control at the time he becomes a candidate and with respect to which the candidate has either legal title or an equitable interest.

(b) Salary and other earned income from bona fide employment of the candidate, dividends and proceeds from the sale of the stocks or investments of the candidate, bequests to the candidate, income to the candidate from trusts established before candidacy, income to the candidate from trusts established by bequest after candidacy of which the candidate is a beneficiary, gifts to the candidate of a personal nature that have been customarily received before the candidacy and proceeds received by the candidate from lotteries and other legal games of chance.

(c) The proceeds of loans obtained by the candidate that are not contributions and for which the collateral or security is covered by subdivision (a) or (b) of this paragraph.

(d) Family contributions.

19. "Political committee" means a candidate or any association or combination of persons that is organized, conducted or combined for the purpose of influencing the result of any election or to determine whether an individual will become a candidate for election in this state or in any county, city, town, district or precinct in this state, that engages in

political activity in behalf of or against a candidate for election or retention or in support of or opposition to an initiative, referendum or recall or any other measure or proposition and that applies for a serial number and circulates petitions and, in the case of a candidate for public office except those exempt pursuant to section 16-903, that receives contributions or makes expenditures of more than two hundred fifty dollars in connection therewith, notwithstanding that the association or combination of persons may be part of a larger association, combination of persons or sponsoring organization not primarily organized, conducted or combined for the purpose of influencing the result of any election in this state or in any county, city, town or precinct in this state. Political committee includes the following types of committees:

(a) A candidate's campaign committee.

(b) A separate, segregated fund established by a corporation or labor organization pursuant to section 16-920, subsection A, paragraph 3.

(c) A committee acting in support of or opposition to the qualification, passage or defeat of a ballot measure, question or proposition.

(d) A committee organized to circulate or oppose a recall petition or to influence the result of a recall election.

(e) A political party.

(f) A committee organized for the purpose of making independent expenditures.

(g) A committee organized in support of or opposition to one or more candidates.

(h) A political organization.

(i) An exploratory committee.

20. "Political organization" means an organization that is formally affiliated with and recognized by a political party including a district committee organized pursuant to section 16-823.

21. "Political party" means the state committee as prescribed by section 16-825 or the county committee as prescribed by section 16-821 of an organization that meets the requirements for recognition as a political party pursuant to section 16-801 or section 16-804, subsection A.

22. "Sponsoring organization" means any organization that establishes, administers or contributes financial support to the administration of, or that has common or overlapping membership or officers with, a political committee other than a candidate's campaign committee.

23. "Standing political committee" means a political committee that satisfies all of the following:

(a) Is active in more than one reporting jurisdiction in this state for more than one year.

(b) Files a statement of organization as prescribed by section 16-902.01, subsection E.

(c) Is any of the following as defined by paragraph 19 of this section:

(i) A separate, segregated fund.

(ii) A political party.

(iii) A committee organized for the purpose of making independent expenditures.

(iv) A political organization.

24. "Statewide office" means the office of governor, secretary of state, state treasurer, attorney general, superintendent of public instruction, corporation commissioner or mine inspector.

25. "Surplus monies" means those monies of a political committee remaining after all of the committee's expenditures have been made and its debts have been extinguished.

Sec. 7. Section 16-905, Arizona Revised Statutes, is amended to read:

16-905. Contribution limitations; civil penalty; complaint

A. For an election other than for a statewide office, a contributor shall not give and an exploratory committee, a candidate or a candidate's campaign committee shall not accept contributions of more than:

1. For an election for a legislative office, four hundred eighty-eight dollars from an individual.

2. For an election other than for a legislative office, three hundred ninety dollars from an individual.

3. For an election for a legislative office, four hundred eighty-eight dollars from a single political committee, excluding a political party, not certified under subsection G of this section to make contributions at the higher limits prescribed by paragraph 5 of this subsection and subsection B, paragraph 3 of this section.

4. For an election other than for a legislative office, three hundred ninety dollars from a single political committee, excluding a political party, not certified under subsection G of this section to make contributions at the higher limits prescribed by subsection B, paragraph 3 of this section.

5. Two thousand dollars from a single political committee, excluding a political party, certified pursuant to subsection G of this section.

B. For an election for a statewide office, a contributor shall not give and an exploratory committee, a candidate or a candidate's committee shall not accept contributions of more than:

1. One thousand ten dollars from an individual.

2. One thousand ten dollars from a single political committee, excluding a political party, not certified under subsection G of this section to make contributions at the higher limits prescribed by subsection A, paragraph 5 of this section and paragraph 3 of this subsection.

3. Five thousand ten dollars from a single political committee excluding political parties certified pursuant to subsection G of this section.

C. A candidate shall not accept contributions from all political committees, excluding political parties, combined totaling more than:

1. For an election for a legislative office, sixteen thousand one hundred fifty dollars.

2. For an office other than a legislative office or a statewide office, ten thousand twenty dollars.

3. For a statewide office, one hundred thousand one hundred ten dollars.

D. A nominee of a political party shall not accept contributions from all political parties or political organizations combined totaling more than ten thousand twenty dollars for an election for an office other than a statewide office, and one hundred thousand one hundred ten dollars for an election for a statewide office.

E. An individual shall not make contributions totaling more than five thousand six hundred ten dollars in a calendar year to state and local candidates and political committees contributing to state or local candidates. Contributions to political parties and contributions to independent expenditure committees are exempt from the limitations of this subsection.

F. A candidate's campaign committee or an individual's exploratory committee shall not make a loan and shall not transfer or contribute money to any other campaign or exploratory committee that is designated pursuant to this chapter or 2 United States Code section 431 except as follows:

1. An exploratory committee may transfer monies to a subsequent candidate's campaign committee of the individual designating the exploratory committee, subject to the limits of subsection B of this section.

2. A candidate's campaign committee may transfer or contribute monies to another campaign committee designated by the same candidate as follows:

(a) Subject to the contribution limits of this section, transfer or contribute monies from one committee to another if both committees have been designated for an election in the same year.

(b) Without application of the contribution limits of this section, transfer or contribute monies from one committee to another designated for an election in a subsequent year.

G. Only political committees that received monies from five hundred or more individuals in amounts of ten dollars or more in the ~~one~~ TWO year period immediately before application to the secretary of state for qualification as a political committee pursuant to this section may make contributions to candidates under subsection A, paragraph 5 of this section and subsection B, paragraph 3 of this section. The secretary of state shall obtain information necessary to make the determination that a committee meets the requirements of this subsection and shall provide written certification of the fact to the committee. A political committee certification is valid for ~~two~~ FOUR years. A candidate's campaign committee shall not accept a contribution pursuant to this subsection unless it is accompanied by a copy of the

certification. All political committees that do not meet the requirements of this subsection are subject to the individual campaign contribution limits of subsection A, paragraphs 1 and 2 of this section and subsection B, paragraph 1 of this section.

H. The secretary of state biennially shall adjust to the nearest ten dollars the amounts in subsections A through E of this section by the percentage change in the consumer price index and publish the new amounts for distribution to election officials, candidates and campaign committees. For the purposes of this subsection, "consumer price index" means the consumer price index for all urban consumers, United States city average, that is published by the United States department of labor, bureau of labor statistics.

I. The following specific limitations and procedures apply:

1. The limits of subsections A through E of this section apply to each election for any office or offices ~~which~~ THAT the candidate seeks.

2. The limits of subsections A, B and C of this section apply to the total contributions from all separate segregated funds established, as provided in section 16-920, by a corporation, labor organization, trade association, cooperative or corporation without capital stock.

3. A contribution by an unemancipated minor child shall be treated as a contribution by the child's custodial parent or parents for determining compliance with subsection A, paragraphs 1 and 2, subsection B, paragraph 1 and subsection E of this section.

4. A contribution by an individual or a single political committee to two or more candidates in connection with a joint fund-raising effort shall be divided among the candidates in direct proportion to each candidate campaign committee's share of the expenses for the fund-raising effort.

5. A candidate shall sign and file with the candidate's nomination paper a statement that the candidate has read all applicable laws relating to campaign financing and reporting.

6. An individual or political committee shall not use economic influence to induce members of an organization to make contributions to a candidate, collect contributions from members of an organization for transmittal to a candidate, make payments to candidates for public appearances or services ~~which~~ THAT are ordinarily uncompensated or use any similar device to circumvent any of the limitations of this section.

J. A person who violates this section is subject to a civil penalty imposed as prescribed in section 16-924 of three times the amount of money that has been received, expended or promised in violation of this section or three times the value in money for an equivalent of money or other things of value that have been received, expended or promised in violation of this section.

K. Any qualified elector may file a sworn complaint with the attorney general or the county attorney of the county in which a violation of this

section is believed to have occurred, and the attorney general or the county attorney shall investigate the complaint for possible action.

L. If the filing officer, attorney general or county attorney fails to institute an action within forty-five working days after receiving a complaint under subsection K of this section, the individual filing the complaint may bring a civil action in the individual's own name and at the individual's own expense, with the same effect as if brought by the filing officer, attorney general or county attorney. The individual shall execute a bond payable to the defendant if the individual fails to prosecute the action successfully. The court shall award to the prevailing party costs and reasonable attorney fees.

M. If a provision of this section or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the section ~~which~~ THAT can be given effect without the invalid provision or application, and to this end the provisions of this section are severable.

N. The use of a candidate's personal monies, or the use of personal monies by an individual who designates an exploratory committee, is not subject to the limitations of this section.

Sec. 8. Section 16-912, Arizona Revised Statutes, is amended to read:

16-912. Candidates and independent expenditures; campaign literature and advertisement sponsors; identification; civil penalty

A. A political committee that makes an expenditure for campaign literature or advertisements that expressly advocate the election or defeat of any candidate or that make any solicitation of contributions to any political committee shall be registered pursuant to this chapter at the time of distribution, placement or solicitation and shall include on the literature or advertisement the words "paid for by" followed by the name of the committee that appears on its statement of organization or five hundred dollar exemption statement.

B. If the expenditure for the campaign literature or advertisements by a political committee is an independent expenditure, the political committee, in addition to the disclosures required by subsection A of this section, shall include on the literature or advertisement the names and telephone numbers of the three political committees making the largest contributions to the political committee making the independent expenditure. If an acronym is used to name any political committee outlined in this section, the name of any sponsoring organization of the political committee shall also be printed or spoken. For THE purposes of determining the three contributors to be disclosed, ONLY the contributions ~~of each political committee to the political committee making the independent expenditure during the one year period before the election being affected are aggregated.~~ MADE DURING THE CALENDAR YEAR IN WHICH THE INDEPENDENT EXPENDITURE IS MADE SHALL BE CONSIDERED.

C. Subsection A of this section does not apply to bumper stickers, pins, buttons, pens and similar small items on which the statements required in subsection A of this section cannot be conveniently printed or to signs paid for by a candidate with campaign monies or by a candidate's campaign committee or to a solicitation of contributions by a separate segregated fund from those persons it may solicit pursuant to sections 16-920 and 16-921.

D. The disclosures required pursuant to this section shall be printed clearly and legibly in a conspicuous manner. ~~or,~~ THE DISCLOSURE STATEMENT SHALL INCLUDE THE WORDS "PAID FOR BY" FOLLOWED BY THE NAME OF THE ENTITY MAKING THE EXPENDITURE AND SHALL STATE THAT IT IS NOT AUTHORIZED BY ANY CANDIDATE OR CANDIDATE'S CAMPAIGN COMMITTEE. DISCLOSURE STATEMENTS SHALL ALSO COMPLY WITH THE FOLLOWING:

1. If the ~~advertisement~~ COMMUNICATION is broadcast on ~~a telecommunications system~~ RADIO, the disclosure shall be spoken AT THE END OF THE COMMUNICATION.

2. For printed material that is delivered or provided by hand or by mail, the disclosure shall be printed ~~in a font that is at least 3/32 inches tall in dark type on light background surrounded by a dark box. For communications that are~~ CLEARLY AND LEGIBLY IN A CONSPICUOUS MANNER.

3. IF THE COMMUNICATION IS broadcast on a telecommunications system, ~~or other medium that can provide a viewable disclosure and a spoken disclosure, the disclosure may be made in printed format only and a spoken disclosure is not required.~~ THE FOLLOWING APPLY:

(a) THE DISCLOSURE SHALL BE BOTH WRITTEN AND SPOKEN AT THE END OF THE COMMUNICATION, EXCEPT THAT IF THE WRITTEN DISCLOSURE STATEMENT IS DISPLAYED FOR AT LEAST FIVE SECONDS OF A THIRTY SECOND COMMUNICATIONS BROADCAST OR TEN SECONDS OF A SIXTY SECOND COMMUNICATIONS BROADCAST, A SPOKEN DISCLOSURE STATEMENT IS NOT REQUIRED.

(b) THE WRITTEN DISCLOSURE STATEMENT SHALL BE PRINTED IN LETTERS THAT ARE DISPLAYED IN A HEIGHT THAT IS EQUAL TO OR GREATER THAN FOUR PER CENT OF THE VERTICAL PICTURE HEIGHT.

E. A person who violates this section is subject to a civil penalty of up to three times the cost of producing and distributing the literature or advertisement. This civil penalty shall be imposed as prescribed in section 16-924.

Sec. 9. Section 16-912.01, Arizona Revised Statutes, is amended to read:

16-912.01. <u>Ballot measure committees; campaign literature and advertising funding; identification; disclosure; civil penalty; definition</u>

A. A political committee that makes an expenditure in connection with any literature or advertisement to support or oppose a ballot proposition shall disclose and, after November 2, 2010, shall include on the literature or advertisement the words "paid for by", followed by the name of the committee that appears on its statement of organization or five hundred

dollar threshold exemption statement, and shall also include in such literature or advertisement the four largest of its major funding sources as of the time the literature or advertisement is printed, recorded or otherwise produced for dissemination. If a political committee has fewer than four major funding sources, the committee shall disclose all major funding sources.

B. For the purposes of this section, a major funding source of a political committee is any contributor that is not an individual person and that has made cumulative contributions of either:

1. Ten thousand dollars or more for an expenditure in support of or opposition to a statewide ballot proposition or a ballot proposition of a political subdivision with a population of one hundred thousand persons or more.

2. Five thousand dollars or more for an expenditure in support of or opposition to a ballot proposition of a political subdivision with a population of less than one hundred thousand persons.

C. If an out-of-state contributor or group of out-of-state contributors is a major funding source to a political committee disclosed pursuant to subsection A OF THIS SECTION, the political committee shall state the contributor is an out-of-state contributor on its literature or advertisement in support of or in opposition to a ballot proposition.

D. Contributors that make contributions to more than one political committee that supports or opposes the same ballot proposition shall notify each political committee of the cumulative total of these contributions. Cumulative totals must be disclosed by each political committee that received contributions from the same contributor if the cumulative totals qualify as a major funding source to be disclosed pursuant to subsection A OF THIS SECTION.

E. Any disclosure statement required by this section shall be printed clearly and legibly in a conspicuous manner ~~in type at least as large as the majority of the printed text~~. For printed material that is delivered or provided by hand or by mail, the disclosure shall be printed ~~in a font that is at least 3/32 inches tall in dark type on light background surrounded by a dark box~~ IN A CLEARLY LEGIBLE MANNER. THE DISCLOSURE STATEMENT SHALL INCLUDE THE WORDS "PAID FOR BY" FOLLOWED BY THE NAME OF THE ENTITY MAKING THE EXPENDITURE. DISCLOSURE STATEMENTS SHALL ALSO COMPLY WITH THE FOLLOWING:

1. If the communication is broadcast on radio, the ~~information~~ DISCLOSURE shall be spoken at the end of the communication.

2. If the communication is broadcast on a telecommunications system, THE FOLLOWING APPLY:

(a) The ~~information~~ DISCLOSURE shall be both written and spoken at the end of the communication, except that if the WRITTEN disclosure statement is ~~written~~ DISPLAYED for at least five seconds of a thirty second ~~advertisement~~ COMMUNICATIONS broadcast or ten seconds of a sixty second ~~advertisement~~ COMMUNICATIONS broadcast, a spoken disclosure statement is not required.

(b) ~~If the communication is broadcast on a telecommunications system,~~ The written disclosure statement shall be printed in letters THAT ARE DISPLAYED IN A HEIGHT equal to or ~~larger~~ GREATER than four per cent of the vertical picture height.

F. ~~Subsection~~ SUBSECTIONS A AND E OF THIS SECTION ~~does~~ DO not apply to bumper stickers, pins, buttons, pens and similar small items on which the statements required in ~~subsection~~ SUBSECTIONS A AND E OF THIS SECTION cannot be conveniently printed or to a communication by an organization solely to its members.

G. A committee shall change future literature and advertisements to reflect any change in funding sources that must be disclosed pursuant to subsection A OF THIS SECTION.

H. This section only applies to advertisements the contents of which are more than fifty per cent devoted to one or more ballot propositions or proposed measures on the same subject.

I. Any committee that violates this section is liable in a civil action brought by the attorney general, county attorney or city or town attorney, as appropriate, or by any other person for a civil penalty of three times the total cost of the advertisement. A donor who does not accurately disclose its contributions is liable for a civil penalty of three times the amount donated.

J. For the purposes of this section, "advertisement" means general public advertising through the print and electronic media, signs, billboards and direct mail.

Sec. 10. Section 16-920, Arizona Revised Statutes, is amended to read:

16-920. Permitted expenditures by corporations and labor organizations; federal law; definitions

A. Expenditures for the following purposes ~~shall~~ ARE not ~~be construed to be~~ political contributions prohibited by law:

1. Communications by a corporation to its stockholders and executive or administrative personnel and their families, or by a labor organization to its members and their families, on any subject.

2. Nonpartisan registration and get-out-the-vote campaigns by a corporation aimed at its stockholders and executive or administrative personnel and their families or by a labor organization aimed at its members and their families.

3. The establishment, administration and solicitation of voluntary contributions to a separate segregated fund to be ~~utilized~~ USED for political purposes by a corporation, labor organization, membership organization, trade association, cooperative or corporation without capital stock.

4. The establishment, administration and solicitation of voluntary contributions from employees of a corporation or limited liability company, including contributions made by payroll deduction, deposit or transfer or other similar method, and that are made directly to a separate segregated fund that is used for political purposes by a trade association of which the

employing corporation or limited liability company is a member. Contributions received under this subsection shall be reported pursuant to section 16-915, subsection A, paragraph 2, subdivision (a) or subsection E.

5. Contributions for use to support or oppose an initiative or referendum measure or amendment to the constitution.

6. Independent expenditures and contributions to independent expenditure committees made pursuant to section 16-914.02.

B. A membership organization, trade association, cooperative or corporation without capital stock may engage in the activities permitted in subsection A, paragraphs 1 and 2 of this section if such activities are directed PRIMARILY toward its members, stockholders or members of its members, its and its members' executive or administrative personnel and their families.

C. A PERSON MAY RELY ON THE FEDERAL ELECTION COMMISSION'S RULES, POLICY STATEMENTS, INTERPRETIVE RULES AND OTHER GUIDANCE ADOPTED AS OF JANUARY 1, 2013 IN INTERPRETING AND APPLYING 2 UNITED STATES CODE SECTION 441b(B)(2) IN INTERPRETING SUBSECTION A, PARAGRAPHS 1 THROUGH 4 OF THIS SECTION.

D. FOR THE PURPOSES OF THIS SECTION:

1. "EXECUTIVE OR ADMINISTRATIVE PERSONNEL" HAS THE SAME MEANING PRESCRIBED IN SECTION 16-921.

2. "LABOR ORGANIZATION" HAS THE SAME MEANING PRESCRIBED IN SECTION 16-919.

Sec. 11. Section 16-921, Arizona Revised Statutes, is amended to read:

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

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

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

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

3. For any person soliciting an employee for a contribution to such a fund to fail to inform such employee, at the time of such solicitation, of ~~his~~ THE EMPLOYEE'S right to refuse to so contribute without any reprisal.

B. Except as provided in subsections C, D and E of this section it is unlawful for a corporation, or a separate segregated fund established by a corporation, to solicit contributions to such a fund from any person other than the stockholders of the corporation and their families, the executive or administrative personnel of the corporation and their families, THE RETIREES

OF THE CORPORATION AND THEIR FAMILIES and the executive or administrative personnel OR RETIREES of the corporation's subsidiaries, branches, divisions and affiliates and their families, and for a labor organization, or a separate segregated fund established by a labor organization, to solicit contributions to such a fund from any person other than its members and their families.

C. A corporation or a separate segregated fund established by such corporation may make no more than two written solicitations for contributions during the calendar year from any employee who is not a stockholder or executive or administrative personnel of such corporation, or of such corporation's subsidiaries, branches, divisions and affiliates, or the families of such employees. A solicitation under this subsection may be made only by mail addressed to employees who are not stockholders or executive or administrative personnel at their residence.

D. An insurer that is licensed in this state or a separate segregated fund established by such insurer may make written solicitations for contributions during the calendar year from persons who are licensed insurance producers and with whom it has a contract to produce insurance business, and those persons' families. Those solicitations are lawful only if the insurance producer has an exclusive contract with the insurer. This subsection does not change an insurance producer's status as an independent contractor.

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

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

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

H. Notwithstanding any ~~provision of~~ law to the contrary, any method of soliciting voluntary contributions or of facilitating the making of voluntary contributions to a separate segregated fund established by a corporation,

permitted by law to corporations with regard to stockholders and executive or administrative personnel, shall also be permitted to labor organizations with regard to their members.

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

J. For the purposes of this section:

1. "Affiliate" means any organization that controls, is controlled by or is under common control with the corporation.

2. "Control" means to possess, directly or indirectly, the power to direct, or cause the direction of, the management or policies of another organization, whether through the ability to exercise voting power, by ownership or contract, or otherwise.

3. "Exclusive contract" means either:

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

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

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

5. "Insurance producer" has the same meaning prescribed in section 20-281.

Sec. 12. Subject to the requirements of article IV, part 1, section 1, Constitution of Arizona, section 16-948, Arizona Revised Statutes, is amended to read:

16-948. <u>Controls on participating candidates' campaign accounts</u>

A. A participating candidate shall conduct all financial activity through a single campaign account of the candidate's campaign committee. A participating candidate shall not make any deposits into the campaign account other than those permitted under ~~sections~~ SECTION 16-945 or 16-946.

B. A candidate may designate other persons with authority to withdraw funds from the candidate's campaign account. The candidate and any person so designated shall sign a joint statement under oath promising to comply with the requirements of this title.

C. The candidate or a person authorized under subsection B of this section shall pay monies from a participating candidate's campaign account directly to the person providing goods or services to the campaign and shall identify, on a report filed pursuant to article 1 of this chapter, the full

name and street address of the person and the nature of the goods and services and compensation for which payment has been made. Notwithstanding the previous sentence, a campaign committee may establish one or more petty cash accounts, which in aggregate shall not exceed one thousand dollars at any time. No single expenditure shall be made from a petty cash account exceeding one hundred dollars.

D. Monies in a participating candidate's campaign account shall not be used to pay fines or civil penalties, for costs or legal fees related to representation before the commission, or for defense of any enforcement action under this chapter. Nothing in this subsection shall prevent a participating candidate from having a legal defense fund.

E. A PARTICIPATING CANDIDATE SHALL NOT USE CLEAN ELECTIONS MONIES TO PURCHASE GOODS OR SERVICES THAT BEAR A DISTINCTIVE TRADE NAME, TRADEMARK OR TRADE DRESS ITEM, INCLUDING A LOGO, THAT IS OWNED BY A BUSINESS OR OTHER ENTITY THAT IS OWNED BY THAT PARTICIPATING CANDIDATE OR IN WHICH THE CANDIDATE HAS A CONTROLLING INTEREST. THE USE OF GOODS OR SERVICES THAT ARE PROHIBITED BY THIS SUBSECTION IS DEEMED TO BE AN UNLAWFUL IN-KIND CONTRIBUTION TO THE PARTICIPATING CANDIDATE.

Sec. 13. Subject to the requirements of article IV, part 1, section 1, Constitution of Arizona, section 16-950, Arizona Revised Statutes, is amended to read:

16-950. Qualification for clean elections funding

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

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

C. The secretary of state shall select at random a sample of five per cent of the number of nonduplicative names on the list for a candidate for a statewide office and twenty per cent of the number of nonduplicative names on the list for a candidate for legislative office and shall forward facsimiles of the selected reporting slips to the county recorders for the counties of the addresses specified in the selected slips. Within ten days, the county recorders shall provide a report to the secretary of state identifying as disqualified any slips that are unsigned or undated or that the recorder is unable to verify as matching a person who is registered to vote in the electoral district of the office the candidate is seeking on the date

specified on the slip. The secretary of state shall multiply the number of slips not disqualified by twenty FOR STATEWIDE CANDIDATES, AND SHALL MULTIPLY THE NUMBER OF SLIPS NOT DISQUALIFIED BY FIVE FOR LEGISLATIVE CANDIDATES, and if the result is greater than one hundred ten per cent of the quantity required, shall approve the candidate for funds, and if the result is less than one hundred ten per cent of the quantity required, the secretary of state shall forward facsimiles of all of the slips to the county recorders for verification, and the county recorders shall check all slips in accordance with the process above. A county recorder shall not check slips already verified. A county recorder shall report verified totals daily to the secretary of state until a determination is made that a sufficient number of verified slips has been submitted. If a sufficient number of verified slips has been submitted to one or more county recorders, the county recorders may stop the verification process.

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

1. For a candidate for legislature, two hundred.

2. For candidate for mine inspector, five hundred.

3. For a candidate for treasurer, superintendent of public instruction or corporation commission, one thousand five hundred.

4. For a candidate for secretary of state or attorney general, two thousand five hundred.

5. For a candidate for governor, four thousand.

E. To qualify for clean elections funding, a candidate must have met the requirements of this section and either be an independent candidate or meet the following standards:

1. To qualify for funding for a party primary election, a candidate must have properly filed nominating papers and nominating petitions with signatures pursuant to chapter 3, articles 2 and 3 of this title in the primary of a political organization entitled to continued representation on the official ballot in accordance with section 16-804.

2. To qualify for clean elections funding for a general election, a candidate must be a party nominee of such a political organization.

Sec. 14. Section 16-1019, Arizona Revised Statutes, is amended to read:

16-1019. <u>Political signs; printed materials; tampering; classification</u>

A. It is a class 2 misdemeanor for any person to knowingly remove, alter, deface or cover any political sign of any candidate for public office or knowingly remove, alter or deface any political mailers, handouts, flyers or other printed materials of a candidate that are delivered by hand to a residence for the period commencing forty-five days before a primary election and ending seven days after the general election.

B. This section does not apply to the removal, alteration, defacing or covering of a political sign or other printed materials by the candidate or the authorized agent of the candidate in support of whose election the sign ~~was~~ OR MATERIALS WERE placed, by the owner or authorized agent of the owner of private property on which such signs OR PRINTED MATERIALS are placed with or without permission of the owner or placed in violation of state law or county, city or town ordinance or regulation.

C. Notwithstanding any other statute, ordinance or regulation, a city, town or county of this state shall not remove, alter, deface or cover any political sign if the following conditions are met:

1. The sign is placed in a public right-of-way that is owned or controlled by that jurisdiction.

2. The sign supports or opposes a candidate for public office or it supports or opposes a ballot measure.

3. The sign is not placed in a location that is hazardous to public safety, obstructs clear vision in the area or interferes with the requirements of the Americans with disabilities act (42 United States Code sections 12101 through 12213 and 47 United States Code sections 225 and 611).

4. The sign has a maximum area of sixteen square feet, if the sign is located in an area zoned for residential use, or a maximum area of thirty-two square feet if the sign is located in any other area.

5. The sign contains the name and telephone number OR WEBSITE ADDRESS of the candidate or campaign committee contact person.

D. If the city, town or county deems that the placement of a political sign constitutes an emergency, the jurisdiction may immediately relocate the sign. The jurisdiction shall notify the candidate or campaign committee that placed the sign within twenty-four hours after the relocation. If a sign is placed in violation of subsection C and the placement is not deemed to constitute an emergency, the city, town or county may notify the candidate or campaign committee that placed the sign of the violation. If the sign remains in violation at least twenty-four hours after the jurisdiction notified the candidate or campaign committee, the jurisdiction may remove the sign. The jurisdiction shall contact the candidate or campaign committee contact and shall retain the sign for at least ten business days to allow the candidate or campaign committee to retrieve the sign without penalty.

E. A city, town or county employee acting within the scope of the employee's employment is not liable for an injury caused by the failure to remove a sign pursuant to subsection D unless the employee intended to cause injury or was grossly negligent.

F. Subsection C does not apply to commercial tourism, commercial resort and hotel sign free zones as those zones are designated by municipalities. The total area of those zones shall not be larger than three square miles, and each zone shall be identified as a specific contiguous area where, by resolution of the municipal governing body, the municipality has determined that based on a predominance of commercial tourism, resort and

hotel uses within the zone the placement of political signs within the rights-of-way in the zone will detract from the scenic and aesthetic appeal of the area within the zone and deter its appeal to tourists. Not more than two zones may be identified within a municipality.

G. A city, town or county may prohibit the installation of a sign on any structure owned by the jurisdiction.

H. Subsection C applies only during the period commencing sixty days before a primary election and ending fifteen days after the general election, except that for a sign for a candidate in a primary election who does not advance to the general election, the period ends fifteen days after the primary election.

I. This section does not apply to state highways or routes, or overpasses over those state highways or routes.

Sec. 15. Section 22-512, Arizona Revised Statutes, is amended to read:

22-512. Parties; representation

A. Any natural person, corporation, partnership, association, marital community or other organization may commence or defend a small claims action, but no assignee or other person not a real party to the original transaction giving rise to the action may commence such an action except as a personal representative duly appointed pursuant to a proceeding as provided in title 14.

B. ~~Notwithstanding section 32-261,~~ In a small claims action:

1. An individual shall represent himself.

2. Either spouse or both may represent a marital community.

3. An active general partner or an authorized full-time employee shall represent a partnership.

4. A full-time officer or authorized employee shall represent a corporation.

5. An active member or an authorized full-time employee shall represent an association.

6. Any other organization or entity shall be represented by one of its active members or authorized full-time employees.

7. An attorney-at-law shall not appear or take any part in the filing or prosecution or defense of any matter designated as a small claim.

C. FOR AN ASSOCIATION AS DEFINED IN SECTION 33-1202 OR 33-1802 THAT HAS EMPLOYEES OR THAT IS CONTRACTED WITH A CORPORATION, LIMITED LIABILITY COMPANY, LIMITED LIABILITY PARTNERSHIP, SOLE PROPRIETOR OR OTHER LAWFULLY FORMED AND OPERATING ENTITY THAT PROVIDES MANAGEMENT SERVICES TO THE ASSOCIATION, THE EMPLOYEES OF THE ASSOCIATION AND THE MANAGEMENT COMPANY AND ITS OFFICERS AND EMPLOYEES MAY LAWFULLY ACT ON BEHALF OF THE ASSOCIATION AND ITS BOARD OF DIRECTORS BY:

1. RECORDING A NOTICE OF LIEN OR NOTICE OF CLAIM OF LIEN OF THE ASSOCIATION AGAINST AN OWNER'S PROPERTY IN A CONDOMINIUM OR PLANNED COMMUNITY IF ALL OF THE FOLLOWING APPLY:

(a) THE ASSOCIATION EMPLOYEE OR THE OFFICER OR EMPLOYEE OF THE MANAGEMENT COMPANY IS SPECIFICALLY AUTHORIZED IN WRITING BY THE ASSOCIATION TO RECORD NOTICES OF LIEN OR NOTICES OF CLAIM OF LIEN ON BEHALF OF THE ASSOCIATION AND THE OFFICER OR EMPLOYEE IS A CERTIFIED LEGAL DOCUMENT PREPARER AS PRESCRIBED IN THE ARIZONA CODE OF JUDICIAL ADMINISTRATION.

(b) THE RECORDATION OF NOTICES OF LIEN OR NOTICES OF CLAIM OF LIEN IS NOT THE PRIMARY DUTY OF THE OFFICER OR EMPLOYEE WITH RESPECT TO THE ASSOCIATION AND IS A SECONDARY OR INCIDENTAL DUTY TO THE ASSOCIATION.

(c) THE ASSOCIATION IS THE ORIGINAL PARTY TO THE LIEN AND THE LIEN RIGHT IS NOT THE RESULT OF AN ASSIGNMENT OF RIGHTS.

(d) THE LIEN RIGHT EXISTS BY OPERATION OF LAW PURSUANT TO SECTION 33-1256 OR 33-1807 AND IS NOT THE RESULT OF OBTAINING A FINAL JUDGMENT IN AN ACTION TO WHICH THE ASSOCIATION IS A PARTY.

2. APPEARING ON BEHALF OF THE ASSOCIATION IN A SMALL CLAIMS ACTION IF ALL OF THE FOLLOWING APPLY:

(a) THE EMPLOYEE OF THE ASSOCIATION OR THE OFFICER OR EMPLOYEE OF THE MANAGEMENT COMPANY IS SPECIFICALLY AUTHORIZED IN WRITING BY THE ASSOCIATION TO APPEAR ON BEHALF OF THE ASSOCIATION.

(b) APPEARING IN SMALL CLAIMS ACTIONS IS NOT THE PRIMARY DUTY OF THE OFFICER OR EMPLOYEE WITH RESPECT TO THE ASSOCIATION AND IS A SECONDARY OR INCIDENTAL DUTY TO THE ASSOCIATION.

(c) THE ASSOCIATION IS AN ORIGINAL PARTY TO THE SMALL CLAIMS ACTION.

~~C.~~ D. Notwithstanding subsection B of this section, at any time ~~prior to~~ BEFORE THE hearing, the parties may stipulate by written agreement to the participation of attorneys in actions designated as small claims.

~~D.~~ E. This section is not intended to limit or otherwise interfere with a party's right to assign or to employ counsel to pursue ~~his~~ THE PARTY'S rights and remedies subsequent to the entry of judgment in a small claims action.

~~E.~~ F. Attorneys-at-law may represent themselves in propria persona.

Sec. 16. Section 33-1250, Arizona Revised Statutes, is amended to read:

33-1250. <u>Voting; proxies; absentee ballots; applicability; definition</u>

A. If only one of the multiple owners of a unit is present at a meeting of the association, the owner is entitled to cast all the votes allocated to that unit. If more than one of the multiple owners are present, the votes allocated to that unit may be cast only in accordance with the agreement of a majority in interest of the multiple owners unless the declaration expressly provides otherwise. There is majority agreement if any one of the multiple owners casts the votes allocated to that unit without protest being made promptly to the person presiding over the meeting by any of the other owners of the unit.

B. During the period of declarant control, votes allocated to a unit may be cast pursuant to a proxy duly executed by a unit owner. If a unit is owned by more than one person, each owner of the unit may vote or register protest to the casting of votes by the other owners of the unit through a duly executed proxy. A unit owner may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the association. A proxy is void if it is not dated or purports to be revocable without notice. The proxy is revoked on presentation of a later dated proxy executed by the same unit owner. A proxy terminates one year after its date, unless it specifies a shorter term or unless it states that it is coupled with an interest and is irrevocable.

C. Notwithstanding any provision in the condominium documents, after termination of the period of declarant control, votes allocated to a unit may not be cast pursuant to a proxy. The association shall provide for votes to be cast in person and by absentee ballot and, IN ADDITION, THE ASSOCIATION may provide for voting by some other form of delivery, INCLUDING THE USE OF ELECTRONIC MAIL AND FACSIMILE DELIVERY. Notwithstanding section 10-3708 or the provisions of the condominium documents, any action taken at an annual, regular or special meeting of the members shall comply with all of the following if absentee ballots OR BALLOTS PROVIDED BY SOME OTHER FORM OF DELIVERY are used:

1. The ~~absentee~~ ballot shall set forth each proposed action.

2. The ~~absentee~~ ballot shall provide an opportunity to vote for or against each proposed action.

3. The ~~absentee~~ ballot is valid for only one specified election or meeting of the members and expires automatically after the completion of the election or meeting.

4. The ~~absentee~~ ballot specifies the time and date by which the ballot must be delivered to the board of directors in order to be counted, which shall be at least seven days after the date that the board delivers the unvoted ~~absentee~~ ballot to the member.

5. The ~~absentee~~ ballot does not authorize another person to cast votes on behalf of the member.

D. Votes cast by absentee ballot or other form of DELIVERY, INCLUDING THE USE OF ELECTRONIC MAIL AND FACSIMILE delivery, are valid for the purpose of establishing a quorum.

E. Notwithstanding subsection C of this section, an association for a timeshare plan as defined in section 32-2197 may permit votes by a proxy that is duly executed by a unit owner.

F. If the declaration requires that votes on specified matters affecting the condominium be cast by lessees rather than unit owners of leased units all of the following apply:

1. The provisions of subsections A and B of this section apply to lessees as if they were unit owners.

2. Unit owners who have leased their units to other persons shall not cast votes on those specified matters.

3. Lessees are entitled to notice of meetings, access to records and other rights respecting those matters as if they were unit owners. Unit owners shall also be given notice, in the manner prescribed in section 33-1248, of all meetings at which lessees may be entitled to vote.

G. Unless the declaration provides otherwise, votes allocated to a unit owned by the association shall not be cast.

H. This section does not apply to timeshare plans or associations that are subject to chapter 20 of this title.

I. For the purposes of this section, "period of declarant control" means the time during which the declarant or persons designated by the declarant may elect or appoint the members of the board of directors pursuant to the condominium documents or by virtue of superior voting power.

Sec. 17. Title 33, chapter 9, article 3, Arizona Revised Statutes, is amended by adding section 33-1260.01, to read:

33-1260.01. <u>Rental property; unit owner and agent information; fee; disclosure</u>

A. A UNIT OWNER MAY USE THE UNIT OWNER'S UNIT AS A RENTAL PROPERTY UNLESS PROHIBITED IN THE DECLARATION AND SHALL USE IT IN ACCORDANCE WITH THE DECLARATION'S RENTAL TIME PERIOD RESTRICTIONS.

B. A UNIT OWNER MAY DESIGNATE IN WRITING A THIRD PARTY TO ACT AS THE UNIT OWNER'S AGENT WITH RESPECT TO ALL ASSOCIATION MATTERS RELATING TO THE RENTAL UNIT. THE UNIT OWNER SHALL SIGN THE WRITTEN DESIGNATION AND SHALL PROVIDE A COPY OF THE WRITTEN DESIGNATION TO THE ASSOCIATION. ON DELIVERY OF THE WRITTEN DESIGNATION, THE ASSOCIATION IS AUTHORIZED TO CONDUCT ALL ASSOCIATION BUSINESS RELATING TO THE UNIT OWNER'S RENTAL UNIT THROUGH THE DESIGNATED AGENT. ANY NOTICE GIVEN BY THE ASSOCIATION TO A UNIT OWNER'S DESIGNATED AGENT ON ANY MATTER RELATING TO THE UNIT OWNER'S RENTAL UNIT CONSTITUTES NOTICE TO THE UNIT OWNER.

C. NOTWITHSTANDING ANY PROVISION IN THE CONDOMINIUM DOCUMENTS, ON RENTAL OF A UNIT AN ASSOCIATION SHALL NOT REQUIRE A UNIT OWNER OR A UNIT OWNER'S AGENT TO DISCLOSE ANY INFORMATION REGARDING A TENANT OTHER THAN THE NAME AND CONTACT INFORMATION FOR ANY ADULTS OCCUPYING THE UNIT, THE TIME PERIOD OF THE LEASE, INCLUDING THE BEGINNING AND ENDING DATES OF THE TENANCY, AND A DESCRIPTION AND THE LICENSE PLATE NUMBERS OF THE TENANTS' VEHICLES. IF THE CONDOMINIUM IS AN AGE RESTRICTED CONDOMINIUM, THE UNIT OWNER, THE UNIT OWNER'S AGENT OR THE TENANT SHALL SHOW A GOVERNMENT ISSUED IDENTIFICATION THAT BEARS A PHOTOGRAPH AND THAT CONFIRMS THAT THE TENANT MEETS THE CONDOMINIUM'S AGE RESTRICTIONS OR REQUIREMENTS.

D. ON REQUEST OF AN ASSOCIATION OR ITS MANAGING AGENT FOR THE DISCLOSURES PRESCRIBED IN SUBSECTION C OF THIS SECTION, THE ASSOCIATION OR ITS MANAGING AGENT MAY CHARGE A FEE OF NOT MORE THAN TWENTY-FIVE DOLLARS WHICH SHALL BE PAID WITHIN FIFTEEN DAYS AFTER THE POSTMARKED REQUEST. THE FEE MAY BE CHARGED FOR EACH NEW TENANCY FOR THAT UNIT BUT MAY NOT BE CHARGED

FOR A RENEWAL OF A LEASE. EXCEPT FOR THE FEE PERMITTED BY THIS SUBSECTION, THE ASSOCIATION OR ITS MANAGING AGENT SHALL NOT ASSESS, LEVY OR CHARGE A FEE OR FINE OR OTHERWISE IMPOSE A REQUIREMENT ON A UNIT OWNER'S RENTAL UNIT ANY DIFFERENTLY THAN ON AN OWNER-OCCUPIED UNIT IN THE ASSOCIATION.

E. NOTWITHSTANDING ANY PROVISION IN THE CONDOMINIUM DOCUMENTS, THE ASSOCIATION IS PROHIBITED FROM DOING ANY OF THE FOLLOWING:

1. REQUIRING A UNIT OWNER TO PROVIDE THE ASSOCIATION WITH A COPY OF THE TENANT'S RENTAL APPLICATION, CREDIT REPORT, LEASE AGREEMENT OR RENTAL CONTRACT OR OTHER PERSONAL INFORMATION EXCEPT AS PRESCRIBED BY THIS SECTION. THIS PARAGRAPH DOES NOT PROHIBIT THE ASSOCIATION FROM ACQUIRING A CREDIT REPORT ON A PERSON IN AN ATTEMPT TO COLLECT A DEBT.

2. REQUIRING THE TENANT TO SIGN A WAIVER OR OTHER DOCUMENT LIMITING THE TENANT'S DUE PROCESS RIGHTS AS A CONDITION OF THE TENANT'S OCCUPANCY OF THE RENTAL UNIT.

3. PROHIBITING OR OTHERWISE RESTRICTING A UNIT OWNER FROM SERVING ON THE BOARD OF DIRECTORS BASED ON THE OWNER'S NOT BEING AN OCCUPANT OF THE UNIT.

4. IMPOSING ON A UNIT OWNER OR MANAGING AGENT ANY FEE, ASSESSMENT, PENALTY OR OTHER CHARGE IN AN AMOUNT GREATER THAN FIFTEEN DOLLARS FOR INCOMPLETE OR LATE INFORMATION REGARDING THE INFORMATION REQUESTED PURSUANT TO SUBSECTION C OF THIS SECTION. ANY ATTEMPT BY AN ASSOCIATION TO CHARGE A FEE, ASSESSMENT, PENALTY OR OTHER CHARGE THAT IS NOT AUTHORIZED BY THIS SECTION VOIDS THE FEE AUTHORIZED UNDER SUBSECTION D OF THIS SECTION AND VOIDS THE REQUIREMENT TO PROVIDE THE INFORMATION TO THE ASSOCIATION THAT IS PRESCRIBED IN SUBSECTION C OF THIS SECTION.

Sec. 18. Section 33-1261, Arizona Revised Statutes, is amended to read:

33-1261. <u>Flag display; for sale, rent or lease signs; political signs and activities; applicability</u>

A. Notwithstanding any provision in the condominium documents, an association shall not prohibit the outdoor display of any of the following:

1. The American flag or an official or replica of a flag of the United States army, navy, air force, marine corps or coast guard by a unit owner on that unit owner's property if the American flag or military flag is displayed in a manner consistent with the federal flag code (P.L. 94-344; 90 Stat. 810; 4 United States Code sections 4 through 10).

2. The POW/MIA flag.

3. The Arizona state flag.

4. An Arizona Indian nations flag.

5. The Gadsden flag.

B. The association shall adopt reasonable rules and regulations regarding the placement and manner of display of the American flag, the military flag, the POW/MIA flag, the Arizona state flag or an Arizona Indian nations flag. The association rules may regulate the location and size of flagpoles but shall not prohibit the installation of a flagpole.

C. Notwithstanding any provision in the condominium documents, an association shall not prohibit or charge a fee for the use of, the placement of or the indoor or outdoor display of a for sale, for rent or for lease sign and a sign rider by a unit owner on that owner's property in any combination, including a sign that indicates the unit owner is offering the property for sale by owner. The size of a sign offering a property for sale, for rent or for lease shall be in conformance with the industry standard size sign, which shall not exceed eighteen by twenty-four inches, and the industry standard size sign rider, which shall not exceed six by twenty-four inches. This subsection applies only to a commercially produced sign and an association may prohibit the use of signs that are not commercially produced. With respect to real estate for sale, for rent or for lease in the condominium, an association shall not prohibit in any way other than as is specifically authorized by this section or otherwise regulate any of the following:

1. Temporary open house signs or a unit owner's for sale sign. The association shall not require the use of particular signs indicating an open house or real property for sale and may not further regulate the use of temporary open house or for sale signs that are industry standard size and that are owned or used by the seller or the seller's agent.

2. Open house hours. The association may not limit the hours for an open house for real estate that is for sale in the condominium, except that the association may prohibit an open house being held before 8:00 a.m. or after 6:00 p.m. and may prohibit open house signs on the common elements of the condominium.

3. An owner's or an owner's agent's for rent or for lease sign unless an association's documents prohibit or restrict leasing of a unit or units. An association shall not further regulate a for rent or for lease sign or require the use of a particular for rent or for lease sign other than the for rent or for lease sign shall not be any larger than the industry standard size sign of eighteen by twenty-four inches and on or in the unit owner's property. If rental or leasing of a unit is allowed, the association may prohibit an open house for rental or leasing being held before 8:00 a.m. or after 6:00 p.m.

D. Notwithstanding any provision in the condominium documents, an association shall not prohibit door to door political activity, including solicitations of support or opposition regarding candidates or ballot issues, and shall not prohibit the circulation of political petitions, including candidate nomination petitions or petitions in support of or opposition to an initiative, referendum or recall or other political issue on property normally open to visitors within the association, except that an association may do the following:

1. Restrict or prohibit door to door political activity regarding candidates or ballot issues from sunset to sunrise.

2. Require the prominent display of an identification tag for each person engaged in the activity, along with the prominent identification of the candidate or ballot issue that is the subject of the support or opposition.

E. NOTWITHSTANDING ANY PROVISION IN THE CONDOMINIUM DOCUMENTS, AN ASSOCIATION SHALL NOT PROHIBIT THE INDOOR OR OUTDOOR DISPLAY OF A POLITICAL SIGN BY A UNIT OWNER BY PLACEMENT OF A SIGN IN THE COMMON ELEMENT GROUND THAT IS ADJACENT TO THE UNIT OR ON THAT UNIT OWNER'S PROPERTY, INCLUDING ANY LIMITED COMMON ELEMENTS FOR THAT UNIT, EXCEPT THAT AN ASSOCIATION MAY PROHIBIT THE DISPLAY OF POLITICAL SIGNS EARLIER THAN SEVENTY-ONE DAYS BEFORE THE DAY OF AN ELECTION AND LATER THAN THREE DAYS AFTER AN ELECTION DAY. AN ASSOCIATION MAY REGULATE THE SIZE AND NUMBER OF POLITICAL SIGNS THAT MAY BE PLACED IN THE COMMON ELEMENT GROUND, ON A UNIT OWNER'S PROPERTY OR ON A LIMITED COMMON ELEMENT FOR THAT UNIT IF THE ASSOCIATION'S REGULATION IS NO MORE RESTRICTIVE THAN ANY APPLICABLE CITY, TOWN OR COUNTY ORDINANCE THAT REGULATES THE SIZE AND NUMBER OF POLITICAL SIGNS ON RESIDENTIAL PROPERTY. IF THE CITY, TOWN OR COUNTY IN WHICH THE PROPERTY IS LOCATED DOES NOT REGULATE THE SIZE AND NUMBER OF POLITICAL SIGNS ON RESIDENTIAL PROPERTY, THE ASSOCIATION SHALL NOT LIMIT THE NUMBER OF POLITICAL SIGNS, EXCEPT THAT THE MAXIMUM AGGREGATE TOTAL DIMENSIONS OF ALL POLITICAL SIGNS ON A UNIT OWNER'S PROPERTY SHALL NOT EXCEED NINE SQUARE FEET. An association shall not make any regulations regarding the number of candidates supported, the number of public officers supported or opposed in a recall or the number of propositions supported or opposed on a political sign. FOR THE PURPOSES OF THIS SUBSECTION, "POLITICAL SIGN" MEANS A SIGN THAT ATTEMPTS TO INFLUENCE THE OUTCOME OF AN ELECTION, INCLUDING SUPPORTING OR OPPOSING THE RECALL OF A PUBLIC OFFICER OR SUPPORTING OR OPPOSING THE CIRCULATION OF A PETITION FOR A BALLOT MEASURE, QUESTION OR PROPOSITION OR THE RECALL OF A PUBLIC OFFICER.

F. An association shall not require political signs to be commercially produced or professionally manufactured or prohibit the utilization of both sides of a political sign.

G. A condominium is not required to comply with subsection D of this section if the condominium restricts vehicular or pedestrian access to the condominium. Nothing in this section requires a condominium to make its common elements other than roadways and sidewalks that are normally open to visitors available for the circulation of political petitions to anyone who is not an owner or resident of the community.

H. An association or managing agent that violates subsection C of this section forfeits and extinguishes the lien rights authorized under section 33-1256 against that unit for a period of six consecutive months from the date of the violation.

I. This section does not apply to timeshare plans or associations that are subject to chapter 20 of this title.

Sec. 19. Title 33, chapter 16, article 1, Arizona Revised Statutes, is amended by adding section 33-1806.01, to read:

33-1806.01. Rental property; member and agent information; fee; disclosure

A. A MEMBER MAY USE THE MEMBER'S PROPERTY AS A RENTAL PROPERTY UNLESS PROHIBITED IN THE DECLARATION AND SHALL USE IT IN ACCORDANCE WITH THE DECLARATION'S RENTAL TIME PERIOD RESTRICTIONS.

B. A MEMBER MAY DESIGNATE IN WRITING A THIRD PARTY TO ACT AS THE MEMBER'S AGENT WITH RESPECT TO ALL ASSOCIATION MATTERS RELATING TO THE RENTAL PROPERTY. THE MEMBER SHALL SIGN THE WRITTEN DESIGNATION AND SHALL PROVIDE A COPY OF THE WRITTEN DESIGNATION TO THE ASSOCIATION. ON DELIVERY OF THE WRITTEN DESIGNATION, THE ASSOCIATION IS AUTHORIZED TO CONDUCT ALL ASSOCIATION BUSINESS RELATING TO THE MEMBER'S RENTAL PROPERTY THROUGH THE DESIGNATED AGENT. ANY NOTICE GIVEN BY THE ASSOCIATION TO A MEMBER'S DESIGNATED AGENT ON ANY MATTER RELATING TO THE MEMBER'S RENTAL PROPERTY CONSTITUTES NOTICE TO THE MEMBER.

C. NOTWITHSTANDING ANY PROVISION IN THE COMMUNITY DOCUMENTS, ON RENTAL OF A MEMBER'S PROPERTY AN ASSOCIATION SHALL NOT REQUIRE A MEMBER OR A MEMBER'S AGENT TO DISCLOSE ANY INFORMATION REGARDING A TENANT OTHER THAN THE NAME AND CONTACT INFORMATION FOR ANY ADULTS OCCUPYING THE PROPERTY, THE TIME PERIOD OF THE LEASE, INCLUDING THE BEGINNING AND ENDING DATES OF THE TENANCY, AND A DESCRIPTION AND THE LICENSE PLATE NUMBERS OF THE TENANTS' VEHICLES. IF THE PLANNED COMMUNITY IS AN AGE RESTRICTED COMMUNITY, THE MEMBER, THE MEMBER'S AGENT OR THE TENANT SHALL SHOW A GOVERNMENT ISSUED IDENTIFICATION THAT BEARS A PHOTOGRAPH AND THAT CONFIRMS THAT THE TENANT MEETS THE COMMUNITY'S AGE RESTRICTIONS OR REQUIREMENTS.

D. ON REQUEST OF AN ASSOCIATION OR ITS MANAGING AGENT FOR THE DISCLOSURES PRESCRIBED IN SUBSECTION C OF THIS SECTION, THE ASSOCIATION OR ITS MANAGING AGENT MAY CHARGE A FEE OF NOT MORE THAN TWENTY-FIVE DOLLARS WHICH SHALL BE PAID WITHIN FIFTEEN DAYS AFTER THE POSTMARKED REQUEST. THE FEE MAY BE CHARGED FOR EACH NEW TENANCY FOR THAT PROPERTY BUT MAY NOT BE CHARGED FOR A RENEWAL OF A LEASE. EXCEPT FOR THE FEE PERMITTED BY THIS SUBSECTION, THE ASSOCIATION OR ITS MANAGING AGENT SHALL NOT ASSESS, LEVY OR CHARGE A FEE OR FINE OR OTHERWISE IMPOSE A REQUIREMENT ON A MEMBER'S RENTAL PROPERTY ANY DIFFERENTLY THAN ON AN OWNER-OCCUPIED PROPERTY IN THE ASSOCIATION.

E. NOTWITHSTANDING ANY PROVISION IN THE COMMUNITY DOCUMENTS, THE ASSOCIATION IS PROHIBITED FROM DOING ANY OF THE FOLLOWING:

1. REQUIRING A MEMBER TO PROVIDE THE ASSOCIATION WITH A COPY OF THE TENANT'S RENTAL APPLICATION, CREDIT REPORT, LEASE AGREEMENT OR RENTAL CONTRACT OR OTHER PERSONAL INFORMATION EXCEPT AS PRESCRIBED BY THIS SECTION. THIS PARAGRAPH DOES NOT PROHIBIT THE ASSOCIATION FROM ACQUIRING A CREDIT REPORT ON A PERSON IN AN ATTEMPT TO COLLECT A DEBT.

2. REQUIRING THE TENANT TO SIGN A WAIVER OR OTHER DOCUMENT LIMITING THE TENANT'S DUE PROCESS RIGHTS AS A CONDITION OF THE TENANT'S OCCUPANCY OF THE RENTAL PROPERTY.

3. PROHIBITING OR OTHERWISE RESTRICTING A MEMBER FROM SERVING ON THE BOARD OF DIRECTORS BASED ON THE MEMBER'S NOT BEING AN OCCUPANT OF THE PROPERTY.

4. IMPOSING ON A MEMBER OR MANAGING AGENT ANY FEE, ASSESSMENT, PENALTY OR OTHER CHARGE IN AN AMOUNT GREATER THAN FIFTEEN DOLLARS FOR INCOMPLETE OR LATE INFORMATION REGARDING THE INFORMATION REQUESTED PURSUANT TO SUBSECTION C OF THIS SECTION. ANY ATTEMPT BY AN ASSOCIATION TO CHARGE A FEE, ASSESSMENT, PENALTY OR OTHER CHARGE THAT IS NOT AUTHORIZED BY THIS SECTION VOIDS THE FEE AUTHORIZED UNDER SUBSECTION D OF THIS SECTION AND VOIDS THE REQUIREMENT TO PROVIDE THE INFORMATION TO THE ASSOCIATION THAT IS PRESCRIBED IN SUBSECTION C OF THIS SECTION.

Sec. 20. Section 33-1812, Arizona Revised Statutes, is amended to read:

33-1812. Proxies; absentee ballots; definition

A. Notwithstanding any provision in the community documents, after termination of the period of declarant control, votes allocated to a unit may not be cast pursuant to a proxy. The association shall provide for votes to be cast in person and by absentee ballot and, IN ADDITION, THE ASSOCIATION may provide for voting by some other form of delivery, INCLUDING THE USE OF ELECTRONIC MAIL AND FACSIMILE DELIVERY. Notwithstanding section 10-3708 or the provisions of the community documents, any action taken at an annual, regular or special meeting of the members shall comply with all of the following if absentee ballots OR BALLOTS PROVIDED BY SOME OTHER FORM OF DELIVERY are used:

1. The ~~absentee~~ ballot shall set forth each proposed action.

2. The ~~absentee~~ ballot shall provide an opportunity to vote for or against each proposed action.

3. The ~~absentee~~ ballot is valid for only one specified election or meeting of the members and expires automatically after the completion of the election or meeting.

4. The ~~absentee~~ ballot specifies the time and date by which the ballot must be delivered to the board of directors in order to be counted, which shall be at least seven days after the date that the board delivers the unvoted ~~absentee~~ ballot to the member.

5. The ~~absentee~~ ballot does not authorize another person to cast votes on behalf of the member.

B. Votes cast by absentee ballot or other form of DELIVERY, INCLUDING THE USE OF ELECTRONIC MAIL AND FACSIMILE delivery, are valid for the purpose of establishing a quorum.

C. Notwithstanding subsection A of this section, an association for a timeshare plan as defined in section 32-2197 may permit votes by a proxy that is duly executed by a unit owner.

D. For the purposes of this section, "period of declarant control" means the time during which the declarant or persons designated by the declarant may elect or appoint the members of the board of directors pursuant to the community documents or by virtue of superior voting power.

Sec. 21. Section 41-2198.01, Arizona Revised Statutes, is amended to read:

41-2198.01. Hearing; rights and procedures

A. A person who is subject to title 33, chapter 11 or a party to a rental agreement entered into pursuant to title 33, chapter 11 may petition the department for a hearing concerning violations of the Arizona mobile home parks residential landlord and tenant act by filing a petition with the department and paying a nonrefundable filing fee in an amount to be established by the director. All monies collected shall be deposited in the state general fund and are not refundable.

B. For a dispute between an owner and a condominium association or planned community association that is regulated pursuant to title 33, chapter 9 or 16, the owner or association may petition the department for a hearing concerning violations of condominium documents or planned community documents or violations of the statutes that regulate condominiums or planned communities. The petitioner shall file a petition with the department and pay a ~~nonrefundable~~ filing fee in an amount to be established by the director. The filing fee shall be deposited in the condominium and planned community hearing office fund established by section 41-2198.05. ON DISMISSAL OF A PETITION AT THE REQUEST OF THE PETITIONER BEFORE A HEARING IS SCHEDULED OR BY STIPULATION OF THE PARTIES BEFORE A HEARING IS SCHEDULED, THE FILING FEE SHALL BE REFUNDED TO THE PETITIONER. The department does not have jurisdiction to hear:

1. Any dispute among or between owners to which the association is not a party.

2. Any dispute between an owner and any person, firm, partnership, corporation, association or other organization that is engaged in the business of designing, constructing or selling a condominium as defined in section 33-1202 or any property or improvements within a planned community as defined in section 33-1802, including any person, firm, partnership, corporation, association or other organization licensed pursuant to title 32, chapter 20, arising out of or related to the design, construction, condition or sale of the condominium or any property or improvements within a planned community.

C. The petition shall be in writing on a form approved by the department, shall list the complaints and shall be signed by or on behalf of the persons filing and include their addresses, stating that a hearing is desired, and shall be filed with the department.

D. On receipt of the petition and the filing fee the department shall mail by certified mail a copy of the petition along with notice to the named

respondent that a response is required within twenty days of mailing of the petition showing cause, if any, why the petition should be dismissed.

E. After receiving the response, the director or the director's designee shall promptly review the petition for hearing and, if justified, refer the petition to the office of administrative hearings. The director may dismiss a petition for hearing if it appears to the director's satisfaction that the disputed issue or issues have been resolved by the parties.

F. Failure of the respondent to answer is deemed an admission of the allegations made in the petition, and the director shall issue a default decision.

G. Informal disposition may be made of any contested case.

H. Either party or the party's authorized agent may inspect any file of the department that pertains to the hearing, if ~~such~~ THE authorization is filed in writing with the department.

I. At a hearing conducted pursuant to this section, a corporation may be represented by a corporate officer, employee or contractor of the corporation who is not a member of the state bar if:

1. The corporation has specifically authorized the officer, employee or contractor of the corporation to represent it.

2. The representation is not the officer's, employee's or contractor of the corporation's primary duty to the corporation but is secondary or incidental to the officer's, ~~or~~ employee's OR CONTRACTOR OF THE CORPORATION'S, LIMITED LIABILITY COMPANY'S, LIMITED LIABILITY PARTNERSHIP'S, SOLE PROPRIETOR'S OR OTHER LAWFULLY FORMED AND OPERATING ENTITY'S duties relating to the management or operation of the corporation.

Sec. 22. Implementation of consolidated elections; expenditure limitations

A. Notwithstanding any other law, in order to comply with the consolidation of election dates prescribed in Laws 2012, chapter 353, a city or town may lengthen the terms of office for its elected officials.

B. Notwithstanding section 16-204, Arizona Revised Statutes, for any city or town whose alternate expenditure limit is scheduled to expire in 2014 or 2015, the following apply:

1. For a limitation that is scheduled to expire in the spring of 2014, the penalties prescribed in section 41-1279.07, Arizona Revised Statutes, shall not apply to that city or town in fiscal year 2015 if the city or town seeks voter approval of an alternative expenditure limit in the fall of 2014.

2. For a limitation that is scheduled to expire in 2015 or 2016, the penalties prescribed in section 41-1279.07, Arizona Revised Statutes, shall not apply to that city or town in fiscal year 2015, 2016 or 2017 and the amount of the expenditure limitation remains at the level established before the expiration of the alternate expenditure limitation if the city or town seeks voter approval of an alternate expenditure limitation at the next eligible regular election in 2014, 2015 or 2016.

1 Sec. 23. Delayed repeal
2 Section 16-559, Arizona Revised Statutes, as added by this act, is
3 repealed from and after December 31, 2013.
4 Sec. 24. Severability
5 If a provision of this act or its application to any person or
6 circumstance is held invalid, the invalidity does not affect other provisions
7 or applications of the act that can be given effect without the invalid
8 provision or application, and to this end the provisions of this act are
9 severable.
10 Sec. 25. Requirements for enactment; three-fourths vote
11 Pursuant to article IV, part 1, section 1, Constitution of Arizona,
12 sections 16-948 and 16-950, Arizona Revised Statutes, as amended by this act,
13 are effective only on the affirmative vote of at least three-fourths of the
14 members of each house of the legislature.

APPROVED BY THE GOVERNOR JUNE 20, 2013.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 21, 2013.

Passed the House June 13, 2013,

by the following vote: 53 Ayes,

5 Nays, 2 Not Voting

Article 4, Part 1, Section 1 Sections 12, 13

Speaker of the House

Cheryl Laube

Chief Clerk of the House

Passed the Senate March 4, 2013,

by the following vote: 28 Ayes,

0 Nays, 2 Not Voting

Art. 4, part 1, sec. 1-Sec 3 only

President of the Senate

Charmion Billington

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR
This Bill was received by the Governor this

_____ day of _____, 20____,

at _____ o'clock _____ M.

Secretary to the Governor

Approved this _____ day of

_____, 20_____,

at _____ o'clock _____ M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this _____ day of _____, 20____,

at _____ o'clock _____ M.

Secretary of State

S.B. 1454

SENATE CONCURS IN HOUSE AMENDMENTS AND FINAL PASSAGE

Passed the Senate June 14, 20 13

by the following vote: 28 Ayes,

1 Nays, 1 Not Voting

Art. IV, Part 1, Sec 1 Sec 1 2d 13

President of the Senate

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

17 day of June, 20 13

at 8:25 o'clock A M.

Mikhaila Howard
Secretary to the Governor

Approved this 20th day of

June

at 2:58 o'clock P. M.

Janice K. Brewer
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 21st day of June, 20 13

at 9:17 o'clock A. M.

Secretary of State

S.B. 1454