Senate Engrossed House Bill

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MICHELE REAGAN
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CHAPTER 297

HOUSE BILL 2649

AN ACT

AMENDING SECTIONS 16-901, 16-902, 16-902.01, 16-904, 16-912 AND 16-916, 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 BALLOT measure, QUESTION 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. 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.

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~~ ANY OF THE FOLLOWING:

(a) A CANDIDATE OR 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~~ AN ASSOCIATION OR COMBINATION OF PERSONS THAT CIRCULATES PETITIONS 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~~ AN ASSOCIATION OR COMBINATION OF PERSONS THAT CIRCULATES A PETITION TO recall ~~election~~ A PUBLIC OFFICER.

(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.~~

(f) AN ASSOCIATION OR COMBINATION OF PERSONS THAT MEETS BOTH OF THE FOLLOWING REQUIREMENTS:

(i) IS ORGANIZED, CONDUCTED OR COMBINED FOR THE PRIMARY PURPOSE OF INFLUENCING THE RESULT OF ANY ELECTION IN THIS STATE OR IN ANY COUNTY, CITY, TOWN OR OTHER POLITICAL SUBDIVISION IN THIS STATE, INCLUDING A JUDICIAL RETENTION ELECTION.

(ii) KNOWINGLY RECEIVES CONTRIBUTIONS OR MAKES EXPENDITURES OF MORE THAN FIVE HUNDRED DOLLARS IN CONNECTION WITH ANY ELECTION DURING A CALENDAR YEAR, INCLUDING A JUDICIAL RETENTION ELECTION.

~~(h)~~ (g) A political organization.

~~(i)~~ (h) 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, 16-802 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~~ F.

(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 POLITICAL committee AS PRESCRIBED BY PARAGRAPH 19, SUBDIVISION (f) OF THIS SECTION AND THAT IS 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 THAT accepts ~~a contribution~~ CONTRIBUTIONS or makes ~~an expenditure it~~ EXPENDITURES shall ~~designate~~ DEPOSIT CONTRIBUTIONS AND MAKE EXPENDITURES FROM 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~~ NAME 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~~ 16-903. ON MEETING THE DEFINITION OF POLITICAL COMMITTEE PURSUANT TO SECTION 16-901, all withdrawals or disbursements from these accounts require the signature of the treasurer or a designated agent of the political committee.

D. If a POLITICAL 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 16-902.01, Arizona Revised Statutes, is amended to read:

16-902.01. Registration of political committees; contents; amendment

A. EXCEPT FOR A POLITICAL COMMITTEE AS DEFINED IN SECTION 16-901, PARAGRAPH 19, SUBDIVISION (f), each political committee that intends to accept contributions or make expenditures of more than five hundred dollars shall file a statement of organization with the filing officer in the format prescribed by the filing officer before accepting contributions, making expenditures, distributing any campaign literature or circulating petitions. A POLITICAL COMMITTEE AS DEFINED IN SECTION 16-901, PARAGRAPH 19, SUBDIVISION (f) SHALL FILE A STATEMENT OF ORGANIZATION WITH THE FILING OFFICER IN THE FORMAT PRESCRIBED BY THE FILING OFFICER WITHIN FIVE BUSINESS DAYS AFTER MEETING THE DEFINITION OF POLITICAL COMMITTEE.

B. EXCEPT FOR A POLITICAL COMMITTEE AS DEFINED IN SECTION 16-901, PARAGRAPH 19, SUBDIVISION (f), each political committee that intends to accept contributions or make expenditures of five hundred dollars or less~~,— and more than two hundred fifty dollars,~~ shall file a signed exemption statement in a form 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 political committee that has filed a five hundred dollar threshold exemption statement receives contributions or makes expenditures of more than five hundred dollars, that political committee shall file a statement of organization with the filing officer in the format prescribed by the filing officer within five business days after exceeding the five hundred dollar limit.

~~B.~~ C. The statement of organization of a political committee shall include all of the following:

1. The name, address and type of committee.

2. The name, address, relationship and type of any sponsoring organization.

3. The names, addresses, telephone numbers, occupations and employers of the chairman and treasurer of the committee.

4. In the case of a candidate's campaign committee, the name, address, office sought and party affiliation of the candidate.

5. A listing of all banks, safety deposit boxes or other depositories used by the committee.

6. A statement that the chairman and treasurer have read all of the applicable laws relating to campaign finance and reporting.

~~C.~~ D. Except as prescribed by subsection ~~E~~ F of this section, on the filing of a statement of organization, a political committee shall be issued an identification number in the format prescribed by the filing officer.

~~D.~~ E. The political committee shall file an amended statement of organization reporting any change in the information prescribed in subsections ~~B~~ C and ~~F~~ G of this section within five business days after the change.

~~E.~~ F. A standing political committee shall file a statement of organization with the secretary of state and in each jurisdiction in which the committee is active, and only the secretary of state shall issue an identification number for the committee. The statement of organization shall include a statement with the notarized signature of the chairman or treasurer of the standing political committee that declares the committee's status as a standing political committee. The secretary of state may charge an annual fee for the filing.

~~F.~~ G. For a political committee that makes expenditures in an attempt to influence the results of a ballot proposition election, the statement of organization shall include in the name of the political committee the

official serial number for the petition, if assigned, and a statement as to whether the political committee supports or opposes the passage of the ballot measure. On completion of the designation of statewide ballot propositions by number as prescribed in section 19-125, the secretary of state is authorized to and shall amend the name of the political committee by attaching to the statement of organization the ballot proposition number as a substitute for the official serial number in the name of the political committee. The secretary of state shall promptly notify the political committee of the amended political committee name and shall make that information available to the public.

Sec. 4. Section 16-904, Arizona Revised Statutes, is amended to read:

16-904. Treasurer; duties; records; civil penalty

A. No expenditure may be made for or on behalf of a political committee without the authorization of the treasurer or the treasurer's designated agent.

B. The treasurer shall maintain a record of all petty cash disbursements pursuant to subsection E, paragraph 4 of this section.

C. All receipts received by a political committee shall be deposited in an account ~~designated pursuant to~~ AS PRESCRIBED BY section 16-902, subsection C. All monies of a political committee shall be segregated from, and may not be commingled with, the monies of any individual other than contributions by an individual.

D. A political committee shall exercise its best efforts to obtain the required information for any incomplete contribution received that is required to be itemized on a campaign finance report pursuant to section 16-915, subsection A, paragraph 3. A political committee will not be deemed to have exercised best efforts to obtain the required information unless the treasurer or the treasurer's agent has made at least one effort after the receipt of the contribution to obtain the missing information by a written request sent to the contributor or by oral contact with the contributor documented in writing and shall comply with the following:

1. The request must clearly ask for the missing information and inform the contributor that the committee is required by law to obtain the mailing address, occupation and employer of each individual contributor and the mailing address and identification number of each political committee contributor.

2. Any information required for the identification of a contributor received by the political committee after the contribution has been disclosed on a campaign finance report required pursuant to section 16-913 shall be reported on an amended report.

E. The treasurer of a political committee is the custodian of the committee's books and accounts and shall keep an account of all of the following:

1. All contributions or other monies received by or on behalf of the political committee.

2. The identification of any individual or political committee that makes any contribution together with the date and amount of each contribution and the date of deposit into a designated account.

3. Cumulative totals contributed by each individual or political committee.

4. The name and address of every person to whom any expenditure is made, the date, amount and purpose or reason for the expenditure and, except in the case of an expenditure by a candidate's campaign committee, the name of the candidate and the office sought by the candidate if the expenditure was made on behalf of or in opposition to a candidate.

5. All periodic or other statements for each account ~~designated pursuant to~~ PRESCRIBED BY section 16-902, subsection C.

F. For any POLITICAL committee that has filed a five hundred dollar threshold exemption statement PURSUANT TO SECTION 16-902.01, SUBSECTION B:

1. The POLITICAL committee and treasurer shall maintain a record of all contributions received and expenditures made by the POLITICAL committee. If the POLITICAL committee exceeds the five hundred dollar limit, the POLITICAL committee shall amend its statement of organization, file a report of its contributions and expenditures pursuant to section 16-913 and comply with all reporting requirements.

2. For a POLITICAL committee that does not exceed its five hundred dollar threshold, the POLITICAL committee terminates at the end of the election cycle for which it was formed, shall file a termination statement as prescribed by section 16-914 and shall dispose of any surplus monies as otherwise provided by law.

3. A POLITICAL committee that fails to file its termination statement pursuant to paragraph 2 of this subsection is terminated by operation of law ninety days after the end of the election cycle for which it was formed and shall pay a civil penalty of one hundred dollars.

G. Unless specified by the contributor or contributors to the contrary, the treasurer shall record a contribution made by check, money order or other written instrument as a contribution by the person whose signature or name appears on the bottom of the instrument or who endorses the instrument before delivery to the POLITICAL committee. If a contribution is made by more than one person in a single written instrument, the treasurer shall record the amount to be attributed to each contributor as specified.

H. All contributions other than in-kind contributions must be made by a check drawn on the account of the actual contributor or by a money order or a cashier's check containing the name of the actual contributor or must be evidenced by a written receipt with a copy of the receipt given to the contributor and a copy maintained in the contribution records of the recipient.

I. The treasurer shall preserve all records required to be kept by this section and copies of all finance reports required to be filed by this article for three years after the filing of the finance report covering the receipts and disbursements evidenced by the records.

J. On request of the attorney general, the county, city or town attorney or the filing officer, the treasurer shall provide any of the records required to be kept pursuant to this section.

K. 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 has been received, expended or promised in violation of this section.

Sec. 5. 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 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. 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 communication is broadcast on 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 clearly and legibly in a conspicuous manner.

3. If the communication is broadcast on a telecommunications system, 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~~ PERCENT 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. 6. Section 16-916, Arizona Revised Statutes, is amended to read:

16-916. Filing statements of contributions and expenditures; public inspection

A. Except as provided in subsection B of this section, the statements, designations and reports required to be filed pursuant to this article shall be filed as follows:

1. In the office of the secretary of state for political committees supporting or opposing the recall of a public officer elected statewide or to the legislature, supporting the circulation of petitions for ballot measures, questions and propositions appearing on a state general election ballot or recall of public officials elected statewide or to the legislature or supporting or opposing candidates for state offices and members of the legislature, for justices of the supreme court, for judges of the court of appeals and for a statewide initiative or referendum or any measure or proposition appearing on a state general election ballot. The office of the secretary of state shall post to its website in a format that is viewable by the public the campaign finance information prescribed by this section.

2. With the county officer in charge of elections for political committees supporting or opposing the recall of public officers elected to county offices, school district governing boards, community college district governing boards or judges of the superior court, supporting the circulation

of petitions for ballot measures, questions and propositions appearing on a county election ballot or for the recall of a public officer elected to county offices, school district governing boards, community college district governing boards or judges of the superior court or supporting or opposing candidates for county offices, school district governing board members or ballot questions, community college district governing board members or ballot questions, judges of the superior court seeking retention, special taxing districts and a county initiative or referendum or any measure or proposition appearing on a county election ballot. For any county with a population of more than one hundred thousand persons that operates a website, the county officer in charge of elections shall post to that website in a format that is viewable by the public the campaign finance information prescribed by this section, which shall include the names of candidates who have filed an exemption statement pursuant to section 16-902.01, subsection ~~A~~ B with that filing officer.

3. With the city or town clerk for political committees supporting or opposing the recall of public officers elected to city or town offices, supporting the circulation of petitions for ballot measures, questions and propositions appearing on a city or town election ballot or recall of public officers elected for city or town offices or supporting or opposing candidates for city or town offices and for a city or town initiative or referendum or any measure or proposition appearing on a city or town election ballot. For any city or town with a population of more than two thousand five hundred persons that operates a website, the city or town shall post to that website in a format that is viewable by the public the campaign finance information prescribed by this section, which shall include the names of candidates who have filed an exemption statement pursuant to section 16-902.01, subsection ~~A~~ B. For a city or town without a website, the information shall be posted on the website operated by an association of cities and towns in this state.

B. Campaign finance reports required pursuant to section 16-913 for the office of member of the legislature and statewide offices shall be filed with the secretary of state in the manner prescribed by the secretary of state. The secretary of state may provide through the procedures manual adopted pursuant to section 16-452 for an alternative method for providing public access to the reports prescribed by this section.

C. For all statements, designations and reports, the date of filing is the date of actual receipt by the officer with whom the document is required to be filed except as follows:

1. For documents filed by certified mail with a United States mail postmark, the date of mailing constitutes the date of filing.

2. For documents filed by commercial delivery services that provide a standardized delivery confirmation process, the date of delivery confirmation constitutes the date of filing.

3. For documents filed by commercial delivery services that provide for electronic tracking of specific delivery packages, the date of electronic confirmation of delivery constitutes the date of filing.

D. If the date for filing any statement, designation or report required by this article is a Saturday, a Sunday or another legal holiday, the filing deadline is the next day that is not a Saturday, a Sunday or another legal holiday.

APPROVED BY THE GOVERNOR APRIL 13, 2015.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 14, 2015.

Passed the House March 11, 20 15

by the following vote: 36 Ayes,

21 Nays, 3 Not Voting w/o Emergency

Speaker of the House

☐ Pro Tempore

Chief Clerk of the House

Passed the Senate March 31, 20 15

by the following vote: 18 Ayes,

11 Nays, 1 Not Voting

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

HOUSE CONCURS IN SENATE AMENDMENTS AND FINAL PASSAGE

April 2, 2015,

by the following vote: 38 Ayes,

21 Nays, 1 Not Voting

Speaker of the House

Jim Drake Pro Tempore

Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

6th day of April, 2015,

at 9:13 o'clock A. M.

Secretary to the Governor

Approved this 13th day of

April, 2015,

at 10:57 o'clock A M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 14th day of April, 2015,

at 10:00 o'clock A M.

Secretary of State

H.B. 2649