Senate Engrossed House Bill

FILED
KEN BENNETT
SECRETARY OF STATE

State of Arizona
House of Representatives
Fifty-first Legislature
Second Regular Session
2014

CHAPTER 241

HOUSE BILL 2665

AN ACT

AMENDING SECTIONS 16-901, 16-902, 16-903 AND 16-905, ARIZONA REVISED STATUTES; RELATING TO CAMPAIGN CONTRIBUTIONS AND EXPENSES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. 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,~~ UNLESS OTHERWISE PROVIDED BY LAW, the general election does not include 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 fund-raising 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. 2. Section 16-902, Arizona Revised Statutes, is amended to read:

16-902. Organization of political committees; accounting

A. Each political committee shall have a chairman and treasurer. The position of chairman and treasurer of a single political committee may not be held by the same individual, except that a candidate may be chairman and treasurer of his own campaign committee.

B. The name of each political committee shall include the name of any sponsoring organization, and, in the case of a candidate's campaign committee, the committee's name shall include the name of the candidate, or, if for an exploratory committee, the individual, who designated the committee pursuant to section 16-903.

C. Before a political committee accepts a contribution or makes an expenditure it shall designate one or more state banks, federally chartered depository institutions or depository institutions the deposits or accounts of which are insured by the federal deposit insurance corporation or the national credit union administration as its campaign depository or depositories. The political committee shall notify the filing officer of the designation of the financial institution either at the time of filing the statement of organization pursuant to section 16-902.01 or within five business days after opening an account. All withdrawals or disbursements from these accounts require the signature of the treasurer or a designated agent of the political committee.

D. IF A COMMITTEE RECEIVES CONTRIBUTIONS DESIGNATED FOR USE IN THE GENERAL ELECTION BEFORE THE PRIMARY ELECTION, THE COMMITTEE MUST USE AN ACCEPTABLE ACCOUNTING METHOD TO DISTINGUISH BETWEEN CONTRIBUTIONS RECEIVED FOR THE PRIMARY ELECTION AND CONTRIBUTIONS RECEIVED FOR THE GENERAL ELECTION. ACCEPTABLE ACCOUNTING METHODS INCLUDE DESIGNATING SEPARATE ACCOUNTS FOR EACH ELECTION OR ESTABLISHING SEPARATE BOOKS AND RECORDS FOR EACH ELECTION.

Sec. 3. Section 16-903, Arizona Revised Statutes, is amended to read:

16-903. Candidate's campaign committees; exploratory committees; designation; candidate as agent; civil penalty

A. Each candidate who intends to receive contributions or make expenditures of more than five hundred dollars in connection with a campaign for office shall designate in the format prescribed by the filing officer a political committee for each election to serve as the candidate's campaign committee. SUBJECT TO SECTION 16-902, SUBSECTION D, A CANDIDATE SHALL ONLY DESIGNATE A SINGLE CANDIDATE CAMPAIGN COMMITTEE THAT APPLIES TO BOTH THE PRIMARY ELECTION AND THE GENERAL ELECTION FOR THAT DESIGNATED OFFICE. The

candidate shall make the designation pursuant to this subsection by filing a statement of organization before making any expenditures, accepting any contributions, distributing any campaign literature or circulating any petitions. Each candidate who intends to receive contributions or make expenditures of five hundred dollars or less shall file a signed exemption statement in the format prescribed by the filing officer that states that intention before making any expenditures, accepting any contributions, distributing any campaign literature or circulating petitions. If a candidate who has filed a five hundred dollar exemption statement receives contributions or makes expenditures of more than five hundred dollars, that candidate shall file a statement of organization with the filing officer within five business days after exceeding the five hundred dollar limit.

B. An individual who receives contributions or makes expenditures of more than five hundred dollars for the purpose of determining whether the individual will become a candidate for election to an office in this state shall designate in the format prescribed by the filing officer a political committee to serve as the individual's exploratory committee. The individual shall make the designation pursuant to this subsection before making any expenditures, accepting any contributions, circulating any petitions or distributing any campaign literature. IF AN INDIVIDUAL'S EXPLORATORY COMMITTEE RECEIVES CONTRIBUTIONS DESIGNATED FOR USE IN THE GENERAL ELECTION BEFORE THE PRIMARY ELECTION, THE COMMITTEE MUST USE AN ACCEPTABLE ACCOUNTING METHOD TO DISTINGUISH BETWEEN CONTRIBUTIONS RECEIVED FOR THE PRIMARY ELECTION AND CONTRIBUTIONS RECEIVED FOR THE GENERAL ELECTION. ACCEPTABLE ACCOUNTING METHODS INCLUDE DESIGNATING SEPARATE ACCOUNTS FOR EACH ELECTION OR ESTABLISHING SEPARATE BOOKS AND RECORDS FOR EACH ELECTION.

C. An individual may have only one exploratory committee in existence at one time. A candidate may have only one campaign committee designated for each election, but a candidate may have more than one campaign committee simultaneously in existence.

D. A political committee that supports or has supported another candidate or more than one candidate may not be designated as a candidate's campaign committee.

E. Any candidate who receives a contribution or any loan for use in connection with the campaign of that candidate for election or who makes a disbursement in connection with that campaign shall be deemed as having received the contribution or loan or as having made the disbursement as an agent of the candidate's campaign committee for purposes of this article.

F. An elected official is not deemed to have offered himself for nomination or election to an office within the meaning of section 38-296 solely by his designation of a candidate campaign committee.

G. After designating an exploratory committee, a candidate may lawfully collect signatures on nomination petitions and receive contributions.

H. A person who violates this section is subject to a civil penalty imposed as prescribed in section 16-924 of up to three times the amount of money that has been received, expended or promised in violation of this section or up to 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.

Sec. 4. 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, two thousand five hundred dollars from an individual.

2. For an election other than for a legislative office, two thousand five hundred dollars from an individual.

3. For an election for a legislative office, two thousand five hundred 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, two thousand five hundred 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. Five thousand dollars from a single political committee~~, excluding a political party,~~ THAT IS certified pursuant to subsection G of this section, EXCLUDING A POLITICAL PARTY.

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. Two thousand five hundred dollars from an individual.

2. Two thousand five hundred 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~~ THAT IS certified pursuant to subsection G of this section, EXCLUDING A POLITICAL PARTY.

C. A candidate may accept contributions from political committees, excluding political parties, as otherwise prescribed in this section and a candidate is not restricted as to the aggregate total that a candidate may lawfully receive from all political committees, excluding political parties.

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 may make contributions as otherwise prescribed by this section, and an individual is not restricted as to the aggregate total that an individual may give.

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 PER CONTRIBUTOR, transfer or contribute monies IN THE AGGREGATE from one committee to another if both committees have been designated for an election in the same year INCLUDING TO A COMMITTEE FOR ANOTHER OFFICE OR IN ANOTHER JURISDICTION.

(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 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 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 that the candidate seeks.

2. The limits of subsections A and B 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. A CONTRIBUTION TO A CANDIDATE'S EXPLORATORY OR CAMPAIGN COMMITTEE SHALL BE APPLIED TO THE PRIMARY ELECTION UNLESS:

(a) THE CONTRIBUTOR HAS DESIGNATED OTHERWISE.

(b) THAT APPLICATION WOULD RESULT IN EXCEEDING A CONTRIBUTION LIMIT. IN THAT EVENT, THE COMMITTEE MAY:

(i) APPLY THAT PORTION OF THE CONTRIBUTION THAT EXCEEDS THE LIMIT TO THE GENERAL ELECTION. ANY PORTION APPLIED TO THE GENERAL ELECTION IS SUBJECT TO THE CONTRIBUTION LIMITS FOR THAT ELECTION AND FOR THAT CONTRIBUTOR.

(ii) REFUND THE EXCESS AMOUNT.

(c) THE CONTRIBUTION WAS RECEIVED AFTER THE PRIMARY ELECTION AND THE CONTRIBUTION WAS NOT BEING USED TO RETIRE PRIMARY ELECTION DEBT. IN THAT EVENT, THE CONTRIBUTION SHALL BE APPLIED TO THE GENERAL ELECTION SUBJECT TO THE CONTRIBUTION LIMITS FOR THAT ELECTION AND FOR THAT CONTRIBUTOR.

7. CONTRIBUTIONS MADE TO THE CANDIDATE FOR THE GENERAL ELECTION ARE SOLELY FOR INFLUENCING THE GENERAL ELECTION. IF THE CANDIDATE PREVAILED IN THE PRIMARY ELECTION OR IF THE CANDIDATE FILED PURSUANT TO SECTION 16-341, UNEXPENDED OR UNENCUMBERED PRIMARY ELECTION CONTRIBUTIONS MAY BE COMBINED AFTER THE PRIMARY ELECTION WITH ALL OF THE GENERAL ELECTION CONTRIBUTIONS THAT WERE RECEIVED FOR USE IN THE GENERAL ELECTION. AFTER THE GENERAL ELECTION, ALL CONTRIBUTIONS MAY BE COMBINED FOR USE IN A SUBSEQUENT ELECTION.

~~6.~~ 8. 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 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 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. 5. Retroactivity

A. Sections 16-901, 16-902, 16-903 and 16-905, Arizona Revised Statutes, as amended by this act, apply retroactively to from and after September 12, 2013.

B. Section 16-905, subsection C, Arizona Revised Statutes, applies retroactively to all contributions made for an election in the 2014 election cycle.

Sec. 6. Applicability; separate committees; allocations

For the 2014 primary and general elections:

1. A person is not required and shall not be required to have separate political committees for the primary election and the general election in order to receive a contribution for either of those elections if the person has established at least one candidate committee or exploratory committee for an election in the 2014 election cycle.

2. Candidates who had monies remaining from the 2012 election or earlier may allocate those monies or portions of those monies to either a primary election or a general election without limitation.

3. Notwithstanding section 16-905, subsection F, paragraph 2, subdivision (a), Arizona Revised Statutes, as amended by this act, unless the contributor specified otherwise, candidates who received contributions from individuals or committees between September 13, 2013 and the effective date of this act and who allocated those contributions to the general election may reallocate to the primary election up to an amount that does not violate the contribution limits prescribed in section 16-905, Arizona Revised Statutes, as amended by this act. Contributions allocated in this manner may not be credited to another individual contributor or committee.

Sec. 7. Secretary of state; campaign finance reporting system

As soon as is practicable but not later than April 30, 2014, the office of the secretary of state shall modify the electronic campaign finance reporting system operated by that office to incorporate the amendments made to this state's campaign finance laws by this act and shall combine separate committees created for the primary and general elections into one committee for the 2014 election cycle.

Sec. 8. Legislative intent; contribution limitations; Arizona Citizens Clean Elections Commission v. Brain

It is the intent of the legislature by this act to confirm that amendments to campaign contribution limits made to sections 16-901 and 16-905, Arizona Revised Statutes, as amended by Laws 2013, chapter 98, that were reinstated by order of the Arizona supreme court filed December 17, 2013 in Arizona Citizens Clean Elections Commission v. Brain, CV-13-0341-PR, are effective beginning from and after September 12, 2013 and are and have been applicable continuously since that date and that contributions that are made after September 13, 2013 and that are in compliance with Laws 2013, chapter 98 are lawful without regard to whether the contributions were made before or after the December 17, 2013 order.

Sec. 9. Emergency

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

APPROVED BY THE GOVERNOR APRIL 25, 2014.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 25, 2014.

Passed the House March 4, 2014

by the following vote: 33 Ayes,

20 Nays, 7 Not Voting

without emergency

Speaker of the House

Pro Tempore

Cheryl Laube

Chief Clerk of the House

Passed the Senate April 22, 2014

by the following vote: 22 Ayes,

6 Nays, 2 Not Voting

with Emergency

President of the Senate

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

_____ day of _____, 20_____

at _____ o'clock _____M.

_____
Secretary to the Governor

Approved this _____day of

_____

at _____o'clock _____M.

_____
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this _____ day of _____, 20_____

at _____ o'clock _____M.

_____
Secretary of State

H.B. 2665

HOUSE CONCURS IN SENATE
AMENDMENTS AND FINAL PASSAGE

April 23, 2014,

by the following vote: 54 Ayes,

3 Nays, 3 Not Voting

with Emergency

Speaker of the House

Cheryl Landa

Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

24 day of April, 2014,

at 9:40 o'clock A M.

Michaela Howard

Secretary to the Governor

Approved this 25th day of

April, 2014,

at 10:16 o'clock A M.

Janice K. Brewer

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 25th day of April, 2014,

at 11:53 o'clock a M.

Ken Bennett

Secretary of State

H.B. 2665