KEN BENNETT
SECRETARY OF STATE
STATE OF ARIZONA

November 2013

Thank you for your interest in learning more about Arizona's campaign finance laws. In 2013, the Arizona Legislature passed Laws 2013, Chapter 98 (HB2593) which increased the contribution limits and modified the committee organization process. Since its passage, the Attorney General has issued an opinion on HB2593 and the bill has been the subject of litigation. Most recently, the Arizona Court of Appeals has enjoined my office from enforcing the contribution limits for statewide and legislative candidates and remanded the case back to the Maricopa County Superior Court.

As there are still many unknowns regarding HB2593, my office is unable to release an updated Campaign Finance Handbook at this time. Therefore, we encourage you to review the statutes contained in Title 16, Chapter 6 of the Arizona Revised Statutes as well as the Attorney General Opinion and recent court opinions on HB2593 (contained herein).

Please feel free to contact my office with questions and to check back for any new developments. If you are a local candidate, you should consult the filing officer for your jurisdiction.

Sincerely,

KEN BENNETT
Arizona Secretary of State

1700 W. Washington Street, 7th Floor
Phoenix, Arizona 85007-2808
Telephone (602) 542-8683 Fax (602) 542-6172
www.azsos.gov

DIVISION ONE
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IN THE COURT OF APPEALS
STATE OF ARIZONA
DIVISION ONE

ARIZONA CITIZENS CLEAN ELECTIONS COMMISSION; LOUIS J. HOFFMAN; VICTORIA STEELE; ARIZONA ADVOCACY NETWORK, Petitioners, v. THE HONORABLE MARK H. BRAIN, Judge of the SUPERIOR COURT OF THE STATE OF ARIZONA, in and for the County of MARICOPA, Respondent Judge, KEN BENNETT, in his official capacity as Secretary of State; ANDY BIGGS, in his official capacity as President of the Arizona State Senate; ANDREW M. TOBIN, in his official capacity as Speaker of the Arizona House of Representatives, Real Parties in Interest.	1 CA-SA 13-0239 DEPARTMENT C **O P I N I O N**

Petition for Special Action
from the Superior Court in Maricopa County

Cause No. CV 2013-010338

The Honorable Mark H. Brain, Judge

VACATED AND REMANDED WITH INSTRUCTIONS

Ballard Spahr, LLP — Phoenix
By Joseph A. Kanefield
and Brunn W. Roysden, III
Attorneys for Petitioner Arizona Citizens Clean Elections Commission

Osborn Maledon, P.A. Phoenix
By Mary R. O'Grady
and Timothy J. Eckstein
and Christina C. Rubalcava

And

Arizona Center for Law in the Public Interest Phoenix
By Timothy M. Hogan
Attorneys for Petitioners Louis J. Hoffman, Victoria Steele, and Arizona Advocacy Network

Richard Rice, Acting Arizona Attorney General Phoenix
By David D. Weinzweig, Senior Litigation Counsel
and Daniel P. Schaack, Assistant Attorney General
Attorneys for Real Party in Interest Ken Bennett, Secretary of State

Snell & Wilmer, LLP Phoenix
By Michael T. Liburdi
and Kelly A. Kszywienski

And

Office of the President, Arizona State Senate Phoenix
By Gregrey G. Jernigan

And

Office of the Speaker, Arizona House of Representatives Phoenix
By Peter A. Gentala
and Pele K. Peacock
Attorneys for Real Parties in Interest Andy Biggs, President of the Arizona State Senate, and Andrew M. Tobin, Speaker of the Arizona House of Representatives

Goldwater Institute Phoenix
Scharf-Norton Center for Constitution Litigation
By Clint Bolick
and Kurt M. Altman
and Taylor C. Earl
and Nicholas C. Dranias
Attorneys for Amicus Curiae Stephen Pierce, Toby Farmer, and Southern Arizona Conservative PAC

N O R R I S, Judge

¶1 This special action arises from an order of the superior court refusing to preliminarily enjoin the provisions of House Bill 2593 that changed campaign contribution limits for statewide and legislative candidates for public office. According to Petitioners, these provisions violate the Citizens Clean Elections Act and the Voter Protection Act. Because the superior court misconstrued the section of the Clean Elections Act that established campaign contribution limits for those candidates -- which, as we explain, remains in effect -- and failed to make adequate findings, we accepted special action jurisdiction, granted relief, and preliminarily enjoined the Secretary from enforcing or implementing the provisions of House Bill 2593 as applied to candidates for statewide and legislative office, with an opinion to follow. This is that opinion.

FACTS AND PROCEDURAL BACKGROUND

¶2 In the November 1998 general election, Arizona voters approved Proposition 200, an initiative measure commonly referred to as the Clean Elections Act. *See* Proposition 200, 1999 Ariz. Sess. Laws 1942, 1942-65 (codified at Ariz. Rev. Stat. ("A.R.S.") §§ 16-940 to -961). As relevant here, the Clean Elections Act created an alternative campaign financing system whereby candidates for statewide and legislative office

who agreed to limit their fundraising and spending would receive public campaign financing. In addition to establishing the Arizona Citizens Clean Elections Commission -- one of the Petitioners here -- to administer this system, the Clean Elections Act imposed campaign contribution limits for candidates for statewide and legislative office who opted not to participate in the public financing system ("non-participating candidates"). Specifically, in what became codified as A.R.S. § 16-941(B), the Clean Elections Act restricted how much money a contributor could give to a non-participating candidate each election cycle, the aggregate amount a non-participating candidate could accept from political committees in an election cycle, and the aggregate amount an individual could give on an annual basis to all non-participating candidates and political committees that give to such candidates (collectively, "the § 941 limits"). 1999 Ariz. Sess. Laws at 1943-44.

¶3 The § 941 limits were not set out in dollars and cents. Instead, A.R.S. § 16-941(B) barred non-participating candidates from accepting contributions in excess of amounts 20% less than the limits specified in another Arizona statute, A.R.S. § 16-905, a 1986 voter-approved initiative that had established campaign contribution limits -- limits the

Legislature increased in 1993, 1994, and 1997.[1] Thus, in practical terms, A.R.S. § 16-941(B) adopted contribution limits for statewide and legislative candidates at 80% of the limits identified in A.R.S. § 16-905. As approved by the voters in 1998, A.R.S. § 16-941(B) read as follows:

> Notwithstanding any law to the contrary, a non-participating candidate:
>
> 1. Shall not accept contributions in excess of an amount that is twenty percent less than the limits specified in section 16-905, subsections A through G, as adjusted by the Secretary of State pursuant to section 16-905, subsection J. Any violation of this paragraph shall be subject to the civil penalties and procedures set forth in section 16-905, subsections L through P and section 16-924.

1999 Ariz. Sess. Laws at 1943-44.

¶4 In addition to enacting the Clean Elections Act, the voters also approved the Voter Protection Act ("VPA") in the 1998 general election. *See* Proposition 105, 1999 Ariz. Sess. Laws 1937, 1941. The VPA limits the Legislature's authority to modify voter-approved initiatives and referenda. *Id*. As relevant here, the VPA bars the Legislature from amending or superseding a voter-approved initiative unless the proposed legislation "furthers the purposes" of the initiative and is

[1]1993 Ariz. Sess. Laws, ch. 226, § 4 (1st Reg. Sess.); 1994 Ariz. Sess. Laws, ch. 379, § 2 (2d Reg. Sess.); 1997 Ariz. Sess. Laws, ch. 201, § 6 (1st Reg. Sess.).

approved by a three-fourths vote in the House of Representatives and Senate. Ariz. Const. art. 4, pt. 1, § 1(6)(C), (14).

¶5 In April 2013, the Governor signed House Bill 2593, which had passed both houses of the Legislature by a simple majority vote. 2013 Ariz. Sess. Laws, ch. 98 (1st Reg. Sess.). House Bill 2593 did not, on its face, amend A.R.S. § 16-941(B). *Id*. Instead, House Bill 2593 amended A.R.S. § 16-905 by increasing the amount of money a contributor could give to a non-participating candidate running for a statewide or legislative office. *Id*. at § 2. By way of illustration, the individual contribution limit per election cycle for a legislative candidate increased from $390 to $4000.[2] *Id*. House Bill 2593 also eliminated the restrictions on the aggregate amount of money a non-participating candidate could receive from political committees each election cycle as well as the

[2]Before House Bill 2593, A.R.S. § 16-905 specified an individual could contribute $488 to a non-participating candidate running for a legislative office. A.R.S. § 16-905 (Supp. 2012) (amended 2013). Section 16-941(B) reduced that sum by 20% to $390. As amended by House Bill 2593, A.R.S. § 16-905 now specifies a person may contribute $2500 to a non-participating candidate running for a legislative office. 2013 Ariz. Sess. Laws, ch. 98, § 2. Section 16-941(B) would reduce that sum by 20% to $2000. However, because House Bill 2593 also modified the definition of "election" so that a primary and a general election are now treated as separate elections, it actually doubled the total amount a person may contribute to a non—participating candidate running for legislative office per election cycle from $2000 to $4000.

aggregate amount an individual could contribute to non-participating candidates and political committees that give to such candidates. *Id*.

¶6 In July 2013, the Commission and the other Petitioners sued the Secretary of State and requested a declaration that the provisions of House Bill 2593 that increased the limits for contributions to non-participating candidates for statewide and legislative office and repealed the aggregate limits on annual contributions by individuals to such candidates, as well as political committees that give to such candidates, were unconstitutional. *See* 2013 Ariz. Sess. Laws, ch. 98, §§ 1, 2. Petitioners also requested an injunction enjoining the Secretary from preliminarily and permanently implementing and enforcing those specific provisions of House Bill 2593.[3] In requesting such relief, Petitioners argued A.R.S. § 16-941(B) fixed the § 941 limits at 80% of the limits set out in A.R.S. § 16-905 as of 1998, subject to adjustment for inflation by the Secretary. Although Petitioners also acknowledged the Legislature could amend the § 941 limits if it complied with the requirements of

[3]Petitioners did not challenge the constitutionality of any of the other provisions of House Bill 2593, including the provisions that changed campaign contribution limits for candidates for local office. Accordingly, all references in this opinion to House Bill 2593 refer only to the particular provisions contained in Sections 1 and 2 of House Bill 2593 challenged by Petitioners.

the VPA, they argued that because the Legislature had not done so in passing House Bill 2593, it was unconstitutional under the VPA. In a separate motion, Petitioners requested the court to preliminarily enjoin the Secretary from implementing Sections 1 and 2 of House Bill 2593 with respect to non-participating candidates for statewide and legislative office.

¶7 In response, the Secretary, joined by the President of the Senate and the Speaker of the House of Representatives as Intervenors, argued A.R.S. § 16-941(B) merely established a formula for the calculation of the § 941 limits and that, consequently, the Legislature could adjust the § 941 limits by amending A.R.S. § 16-905 which was not subject to the VPA. Thus, they argued, House Bill 2593 was constitutional. Separately, the President and Speaker also argued that if A.R.S. § 16-941(B) fixed campaign contribution limits as of A.R.S. § 16-905's 1998 limits, subject only to adjustment by the Secretary, those limits were unconstitutional under the Arizona Constitution and the First Amendment to the United States Constitution.

¶8 After briefing and argument, the superior court refused to preliminarily enjoin the Secretary from implementing House Bill 2593, which then went into effect on September 13, 2013. Among other things, the superior court agreed the Clean

Elections Act adopted a formula "which required the use of amounts specified in § 16-905," rejected Petitioners' construction of A.R.S. § 16-941(B), and, accordingly, found Petitioners had failed to show a strong likelihood of success on the merits. And, "in light of the First Amendment issues presented," the court stated it was unable to "conclude at this juncture that irreparable harm will occur, nor that the balance of the hardships or public interest favors the entry of a preliminary injunction."

JURISDICTION

¶9 In the exercise of our discretion, we accepted special action jurisdiction. The issues addressed in this special action present questions of law of statewide importance. *Jordan v. Rea*, 221 Ariz. 581, 586, ¶ 8, 212 P.3d 919, 924 (App. 2009). Further, although the denial of a preliminary injunction is an appealable order, A.R.S. § 12-2101(A)(5)(b) (Supp. 2012), under the circumstances, these issues require a "final resolution in a prompt manner." *Ingram v. Shumway*, 164 Ariz. 514, 516, 794 P.2d 147, 149 (1990).

DISCUSSION

I. Standing

¶10 As an initial matter, the President and Speaker argue the superior court should not have addressed the Petitioners'

arguments because they did not have standing to challenge House Bill 2593. In our original briefing order, we advised the parties we would not entertain cross-petitions requesting special action relief. We also instructed that if the responding parties sought affirmative relief, they would have to file a separate special action and seek consolidation with this matter. The President and Speaker did not do so. Further, the superior court found the Commission "appears" to have standing to challenge House Bill 2593 in a separate order that is not part of this special action. Accordingly, that order is not properly before us. *Costa v. Mackey*, 227 Ariz. 565, 568, 261 P.3d 449, 452 (App. 2011) (real party in interest in special action "cannot seek affirmative relief via a response to a special action petition").

¶11 Nevertheless, the Commission has standing in this matter. The Commission is statutorily charged with enforcing the Clean Elections Act. A.R.S. § 16-956(A)(7) (Supp. 2012). Thus, the Commission has standing to seek relief to determine how to meet its statutorily prescribed duty.

¶12 Next, as an elected official, Steele has standing to challenge the validity of House Bill 2593. Steele has an individualized grievance because her decision whether to run for another term is dependent on the interpretation of House Bill

2593. Steele also has standing to determine how House Bill 2593 will affect her upcoming campaign. *See Dobson v. State ex rel. Comm'n on Appellate Court Appointments*, 669 Ariz. Adv. Rep. 22, ¶ 11 (Sept. 13, 2013) (Arizona's declaratory judgment statute, A.R.S. § 12-1832 (2003), implicitly recognizes a person's right to seek a declaratory judgment when her "rights, status or other legal relations" are affected.).

¶13 Moreover, the cases the President and Speaker cite in support of their argument that the other Petitioners, Hoffman and the Arizona Advocacy Network, lack standing are not binding on this court as it is well-settled that we are not bound by federal standing jurisprudence. *See Dobson*, 669 Ariz. Adv. Rep. at ¶ 9 ("Our decision to recognize standing turns on 'questions of prudential or judicial restraint.'" (quoting *Armory Park Neighborhood Ass'n v. Episcopal Cmty. Servs. in Ariz.*, 148 Ariz. 1, 6, 712 P.2d 914, 919 (1985))); *see also Armory Park Neighborhood Ass'n*, 148 Ariz. at 6, 712 P.2d at 919 ("We have previously determined that the question of standing in Arizona is not a constitutional mandate since we have no counterpart to the 'case or controversy' requirement of the federal constitution." (citing *State v. B Bar Enters.*, 133 Ariz. 99, 649 P.2d 978 (1982))).

II. A.R.S. § 16-941(B) versus House Bill 2593

¶14 Petitioners argue, as they did in the superior court, that House Bill 2593 is unconstitutional because it attempts to amend or supersede the § 941 limits as applied to non-participating candidates for statewide and legislative office without compliance with the VPA. Petitioners also argue, however, we do not need to decide this issue because, under well-established principles of statutory construction, House Bill 2593 is "ineffective." Specifically, Petitioners argue that because A.R.S. § 16-941(B) applies "[n]otwithstanding any law to the contrary," if A.R.S. § 16-941(B) fixed campaign contribution limits as they existed in 1998 subject to authorized adjustments,[4] then A.R.S. § 16-941(B) preempts, or

[4]As noted, Petitioners have acknowledged the § 941 limits, albeit fixed as of 1998, are nevertheless subject to inflation adjustment by the Secretary and to amendment by the Legislature if it complies with the VPA. For the sake of brevity, therefore, throughout the remainder of this opinion we refer to these adjustments collectively as the "authorized adjustments." In this regard, we note the Legislature adjusted the § 941 limits in 2007 by amending A.R.S. § 16-905, but did so in compliance with the VPA. Indeed, the Legislature declared "that the provisions of this act further the purposes" of the Clean Elections Act and that the act "fully complies" with the VPA. 2007 Ariz. Sess. Laws, ch. 277, § 12 (1st Reg. Sess.).

trumps, House Bill 2593 and the § 941 limits remain in effect.[5]

¶15 The President and Speaker argue we should not take up this statutory construction argument because Petitioners failed to raise it in the superior court. Although Petitioners failed to present this precise argument to the superior court, the meaning of A.R.S. § 16-941(B) has been, and is, the central issue in this case. Not only did the parties extensively brief the meaning of A.R.S. § 16-941(B) in the superior court, but the court necessarily had to consider the meaning of A.R.S. § 16-941(B) when it decided this statute only established a formula for setting contribution limits. Accordingly, we address Petitioners' statutory construction argument. And, as we explain, we agree with Petitioners.

¶16 If the language of an initiative is clear and unambiguous and subject to only one reasonable meaning, we apply the language without using other means of statutory construction. *Fogliano v. Brain ex rel. County of Maricopa*, 229 Ariz. 12, 18, ¶ 17, 270 P.3d 839, 845 (App. 2011) (quoting *State*

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[5]"The legislature has often used language such as 'notwithstanding any other statute' or 'notwithstanding any other provision to the contrary' to indicate that a particular provision will trump any conflicting statutes." *State v. Jones*, 232 Ariz. 448, 450, ¶ 11, 306 P.3d 105, 107 (App. 2013) (citing examples). *See also State v. Pereyra*, 199 Ariz. 352, 354, ¶ 7, 18 P.3d 146, 148 (App. 2001) ("[N]otwithstanding any law to the contrary" language in initiative "explicitly and comprehensively" superseded laws to the contrary.).

v. Gomez, 212 Ariz. 55, 57, ¶ 11, 127 P.3d 873, 875 (2006)). Whether, on its face, A.R.S. § 16-941(B) fixed campaign contribution limits as of the 1998 limits then in effect under A.R.S. § 16-905 or, instead, enacted a formula that allows the Legislature to adjust campaign contribution limits by amending A.R.S. § 16-905, is not clear and the competing interpretations advanced by the parties are reasonable.

¶17 When the meaning of an initiative is subject to more than one reasonable interpretation, our task is to determine voter intent. To do this we exercise de novo review,[6] *State v. Estrada*, 201 Ariz. 247, 250, ¶ 15, 34 P.3d 356, 359 (2001), and apply well-established principles of statutory construction. We interpret the statute as a whole and consider the statute's language, context, subject matter, historical background, effects and consequences, as well as its spirit and purpose. *Ariz. Early Childhood Dev. & Health Bd. v. Brewer*, 221 Ariz. 467, 470, ¶ 10, 212 P.3d 805, 808 (2009); *Calik v. Kongable*, 195 Ariz. 496, 500, ¶ 16, 990 P.2d 1055, 1059 (1999). We begin with the language of A.R.S. § 16-941(B).

¶18 As discussed, A.R.S. § 16-941(B) set contribution

[6]Although generally we review a superior court's order denying a preliminary injunction for an abuse of discretion, our review is also de novo when, as is the case here, the underlying issues involve statutory construction. *Kromko v. City of Tucson*, 202 Ariz. 499, 501, ¶ 4, 47 P.3d 1137, 1139 (App. 2002).

limits by reducing the limits "specified" in several subsections of A.R.S. § 16-905. Section 16-941(B) did not simply adopt the A.R.S. § 16-905 limits; it reduced those limits by 20% and allowed the Secretary to periodically adjust the limits for inflation. Allowing only the Secretary to adjust the adopted limits, and only for inflation, undercuts the notion that A.R.S. § 16-941(B) merely adopted a formula for campaign contribution limits that could be adjusted by the Legislature without VPA compliance. Further, the language in A.R.S. § 16-941(B) allowing the Secretary to adjust the limits for inflation would have been superfluous if that statute adopted the limits in A.R.S. § 16-905 on a one-time-only basis because in 1998, A.R.S. § 16-905 already included a mechanism for inflation adjustment. *See* A.R.S. § 16-905 (1998).

¶19 Moreover, A.R.S. § 16-941(B) begins with the phrase "[n]otwithstanding any law to the contrary." *See supra* ¶ 14. Had A.R.S. § 16-941(B) only created a formula that could be easily adjusted by the Legislature through amendments to A.R.S § 16-905, there would have been no reason to include this phrase. The inclusion of this phrase indicates A.R.S. § 16-941(B) was to stand on its own and to have significance separate and apart from A.R.S. § 16-905.

¶20 The context, background, and purpose of the Clean

Elections Act also support Petitioners' construction of A.R.S. § 16-941(B). As noted, in 1986, the voters established A.R.S. § 16-905's original campaign contribution limits. Their intent, as expressed in the initiative, was "to limit campaign contributions so as to prevent improper influence over state and local elected officials and to foster public confidence in the integrity of government."[7] Proposition 200 § 1, 1987 Ariz. Sess. Laws 1505, 1505. Arguments in favor of the limits contained in the Secretary of State's publicity pamphlet for the 1986 general election stressed the destructive nature of unregulated and unlimited campaign contributions. 1986 Publicity Pamphlet 32, 36-37. These arguments ranged from "[m]oney talks in Arizona politics, all too loudly" to "'[o]ne person, one vote' becomes meaningless when individuals are competing with groups and the wealthy for influence in setting public policy. . . . The only way to take government away from the vested interests is by limiting the amount of money candidates can accept." *Id*. Despite these sentiments, in the 1990s, the Legislature increased these voter-imposed limits three times. *See supra*

[7]"In determining the purpose of an initiative, we consider such materials as statements of findings passed with the measure as well as other materials in the Secretary of State's publicity pamphlet available to all voters before a general election." *Ariz. Early Childhood Dev. & Health Bd.*, 221 Ariz. at 471, ¶ 14, 212 P.3d at 809.

¶ 3.

¶21 Those increases occurred against a backdrop of corruption scandals that had rocked Arizona politics. The scandals ranged from the 1988 indictment of Governor Evan Mecham for, *inter alia*, allegedly hiding a $350,000 campaign loan, to what became known as "AzScam," a 1991 police sting operation that documented several Arizona legislators accepting bribes in exchange for votes. *See generally State v. Walker*, 185 Ariz. 228, 914 P.2d 1320 (App. 1995); Andrew Spencer, Note, *Cleaning Elections*, 54 Ariz. L. Rev. 277, 278-80 (2012).

¶22 These scandals, as well as dissatisfaction with the private campaign finance system, led to the Clean Elections Act. As stated in the initiative, the "Clean Elections system" was intended to "improve the integrity of Arizona state government by diminishing the influence of special-interest money" and reform the "current election-financing system" which allowed "Arizona elected officials to accept large campaign contributions from private interests over which they have governmental jurisdiction." Proposition 200 § 1, 1999 Ariz. Sess. Laws at 1942.

¶23 The electorate achieved these goals by creating a public financing system for statewide and legislative offices and restricting then-current campaign contribution limits. As

Petitioners have argued here, to construe A.R.S. § 16-941(B) as merely establishing a formula for setting campaign contribution limits would transform A.R.S. § 16-941(B) "into a meaningless arithmetic exercise." Such a construction would permit the Legislature to increase campaign contribution limits to any level simply by amending A.R.S. § 16-905, thereby rendering A.R.S. § 16-941(B) virtually meaningless.[8]

¶24 A traditional principle of statutory construction additionally supports Petitioners' construction of A.R.S. § 16-941(B). As a general rule, a statute may refer to another act and incorporate part or all of it by reference. When a statute adopts or refers to another statute by a specific reference, as A.R.S. § 16-941(B) does here, the "'adoption takes the [adopted] statute as it exists at the time of adoption and does not include subsequent additions or modifications of the [adopted] statute unless it does so by express intent.'" *Nelson Machinery Co. v. Yavapai County*, 108 Ariz. 8, 9, 491 P.2d 1132, 1133 (1971) (quoting R.J. Fox, Annotation, *Effect of Modification or Repeal of Constitutional or Statutory Provision Adopted by Reference in Another Provision*, 168 A.L.R. 627 (1947)). As

[8]As Petitioners also point out, if A.R.S. § 16-941(B) merely established a formula for setting campaign contribution limits, the Legislature could negate the 20% reduction in campaign contribution limits that statute requires by simply increasing the amounts identified in A.R.S. § 16-905 by 125%.

enacted by the voters, nothing in A.R.S. § 16-941(B) expressed an intent the Legislature, through subsequent amendments to A.R.S. § 16-905, could change the § 941 limits, except as the voters had otherwise authorized. *See supra* note 4.

¶25 Despite this principle of statutory construction and the language, context, background, and purpose of A.R.S. § 16-941(B), the Secretary, President, and Speaker argue the voters could not have known they were voting for fixed contribution limits because the Clean Elections Act did not list the § 941 limits in dollars and cents. We reject this argument. The proposed initiative did not pull the wool over the voters' eyes when it came to establishing the § 941 limits. As discussed below, the voters were well-informed that the Clean Elections Act, if enacted, would reduce campaign contribution limits on a firm, going forward basis.

¶26 First, the ballot language advised voters the Clean Elections Act would reduce "current contribution limits by 20% for non-participating candidates." 1998 Publicity Pamphlet 60, 92. The ballot also advised voters that a "yes" vote would have the effect of "reducing the current contribution limits for non-participating candidates by 20%." *Id.*

¶27 Second, the publicity pamphlet for the 1998 general election advised voters the Clean Elections Act would reduce

current campaign contribution limits. The Legislative Council's analysis explained the "proposition would also reduce by twenty percent the amount per individual that can currently be contributed to a candidate if they opt not to receive the public funding." *Id.* at 84. The arguments "for" the Clean Elections Act discussed the "negative influence of campaign contributions," *id.* at 85, and explained the proposed law would "limit the amount of money our candidates spend on their races," *id.* at 86, take "big money out of politics," *id.* at 89, "reduce the role of special interest money [and] ratchet-down the expense of political campaigns." *Id.* Indeed, the "against" arguments explained that, if enacted, "the act goes on to punish non-taxpayer funded candidates by reducing their fundraising ability by 20% if they don't participate," *id.*, and would "penalize[] candidates who chose not to participate in this public finance scheme. Arizona already has some of the nation's strictest contribution limits. It further restricts a campaign contribution given by you to a candidate of your choice." *Id.* at 91.

¶28 Given the ballot language, the Legislative Council's analysis, and the "for" and "against" arguments, the voters were sufficiently informed the Clean Elections Act would significantly reduce campaign contributions by establishing firm

limits on a going forward basis.

¶29 The President and Speaker also argue that because the Clean Elections Act did not identify the § 941 limits in dollars and cents, it violated a provision in the Arizona Constitution that states "[n]o act or section thereof shall be revised or amended by mere reference to the title of such act, but the act or section as amended shall be set forth and published at full length." Ariz. Const. art. 4, pt. 2, § 14. The purpose of this constitutional provision is to ensure the Legislature does not amend a statute without having and giving notice of the proposed amending language and, consequently, having and giving notice as to what the statute, if amended, will do. *See City of Sierra Vista v. Director, Ariz. Dept. of Envtl. Quality*, 195 Ariz. 377, 381-82, ¶¶ 13-14, 988 P.2d 162, 166-67 (App. 1999); *see also In re Miller*, 29 Ariz. 582, 594-95, 244 P. 376, 379-80 (1926).

¶30 Assuming this constitutional provision also applies to initiatives,[9] we reject the President and Speaker's argument as it rests on a faulty premise -- that A.R.S. § 16-941(B) amended A.R.S. § 16-905. Section 16-941(B) did not amend A.R.S. § 16-905; instead, A.R.S. § 16-941(B) adopted the campaign contribution limits listed in A.R.S. § 16-905 for non-

[9]Petitioners argue this constitutional provision only applies to the Legislature. But, in *Schulz v. City of Phoenix*, 18 Ariz. 35, 156 P. 75 (1916), our supreme court stated this provision also applied to a city charter enacted by the voters.

participating candidates for statewide and legislative office as they existed in 1998 subject to authorized adjustments.

¶31 To sum up: we agree with Petitioners that, as a matter of statutory construction, when the voters enacted the Clean Elections Act in 1998, they fixed campaign contribution limits as they existed in 1998, subject to authorized adjustments. The voters did not adopt a mere formula that would allow the Legislature to easily amend the § 941 limits. And, because the voters instructed that A.R.S. § 16-941(B) would apply "[n]otwithstanding any law to the contrary," that statute preempts the sections of House Bill 2593 at issue here. To this extent, House Bill 2593 is, as Petitioners argue, ineffective, and the § 941 limits applicable to non-participating candidates for statewide and legislative office remain in effect.[10]

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[10]Although we have concluded House Bill 2593 is ineffective, we believe a few comments are in order regarding the superior court's conclusion the VPA is inapplicable to A.R.S. § 16-941(B). Applying what it characterized as principles of "game theory," the court found the 1998 general election ballot was improperly constituted and the voters likely did not understand the VPA would "apply voter protection to the Clean Elections Act." Game theory, also called theory of games, is defined as "a method of applying mathematical logic to determine which of several available strategies is likely to maximize one's gain or to minimize one's loss in a game, a business situation, or a military problem in which one's opponent or opponents also can choose between several strategies." Webster's Third New International Dictionary 2371 (2002). Game theory is, as this definition suggests, a predictive tool and not a tool for analyzing past voter intent. Further, we note neither the Secretary nor the President and

III. Preliminary Injunction Factors and the First Amendment

¶32 Traditionally, in addition to showing "a strong likelihood of success on the merits," a party seeking a preliminary injunction must also show the possibility of irreparable harm if the court does not grant the requested relief, and that the balance of hardships and public policy favor issuance of the injunction. *E.g.*, *Ariz. Ass'n of Providers for Persons with Disabilities v. State*, 223 Ariz. 6, 12, ¶ 12, 219 P.3d 216, 222 (App. 2009). A court may apply these requirements on a "sliding scale." *Id*. Thus, a court may grant preliminary injunctive relief if the moving party establishes either probable success on the merits and the possibility of irreparable injury or the presence of serious questions that go to the merits and the balance of hardships tips sharply in its favor. *Id*.

¶33 Here, the superior court concluded that "in light of the First Amendment issues presented," Petitioners had failed to show irreparable harm or that the balance of hardships and

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Speaker have argued in favor of the superior court's game theory reasoning. Finally, the court's application of game theory to conclude the 1998 general election ballot was improperly constituted was an impermissible after-the-fact attack on the 1998 general election. *See generally Fairness and Accountability in Ins. Reform v. Greene*, 180 Ariz. 582, 587, 886 P.2d 1338, 1343 (1994) (procedures before an election cannot be questioned after the vote but must be challenged before the election is held).

public policy favored a preliminary injunction ("the additional factors"). Although the court did not identify the "First Amendment issues presented," based on the arguments of the parties, those issues referred to the arguments of the President and Speaker that the § 941 limits were unconstitutional under the Arizona Constitution and the First Amendment. *See supra* ¶ 7. The court did not, however, make any findings regarding any of the additional factors and provided no analysis of any of the "First Amendment issues presented" or an explanation as to how those issues affected its consideration of the additional factors. Although we disagree with Petitioners that the "First Amendment issues" are not a part of this case,[11] the superior court failed to perform what our supreme court has described as its "legal duty" when it did not make any findings regarding "the First Amendment issues presented" and the additional factors. *Miller v. Bd. of Supervisors of Pinal Cnty.*, 175 Ariz. 296, 299, 855 P.2d 1357, 1360 (1993).

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[11]Petitioners argue, as they did in the superior court, that because they are only challenging House Bill 2593 any attack on the constitutionality of the § 941 limits should be raised in a separate lawsuit. We disagree. The President and Speaker have argued that if House Bill 2593 is ineffective -- as we have now held -– the § 941 limits are unconstitutionally low. We see no legal impediment to the President and Speaker challenging the constitutionality of the § 941 limits on remand. Indeed, in the superior court, Petitioners noted the President and Speaker could challenge the § 941 limits "by filing a cross-claim against the Secretary and a counterclaim against the Commission to prevent them from enforcing [those] limits."

¶34 When, as here, a superior court denies a preliminary injunction, Rule 52(a) of the Arizona Rules of Civil Procedure expressly requires the court to "set forth the findings of fact and conclusions of law which constitute the grounds of its action." Findings and conclusions allow the unsuccessful party to decide whether the case presents issues for appellate review and clarify what has been decided. Findings and conclusions also prompt judges to consider issues carefully because "'they are required to state not only the end result of their inquiry, but the process by which they reached it.'" *Miller*, 175 Ariz. at 299, 855 P.2d at 1360 (quoting *United States v. Merz*, 376 U.S. 192, 199, 84 S. Ct. 639, 643, 11 L. Ed. 2d 629 (1964)). Further, and of critical importance here, findings permit an appellate court to examine the basis and grounds relied on by a superior court in reaching "the ultimate judgment." *Id.*

¶35 Findings of fact are sufficient if they are "'pertinent to the issues and comprehensive enough to provide a basis for the decision.'" *Id*. (quoting *Gilliland v. Rodriquez*, 77 Ariz. 163, 167, 268 P.2d 334, 337 (1954)). Findings satisfy this standard if they allow an appellate court "to test the validity of the judgment," to discern "more than a permissible interpretation of the trial court's analysis," and to understand "how the trial court actually arrived at its conclusion." *Id*.

(emphasis omitted) (citations omitted) (internal quotation marks omitted). Further, the findings must encompass all of the "ultimate facts," which "are *at least* 'the essential and determinative facts on which the conclusion was reached. They are the controlling facts, without which the court cannot correctly apply the law' in resolving the disputed issues in the case." *Id*. at 300, 855 P.2d at 1361 (quoting *Star Realty Co. v. Sellers*, 73 N.M. 207, 208-09, 387 P.2d 319, 320 (1963)).

¶36 The superior court's findings regarding the additional factors do not, as a matter of law, meet the requirements of Rule 52(a). In effect, the superior court merely stated Petitioners had come up short regarding the additional factors "in light of the First Amendment issues presented." We have no way of knowing how it balanced or weighed the additional factors. Moreover, and of equal importance, we cannot tell what First Amendment issues it considered and how it evaluated those issues. The court's failure to explain how it considered the "First Amendment issues presented" is especially troublesome here.[12]

¶37 The First Amendment protects political expression. Nevertheless, in *Buckley v. Valeo*, 424 U.S. 1, 96 S. Ct. 612, 46

[12]We acknowledge the President and Speaker have also argued the § 941 limits violate the Arizona Constitution. Given our resolution of the issues discussed in this opinion, we do not need to address that argument.

L. Ed. 2d 659 (1976), the Supreme Court upheld government limits on political contributions because limiting the amount of money a person may give to a candidate or campaign organization involves "little direct restraint on [a person's] political communication, for it permits the symbolic expression of support evidenced by a contribution but does not in any way infringe the contributor's freedom to discuss candidates and issues." *Id*. at 21, 96 S. Ct. at 636. Contribution limits are constitutional if they are "closely drawn" to match "sufficiently important" governmental interests. *Id*. at 25, 96 S. Ct. at 638. Although the Supreme Court has never set a constitutional minimum for contribution limits, it has explained that contribution limits would be constitutionally suspect if they prevent candidates and political committees from obtaining the resources necessary for effective advocacy, render political association ineffective, or "drive the sound of a candidate's voice below the level of notice, and render contributions pointless." *Nixon v. Shrink Mo. Gov't PAC*, 528 U.S. 377, 395-97, 120 S. Ct. 897, 908-09, 145 L. Ed. 2d 886 (2000).

¶38 The concerns identified by the Supreme Court that would cause a campaign contribution limit to violate the First Amendment present questions of fact. Indeed, in *Shrink*, the court noted that the challengers to the contribution limits at

issue there had failed to present evidence the system "suppressed political advocacy that would be unconstitutional under *Buckley*" or had impeded the ability of candidates to mount a campaign. *Id*. at 396, 120 S. Ct. at 909. And, in *Randall v. Sorrell*, 548 U.S. 230, 126 S. Ct. 2479, 165 L. Ed. 2d 482 (2006), Justice Breyer, in a plurality decision, concluded the state contribution limits at issue there were unconstitutional, but did so based on a developed record that allowed for an analysis of not only the dollar amounts of the contribution limits, but also their effect on political parties, the ability of candidates to raise the funds necessary to run competitive campaigns, the ability of political parties to help elect their candidates, and the ability of individual citizens to volunteer in political campaigns. Based on a close examination of the developed record, Justice Breyer concluded the state limits there were not closely drawn to meet constitutionally-permitted objectives.

¶39 Here, because the superior court did not make any findings, we cannot determine how the court considered the constitutional concerns identified by the Supreme Court. As in *Miller*, the superior court "omitted the ultimate or key facts," 175 Ariz. at 300, 855 P.2d at 1361, that would allow us to determine whether it had correctly assessed the additional

factors which, according to its order, turned entirely on its assessment of the "First Amendment issues presented." The question then becomes, what is the appropriate relief?

IV. Appropriate Relief

¶40 When a superior court fails to comply with Rule 52(a), our obligation is to "tailor the proper remedy." *Id*. Normally, the proper remedy is to remand the case to the superior court for findings. *Id*. Under the circumstances of this case, however, remand only for the entry of findings is not an adequate remedy.

¶41 The situation before us is unusual. Petitioners sued the Secretary to enjoin his implementation and enforcement of House Bill 2593 as to non-participating candidates for statewide and legislative office. The superior court denied relief and thus allowed the Secretary to begin implementing and enforcing House Bill 2593 based, in part, on its conclusion that A.R.S. § 16-941(B) merely adopted a formula -- a conclusion we have rejected -- and, in part, on the additional factors "in light of the First Amendment issues presented" -- a "finding" that fails to comply with Rule 52(a). Given this situation, we have concluded that the proper remedy is to vacate the superior court's order denying preliminary injunctive relief in its entirety and remand to the superior court for it to reconsider

Petitioners' request for declaratory and preliminary and permanent injunctive relief. On remand, the court should consider the arguments and evidence presented by the parties regarding the constitutionality of the § 941 limits. The court should factually assess and measure the § 941 limits against the concerns identified by the Supreme Court. The court should then make findings of fact and conclusions of law that meet the requirements of Rule 52(a).[13]

¶42 In our order accepting special action jurisdiction, and as we subsequently clarified, we preliminarily enjoined the Secretary from enforcing or implementing the provisions in Sections 1 and 2 of House Bill 2593 that increased the limits for contributions to non-participating candidates for statewide and legislative office and repealed the aggregate limits on annual contributions by individuals to such candidates as well as political committees that gave to such candidates pending further order of this court. We issued this order to reinstate the status quo in existence before September 13, 2013, when House Bill 2593 became effective. The superior court shall

[13]On remand, the court may conduct further proceedings consistent with this opinion. In this regard, we note Petitioners asked the court to consolidate the hearing on their request for a preliminary injunction with a trial on the merits, *see* Ariz. R. Civ. P. 65(a)(2), and the President and Speaker also requested an evidentiary hearing on Petitioners' request for a preliminary injunction.

maintain this preliminary injunction in effect pending its decision on remand. We issue this directive for several reasons.

¶43 First, the § 941 limits are in effect; those provisions of House Bill 2593 applicable to non-participating candidates for statewide and legislative office are not.

¶44 Second, in requesting injunctive relief and in responding to the arguments of the President and Speaker regarding the constitutionality of the § 941 limits, Petitioners presented "serious questions," that is, a prima facie case, that the § 941 limits satisfy the First Amendment concerns identified by the Supreme Court. *See Ariz. Ass'n of Providers*, 223 Ariz. at 12, ¶ 13, 219 P.3d at 222 (existence of "serious questions" for entry of preliminary injunction turns on the strength of the legal claim; "'courts agree that [a] plaintiff must present a prima facie case but need not show that he is certain to win.'" (quoting 11A Charles Alan Wright et al., *Federal Practice & Procedure* § 2948.3 (West 2009))). In addition to the reasons that led to the passage of the Clean Elections Act, Petitioners presented the superior court with evidence the § 941 limits have not significantly restricted the amount of funding available to challengers to run competitive campaigns and have treated political parties differently from other contributors, exempted

the value of volunteer services from contribution limits, and allowed for inflation adjustment. Although the President and Speaker disputed this evidence, and, on the existing record, this evidence does not show Petitioners are "certain to win," it at least demonstrates the existence of "serious questions" regarding the constitutionality of the § 941 limits for purposes of a preliminary injunction. We emphasize, however, that we have reached no opinion as to the ultimate resolution of the parties' arguments regarding the constitutionality of the § 941 limits under the Arizona Constitution and the First Amendment.

¶45 Third, Petitioners have demonstrated that the balance of hardships tips sharply in their favor. The § 941 limits have been in place for several years, incumbents and challengers have relied on those limits in deciding whether to run with public or private money, and the Secretary's enforcement and implementation of House Bill 2593 may have driven candidates away from the public financing system created by the Clean Elections Act. Preliminary injunctive relief until the superior court issues its decision on remand will simply reinstate and maintain this long-standing status quo.

CONCLUSION

¶46 For the foregoing reasons, we vacate the superior court's order denying preliminary injunctive relief in its

entirety, remand to the superior court for it to reconsider Petitioners' request for declaratory and preliminary and permanent injunctive relief, and, pending its decision on remand, direct the superior court to maintain the preliminary injunction currently in effect enjoining the Secretary from enforcing or implementing the provisions of House Bill 2593 applicable to non-participating candidates for statewide and legislative office.

/S/

PATRICIA K. NORRIS, Judge

CONCURRING:

/S/

RANDALL M. HOWE, Presiding Judge

/S/

PATRICIA A. OROZCO, Judge

IN THE

Court of Appeals

STATE OF ARIZONA
DIVISION ONE

DIVISION ONE
FILED: 10/18/2013
RUTH A. WILLINGHAM, CLERK
BY: DN

ARIZONA CITIZENS CLEAN ELECTIONS COMMISSION; LOUIS J. HOFFMAN; VICTORIA STEELE; ARIZONA ADVOCACY NETWORK, Petitioners, v. THE HONORABLE MARK H. BRAIN, Judge of the SUPERIOR COURT OF THE STATE OF ARIZONA, in and for the County of MARICOPA, Respondent Judge, KEN BENNETT, in his official capacity as Secretary of State; ANDY BIGGS, in his official capacity as President of the Arizona State Senate; ANDREW M. TOBIN, in his official capacity as Speaker of the Arizona House of Representatives, Real Parties in Interest.	Court of Appeals Division One No. 1 CA-SA 13-0239 Maricopa County Superior Court No. CV2013-010338

ORDER RE: STAY REQUEST

The Court, Presiding Judge Randall M. Howe and Judges Patricia A. Orozco and Patricia K. Norris, has considered the Intervenors' Emergency Motion to Stay the Court's preliminary injunction issued October 15, 2013, and has held a telephonic conference on the motion. After consideration, we deny the motion.

Although the Court anticipates filing its opinion in this matter on or before Thursday, October 24, 2013, the Court provides the following clarification of its order and preliminary injunction in the interim:

Based on the Citizens Clean Elections Act's language, context, background, and purpose, along with other principles of statutory construction, the Citizens Clean Elections Act fixed campaign contribution limits for non-participating candidates for statewide and legislative office as those limits existed in 1998 subject to authorized adjustments. Accordingly, as codified in Arizona Revised Statutes ("A.R.S.") section 16-941(B), the Citizens Clean Elections Act preempts the provisions in Sections 1 and 2 of House Bill 2593 that apply to non-participating candidates for statewide and legislative office. House Bill 2593 is thus ineffective as to those specific provisions. The limits that A.R.S. § 16-941(B) established before House Bill 2593 was enacted remain in effect for non-participating candidates for statewide and legislative office.

Because House Bill 2593 is ineffective to this extent and the limits set by A.R.S. § 16-941(B) remain in effect for non-participating candidates for statewide and legislative office, we have preliminarily enjoined the Secretary from enforcing or implementing House Bill 2593. To clarify, we have preliminarily enjoined the Secretary from enforcing and implementing the provisions in Sections 1 and 2 of House Bill 2593 that increased the limits for contributions to non-participating candidates for statewide and legislative office and repealed the aggregate limits on annual contributions by individuals to such candidates as well as political committees that give to such candidates pending further order of this court. This preliminary injunction reinstates the status quo in existence before September 13, 2013.

_____/s/_____
RANDALL M. HOWE, Presiding Judge

To:
Joseph A Kanefield
Brunn W Roysden III
Mary R O'Grady
Timothy J Eckstein
Christina C Rubalcava
Timothy M Hogan
David D Weinzweig
Daniel P Schaack
Daniel P Schaack
Michael T Liburdi
Michael T Liburdi
Kelly A Kszywienski
Kelly A Kszywienski
Gregrey G Jernigan
Peter A Gentala
Pele K Peacock
Clint Bolick
Clint Bolick
Kurt M Altman
Taylor C Earl
Taylor C Earl
Nicholas C Dranias
Nicholas C Dranias
Howard Fischer
Hon Mark H Brain

STATE OF ARIZONA

OFFICE OF THE ATTORNEY GENERAL

AMENDED ATTORNEY GENERAL OPINION by ERIC J. BISTROW* CHIEF DEPUTY ATTORNEY GENERAL October 2, 2013	No. I13-007 (R13-015) Re: Campaign Finance

To: Ken Bennett
Arizona Secretary of State

Questions Presented

You have asked for an opinion on the following questions regarding 2013 Laws Ch. 98 (H.B. 2593), which amended various campaign finance statutes:

1. May a candidate's committee accept up to the maximum contributions for both the primary and general elections prior to the primary election?

2. Must there be two different accounting systems for primary contributions and general contributions?

3. If a candidate's committee may accept general election contributions in the primary election period, may a candidate's committee spend general election contributions for the purpose of influencing the outcome of the primary election?

4. Under the current law, a candidate's committee may accept contributions for a committee organized for a past election. Is this still the case for the new bifurcated contribution

limits? For example, if a candidate's committee did not accept the maximum primary contribution limit from an individual for the primary election may the candidate's committee retroactively accept up to the maximum primary election contribution limits from the individual after the primary election?

5. May candidates' committees assign contributions they receive that are above the maximum allowed for the primary election to their general election allocation for that contributor?

6. Who determines whether the contribution is for the primary or general election (the contributor or the candidate's committee)? If it is the candidate's committee, is the treasurer required to ask the contributor? Under current law, a contributor must indicate certain information along with the contribution; it would seem this would continue under the new law, requiring the allocation to come from the contributor.

7. May 16-341 candidates, who qualify for direct placement on the general election ballot, accept primary election contributions?

8. Does the language "from a single source a contribution of at least one thousand dollars" apply to one individual contribution or an aggregate amount from an individual during the twenty-day pre-election time period (emphasis added)?

9. What is the election period for an office that may span more than one primary and general election? For example, for a municipal office with a four-year staggered term, could a candidate's committee receive the maximum contributions for the primary and general in year two of his/her term, even though not on the ballot, and then receive additional maximum contributions in year three (his/her election year)? Said another way, does the primary and

general cycle follow the particular seat, like the federal model, or does it apply any time there is a primary and general election?

10. What are the restrictions, if any, for funds in existing candidate's committee accounts on the effective date of this legislation?

11. Finally, this law becomes effective on September 13, 2013, at which time municipal candidates can receive up to $2,500 from contributors per election. However, September 13th is after the municipal primary in Phoenix, but before the end of the primary election reporting period. Therefore, could a candidate's committee in this municipal election receive $2,500 for the primary on September 14th and another $2,500 for the general at the same time?

Summary Answers

1. Yes, a candidate committee may accept up to the maximum contributions for both the primary and general elections prior to the primary election.

2. Yes, a candidate committee must establish two separate accounting systems for primary and general election contributions and expenditures.

3. Yes, a candidate committee may spend general election contributions for the purpose of influencing the outcome of the primary election, subject to the contribution limits.

4. Yes, a candidate committee may accept contributions for the primary election up to the contribution limits after the primary election has occurred for the purpose of retiring outstanding debts incurred by the primary election committee.

5. Yes, a candidate committee that receives a contribution in excess of the primary contribution limit may transfer the excess to the general election committee, to the extent that

both limits have not yet been reached, and to the extent that the committee-to-committee limit has not yet been reached.

6. The candidate committee should make best efforts to ascertain the contributor's intentions, but otherwise may assume that any contribution is intended for the next upcoming election, to the extent that the contribution limit for that election has not already been reached.

7. Yes, write-in candidates under A.R.S. § 16-341 may accept contributions for both the primary and general elections up to the statutory maximums.

8. The language in A.R.S. § 16-913.01 requiring special reporting of contributions of at least one thousand dollars applies to an individual contribution rather than an aggregate amount from an individual.

9. A candidate committee may only accept contributions for a single primary election and general election. Candidates who are not running in a particular election cycle due to their terms of office may accept contributions for a primary and a general election, but contributions accepted early (during their non-election cycle) must be counted against the contribution limits for the election cycle that they will be participating in.

10. Existing funds in a candidate's committee on the effective date of H.B. 2593 are subject to the laws in existence when the contributions were accepted.

11. Municipal candidates may accept contributions up to the maximum limit for the general election on or after September 13, 2013 and may accept contributions up to the maximum limit for the primary election to the extent necessary to retire debt.

Background

The Arizona Legislature enacted H.B. 2593, amending portions of A.R.S. §§ 16-901 and -905 and creating a new section A.R.S. § 16-913.01. The relevant changes are set forth below:

> **16-901(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 that the office of precinct committeemen and other than a federal office. For THE purposes of sections 16-903 and 16-905, the general election ~~includes~~ DOES NOT INCLUDE the primary election.
>
> **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~~ TWO THOUSAND FIVE HUNDRED dollars[1] from an individual.
>
> 2. For an election other than for a legislative office, ~~three hundred ninety~~ TWO THOUSAND FIVE HUNDRED dollars from an individual.
>
> 3. For an election for a legislative office, ~~four hundred eighty-eight~~ 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, ~~three hundred ninety~~ 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.

[1] The contribution limits set forth in § 16-905 are reduced by twenty percent by the Citizens Clean Election Act, as set forth in A.R.S. § 16-941(B). The relevant contribution limits for all offices set forth in A.R.S. § 16-905 are $2,000 per election for subsections (A)(1) through (4) and $4,000 for subsection (A)(5). The examples used in this Opinion reflect the reduced contribution limits.

5. ~~Two~~ FIVE 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~~ TWO thousand ~~ten~~ FIVE HUNDRED dollars from an individual.

2. ~~One~~ TWO thousand ~~ten~~ 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 certified pursuant to subsection G of this section.

C. A candidate ~~shall not~~ MAY 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~~ 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 ~~shall not~~ MAY 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~~ AS OTHERWISE PRESCRIBED BY THIS SECTION, AND AN INDIVIDUAL IS NOT RESTRICTED AS TO THE AGGREGATE TOTAL THAT AN INDIVIDUAL MAY GIVE.

16-913.01. Additional reporting by candidate campaign committees; single contribution; civil penalty

A. IN ADDITION TO ANY OTHER FILINGS REQUIRED BY LAW, A CANDIDATE OR A CANDIDATE'S CAMPAIGN COMMITTEE SHALL GIVE NOTICE TO THE FILING OFFICER IF THE CANDIDATE OR COMMITTEE RECEIVES FROM A SINGLE SOURCE A CONTRIBUTION OF AT LEAST ONE THOUSAND DOLLARS LESS THAN TWENTY DAYS BEFORE THE DAY OF THE ELECTION.

B. THE NOTICE PRESCRIBED BY THIS SECTION SHALL BE FILED WITHIN SEVENTY-TWO HOURS AFTER RECEIPT OF THE CONTRIBUTION AND SHALL INCLUDE THE DATE OF RECEIPT, THE NAME OF THE CONTRIBUTOR AND THE AMOUNT OF THE CONTRIBUTION. CONTRIBUTIONS THAT ARE SUBJECT TO THE NOTICE PRESCRIBED BY THIS SECTION SHALL BE INCLUDED IN THE NEXT REGULAR REPORT FILED PURSUANT TO SECTION 16-913. FOR THE PURPOSES OF THIS SECTION, THE DATE OF RECEIPT OF A CONTRIBUTION IS THE DATE THE CANDIDATE'S CAMPAIGN COMMITTEE OBTAINS POSSESSION OF THE CONTRIBUTION.

C. A CANDIDATE'S CAMPAIGN COMMITTEE THAT KNOWINGLY VIOLATES THIS SECTION AND A PERSON WHO KNOWINGLY VIOLATES THIS SECTION ARE LIABLE IN A CIVIL ACTION FOR A CIVIL PENALTY OF UP TO THREE TIMES THE AMOUNT IMPROPERLY REPORTED.

Analysis

1. May a candidate's committee accept up to the maximum contributions for both the primary and general elections prior to the primary election?

Yes. The new legislation specifies in subsection 1, amending A.R.S. § 16-901(7), that the general election does not include the primary election when the term "election" is used in sections 16-903 and 16-905. This amendment reverses the previous version of A.R.S. § 16-901(7), which stated that the general election includes the primary election. Because there are now two elections within each election cycle—the primary and the general—candidates may accept contributions up to the contribution limit for each such election, enabling candidates to accept two times the maximum contribution limit for each election cycle.

Neither H.B. 2593 nor other election statutes impose limitations on the timing of receipt of contributions for an election other than *after* filing a statement of organization for the political committee (A.R.S. § 16-902.01(A)), designating an account to deposit contributions (A.R.S. § 16-902(C)), and designating a political committee for each election to serve as the candidate's campaign committee (A.R.S. § 16-903(A)). This facet of the newly revised Arizona statutory regime is similar to the federal campaign finance system, which requires that a campaign committee may only accept contributions when a treasurer has been designated and is holding office. 11 C.F.R. § 102.7(a), (b). The treasurer must be designated in the statement of organization for the campaign committee. 11 C.F.R. § 102.2(a)(iv).

2. <u>Must there be two different accounting systems for primary contributions and general contributions?</u>

Yes. The primary election and the general election are *separate* elections. A.R.S. § 16-901(7). The campaign contribution limits apply separately for each election. A.R.S. § 16-905(I)(1). A candidate must designate a political committee for each election to serve as the candidate's campaign committee under A.R.S. § 16-903(A), and may have only one campaign

committee designated for each election under A.R.S. § 16-903(C).[2] The candidate may have more than one campaign committee simultaneously in existence. *Id.* Harmonizing sections 16-901(7), -903, and -905 together, a candidate must designate a separate committee for each election. The candidate need not designate separate treasurers.

Note that under the federal system, the campaign committee also must use a system to separate contributions received for the general election before the primary election has occurred, including the use of separate accounts for each election or the use of separate books and records for each election. 11 C.F.R. § 102.9(e).

3. <u>If a candidate's committee may accept general election contributions in the primary election period, may a candidate's committee spend general election contributions for the purpose of influencing the outcome of the primary election?</u>

Yes. As stated above, the campaign limits and campaign committee requirements apply separately to each election. Under the statute, a candidate's campaign committee can transfer or contribute monies to another campaign committee designated by the same candidate, *subject to the contribution limits*, if both committees have been designated for an election in the same year. A.R.S. § 16-905(F)(2).[3] Because the campaign committees for the primary election and the general election would be designated in the same year, the candidate can transfer monies between the two committees subject to the contribution limits. A.R.S. § 16-905(A)(5) also states that the contribution limit is two thousand dollars from any single political committee, other than a political party, and did not specifically exclude candidate committees from that limitation.

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[2] This Opinion does not address whether or not candidates who participate in public financing pursuant to A.R.S. §§ 16-940 to -961 are required to have two committees or separate general and primary accounts. Section 16-948(A) provides that "[a] participating candidate shall conduct all financial activity through a single campaign account of the candidate's campaign committee." Participating candidates are urged to seek advice from the Citizens Clean Elections Commission regarding compliance with the relevant campaign finance statutes.

[3] H.B. 2593 did not amend this subsection.

An example may be illustrative here. If a candidate has $9,000 remaining in his primary candidate committee account after the primary election has occurred, he can make one transfer of up to $2,000 to his general candidate committee, leaving a balance of $7,000 in the primary account. This is because A.R.S. § 16-905(F)(2) states that a candidate's campaign committee may transfer to another campaign committee up to the contribution limits of this section if both candidate committees are designated for an election *in the same year*. The committee in this example could then transfer the remaining $7,000 to an exploratory or candidate committee for a future election in a different year or otherwise dispose of the surplus monies in accordance with A.R.S. § 16-915.01.

Note that under the federal system, all contributions received by affiliated committees—including authorized committees of the same candidate for the same election to federal office—are considered to be made or received by a single political committee. 11 C.F.R. § 110.3(a)(1)(i). Funds and assets may be freely "transferred without limit between a candidate's principal campaign committee and the candidate's other authorized committees for the same office during the same election." FEC Campaign Guide at 59.

4. <u>Under the current law, a candidate's committee may accept contributions for a committee organized for a past election. Is this still the case for the new bifurcated contribution limits?</u>

Yes. Under A.R.S. § 16-913(E), the Legislature expressly recognized that a candidate's campaign committee may remain active after the election due to outstanding debts, and that the committee may receive a contribution or make an expenditure to pay down the debt. *See also* A.R.S. § 16-901(5)(a)(i) (defining a contribution to include anything of value given the purpose of retiring debt). The committee may not terminate under the statute unless it files a termination

statement certifying that it will no longer receive contributions or make disbursements, and that the committee has no outstanding debts or obligations. A.R.S. § 16-914. The Legislature made no express or implied changes to these statutes in enacting H.B. 2593.

Note that under the federal system, the candidate may accept contributions after the election only to the extent that the contributions do not exceed net debts from such election, the contributions are designated for that election, and the contributions do not exceed the contribution limits in effect on the date of the election. 11 C.F.R. § 110.1(b)(3)(i) and (iii).

5. May candidates assign contributions they receive that are above the maximum allowed for the primary election to their general election allocation for that contributor?

Yes. As stated above, the campaign limits and campaign committee requirements apply separately to each election. Under the statute, a candidate's campaign committee can transfer or contribute monies to another campaign committee designated by the same candidate, *subject to the contribution limits*, if both committees have been designated for an election in the same year. A.R.S. § 16-905(F)(2). Because the campaign committees for the primary election and the general election would be designated in the same year, the candidate can transfer monies between the two, subject to the contribution limits. But when the limits have been reached by the same contributor for both elections, the excess contribution must be returned.

For example, a candidate committee may split a single contribution of $4,000 evenly between her primary election campaign fund and her general election campaign fund. Likewise, a candidate who receives a contribution of $3,000 could designate $1,000 to the primary election fund and the remaining $2,000 to the general election fund, or vice versa, or any other combination such that neither account accepts more than the contribution limit for a single election. The candidate committee, through its treasurer, should attempt to determine the

contributor's preference as to which account should reach the maximum limitation first. *See* Response to Question # 6 below. Further, the better practice would be to ask the donor to write two separate checks, one to the primary election committee and one to the general election committee, to avoid potential problems with transfers under A.R.S. § 16-905(F)(2).

Note that under 11 C.F.R. § 110.1(b)(5)(ii)(B), candidates may redesignate contributions that exceed the limits for the primary election to the general election subject to the following:

(a) The contribution was made before the primary election;

(b) The contribution was not designated for a particular election;

(c) The contribution would exceed the applicable limit on contributions for the primary election if accepted for such election;

(d) The contribution would not exceed the applicable limit on contributions for the general election if redesignated;

(e) The committee must notify the contributor of the excess contribution that was redesignated and must notify the person of the right to request a refund.

If the contributor designated the contribution, the campaign committee must request a written redesignation of the contribution. 11 C.F.R. § 110.1(b)(5)(ii)(A).

6. <u>Who determines whether the contribution is for the primary election or general election (the contributor or the candidate's committee)?</u>

Arizona law does not address this specific issue. Because a candidate must establish two separate committees for the primary and general elections, the contributor should, in most circumstances, provide sufficient information to determine whether, or in what amounts, the contribution is intended for the primary or general election. For example, a check made out to "Candidate X – Primary 2014" would probably not be intended for Candidate X's general election candidate committee.

Under A.R.S. § 16-904(D), a political committee, through its treasurer, must exercise its best efforts to obtain the required information in order to prepare the itemization required on a campaign finance report. This information includes the mailing address, occupation, and employer, of each individual contributor and the mailing address and identification number of each political committee contributor. Arizona law neither requires a committee to ask nor prohibits a political committee from asking a contributor whether a given contribution is intended for the primary election or the general election.

In lieu of specific information from the contributor, the best practice appears to be a presumption that the contribution was intended for the next election to occur. If the contribution occurred prior to the primary and that contributor had not already given the maximum amount for that election, then the committee should designate the contribution as one for the primary election. If the contribution occurred after the primary election and before the general election, the committee should presumably designate the contribution as one for the general election.

A contribution is generally defined as anything of value made for the purpose of influencing an election. A.R.S. § 16-901(5). Although a contribution made after an election cannot influence that election, an exception exists for "a contribution made to retire campaign debt." A.R.S. § 16-901(5)(a)(i). Accordingly, if a contribution is made after the primary election and before the general election, it can be applied to the primary election committee where the primary election candidate committee incurred debt. In such circumstances, it falls to the committee's treasurer to use best efforts to glean the contributor's intentions.

For example, if a candidate committee receives a contribution prior to the August primary election date and cannot determine the contributor's intentions, the contribution presumably goes to the committee account for the upcoming primary election. If the candidate committee

receives a contribution in September, it presumably is intended for use in the general election unless the candidate lost the primary election. If, however, the candidate lost the primary election and had no debt, the committee must dispose of surplus monies as required by A.R.S. § 16-915.01.

Note that under the federal system, the contributor's designation controls. If the contributor makes no designation, the contribution is allocated to the candidate's next election. 11 C.F.R. § 110.1(b)(2)(ii). Therefore, "an undesignated contribution made after the candidate has won the primary, but before the general election, applies toward the contribution limit for the general election." FEC Campaign Guide at 22.

7. May 16-341 candidates who qualify for direct placement on the general election ballot accept primary election contributions?

Yes. A candidate who is not a member of a political party that selects its candidates through a primary election can get on the ballot under A.R.S. § 16-341. A candidate is defined under A.R.S. § 16-901(2) as 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." Candidates who file under A.R.S. § 16-341 are candidates as defined in § 16-901 and they are subject to and entitled to the same contribution limits as other candidates, including the limitation on transfers between committees pursuant to A.R.S. § 16-905(F)(2).

Note that under the federal system, independent and non-major party candidates who are not involved in a primary election are entitled to a primary limit. Such candidates must choose one of the following dates as their "primary" date and, until that date, may collect contributions that count toward the contributor's primary limits: (1) the last day on which, under state law, a

candidate may qualify for a position on the general election ballot; or (2) the date of the last major primary election, caucus, or convention in that state. FEC Campaign Guide at 22.

8. Does the language "from a single source a contribution of at least one thousand dollars" apply to one individual contribution or an aggregate amount from an individual during the twenty-day pre-election time?

The new statute, A.R.S. § 16-913.01, requires a candidate's campaign committee to report each contribution received from a single source of at least one thousand dollars less than twenty days before the day of the election. The statutory language – "receives from a single source a contribution of at least one thousand dollars" – is unambiguous. It does not apply to aggregate contributions. If the Legislature had intended to apply this disclosure requirement to aggregate contributions in lesser amounts, it could have done so. For example, in the same bill, the Legislature removed the previous language in A.R.S. § 16-905 that established aggregate limits for individual contributors in a given calendar year as well as aggregate limits that a candidate committee could accept from all contributors. In enacting H.B. 2593, the Legislature removed those aggregate limits when it could have retained them or could have adopted the existing concept of aggregate contributions in A.R.S. § 16-913.01.

9. What is the election period for an office that may span more than one primary and general election?

Certain offices are subject to elections every two years while other offices have terms of four or six years. Accordingly, you have asked whether candidates for the latter category of offices are entitled to contribution limits for primary and general elections held during years in which they are not actually running.

Analysis begins with the definition of candidate, which is 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." A.R.S. § 16-901(2). A candidate is necessarily someone running for a particular office in a particular election, e.g., for the office of secretary of state in 2014. There is only one primary election and one general election for that office. Those elections will be held in August and November of 2014. Unless a vacancy occurs, that office will not be on the ballot again until August and November of 2018. However, there will be an intervening primary election and general election for different offices in August and November of 2016.

No statute precludes a person from filing an exploratory committee or even a candidate committee well in advance of the election for that particular office; however, a person may have only one exploratory committee at a given time. A.R.S. § 16-903(C). In the example above, a person seeking to run for the office of secretary of state in 2018 could file as an exploratory committee or a candidate committee and could begin accepting contributions. A.R.S. § 16-903(G). The committee could accept contributions up to the maximum amount per contributor for the primary election and for the general election for that office. Although those contributions could be accepted any time before the 2018 election, there is only one primary election and one general election for which the office will be on the ballot. Therefore, a candidate committee may only accept contributions attributable to a single primary election and a single general election for that office, regardless of the timing.

10. What are the restrictions, if any, for funds in existing candidates' committee accounts on the effective date of this legislation?

Funds existing in a candidate's committee on the effective date of this legislation were subject to the limitations set forth in the previous versions of A.R.S. § 16-905 and remain subject to all other campaign finance statutes. Prior to September 13, 2013, a candidate running for legislative office, for example, could not accept a contribution from an individual contributor exceeding $440.00.[4] On and after September 13, 2013, that same candidate can potentially accept up to $2,000.00 for the primary and another $2,000.00 for the general election. Assuming that the existing funds in this hypothetical candidate's committee accounts include a maximum pre-H.B. 2593 contribution of $440.00, any additional contribution would have to be identified as one for the primary or for the general election (or attributed as set forth above in response to question #6), but in any event must not exceed the maximum for that election. In other words, if the next election is the primary, and the same individual wants to contribute to this legislative candidate, the maximum available contribution would be $1,560, the difference between the limit of $2,000 and the existing contribution of $440. A candidate committee with existing funds for the upcoming elections during this transitional phase from the old version of A.R.S. § 16-905 and the new version will have to decide whether existing funds are for the primary election or for the general election and then account for additional contributions accordingly.

To the extent that existing funds in a candidate's committee coffers are transfers from other candidate committees in previous years or personal funds, they do not count against any contribution limitations set forth in A.R.S. § 16-905. *See* A.R.S. § 16-915.01 regarding transfers of surplus monies from a previous election to a subsequent committee.

[4] The previous statutory contribution limit for a nonparticipating legislative candidate after adjusting for the Citizens Clean Election Act pursuant to A.R.S. § 16-941(B) and after adjusting by the secretary of state biennially based on the consumer price index pursuant to A.R.S. § 16-905(H) was $440.00.

11. Effective date (9/13/13) and the Municipal Elections in Phoenix.

The City of Phoenix election for City Council is on August 27, 2013 and the runoff election, if necessary, will be held on November 5, 2013. These dates are the same for the City of Tucson's municipal election. Consequently, the primary or first election will be held before H.B. 2593 takes effect. As set forth above in response to Question #6, contributions are defined as anything of value given for the purpose of influencing an election, but may also include anything of value given to retire campaign debt. A.R.S. § 16-901(5). Candidates in the municipal elections during the 2013 election cycle may accept contributions up to the maximum for the general election (or runoff election) and may accept additional contributions up to the maximum for the primary election only to retire debt incurred by the candidate's primary committee.

Conclusion

The Legislature changed the campaign finance system for candidates in Arizona state elections when it enacted H.B. 2593. A candidate now has the ability to accept funds for the primary election and for the general election, up to statutory maximums. The candidate must establish an accounting system to accurately register contributions made in each election. The candidate may transfer funds and debts between the two accounts in accordance with campaign finance statutes. Candidates can accept contributions up to those two maximums at any time before the elections occur, and can continue to accept contributions up to those maximums after the elections occur to the extent needed to retire debt. The dual contribution limits apply equally to major party candidates who participate in primary elections and non-major party candidates who qualify at the outset of their campaigns for the general ballot. A candidate may only accept contributions for a single primary election and a single general election for the office sought

regardless of whether the particular jurisdiction holds another primary election and general election between the time that the individual files his exploratory or candidate committee and the time that the elections for that office will actually be held. Finally, candidates and their committees are urged to review, and required to comply with, all campaign finance statutes, including those not amended by H.B. 2593.

Eric J. Bistrow
Chief Deputy Attorney General

*Under the Attorney General's policy of avoiding conflicts of interest and the appearance of impropriety, Attorney General Thomas C. Horne has recused himself from any participation in formulating this Opinion. Eric J. Bistrow, Chief Deputy Attorney General, has been designated to serve as the acting Attorney General for purposes of this Opinion.

ARIZONA

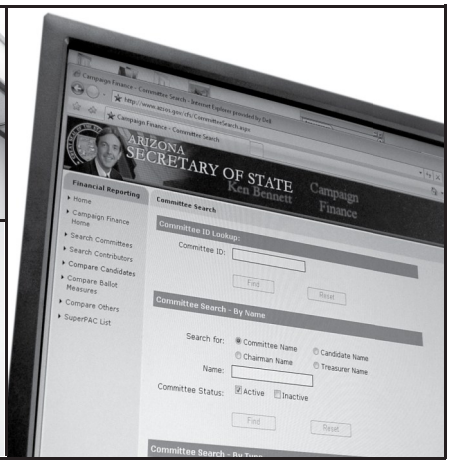
DEPARTMENT OF STATE
Office of Secretary of State
AN ELECTION SERVICES DIVISION PUBLICATION

A filing guide for Arizona's

Campaign Finance

Web-based Reporting System

July 2012



About this publication:

This publication contains information on how to use our online Web-based reporting system. Our staff is available to help you understand your filing requirements with this office.

Ken Bennett

Ken Bennett - Secretary of State

KEN BENNETT
SECRETARY OF STATE
STATE OF ARIZONA

July 2012

Thank you for your interest in learning more about Arizona's campaign finance laws.

Adjusted campaign contribution limits for use in the 2011 - 2012 election cycle are included as the 2012 update to this publication. Arizona Revised Statutes § 16-905 specifically provides for the contribution limits to be adjusted for inflation by the Secretary of State every two years. The Campaign Finance Reporting Dates table has been revised pursuant to H.B. 2779 and precleared by the Department of Justice on July 3, 2012. The Pre-Primary and Pre-General campaign finance reporting dates have been adjusted. A.R.S. § 16-913(B)(2).

Additional copies of this publication can be obtained by calling the office at (602) 542-8683 or 1-877-THE VOTE. This publication can also be downloaded from our website at www.azsos.gov. If you need further assistance, please contact the Election Services Division.

Ken Bennett
Secretary of State

Election Services

Telephone	(602) 542-8683
Toll Free (in Arizona)	(877) 843-8683
Facsimile number	(602) 542-6172
E-mail address	elections@azsos.gov

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www.azsos.gov

Campaign Finance Web-based Reporting System

For SOS Committees Only

Welcome to the Arizona Secretary of State's Campaign Finance Reporting System

The next few screens will guide you through the process of entering your committee information, printing your committee's Statement of Organization, and creating user logins for your committee users.

You must submit a signed Statement of Organization to the Secretary of State. Once your completed Statement of Organization has been accepted, you will receive a confirmation email. No committee activity may begin until your committee's Statement of Organization is accepted by the Secretary of State.

Please be aware that you must submit by mail or in person the signed original printout of the form:

Arizona Secretary of State
Election Services Division
1700 West Washington Street, 7th Floor
Phoenix, AZ 85007-2888

Campaign Finance help desk

Campaign Finance Supervisor	Campaign Finance Assistant
Nancy Read (602) 364-1562	Yolanda Morales (602) 364-4855

The Campaign Finance Web-based Reporting System guide is for the exclusive use of political committees that file campaign finance reports only with the Secretary of State (SOS). This System is NOT a reporting program for political committees that file with County, City and/or Town filing agencies. This guide is printed as an introduction to basic political committee organization, filing and reporting requirements offered to SOS political committees through the web-based reporting system. This web-based program may be viewed on the Secretary of State's website at www.azsos.gov. Campaign Contributions and Expenses definitions and reporting requirements may be found in the Arizona Revised Statutes, Title 16, Chapter 6 (included in this publication) and may also be accessed through the Arizona State Legislature's website at www.azleg.gov. The content and information provided in this guide are subject to change as required by law.

CHAPTER 1

BEFORE YOU GET STARTED

AM I REQUIRED TO FORM A POLITICAL COMMITTEE?

Yes, anytime two or more people work together to influence an election, they qualify as a political committee under Arizona law and must register and file campaign finance reports. A candidate is also required to register a committee and file campaign finance reports. If you are a statewide or legislative candidate, or wish to influence statewide or legislative elections or initiatives, referenda or recalls, you must file with the office of the Secretary of State.

Any entity that makes an independent expenditure and that is organized primarily for the purpose of influencing an election and that is a combination of corporations, limited liability companies or labor organizations or that is a corporation, limited liability company ("LLC") or labor organization that accepts donations or contributions shall file with the filing officer as a political committee. A.R.S. § 16-914.02(K). Otherwise, corporations, LLC's and labor organizations are not required to register as a political committee if making independent expenditures and should reference the Arizona Secretary of State Independent Expenditures Handbook. A.R.S. §§ 16-914.02(A-I).

WHAT TYPE OF POLITICAL COMMITTEE SHOULD I FORM?

That depends on what type of election you wish to influence, and how you intend to do so.

WHAT TO DO FIRST?

After determining which type of committee to form, you will need to visit the Secretary of State's website to register before you may raise and spend money, distribute literature or advertisements, or circulate petitions. You must submit a signed Statement of Organization. Once your completed Statement of Organization has been accepted, you will receive a confirmation email. No committee activity may begin until your committee's Statement of Organization is accepted by the Secretary of State.

COMMITTEE TYPES RECOGNIZED BY ARIZONA LAW

Committee TYPES	A.R.S. References
$500 Threshold (Candidate)	16-902.01, 16-903
$500 Threshold (Non-Candidate)	16-902.01
Candidate (Exploratory)	16-901(9), 16-903(G)
Candidate (Non-Participating)	16-961(C), 16-903
Candidate (Participating)	16-961(C), 16-903
Independent Expenditures	16-901(14), 16-905(E)
Independent Expenditures (Standing)	16-901(23), 16-905(E)
New Party	16-801 through 16-807
Officeholder Expenses	41-133
Political Organization	16-901(20), 16-823
Political Organization (Standing)	16-901(23), 16-823

Political Party	16-901(21)
Political Party (Standing)	16-901(23)
Recall	16-901(19)(d)
Segregated Fund	16-901(19)(b), 16-920(A)(3)
Segregated Fund (Standing)	16-901(23)
Support/Oppose (Ballot Measure)	16-912.01, 16-901(19)(c)
Support/Oppose (Candidate)	16-912, 16-901(19)(g)

CERTAIN TYPES OF COMMITTEES MAY QUALIFY FOR SPECIAL STATUS

Committee STATUS	A.R.S. References
Standing Committee (Consolidated Filing Service)	16-901(23), 16-902.1 , 16-913(K)
"Super PAC" (Upper Limit Contributions)	16-905(G)

$500 THRESHOLD COMMITTEES

If the committee will receive or spend less than $500, select either:

- $500 Threshold (Candidate) Exemption Statement committee type.
- $500 Threshold (Non-Candidate) Exemption Statement committee type.

$500 Threshold Exemption committees do not file campaign finance reports and must terminate after each election cycle. If the committee exceeds the $500 threshold limit, the committee must amend the $500 Threshold Exemption Statement and file a Statement of Organization.

CANDIDATE COMMITTEES

If the political committee is a candidate committee, select either:

- Candidate (Exploratory) committee type.
- Candidate (Non-Participating) committee type.
- Candidate (Participating) committee type.

If the candidate wants to become a Clean Elections "Participating Candidate" committee, please refer to page 15 of this manual for further details. Exploratory candidate committees do not have to specify party affiliation or office sought on the "Statement of Organization".

INDEPENDENT EXPENDITURE COMMITTEES

Independent Expenditure committees are formed for the purpose of making independent expenditures that expressly advocate the election or defeat of a candidate without any interaction between the independent expenditure committee, candidate and committee officers.

If they qualify, Independent Expenditure committees may also include the following status:

- (Standing)

AND/OR

- (Super PAC)

For qualifications, refer to the information on Standing Committees and "Super PAC" below.

NEW PARTY COMMITTEES

If the committee will exist for the purpose of creating a new recognized political party in Arizona, select the New Party committee type. New party committees follow the same filing requirements as all other committees.

OFFICEHOLDER EXPENSES

Existing statewide and legislative officeholders may create an "Officeholder Expenses" political committee to report the contributions and expenditures to communicate with their constituents. Officeholder committees file campaign finance reports with the Secretary of State. A.R.S. § 41-133.

POLITICAL ORGANIZATION

Political Organizations are committees formally affiliated with a recognized political party organized pursuant to A.R.S. § 16-823.

If they qualify, Political Organization committees may also include the following status:

- (Standing)

AND/OR

- (Super PAC)

For qualifications, refer to the information on Standing Committees and "Super PAC" below.

POLITICAL PARTY

A Political Party is a "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."

If they qualify, Political Party committees may also include the following status:

- (Standing)

AND/OR

- (Super PAC)

For qualifications, refer to the information on Standing Committees and "Super PAC" below.

RECALL

A non-candidate committee organized to circulate or oppose a recall petition or to influence the result of a recall election.

SEGREGATED FUND

A separate, segregated fund established by a corporation or labor organization pursuant to A.R.S. § 16-920(A)(3).

If they qualify, Segregated Fund committees may also include the following status:

- (Standing)

AND/OR

- (Super PAC)

For qualifications, refer to the information on Standing Committees and "Super PAC" below.

SUPPORT/OPPOSE (BALLOT MEASURE)

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

SUPPORT/OPPOSE (CANDIDATE)

A political committee organized in support of or opposition to one or more candidates.

STANDING COMMITTEE (CONSOLIDATED FILING SERVICE)

A political committee must be active in more than one reporting jurisdiction in Arizona for more than one year and must be either a separate segregated fund, a political party, a committee organized for the purpose of making independent expenditures, or a political organization. A standing committee is only required to file with the Secretary of State and is exempt from the filing requirements of any other Arizona jurisdiction. (A.R.S. §16-913). Standing Committees pay an annual fee of $250.00.

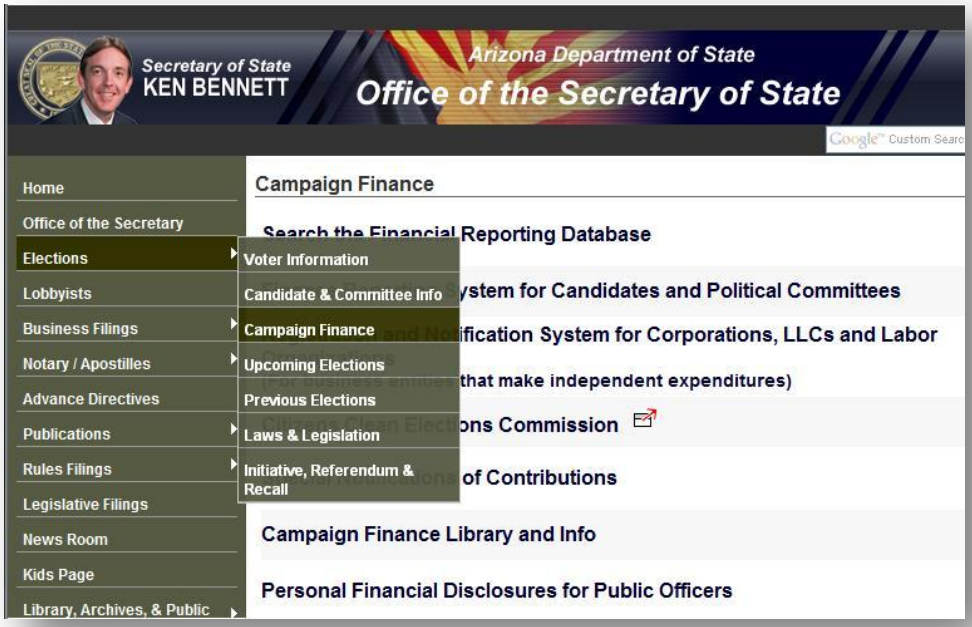
"SUPER PAC" (UPPER LIMIT CONTRIBUTIONS)

Only established political committees registered with the Secretary of State may give contributions to candidates at a higher contribution limit. "Super PAC" political committees must have received contributions in the amount of $10.00 or more from 500 contributors in the year before requesting "Super PAC" status. A certificate for "Super PAC" is valid for two years.

CHAPTER 2

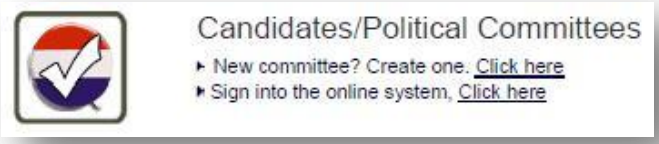
CAMPAIGN FINANCE WEB-BASED REPORTING SYSTEM GETTING STARTED—THE BASICS

- Go to the Arizona Secretary of State's website at www.azsos.gov. Using the menu at the left of the webpage, click on:
  - Elections
  - Campaign Finance
  - Finance Reporting System for Candidates and Political Committees



- Alternatively, you may click on the links seen in **Figure 1**, next page, located on the main Secretary of State webpage at www.azsos.gov.

Figure 1



- If you have an existing **User Name** and need to amend your current Statement of Organization, skip to page 18-21.

- If you need to create a new committee, the next few steps will help you establish your political committee.

There are 4 STEPS to Establish Your Political Committee:

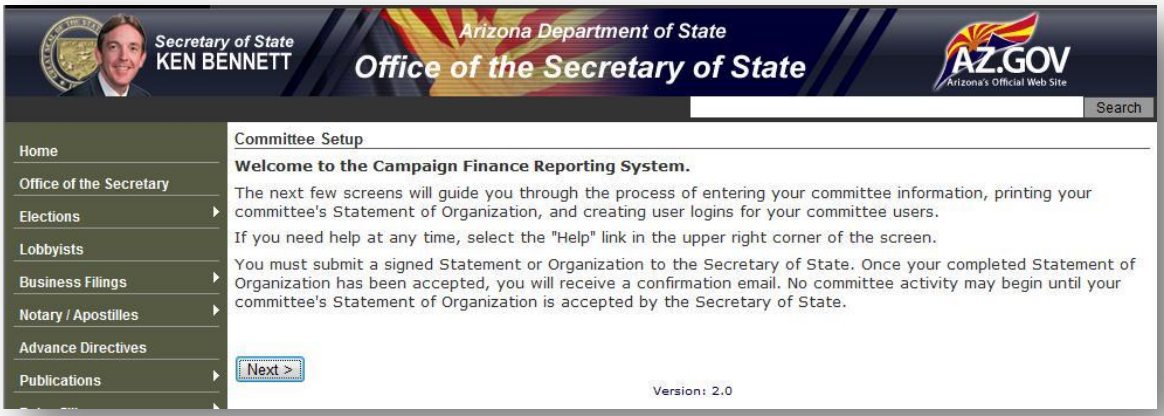
1. Committee Setup
2. Committee Member Selection
3. User Setup
4. Print Statement of Organization or $500 Threshold Exemption Statement

The next few screens will guide you through the process of entering your committee information, printing your committee's Statement of Organization, and creating user logins for your committee users.

You must submit a signed Statement or Organization to the Secretary of State. Once your completed Statement of Organization has been accepted, you will receive a confirmation email.

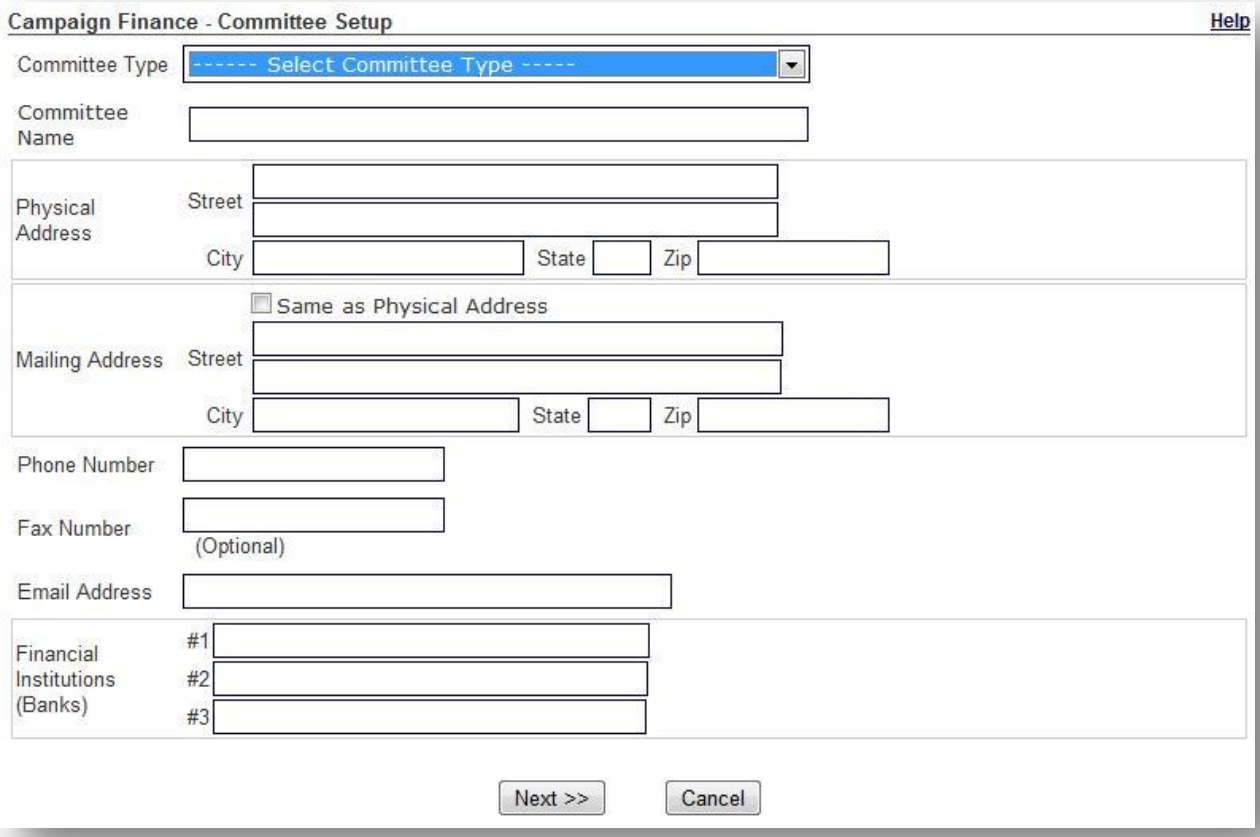
- Begin by selecting "**Create New Committee**"

- First you will see a **Welcome screen**.
- Click on the Next >> button to continue.

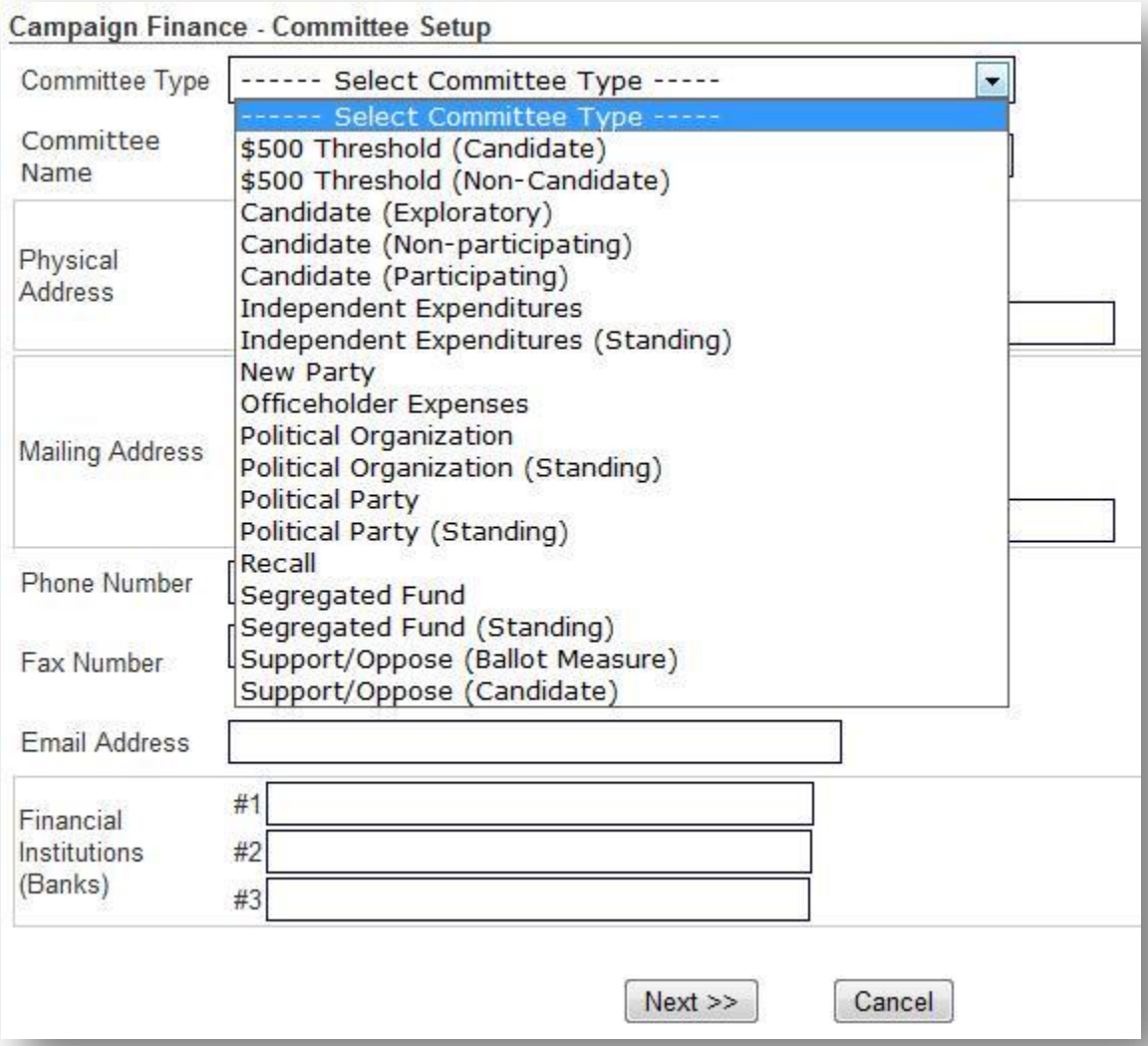


STEP 1: Committee Setup

The next screen will allow you to enter the information required to form your committee. Note the **Help** link in the upper right-hand corner of the screen, which gives additional information on the different committee types.



- Use the pull down menu to select your **committee type**.
- Complete the remaining fields.
- Once complete, select Next >> to continue



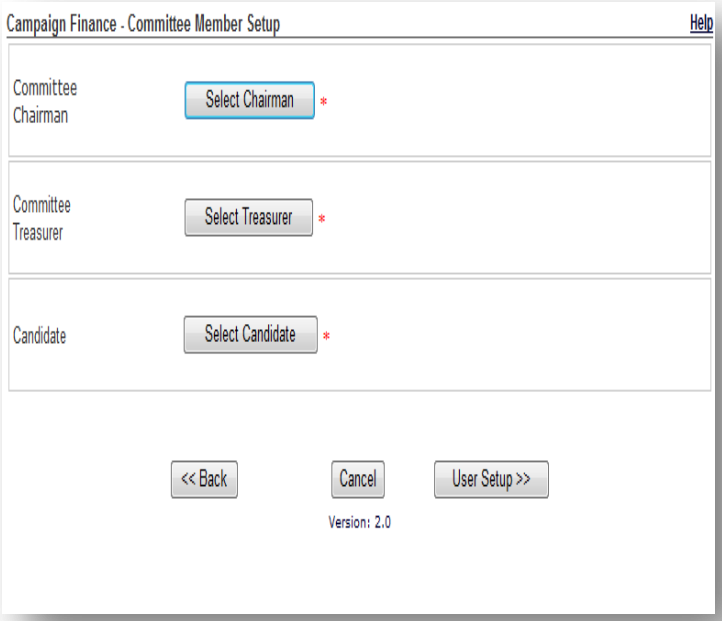
STEP 2: Committee Member Selection

Each committee must have a chairman and treasurer.

- ✓ For Candidate Committees, the candidate may serve as both chairman and treasurer
- ✓ For $500 Threshold Committees, enter Sponsoring Organization, if any
- ✓ For ALL other committees, the chairman and treasurer must be different individuals

The campaign finance database contains names of current and former political committee members to choose from, or you may add a new name to the database. In order to add a new name, you must first click on "Select Chairman", "Select Treasurer", etc.
Follow the process below for selecting a Chairman, Treasurer and Candidate

Example below for Statement of Organization



- The system already contains names and contact information for current and former political committee members.
- First, search for your Committee Members (Chairman, Treasurer, and if Candidate)
- Click on the buttons as applicable

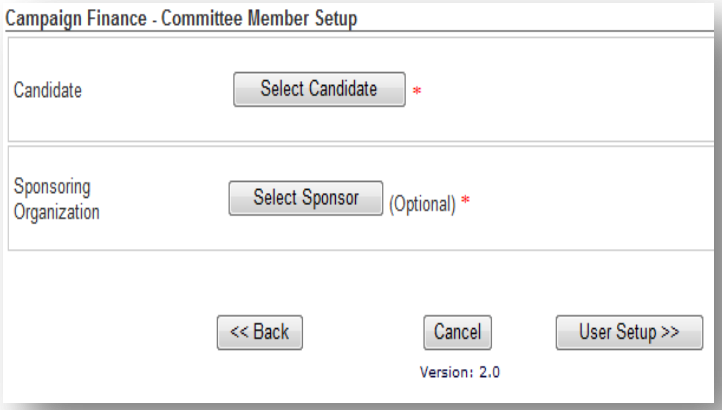
Select Chairman Select Chairman

Select Treasurer Select Treasurer

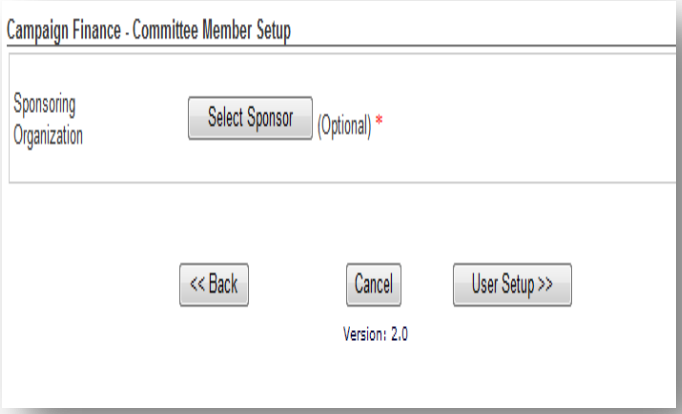
Select Candidate Select Candidate

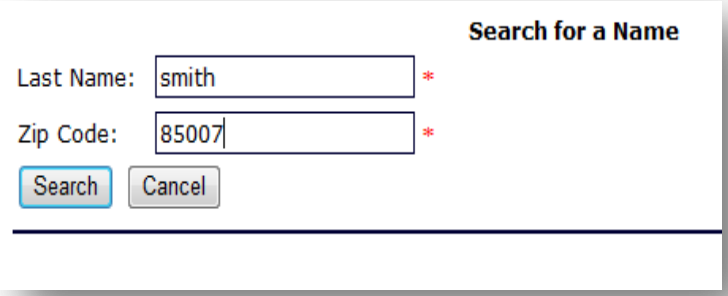
After selecting one, continue to the **Search for a Name** instruction (below)

Example below for <u>Candidate</u> $500 Threshold Exemption Statement



Example below for <u>non-candidate</u> Committee $500 Threshold Exemption Statement



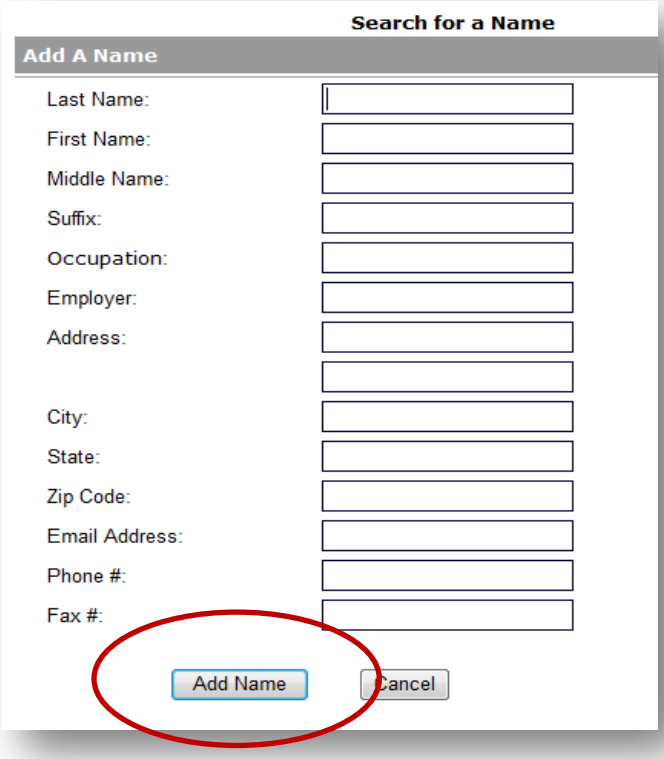


- Once you select a committee member type, the **Search for a Name** screen will appear

- Type in the **Last Name** and **Zip Code** of either the Candidate, Treasurer or Chairman and click Search

STEP 2: Committee Member Setup (continued)

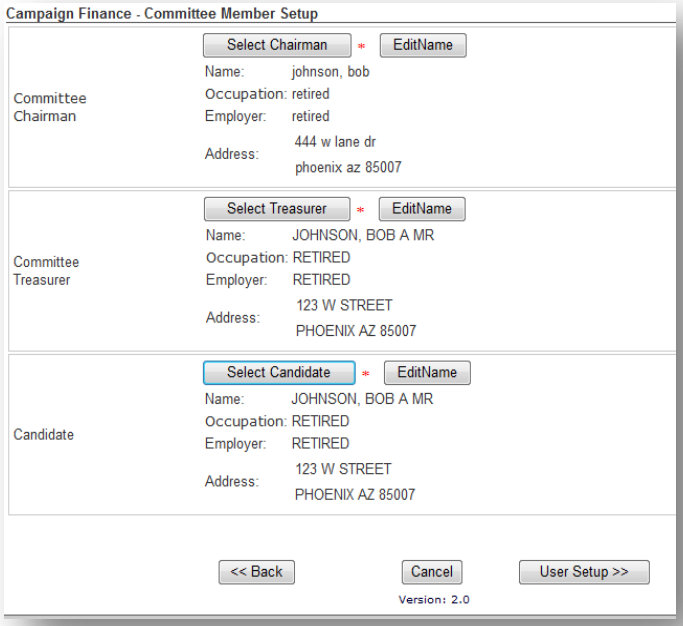
- If the name is found, the name will appear on the screen
- If found, **Select** the name (Chairman, Treasurer, or Candidate)
- If name is not found, click on "**Click here to add a new name**" **(link appears in blue)**



- The **Add a Name** window appears. To add a name, complete the required information, pressing the TAB key between fields
- Click on **Add Name**

- Note: The individual's information will now be added to the SOS Campaign Finance database
- Complete all required fields

STEP 2: Committee Member Setup (continued)



- Complete the same process for Treasurer and Candidate
- Click **User Setup**

to continue

STEP 3: User Setup

Committee users are able to log onto the web site and perform committee functions allowed by their privilege level. Your committee must at all times have at least one Administrator user. You may create as many users as you like. To establish a new user follow the steps in this section.

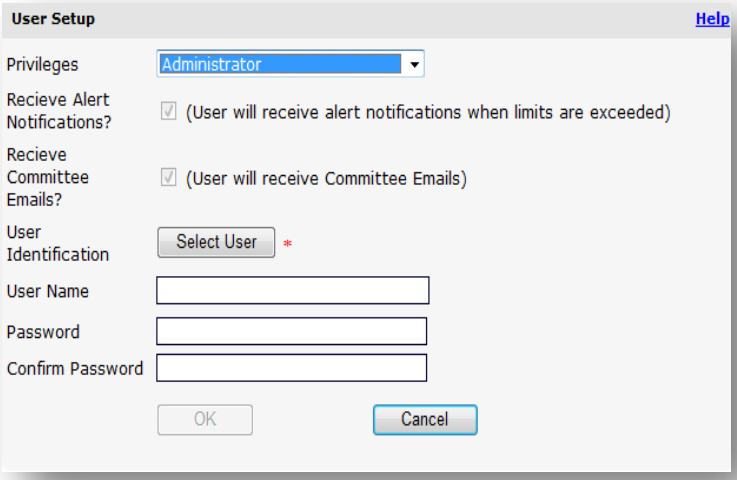
As you begin **User Setup**, please remember there must be at least one user with **administrative** privileges; a warning message will appear if none are chosen **The creator of the account will automatically have administrative privileges.**

Use the **Help** for information on selecting a Privilege Level

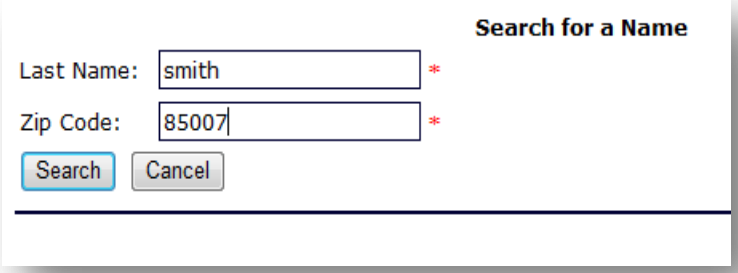
To add users:

- Click on **Add New User**

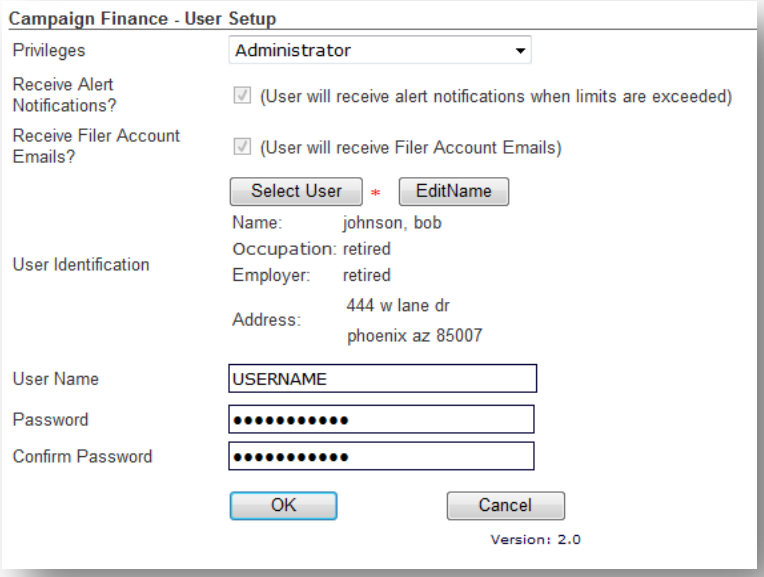
STEP 3: User Setup (continued)



- Choose the Privilege Level from the pull down menu (REMEMBER – THERE MUST BE AT LEAST ONE **ADMINISTRATOR**)
- Click on **Select User**

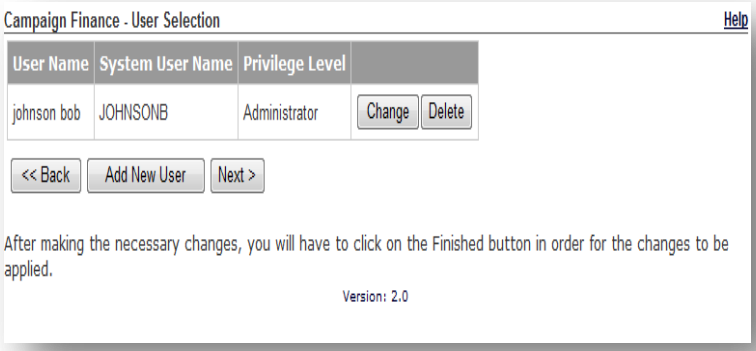


- The **Search for a Name** window will appear for selecting the new user
- Use the same methodology from Step 2, on pp. 8-9 on how to **Search for a Name**



- After selecting an existing user or adding a new user, the **User Setup** screen will be displayed with the user's information
- In the **User Name** field, enter a User Name that is at least 6 characters long
- In the **Password** field, enter a password that is at least 6 characters long
- In **Confirm Password**, re-type your password correctly
- Select **OK**

STEP 3: User Setup (continued)



- The screen with the added users now appears
- To add additional users to the committee, repeat the above steps.
- If done, select **Next** to continue to the next step

STEP 4: Statement of Organization or $500 Threshold Exemption Statement

- You have now created your committee
- Print the Statement of Organization or $500 Threshold Exemption Statement. Click on to view and print the form. After printing the form, close the PDF window, the campaign finance system will log out
- Obtain signatures of chairman, treasurer and candidate or designated individual on page 2. Standing Committees signatures must be notarized.
- Your committee is not active until our office receives the original. Submit the signed original printout of the form, either by mail or in person, to:

Arizona Secretary of State
Election Services Division
1700 West Washington, 7th floor
Phoenix, AZ 85007-2888

Example of Statement of Organization (Page 1 of 2)

☐ Initial Registration
☐ Amended Statement
☐ Out of State Committee
☐ Standing Political Committee

STATE OF ARIZONA
POLITICAL COMMITTEE
STATEMENT OF ORGANIZATION

Titles 16 & 19, Arizona Revised Statutes
Definitions, statutory references and important information on page 2.

		COMMITTEE ID NUMBER	
NAME OF POLITICAL COMMITTEE (For ballot measure committee, name shall include official petition serial number)		DATE	
TYPE OF COMMITTEE	BALLOT MEASURE ☐ SUPPORT ☐ OPPOSE		
COMMITTEE ADDRESS	CITY	STATE	ZIP
COMMITTEE MAILING ADDRESS (If different from above)	CITY	STATE	ZIP
COMMITTEE TELEPHONE #	COMMITTEE FAX #	COMMITTEE EMAIL ADDRESS	
NAME OF SPONSORING ORGANIZATION (If applicable)	TYPE OF ORGANIZATION		
ADDRESS OF SPONSORING ORGANIZATION	RELATIONSHIP TO POLITICAL COMMITTEE		

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 OR HER OWN CAMPAIGN COMMITTEE. A.R.S. § 16-902(A).

NAME OF COMMITTEE CHAIRMAN	CHAIRMAN'S TELEPHONE #	CHAIRMAN'S FAX #	
CHAIRMAN'S ADDRESS	CITY	STATE	ZIP
CHAIRMAN'S OCCUPATION	CHAIRMAN'S EMPLOYER	CHAIRMAN'S EMAIL ADDRESS	
NAME OF COMMITTEE TREASURER	TREASURER'S TELEPHONE #	TREASURER'S FAX #	
TREASURER'S ADDRESS	CITY	STATE	ZIP
TREASURER'S OCCUPATION	TREASURER'S EMPLOYER	TREASURER'S EMAIL ADDRESS	

BEFORE A COMMITTEE ACCEPTS A CONTRIBUTION OR MAKES AN EXPENDITURE IT SHALL DESIGNATE AT LEAST ONE ACCOUNT AT A QUALIFIED FINANCIAL INSTITUTION. A.R.S. § 16-902(C). LIST THE NAMES OF ALL FINANCIAL INSTITUTIONS WITH WHICH THE COMMITTEE MAINTAINS ACCOUNTS OR SAFETY DEPOSIT BOXES. (Do not list account numbers.)

1.	2.	3.

FOR A CANDIDATE'S CAMPAIGN COMMITTEE OR AN EXPLORATORY COMMITTEE, PROVIDE THE FOLLOWING INFORMATION:
(For Exploratory Committees party affiliation and office sought are optional.)

NAME OF CANDIDATE OR DESIGNATING INDIVIDUAL ("DI")		ELECTION CYCLE	
CANDIDATE OR DI'S TELEPHONE #	CANDIDATE OR DI'S FAX #	COUNTY OF RESIDENCE	
CANDIDATE OR DI'S ADDRESS	CITY	STATE	ZIP
CANDIDATE OR DI'S EMAIL ADDRESS	PARTY AFFILIATION	OFFICE SOUGHT	

PAGE 1 of 2 Office Revision 7/11

Example of "Statement of Organization" (Page 2 of 2)

Committee ID:

Date:

Form ID:

STATE OF ARIZONA
POLITICAL COMMITTEE
STATEMENT OF ORGANIZATION

YOUR APPLICATION IS NOT COMPLETE WITHOUT THE REQUIRED SIGNATURES BELOW:

BOX 1 All committees require the signature of both the chairman and treasurer. Standing Committees, see BOX 3 below.

CHAIRMAN'S AND TREASURER'S STATEMENT: We, the undersigned chairman and treasurer, have read all of the applicable laws relating to campaign finance and reporting and have examined the information contained in this statement of organization and, to the best of our knowledge and belief, it is true, correct and complete.

Date: _____ **Chairman's signature:** _____

Date: _____ **Treasurer's signature:** _____

BOX 2 *Complete and sign this additional box only if the committee is a candidate's campaign committee or exploratory committee.*

DESIGNATING INDIVIDUAL OR CANDIDATE'S STATEMENT: I authorize the above-named political committee as my political committee to receive contributions and make expenditures on my behalf.

Date: _____ **IM's or Candidate's signature:** _____

BOX 3 *Complete and notarize this box only if the committee has been in existence for more than one year and is filing for Standing Committee status.*

STANDING POLITICAL COMMITTEE'S STATEMENT (if applicable) (A.R.S. §16-902.1): I/we hereby declare the status of this political committee as a standing political committee.

Date: _____ **Chairman's signature:** _____

Date: _____ **Treasurer's signature:** _____

State of Arizona)
) ss.
County of _____)

SUBSCRIBED AND SWORN TO before me this _____

_____ **My Commission Expires:** _____
Notary Public

State of Arizona)
) ss.
County of _____)

SUBSCRIBED AND SWORN TO before me this _____

_____ **My Commission Expires:** _____
Notary Public

DEFINITION OF POLITICAL COMMITTEE: A.R.S. § 16-901(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 in connection therewith, notwithstanding that the association or combination of persons may be a 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.

NOTE FOR INDIVIDUALS INVOLVED IN POLITICAL ACTIVITIES:
An individual, acting alone, is not a political committee under Arizona law and need not file a statement of organization. If any additional person or persons join the effort (as defined above in A.R.S. § 16-901(19)) begun by an individual, the association of persons has become a "political committee" under Arizona law, and must file a statement of organization before accepting contributions, making expenditures, distributing literature or circulating petitions. A.R.S. § 16-902.01(A).

NOTE FOR THOSE INVOLVED IN INITIATIVE, REFERENDUM AND RECALL EFFORTS:
Before circulating initiative, referendum or recall petitions, a political committee must file its statement of organization with the appropriate filing office. Signatures obtained on petitions prior to the filing of the statement of organization are void and shall not be counted in determining the legal sufficiency of the petition. A.R.S. §§ 19-114(B) and 19-202(C). Even though an individual, acting alone, may begin the initiative, referendum or recall effort, as soon as other persons join the effort, the association of persons must register as a political committee. The statement of organization must be filed regardless of whether the committee intends to accept contributions or make expenditures.

PAGE 2 of 2 Office Revision 7/11

Citizens Clean Elections Commission: Participating Candidates ONLY

PARTICIPATING CANDIDATES will initially see the notice to print the Application for Certification as a Participating Candidate before printing the Statement of Organization

- Click on Application for Certification [Application for Certification] to view and print the form. After printing the form, close the PDF window and the system will return to the campaign finance screen
- Click Next [Next >>] to view and print the Statement of Organization
- Click on [Print Statement] to view and print the form. After printing the form, close the PDF window and the campaign finance system will log out
- SUBMIT THE SIGNED ORIGINAL PRINTOUT OF THE FORM, EITHER BY MAIL OR IN PERSON, TO:

Arizona Secretary of State
Election Services Division
1700 West Washington, 7th floor
Phoenix, AZ 85007-2888

IN ORDER TO BECOME A PARTICIPATING CANDIDATE, a candidate must do the following:

- File a completed Application for Certification as a Participating Candidate with the Secretary of State.
- Sign and have notarized the Application for Certification, then submit the application to the Secretary of State.

The Citizen's Clean Elections Commission (CCEC) will review a copy of your application and accept or deny your application within seven days after submittal.

Contact the Citizens Clean Elections Commission for additional information on Participating Candidates.

1616 W. Adams, Suite 110
Phoenix, AZ 85007
(602) 364-3477
www.azcleanelections.gov

IMPORTANT: YOUR COMMITTEE WILL INITIALLY BE CREATED AS A NON-PARTICIPATING CANDIDATE COMMITTEE AND THE STATEMENT OF ORGANIZATION PRINTED IN THE FOLLOWING STEP WILL REFLECT THAT. ONCE THE CCEC ACCEPTS YOUR APPLICATION FOR CERTIFICATION, YOUR COMMITTEE TYPE WILL AUTOMATICALLY CHANGE TO PARTICIPATING. PARTICIPATING CANDIDATES DO NOT RECEIVE FUNDING UNTIL THEY QUALIFY BY SUBMITTING A MINIMUM AMOUNT OF NOMINATING SIGNATURES AND $5.00 QUALIFYING CONTRIBUTIONS.

Example of "Application for Certification as a Participating Candidate" (Page 1 of 2)

0000062541

☐ Initial Application
☐ Amended Application

STATE OF ARIZONA
APPLICATION FOR CERTIFICATION
AS A PARTICIPATING CANDIDATE

Pursuant to Arizona Revised Statutes §§16-947 and 948 and AAC R2-20-104 (D)

COMMITTEE ID NUMBER
201200005

NAME OF CANDIDATE JOHN A SMITH MR				DATE 03/14/2011
OFFICE SOUGHT STATE SENATOR - DISTRICT NO. 19	PARTY AFFILIATION DEMOCRATIC	ELECTION CYCLE 2012		
CANDIDATE'S ADDRESS 12345 NW AVENUE		CITY PHOENIX	STATE AZ	ZIP 85007
CANDIDATE'S TELEPHONE # (602) 555-5555	CANDIDATE'S FAX #	CANDIDATE'S EMAIL ADDRESS JOHNSMITH@EMAIL.COM		
NAME OF POLITICAL COMMITTEE JOHN SMITH				
COMMITTEE ADDRESS 12345 NW AVENUE		CITY PHOENIX	STATE AZ	ZIP 85007
COMMITTEE MAILING ADDRESS (if different from above) 12345 NW AVENUE		CITY PHOENIX	STATE AZ	ZIP 85007
COMMITTEE TELEPHONE # (602) 555-5555	COMMITTEE FAX #	COMMITTEE EMAIL ADDRESS JOHNSMITH@EMAIL.COM		
NAME OF DESIGNATED INDIVIDUAL WITH AUTHORITY TO WITHDRAW FUNDS (IF APPLICABLE) (A.R.S. §16-948)				
DESIGNATED INDIVIDUAL'S ADDRESS		CITY	STATE	ZIP
DESIGNATED INDIVIDUAL'S TELEPHONE #	DESIGNATED INDIVIDUAL'S FAX #	DESIGNATED INDIVIDUAL'S EMAIL		
LIST THE NAME OF THE FINANCIAL INSTITUTION FROM WICH THE CANDIDATE AND THE DESIGNATED INDIVIDUAL WILL CONDUCT ALL FINANCIAL ACTIVITY FOR THE CANDIDATE'S CAMPAIGN COMMITTEE (Do not list account numbers). (A.R.S. §16-948(A))				
NAME OF FINANCIAL INSTITUTION BANK				

DESIGNATED CANDIDATE'S STATEMENT (if applicable) **(A.R.S. §16-948(B)): I hereby designate_____ as my duly authorized Designated Individual, with the authority to withdraw funds and make expenditures from my campaign account on my behalf.**

_____

Candidate's Signature Date

PAGE 1 of 2 Office Revision 9/07

Example of "Application for Certification as a Participating Candidate" (Page 2 of 2)

Committee ID:	201200005
Date:	03/14/2011
Form ID:	0000062541

Application for Certification – Part II

CANDIDATE AND DESIGNATED INDIVIDUAL'S STATEMENT (*A.R.S. §16-947*):

I, the undersigned, upon my oath and under penalty of perjury, certify that the following statements are true and accurate to the best of my knowledge and belief:

1. I have complied with the restrictions of A.R.S. §16-941 (A) during the election cycle to date, which are as following:
   a) Not accepted contributions other than early contributions as specified in A.R.S. §16-945;
   b) Not made expenditures that exceed the candidate's personal money limit; and
   c) Conducted all financial activity through a single campaign account.
2. I will continue to comply with the restrictions in paragraph 1 during the remainder of the election cycle and will:
   a) Not make expenditures in the primary election period in excess of the adjusted primary election spending limit;
   b) Not make expenditures in the general election period in excess of the adjusted general election spending limit; and
   c) Return unused monies to the fund in accordance with A.R.S. § 16-953.
3. I have filed all campaign finance reports required under Title16, Chapter 6, Article I, during the election cycle to date, and the reports are complete and accurate.
4. I agree to use all Clean Election funding for direct campaign purposes only.
5. I will file, with this application, a campaign finance report showing all campaign activity to date in the current election cycle.
6. I will comply with all requirements of the Act and Commission rules.
7. I am subject to all enforcement actions by the Commission as authorized by the Act and Commission rules.
8. I have the burden of proving that expenditures made by or on behalf of the candidate were for direct campaign purposes.
9. I will keep and furnish to the Commission all documentation relating to expenditures, receipts, funding, books, records (including bank records for all accounts), and supporting documentation and other information that the Commission may request in accordance with Commission rules.
10. I will permit an audit and examination of all receipts and expenditures including those made by the candidate, the candidate's authorized committee, or any agent or person authorized to make expenditures on behalf of the candidate or committee. The candidate and the candidate's authorized committee shall also provide any material required in connection with an audit, investigation, or examination conducted by the Commission. The candidate and authorized committee shall facilitate the audit and examination and shall pay any amounts required to be repaid.
11. I will submit the name and mailing address of the person who is entitled to receive equalizing fund payments on behalf of the candidate and the name and address of the campaign depository designated by the candidate. Changes in the information required by this paragraph shall not be effective until submitted to the Commission in a letter signed by the candidate or the committee treasurer.
12. I will pay any civil penalties included in a conciliation agreement or otherwise imposed against the candidate.
13. I will file all campaign finance reports with the Secretary of State in an electronic format in a timely manner.

State of Arizona)
) ss.
County of _____)

_____
Candidate's Signature

SUBSCRIBED AND SWORN TO before me this_____day

of _____20_____.

_____
Notary Public

State of Arizona)
) ss.
County of_____)

_____
Designated Individual's Signature

SUBSCRIBED AND SWORN TO before me this_____day

of_____20_____.

_____
Notary Public

Page 2 of 2 Office Revision 9/07

Important additional information:

After your committee has filed the Statement of Organization with the Secretary of State's office, your committee will receive a confirming email (at the committee email address you provided) informing your committee that the Statement of Organization has been accepted. Once you have received this email, your political committee may accept contributions, make expenditures, distribute literature and obtain signatures on petitions.

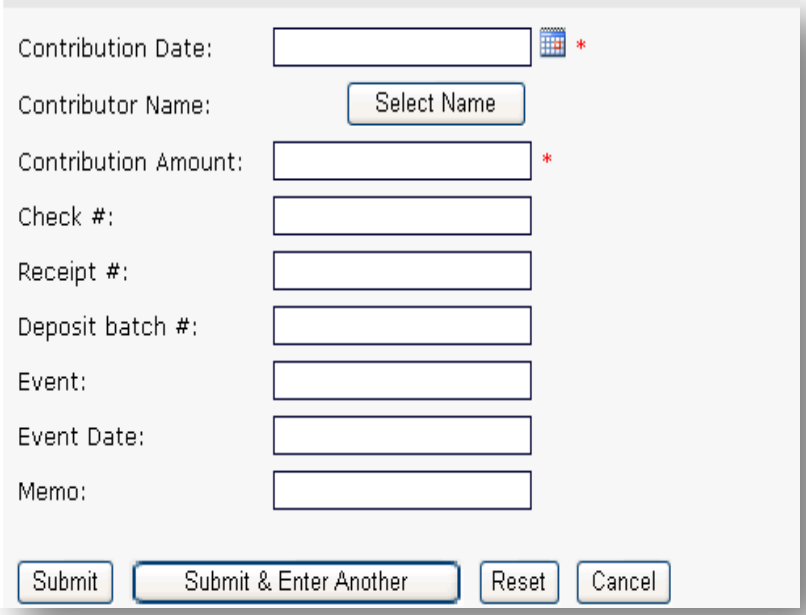
CHAPTER 3

INTRODUCTION TO THE TRANSACTION SCREENS

As you begin to use the web-based reporting system, please remember that an on-screen **HELP** assistance is always close and available. The detailed **HELP** feature is located on each screen in the upper right hand corner and will provide the "what to do next" as you become familiar with the campaign finance reporting program. To report your committee's campaign contributions and expenditures, the committee will utilize the following transaction screens displayed below:

INCOME - To record contributions, refunds and interest
EXPENSES - For entering your committee's expenses paid
LOANS – For receiving or paying on loans to the committee
ACCOUNTS & TRANSACTIONS – View current account balances and search for transactions
REPORTS - To view or file campaign finance reports.
FILER ACCOUNT MANAGEMENT - For maintenance to your committee information.

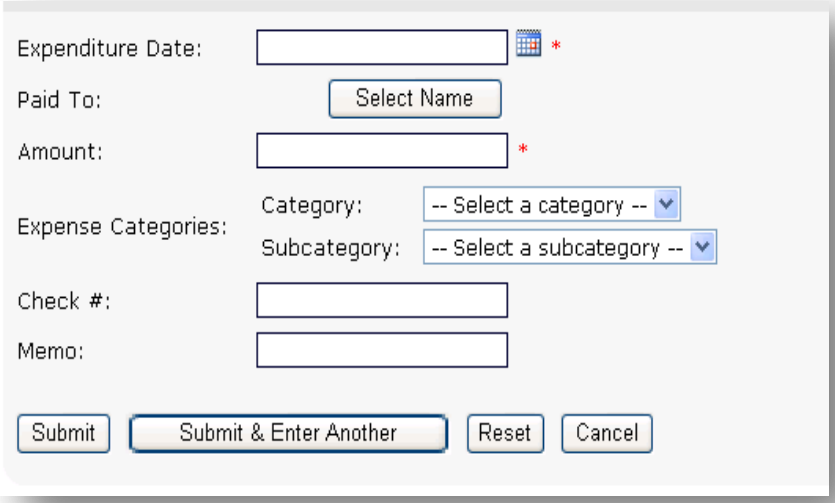
INCOME- Entering Committee's Income



INCLUDES:

- Contributions
- Refunds, Credits, Rebates
- Interest and Dividends
- Shared Expense Payment from a Committee
- Other Income

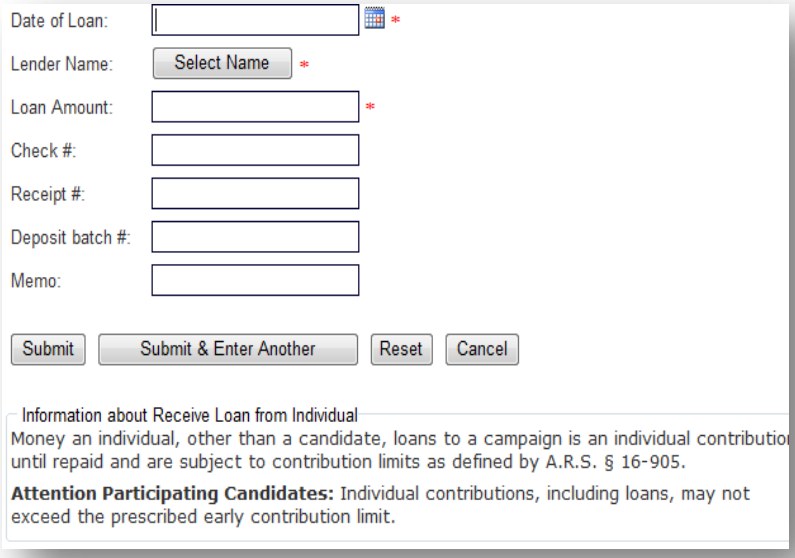
EXPENSES - Entering Committee's Expenses



INCLUDES:

- Immediate Cash/Check Expenditure
- Purchase on Terms/Credit
- Pay on Terms/Credit
- Add Sub-Vendor to Transaction
- Expend In-Kind Contribution
- Contribute to Another Committee
- Pay Another Committee for Shared Expense
- Give Refund

LOANS



INCLUDES:

- Create New Loan
- Receive or Pay on Existing Loan
- Accrue Interest

ACCOUNTS & TRANSACTIONS

INCOME	Activity Since Last Report			Total To Date
	Cash	Other	Total	
Personal and Family Contributions	$0.00	$0.00	$0.00	$0.00
Individual Contributions	$0.00	$0.00	$0.00	$0.00
Contributions from Political Committees	$0.00	$0.00	$0.00	$0.00
Business Contributions	$0.00	$0.00	$0.00	$0.00
Small Contributions (less than $25)	$0.00	$0.00	$0.00	$0.00
CCEC Funding and Matching	$0.00	$0.00	$0.00	$0.00
Qualifying Contributions	$0.00	$0.00	$0.00	$0.00
Loans Made To This Committee	$0.00	$0.00	$0.00	$0.00
Other Receipts Including Interest and Dividends	$0.00	$0.00	$0.00	$0.00
Transfers From Other Committees	$0.00	$0.00	$0.00	$0.00
Cash Surplus from Previous Committee	$0.00	$0.00	$0.00	$0.00
TOTAL INCOME	**$0.00**	**$0.00**	**$0.00**	**$0.00**

EXPENDITURES	Activity Since Last Report			Total To Date
	Cash	Other	Total	
Operating Expenses	$0.00	$0.00	$0.00	$0.00
Independent Expenditures	$0.00	$0.00	$0.00	$0.00
Contributions to Other Committees	$0.00	$0.00	$0.00	$0.00
Other Expenses	$0.00	$0.00	$0.00	$0.00
Transfers To Other Committees	$0.00	$0.00	$0.00	$0.00
Loans Made by This Committee	$0.00	$0.00	$0.00	$0.00
Expenditure of In-Kind Contributions	$0.00	$0.00	$0.00	$0.00
Disposal of Surplus Cash	$0.00	$0.00	$0.00	$0.00
TOTAL EXPENDITURES	**$0.00**	**$0.00**	**$0.00**	**$0.00**
Bill Payments (for previous expenditures)	**$0.00**			**$0.00**
TOTAL CASH DISBURSED	**$0.00**			
CURRENT CASH BALANCE				**$0.00**

INCLUDES:

- Current Account Balances
- Search Transactions

REPORTING - Filing Campaign Finance Reports

Reports Currently Due

Report Due Date	Action		Report Name	Status
10/02/2008	File	Preview	Period Report - Post-Primary Election Report	10 Days Late
10/23/2008	File	Preview	Period Report - Pre-General Election Report	Due By 10/23/2008

Upcoming Reports

Earliest Day to File	Last Day to File	Report Name	Status
11/25/2008	12/04/2008	Period Report - Post-General Election Report	Upcoming

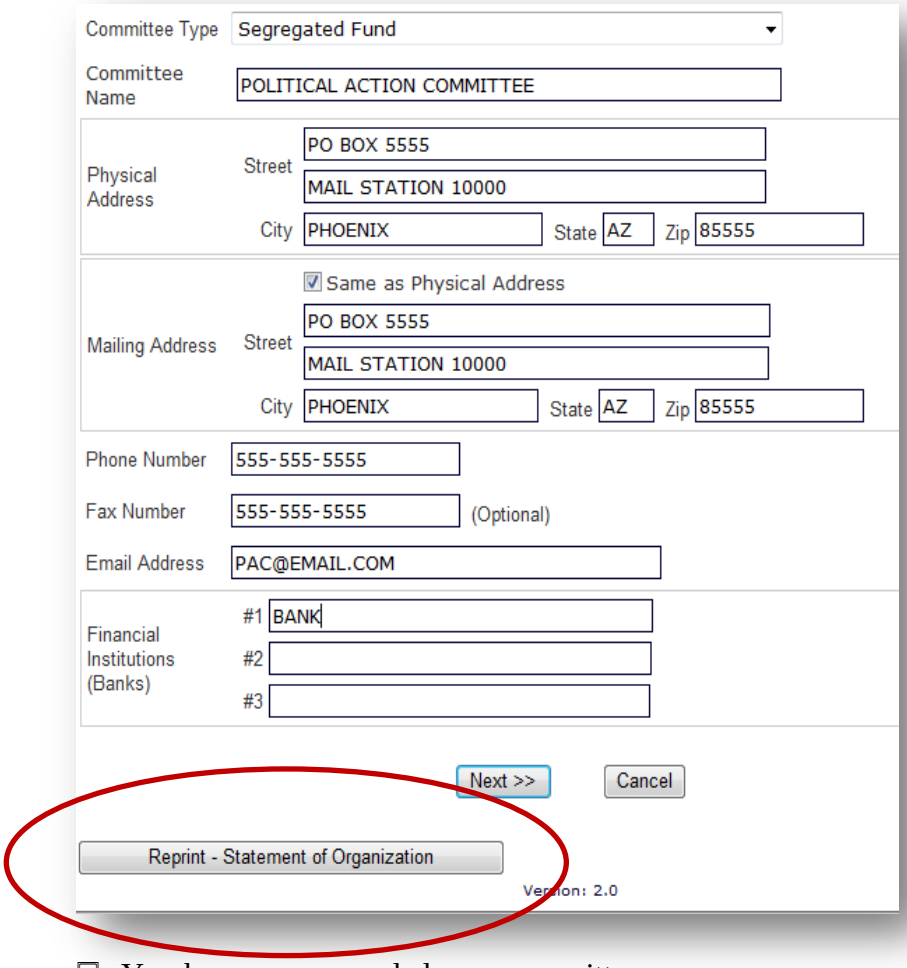
Reports Filed This Cycle

Report Due Date	Date Filed	Report Name	Status
01/31/2008	01/28/2008	Period Report - January 31st Report	On Time
06/30/2008	06/29/2008	Period Report - June 30th Report	On Time
07/01/2008	07/02/2008	Trigger Report - July #1	1 Day Late
09/01/2008	09/01/2008	Trigger Report - September #1	On Time
08/21/2008	08/21/2008	Period Report - Pre-Primary Election Report	On Time

INCLUDES:

- File or View a Report
- On Demand IE Trigger Report
- Amend Previous Report
- $5 CCEC Qualifying Contributions
- All Transactions Report
- Export to an Excel Spreadsheet (XLS) or a Comma Separated Values (CSV)

FILER ACCOUNT MANAGEMENT – Maintaining and Amending Committee Information



INCLUDES:

- Committee Management
- User Management
- Become a Participating Candidate
- Terminate Committee
- My User Information
- Transfer In Previous Committee's Surplus
- Transfer In/Out Previous/Remaining Committee Debt
- Dispose of Remaining Committee Surplus

- You have now amended your committee
- Print the Amended Statement of Organization or $500 Threshold Exemption Statement. Click on "Reprint-Statement of Organization" to view and print the form. After printing the form, close the PDF window, the campaign finance system will log out
- Obtain signatures of chairman, treasurer and candidate or designated individual on page 2. Signatures for Standing Committees must be notarized.
- Your committee information is not updated until our office receives the original, signed form.
- Submit the signed original printout of the form, either by mail or in person, to:

Arizona Secretary of State
Election Services Division
1700 West Washington, 7th floor
Phoenix, AZ 85007-2888

CHAPTER 4

QUESTIONS & ANSWERS

1. **Who must file Campaign Finance Reports?**
   Once you file a Statement of Organization to register a political committee, the committee shall file campaign finance reports setting forth the committee's receipts and disbursements. A.R.S. § 16-913. In some situations, the committee may file a No Activity Statement. (See related question, "What if I have nothing to report?")

2. **What is a political committee?**
   A political committee is 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, that engages in political activity on 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 except those exempt pursuant to A.R.S. § 16-903, that receives contributions or makes expenditures in connection therewith. Examples of political committees may be found in A.R.S. § 16-901(19) and in Chapter 1 of this handbook.

   All committees must register with each jurisdiction in which they are active. There is an exemption from registration for a religious assembly or institution that does not spend a substantial amount of time or assets on influencing any federal, state or local legislation or any ballot issues. The exemption does not apply if such a group is formed for a candidate or recall election.

3. **How do I register my committee?**
   Each political committee must file either a Statement of Organization or a $500 Threshold Exemption Statement with the filing officer in each jurisdiction in which the committee will be active before accepting contributions, making expenditures, distributing any campaign literature or circulating petitions. If the committee intends to accept contributions or make expenditures of more than five hundred dollars, the committee must file a Statement of Organization and file campaign finance reports; if the committee does not intend to accept contributions or make expenditures in excess of $500, the committee may file the $500 Threshold Exemption Statement. If you file the $500 Threshold Exemption Statement, you do not need to file any Campaign Finance Reports unless you later receive or spend more than $500. If you do receive or spend more than $500, you must file a Statement of Organization within five business days of the day you first received or spent more than $500, and you will have to start filing Campaign Finance Reports.

   If any information reported on the Statement of Organization changes, the political committee shall file an amended Statement of Organization reporting the change within five business days after the change. A.R.S. §§ 16-902.01 and 16-903.

4. **What is a standing political committee?**
   Committees active in more than one jurisdiction in this state that meet the requirements of A.R.S. § 16-901 and § 16-902.01 may file a Statement of Organization with the Secretary of State and apply for status as a standing political committee. This designation allows a committee to centrally file campaign finance reports with the Secretary of State's office electronically rather than with every jurisdiction in which they are active.

   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 $250 annual administrative fee and 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. A.R.S. § 16-902.01.

5. **What is a contribution?**
   A contribution is anything of value that your committee receives. When you report contributions, they fall in the following categories.
   - Monetary: This category includes cash, checks, money orders, and payroll deduction contributions. The money can be given under any circumstance, including as part of a fundraising event, such as a pancake breakfast, ice cream social, or cocktail party, or in return for a campaign memento, such as a tee shirt or coffee mug.
   - Loans: This category includes loans of money, credit or advances that are contributed to your committee, and your committee has agreed to pay back to the contributor. Only the unpaid balance of a loan is considered a contribution, so as you pay the loans back, make sure you report the payments made.
   - In-kind goods and services: This category includes such things as wood for signs, printing, paper products, mailing lists, or designing your campaign logo. In-kind contributions must be reported at their fair market value -- the price it would cost someone else (like your opponent) to purchase the same thing. If, instead of getting the whole thing, you get a special discount (a discount no one else gets), the amount you saved is an in-kind contribution.
     - The Secretary of State cannot assist in determining the fair market value of an in-kind contribution. A committee should ascribe what it believes is the fair market value for purposes of reporting. It is up to the political committee to determine the value and the value must be reported. There is no minimum threshold for reporting; a committee must report all contributions and expenditures.

6. **What can a host do when hosting an event at their home in terms of food?** Please refer to A.R.S. § 16-901(b)(iii), which exempts this type of contribution as long as "the cumulative value of the invitations, food and beverages provided by the individual on behalf of any single candidate does not exceed $100 with respect to any single election." A value above $100 for this specific example will count against the contribution limit. However, if the value is under $100 then it is not considered a contribution and therefore does not count against the limit.

7. **Can a candidate accept contributions from foreign nationals?**
   The Federal Election Campaign Act (FECA) prohibits any foreign national from contributing, donating or spending funds in connection with any federal, state, or local

election in the United States, either directly or indirectly. It is also unlawful to help foreign nationals violate that ban or to solicit, receive or accept contributions or donations from them. Persons who knowingly and willfully engage in these activities may be subject to fines and/or imprisonment. 2 U.S.C. § 441e.

8. Can a candidate accept contributions from a corporation or labor organization?

It is unlawful for a corporation, limited liability company, or a labor organization to make any contribution of money or anything of value to a candidate's campaign committee or exploratory committee. In addition, candidate campaign and exploratory committees are prohibited from accepting money from corporations, limited liability companies or labor organizations. However, a 2010 law allows corporations and labor unions to make independent expenditures to support or oppose candidates or to contribute to an independent expenditure committee. (For more information please refer to the Arizona Secretary of State Independent Expenditures Handbook).

9. Is everything my committee receives considered a contribution?

If you are a candidate's campaign committee or an exploratory committee, some of the money, loans, or in-kind goods and services you receive are not considered contributions, and do not have to be reported. The following are the most common examples. For a complete listing, please look at A.R.S. §16-901(5)(b).

- The professional services of an accountant or lawyer that are donated to a political committee are exempt from reporting only if the services are paid for by the regular employer of the individual rendering the services (*i.e.* the law firm or accounting firm; a client is not an "employer") and the services are given solely for the purpose of compliance with Arizona election law (all of Title 16 "Elections and Electors," not just campaign finance).
- The time your volunteers spend working on your campaign – stuffing envelopes, knocking on doors, calling voters, etc.
- The use of meeting places that are usually used for free, such as church recreation halls.
- Up to $100 of expenses for invitations, food and beverages, spent by an adult having a fundraiser for you only if the fundraiser is held at the person's home or in a church or community room. If two adults who live in the same house host a fundraiser, each can spend up to $100 for invitations, food and beverages.
- Bank loans made in the ordinary course of business, such as overdrafts or credit reserve on your committee account.

10. How do I know if contribution limits apply to my committee?

Limits on the contributions your committee can receive only apply to candidate campaign committees and exploratory committees. In other words, Arizona law sets a maximum amount that individuals and political committees can give to candidates and people exploring whether to run for office. The law sets one amount for local offices, which includes municipal, county, school and special district, and legislative offices, and a different amount for statewide offices. The limits are changed by the Secretary of State every two years, usually early in the odd-numbered years. The current Election Cycle Campaign Contribution Limits chart is included in this packet. (Please refer to page 73 for the chart).

Contributions given by a minor are considered made by the child's parents.

11. Who has access to campaign finance reports?

All filings are public records and are open to examination once they are filed.

12. So, if contribution limits apply to my committee, what does that mean?

First of all, it means that your committee can only receive contributions from individuals (who are U.S. citizens) and from other non-candidate committees. For example, you can receive contributions from your next-door neighbor, from people at your child's school, from people you don't even know. And you can receive contributions from other political committees.

Second, it means that the amount you receive from individuals and other political committees is limited. The current Contribution Limits chart lists who can contribute to your committee (the column on the left) and how much. How much depends on whether your committee is about getting someone elected to a local, legislative or a statewide office. The first three rows show you how much you can receive from an individual, another political committee, or an "upper limit" political committee (often called a SuperPAC). If you are not sure who the SuperPACs are, you can check the list on the Secretary of State's website (www.azsos.gov).

Third, it means that the total amount you can receive from some categories of contributors is limited. Look again at the current Contribution Limits chart. The fourth row down sets a limit on how much, overall, your committee can receive from all political committees except political parties. Once you have received that much, you can't take another dollar from another political committee.

This can get complicated, because contributions from political organizations [defined in A.R.S. §16- 901(20)] – which are registered political committees – count toward both the total that all political committees can give at any time during the campaign, and the total that political parties and organizations can give after the primary.

There is no limit on the total amount, overall, that you can receive from all individuals combined.

13. But what about using my own or my family's money?

If you are a candidate, or a member of the candidate's family, there is no limit on the contributions of money, loans or in-kind goods and services that you can make to your candidate's campaign committee. The same thing is true for a designating individual and his or her family, making contributions to his or her exploratory committee – no limits on their contributions.

If you are going to contribute your own or your family's money, watch out for two things. First, the law limits which family members can give contributions without limit. For campaign finance purposes, the law considers your "family members" to be your parents, your grandparents, your spouse, your children, your siblings, and the parents and spouses of those people.

Second, report the total amount of the contributions that come from you and the specified family members. (And remember – a loan is a contribution!)

14. Does a candidate or political committee have to report contributions and expenditures? If so, when are they due?

In any calendar year during which there is a regularly scheduled election at which any candidates, measures, questions or propositions appear or may appear on the ballot, the political committee shall file each of the campaign finance reports required by A.R.S. § 16-913.

In any calendar year in which there is no regularly scheduled election, the political committee shall file a report covering the period beginning the day after the closing date of the last report that was filed, and ending December 31. This report shall be filed no later than January 31 of the following calendar year. A.R.S. § 16-913

If a special or recall election is called, each committee must file the reports required by A.R.S. § 16-913 for a calendar year with a regularly scheduled election.

Political committees organize their committee and file the required campaign finance reports using the Secretary of State campaign finance reporting system available on the SOS website at https://azsos.gov/CFS2/Login.aspx.

15. What if a candidate or political committee does not receive or spend very much money?

Each candidate/political committee that intends to accept contributions or make expenditures of $500 or less shall file a signed $500 Threshold Exemption Statement that states that intention before making any expenditures, accepting any contributions, distributing any campaign literature or circulating petitions. That committee is not required to file a Statement of Organization so long as the $500 limit is not exceeded. If that committee subsequently receives contributions or makes expenditures of more than $500, that committee shall file a Statement of Organization with the Secretary of State within five business days after the exceeding the $500 limit. A.R.S. §§ 16-902.01 and 16-903.

16. Who has to fill out the Campaign Finance Report? Who can sign it?

Anybody can fill out the Campaign Finance Report, but the treasurer is legally responsible for making sure it is filled out correctly, and the treasurer must sign it. The treasurer who signs must be the treasurer you listed on the most recent Statement of Organization.

17. When must I start filing Campaign Finance Reports? When can I stop?

Your first Campaign Finance Report will be the required report for the reporting period during which you filed your Statement of Organization. The filing officer can provide you with the reporting and filing periods that are applicable for your jurisdiction. Even if your committee was only in existence for a few days in a reporting period you still must file the next report. The law sets the time periods–you cannot change them for your own convenience. A.R.S. §16-913.

When you can stop filing Campaign Finance Reports depends on the date you file your Termination Statement. You must file Campaign Finance Reports that cover every day between the date your Statement of Organization was filed and the date your Termination Statement is filed. Your committee is not terminated by filing a report with a zero balance or by losing an election.

18. What if I have nothing to report?

If you filed a Statement of Organization for your political committee, but you did not receive any contributions and did not spend any money during the reporting period, you must file a campaign finance report and the report will state **no activity** on the front page. You must continue filing campaign finance reports until you file your Termination Statement. A.R.S. §16-913(D).

19. What are the deadlines for filing my report?

The deadlines for filing your Campaign Finance Report are listed on page 74. The filing officer is not required to send reminder notices before the deadlines.

20. Okay! My campaign finance report is done! Where do I file it?

Through the Arizona Secretary of State web based system.

21. What if a candidate or political committee is not involved in the regularly scheduled election?

All reports required by A.R.S. § 16-913 must be filed by each active (not terminated) candidate/political committee even if the candidate/committee is not involved in the scheduled election.

22. What if a candidate or political committee fails to file a required report?

There are certain penalties that are prescribed in A.R.S. § 16-918 that will apply if there is a failure to file a required report. "Failure to File" exists if any of the following occurs:

1) The report is not filed on the due date set by A.R.S. § 16-913.
2) A good faith effort is not made to substantially complete the report as required by A.R.S. § 16-915.

The Secretary of State must send a notice to the committee and candidate or designating individual (exploratory committee) by certified mail within 15 days after the due date stating with "reasonable particularity" the nature of the failure and a statement of the penalties provided by A.R.S. § 16-918.

A political committee or the candidate committee and candidate are subject to the penalties. Penalties include, but are not limited to, a mandatory penalty for late filing of $10 for each business day the report is late (not including weekends and holidays) up to a maximum of $450. The Secretary of State shall not accept a report for filing unless the mandatory penalties are paid with the report (A.R.S. § 16-918).

23. What happens if a candidate or political committee doesn't file after receiving the notice from the Secretary of State?

If the report is not filed within 15 days after receiving the notice, the penalty increases to $25 per day, up to a maximum of $1000. This penalty is assessed by the Attorney General pursuant to A.R.S. § 16-924, which provides for notice and hearing. In addition to the enforcement actions prescribed by A.R.S. § 16-918, a person who was a candidate for nomination or election who after written notice failed to make and file a campaign finance report may not eligible to be a candidate for nomination or election to any local or state office for five years after the last failure to make and file a campaign finance report.

24. What if circumstances prevent a candidate or political committee from filing a report when it was due or after the written notice of delinquency was delivered?

During the enforcement action, a candidate or committee required to file, who files late, may present a "Good cause" defense in writing to the Attorney General and submitted to the Secretary of State . "Good cause" is defined in A.R.S. § 16-918(E).

The Attorney General will determine if "Good cause" exists pursuant to A.R.S. § 16-918(E). The Secretary of State does not make this determination. If it is determined that "Good cause" exists, the penalties paid when the report was filed will be returned.

25. After the election must a candidate or political committee continue to file campaign finance reports?

Yes. Each committee must continue to file all reports as scheduled or required unless a Termination Statement has been filed. All $500 Threshold Exemption Statement Committee MUST terminate at the end of the election cycle or may be subject to civil penalties. A.R.S. § 16-904

26. When may a committee file a Termination Statement?

A political committee may terminate only when the committee chairman and treasurer file a Termination Statement with the Secretary of State certifying under penalty of perjury that it will no longer receive any contributions or make any disbursements, that the committee has no outstanding debts or obligations and that any surplus monies have been disposed of pursuant to A.R.S. § 16-915.01 A.R.S. § 16-904(F) § 16-914(A)

A political committee, including a standing political committee, may terminate its activities in one jurisdiction and remain active in other jurisdictions by attaching a statement to the committee's Termination Statement that is signed by the committee's chairman and treasurer, that attests to the intent to remain active in other jurisdictions and that contains a statement that the committee's remaining monies shall be used for activities in other jurisdictions. A.R.S. § 16-914(C)

Additionally, if a candidate's political committee has open documents in E-Qual, the Secretary of State's online Nomination Petition and $5 Qualifying Contribution system, the candidate's political committee must "close" those E-Qual documents prior to printing the Termination Statement. Please refer to the E-Qual User Manual for instructions on closing documents in E-Qual.

27. After filing a Termination Statement, does a candidate or political committee have to file any more reports?

No. After filing an appropriate Termination Statement, a political committee is not required to file any subsequent reports. However, the committee is no longer eligible to accept contributions or make expenditures without filing a new Statement of Organization.

28. Where is there more information about campaign finance reporting?

For additional information, please refer to A.R.S. Title 16, Chapter 6.

Note: Materials provided by the Secretary of State are intended to assist in meeting the requirements of candidacy; however, it is the candidate's responsibility to see that all legal requirements have been met.

CHAPTER 5

ARIZONA REVISED STATUTES

Title 16 - Elections and Electors

Chapter 6: Campaign Contributions and Expenses

Article 1 General Provisions

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.
    - (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 which 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 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.
    (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.
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) 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 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 is all of the following:
    (a) 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.

16-901.01 Limitations on certain unreported expenditures and contributions

(Caution: 1998 Prop. 105 applies)

A. For purposes of this chapter, "expressly advocates" means:
1. Conveying a communication containing a phrase such as "vote for," "elect," "re-elect," "support," "endorse," "cast your ballot for," "(name of candidate) in (year)," "(name of candidate) for (office)," "vote against," "defeat," "reject," or a campaign slogan or words that in context can have no reasonable meaning other than to advocate the election or defeat of one or more clearly identified candidates, or

2. Making a general public communication, such as in a broadcast medium, newspaper, magazine, billboard, or direct mailer referring to one or more clearly identified candidates and targeted to the electorate of that candidate(s):
   (a) That in context can have no reasonable meaning other than to advocate the election or defeat of the candidate(s), as evidenced by factors such as the presentation of the candidate(s) in a favorable or unfavorable light, the targeting, placement, or timing of the communication, or the inclusion of statements of the candidate(s) or opponents, or
   (b) In the sixteen-week period immediately preceding a general election.

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

16-902 Organization of Political Committee

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.

16-902.01 Registration of Political Committees; Contents; Amendment

A. 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. Each political committee that intends to accept contributions or make expenditures of five hundred dollars or less 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. 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. Except as prescribed by subsection E 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. The political committee shall file an amended statement of organization reporting any change in the information prescribed in subsections B and F of this section within five business days after the change.
E. 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. 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.

16-902.02 Out-of-State Political Committees; Registration; Initial Reporting

A political committee that files a statement of organization in this state as prescribed by section 16-902.01, that is registered in another state or pursuant to federal law and that intends to use in this state monies raised before filing its statement of organization shall also file in the format prescribed by the filing officer complete copies of its previous campaign finance or other similar reports filed in those other jurisdictions that cover all contributions or receipts for the preceding two years.

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. 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.
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 or to have made a formal, public declaration of candidacy 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.

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 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 section 16-902, subsection C.
F. For any committee that has filed a five hundred dollar threshold exemption statement:
    1. The committee and treasurer shall maintain a record of all contributions received and expenditures made by the committee. If the committee exceeds the five hundred dollar limit, the

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 committee that does not exceed its five hundred dollar threshold, the 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 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 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.

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 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 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 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 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 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.

16-906 Loans; Repayments; Guarantors

A. A loan to a political committee or to a candidate made for the purpose of influencing an election that exceeds the lender's contribution limitations prescribed in section 16-905 remains unlawful whether or not it is repaid.

B. A loan to a political committee or to a candidate made for the purpose of influencing an election made within the contribution limitations prescribed in section 16-905 remains a contribution to the extent it remains unpaid. A loan is no longer a contribution to the extent it is repaid.

C. Except as provided in subsection D of this section, the making of a loan that is made for the purpose of influencing an election results in a contribution by each endorser or guarantor. The endorser's or guarantor's contribution is that portion of the total amount of the loan for which he agreed in writing to be liable or, if not stated in writing, the contribution is in the same proportion to the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors. Any reduction in the unpaid balance of the loan reduces proportionately the amount of the contribution of each endorser or guarantor.

D. A loan obtained by a candidate on which the candidate's spouse's signature is required if jointly owned assets are used as collateral or security is not considered a contribution from the candidate's spouse.

16-907 Prohibited Contributions; Classification

A. Any person who makes a contribution in the name of another person or who knowingly permits his name to be used to effect such a contribution and any person who knowingly accepts a contribution made by one person in the name of another person is guilty of a class 6 felony.

B. Except for a contribution to a candidate's campaign committee, an individual or political committee shall not give and a political party or other political committee shall not accept an earmarked contribution.
C. For purposes of this article, a contribution from partnership funds shall only be made in the name of the individual partners who make the contribution.
D. A standing political committee shall not act as a campaign committee or a sponsoring organization for any candidate, initiative, referendum or recall but may contribute to other political committees as provided by law.

16-912 Candidate 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 purposes of determining the three contributors to be disclosed, 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.
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, if the advertisement is broadcast on a telecommunications system, the disclosure shall be spoken. 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 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.
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.

16-912.01 Ballot Measure Committees; Campaign Literature and Advertising Funding; Identification; Disclosure; Civil Penalty; Definition

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, 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.

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. If the communication is broadcast on radio, the information shall be spoken at the end of the communication. If the communication is broadcast on a telecommunications system, the information shall be both written and spoken at the end of the communication, except that if the disclosure statement is written for at least five seconds of a thirty second advertisement broadcast or ten seconds of a sixty second advertisement broadcast, a spoken disclosure statement is not required. If the communication is broadcast on a telecommunications system, the written disclosure statement shall be printed in letters equal to or larger than four per cent of the vertical picture height.

F. Subsection A does not apply to bumper stickers, pins, buttons, pens and similar small items on which the statements required in subsection A 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.

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.

16-913 Campaign Finance Reports; Reporting of Receipts and Disbursements; Exemptions; Civil Penalty

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

B. In any calendar year during which there is a regularly scheduled election at which any candidates, measures, questions or propositions appear or may appear on the ballot, the political committee shall file each of the following campaign finance reports:
   1. A report covering the period beginning January 1 through May 31, filed no later than June 30.
   2. A preelection report, which shall be filed not less than twelve days before any election and which shall be complete through the twentieth day before the election.

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

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

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

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

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

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

H. Except as provided in section 16-916, subsection B and subsection K of this section, a political committee shall comply with the requirements of this section in each jurisdiction in this state in which the committee has filed a statement of organization until the committee terminates pursuant to section 16-914, and its statements, designations and reports shall be filed with each officer with whom it has filed a statement of organization, as appropriate.

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

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

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

1. A preelection report that is due as prescribed by subsection B, paragraph 2 of this section shall be filed for each consolidated election date prescribed by section 16-204.
2. A postelection report that is due as prescribed by subsection B, paragraph 3 of this section shall be filed for each consolidated election date prescribed by section 16-204.
3. An annual report that is due by January 31 in the year immediately following the calendar year that is the subject of the report.

16-914 Termination Statement

A. Except as prescribed by subsection C of this section and section 16-904, subsection F, a political committee may terminate only when the committee chairman and treasurer file a statement with the officer with whom the committee's statement of organization is filed in the format prescribed by the filing officer certifying under penalty of perjury that it will no longer receive any contributions or make any disbursements, that the committee has no outstanding debts or obligations and that any surplus monies have been disposed of pursuant to section 16-915.01 together with a statement of the manner of disposition of the surplus, the name and address of each recipient of surplus monies and the date and amount of each disposition of surplus monies. For a political committee that is an individual's exploratory committee or a candidate's campaign committee, the committee may transfer the committee's debts and obligations to a subsequent committee for that individual or candidate, as prescribed by section 16-915.01, and in that event may terminate without certifying that the committee has no outstanding debts or obligations.

B. After the filing of an appropriate termination statement, a political committee is not required to file any subsequent campaign finance reports and shall have no further receipts or disbursements without filing a new statement of organization.

C. A political committee may terminate its activities in a reporting jurisdiction and remain active in other jurisdictions by attaching a statement to the reporting jurisdiction's termination statement that is signed by the committee's chairman and treasurer, that attests to the intent to remain active in other jurisdictions and that contains a statement that the committee's remaining monies shall be used for activities in other jurisdictions.

16-914.01 Reporting of Contributions by Committees Acting on Ballot Measures; Civil Penalty: Definition

A. In addition to the requirements relating to election contributions prescribed in section 16-913, a committee acting in support of or opposition to the qualification, passage or defeat of an initiative or referendum or any other ballot measure, question or proposition shall give notice to the secretary of state for statewide measures and the local filing officer who is responsible for receiving campaign finance reports for filing for nonstatewide measures of any contribution or group of contributions to the committee that is made from a single source less than twenty days before the day of the election if it exceeds:

1. A cumulative total of ten thousand dollars for a statewide ballot measure, question or proposition.
2. Two thousand five hundred dollars for a nonstatewide ballot measure, question or proposition in a political subdivision with a population of one hundred thousand or more persons.
3. Five hundred dollars for a nonstatewide ballot measure, question or proposition in a political subdivision with a population of less than one hundred thousand persons.

B. In addition to the requirements of section 16-913, a committee acting in support of or opposition to the qualification, passage or defeat of an initiative or referendum or any other ballot measure, question or proposition shall give notice to the secretary of state for statewide measures and the local filing officer who is responsible for receiving campaign finance reports for filing for nonstatewide measures the first time each of the following occurs:

1. The committee has received contributions totaling ten thousand dollars or more.
2. The committee has made expenditures totaling ten thousand dollars or more.
3. The committee has received contributions totaling ten thousand dollars or more from a single source.
4. The committee has received contributions totaling ten thousand dollars or more from different additional single sources.

C. The notices prescribed by this section shall be filed within twenty-four hours, excluding Saturdays, Sundays and other legal holidays, after the ten thousand dollar amount has been reached and shall include the identification of the contributors, the dates of receipt and the amounts of the contributions

or the amount, recipient and purpose of the expenditures. Contributions subject to the notification requirements of this section shall be included in the next report filed pursuant to section 16-913.

D. A political committee that violates this section and a person who knowingly violates this section are liable in a civil action for a civil penalty of up to three times the amount improperly reported as prescribed by section 16-924.

E. For the purposes of this section, "single source" includes principals of the same partnership, corporation, limited partnership, limited liability company, limited liability partnership or association.

16-914.02 Reporting Independent Expenditures of Corporations, Limited Liability Companies and Labor Organizations; Statement; Disclaimer and Disclosure; Civil Action; Civil Penalty; Violation; Classification; Definitions

A. Any corporation, limited liability company or labor organization that makes cumulative independent expenditures in an attempt to influence the outcome of a candidate election and in at least the following amounts in an election cycle shall register and notify the appropriate filing officer not later than one day after making that expenditure, excluding Saturdays, Sundays and other legal holidays:

1. An aggregate of five thousand dollars or more in one or more statewide races.
2. An aggregate of two thousand five hundred dollars or more in one or more legislative races.
3. One thousand dollars or more in one or more county, city, town or other local races if the one thousand dollars is aggregated in races in a single county, city, town or other local jurisdiction.

B. The secretary of state is the filing officer for registrations and notifications for independent expenditures in statewide and legislative elections. City, town or county filing officers are the filing officers for notifications in a city, town, county or other local election as provided in section 16-916. The corporation, limited liability company or labor organization also shall notify the filing officer within the same time limit prescribed in subsection A of this section of each additional accumulation of expenditures that exceeds the threshold amount prescribed in subsection A of this section but is not required to register again during that election cycle after the initial registration. A corporation, limited liability company or labor organization may register with the filing officer and provide a notarized, sworn statement of authority in advance of the expenditure in anticipation of making an independent expenditure. The secretary of state shall provide for electronic filing for registrations and notifications and shall provide for website access to the information for the public. Filings at the secretary of state's office shall be in the form prescribed by the secretary of state. Other filing officers shall prescribe the format for filing registrations and notifications and shall provide for public access to that information. On or after November 27, 2012 and at the request of the local election filing officer, the secretary of state may provide for electronic filing pursuant to this section for local elections.

C. The registration shall include all of the following:

1. The name and address of the corporation, limited liability company or labor organization.
2. The name, title, electronic mail address and telephone number of the person authorizing the independent expenditure.

D. Each notification shall include all of the following:

1. The name and address of the corporation, limited liability company or labor organization making the independent expenditure.
2. The amount of the expenditure and the name of the vendor or other payee receiving the expenditure.
3. The name of the candidate and race in which the expenditure was made and whether the expenditure was in support of or opposition to the candidate.
4. The communication medium and description of what was purchased with the expenditure.
5. The date of the expenditure.

E. If the corporation, limited liability company or labor organization did not register and provide a notarized sworn statement in advance of the expenditure as prescribed by this section, the corporation, limited liability company or labor organization shall file with the secretary of state or other appropriate filing officer within five days after an initial threshold expenditure as prescribed in subsection A of this section a notarized sworn statement that the person, agent or officer filing the registration and

notice had authority to make that expenditure on behalf of the corporation, limited liability company or labor organization. Until the secretary of state or other filing officer receives the notarized sworn statement, the filing officer shall categorize the notification as unverified. If the secretary of state or other filing officer does not receive the notarized sworn statement within the required five day time frame, the notification shall be categorized as both unverified and delinquent. The filing officer shall make reasonable efforts to contact the entity that made the expenditure and remove the notification from public view within a reasonable time if unable to verify that the entity made the expenditure and all penalties prescribed in this section apply.

F. Any literature or advertisement that is purchased with monies from a corporation, limited liability company or labor organization making an independent expenditure in an attempt to influence the outcome of a candidate election shall disclose the name of the corporation, limited liability company or labor organization making the expenditure. Any disclosure statement required by this section shall be printed clearly and legibly in a conspicuous manner. If the communication is broadcast on radio, the information shall be spoken at the end of the communication. If the communication is broadcast on a telecommunications system, the information shall be both written and spoken at the end of the communication, except that if the disclosure statement is written for at least five seconds of a thirty second advertisement broadcast or ten seconds of a sixty second advertisement broadcast, a spoken disclosure statement is not required. If the communication is broadcast on a telecommunications system, the written disclosure statement shall be printed in letters equal to or larger than four per cent of the vertical picture height. The literature or advertisement shall include the words "paid for by" in the disclosure followed by the name of the entity making the expenditure and shall also state that it is not authorized by any candidate or candidate's campaign committee.

G. Subsection F of this section does not apply to bumper stickers, pins, buttons, pens and similar small items on which the statements required in subsection F of this section cannot be conveniently printed or to a communication by an organization solely to its members.

H. Any corporation, limited liability company or labor organization that fails to register, notify or disclose as required by this section is liable in a civil action pursuant to section 16-924 brought by the attorney general, county attorney or city or town attorney, as appropriate, for a civil penalty of up to three times the total amount of the expenditure.

I. Any person who makes a knowingly false filing relating to an independent expenditure pursuant to this section is guilty of a class 1 misdemeanor.

J. For violations that occur before November 27, 2012, a reasonable cause determination for a violation of this section may only be made by the secretary of state's office and not by any other filing officer. On or after November 27, 2012, the local election jurisdiction and filing officers may make their own reasonable cause determinations for violations of this section or may elect to continue to have the office of the secretary of state make those reasonable cause determinations on their behalf. A civil or criminal enforcement action may not be filed until after the issuance of a reasonable cause determination.

K. Any entity that makes an independent expenditure and that is organized primarily for the purpose of influencing an election and that is a combination of corporations, limited liability companies or labor organizations or that is a corporation, limited liability company or labor organization that accepts donations or contributions shall file with the filing officer as a political committee as otherwise provided by law.

L. For the purposes of this section, an expenditure occurs on the date on which literature or advertisements are deposited at the post office for mailing, submitted to a communications system for broadcast or submitted to a newspaper or similar print medium for printing and, with respect to an expenditure for signs, the date on which a sign is first posted.

M. For the purposes of this section:

1. "Independent expenditure" has the same meaning prescribed in section 16-901, except that it is made by a corporation, a limited liability company or a labor organization and except as prescribed in subsection L of this section.
2. "Local election" means an election in a county, city, town, school district or special district.

16-915 Contents of Campaign Finance Reports

A. Each campaign finance report required by section 16-913 shall set forth all of the following:

1. The amount of cash on hand at the beginning of the reporting period.
2. For the reporting period and the election, the total amount of all receipts and an itemized list of all receipts in the following categories, together with the total of all receipts in each category:
   (a) Contributions from individuals.
   (b) Contributions from political committees.
   (c) For a candidate's campaign committee, the candidate's contribution or promise of personal monies, including loans guaranteed by the candidate.
   (d) All other loans.
   (e) Rebates, refunds and other offsets to operating expenditures.
   (f) Dividends, interest and other forms of receipts.
   (g) The value of in-kind contributions.
3. The identification of each:
   (a) Individual who makes any contribution during the period covered by the report whose total contribution or contributions for that election have an aggregate amount exceeding twenty-five dollars together with the date and amount of the contributions, except as provided in subsection E of this section. Contributions of twenty-five dollars or less may be aggregated.
   (b) Political committee that makes a contribution during the period covered by the report together with the date and amount of the contribution.
   (c) Person who makes a loan during the period covered by the report, together with the identification of any endorser or guarantor of the loan and the amount endorsed or guaranteed by each, and the date and amount of the loan.
   (d) Person who provides any rebate, refund or other offset to operating expenditures during the period covered by the report together with the date and amount of the receipt.
   (e) Person who provides a dividend, interest or other receipt during the period covered by the report together with the date and amount of the receipt.
4. For the reporting period and the election, the total amount of all disbursements and an itemized list of all disbursements in the following categories together with the total of all disbursements in each category:
   (a) Expenditures, other than a contract, promise or agreement to make an expenditure resulting in an extension of credit, made to meet committee operating expenses.
   (b) Transfers to other political committees.
   (c) For a candidate's campaign committee, the repayment of loans made or guaranteed by the candidate.
   (d) Repayment of all other loans.
   (e) Refunds of contributions received and other offsets to contributions.
   (f) Loans made by the reporting political committee.
   (g) The value of in-kind contributions received.
   (h) Independent expenditures together with the information required pursuant to subsection F.
   (i) Any other disbursements.
5. The name and address of each recipient of an expenditure made during the period covered by the report and, in the case of a disbursement to a political committee, the identification number issued on the filing of a statement of organization as prescribed by section 16-902.01, together with the date, amount of the expenditure and a clear description of the items or services purchased.
6. An itemized account of the campaign debts and extensions of credit that are owed by the candidate or political committee and that remain outstanding including the name and address of the obligee or creditor, the amount owed, whether the amount is certain or estimated and on what basis, and the purpose of the obligation. An obligation that is itemized on a campaign finance report shall be listed on all subsequent finance reports until extinguished.

7. The total sum of all receipts, together with the total receipts less offsets, and the total sum of all disbursements, together with the total disbursements less offsets, for both the period covered by the report and the election.

B. The amount of an in-kind contribution shall be equal to the usual and normal value on the date received by the political committee as determined by generally accepted accounting principles.

C. Campaign finance reports shall be cumulative for the election to which they relate, but if there has been no change during the period covered by a report in an item listed in a previous report for that election, only the amount need be carried forward.

D. A candidate's campaign committee or a political committee that makes contributions to candidates and that has received prior contributions from an individual or a political committee for an election shall show in each report for that election the cumulative total received from that source.

E. In the case of a political committee that receives contributions through a payroll deduction plan, that committee is not required to separately itemize each additional contribution received from the contributor during the reporting period. In lieu of the separate itemization required by subsection A, paragraph 2 of this section, the committee may report all of the following:

1. The aggregate amount of contributions received from the contributor through the payroll deduction plan during the reporting period.
2. The identification of the individual.
3. A statement of the amount deducted per pay period.

F. An independent expenditure report shall contain all of the following:

1. The name and address of any person to whom an independent expenditure was made.
2. The date and amount of the independent expenditure.
3. The purpose of the independent expenditure including a description of what was purchased.
4. The name of each candidate whose election or defeat was advocated by the expenditure and, for each such candidate, the office sought by the candidate and the year of the election.
5. The names, occupations, employers and amount contributed by each of the three contributors that contributed the most money within the preceding six months provided that if any other contributor contributed the same amount during this time period as any of the top three contributors the information shall be provided for that contributor as well. If any of these contributors is a political committee, the report shall include the names, occupations and employers of the committee's chairman and treasurer.
6. Under penalty of perjury, a certification stating whether or not the claimed independent expenditure is made in cooperation, consultation or concert with or at the request or suggestion of any candidate or any campaign committee or agent of that candidate.

16-915.01 Disposal of Surplus Monies; Transfer of Debt

A. A political committee shall dispose of surplus monies only as follows:

1. Retain surplus monies for use in a subsequent election, which includes a transfer by an individual's exploratory committee or a candidate's campaign committee to that individual's subsequent exploratory committee or that candidate's campaign committee designated for a subsequent election.
2. Return surplus monies to the contributor to the extent records are available permitting such return.
3. Contribute surplus monies to the county, state or local committee of a political party.
4. Donate the surplus monies to a charitable organization that qualifies under section 501(c)(3) of the United States internal revenue code.
5. In the case of a political committee other than an individual's exploratory committee or a candidate's committee, contribute surplus monies to a candidate's campaign committee if the contribution is within the limitations of section 16-905.
6. Donate surplus monies to a political committee other than an individual's exploratory committee or to a candidate's campaign committee.
7. Subject to the restrictions in section 41-133, contribute surplus monies to the individual's officeholder expense account.

8. Dispose of the surplus monies in any other lawful manner.

B. Surplus monies shall not be used for or converted to the personal use of the designating individual, in the case of an individual's exploratory committee, or a candidate, in the case of a candidate's campaign committee, or any person related to the candidate by blood or marriage. Nothing in this subsection precludes the repayment of a loan made by the designating individual or candidate to his campaign.

C. An individual's exploratory committee or a candidate's campaign committee may transfer its debts and obligations to that individual's subsequent exploratory committee or that candidate's campaign committee designated for a subsequent election.

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. The posting requirements of this paragraph do not apply to reports where less than five hundred dollars is spent.
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. The posting requirements of this paragraph do not apply to reports where less than five hundred dollars is spent.

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.

16-916.01 Electronic Filing; Statements of Contributions and Expenditures

A. Statements, designations and reports that are filed pursuant to this article in the office of the secretary of state in electronic format shall be filed using computer programs that are provided or approved by the secretary of state. The secretary of state shall provide computer programs to accommodate electronic filings and shall implement and maintain a system for the electronic collection, filing and dissemination of materials filed pursuant to section 16-916, subsection A, paragraph 1. A county officer in charge of elections may implement an electronic filing system for statements, designations and reports that are required by this article to be filed with the county officer in charge of elections. Subsections B through F of this section apply to an electronic filing program operated by a county.

B. If the filings are complete and correct, any statements, designations or reports that are filed in the secretary of state's electronic filing format are deemed to comply with:
   1. The filing requirements of this chapter.
   2. The requirement that a filing be made under oath or be submitted with a written signature.

C. A statement, designation or report that is filed in electronic format is deemed to be filed under penalty of perjury if the printed format version of that document is required to be filed under penalty of perjury.

D. A person or political committee that submits any statement, designation or report pursuant to this chapter that is not properly formatted or that does not contain the information prescribed by this chapter has not complied with the reporting requirements of this chapter and is subject to penalties and enforcement as otherwise provided by law.

E. During the implementation of an electronic filing system, the county officer in charge of elections may require that statements, designations or reports be filed with an additional written or printed copy.

F. For an electronic filing system implemented by the secretary of state or other filing officer, the filing officer shall designate one or more approved transmittal formats and methods.

16-917 Independent Expenditures; In-Kind Contribution; Civil Penalty

A. A political committee that makes independent expenditures for literature or an advertisement relating to any one candidate or office within sixty days before the day of any election to which the expenditures relate, shall send by certified mail a copy of the campaign literature or advertisement to each candidate named or otherwise referred to in the literature or advertisement twenty-four hours after depositing it at the post office for mailing, twenty-four hours after submitting it to a telecommunications system for broadcast or twenty-four hours after submitting it to a newspaper for printing.

B. The copy of the literature or advertisement sent to a candidate pursuant to subsection A of this section shall be a reproduction that is clearly readable, viewable or audible.

C. An expenditure by a political committee or a person that does not meet the definition of an independent expenditure is an in-kind contribution to the candidate and a corresponding expenditure by the candidate unless otherwise exempted.

D. A person who violates this section is subject to a civil penalty of three times the cost of the literature or advertisement that was distributed in violation of this section. This civil penalty shall be imposed as prescribed in section 16-924.

16-918 Campaign Finance Reports; Notice; Civil Penalty; Prohibition on Candidacy

A. If a political committee fails to file a report in a timely manner as required by this chapter, the filing officer shall send written notice of the delinquency of the report to the political committee and the candidate, in the case of the candidate's campaign committee, or to the designating individual, in the case of an individual's exploratory committee. The notice shall be sent by certified mail within fifteen days after the filing officer determines there may be a failure to file a campaign finance report. The notice shall provide with reasonable particularity the nature of the failure and a statement of the penalties provided in this section.

B. A political committee, or in the case of a candidate's campaign committee, the candidate, or in the case of an exploratory committee, the designating individual, is liable for a late penalty of ten dollars for each business day after failure to make or file a campaign finance report that is required pursuant to this chapter up to a maximum of four hundred fifty dollars. For filings for an officeholder expense account pursuant to section 41-133, the late penalty is five dollars for each day after failure to make or file the campaign finance report, and the late penalty shall not accrue on days during which the office of the secretary of state is not open for business. The filing officer shall not accept a campaign report unless any penalties owed as a result of this section or any penalties imposed pursuant to section 16-924 are paid with the report.

C. A political committee, or in the case of a candidate's campaign committee, the candidate, or in the case of an exploratory committee, the designating individual, that has failed to file within fifteen days after receiving a notice of delinquency pursuant to subsection A of this section is liable for a civil penalty of twenty-five dollars for each subsequent day that the filing is late. This penalty shall be assessed pursuant to section 16-924.

D. For the purposes of this section, there is a failure to make and file a campaign finance report by the treasurer, the designating individual, in the case of an exploratory committee, the candidate, in the case of a candidate's campaign committee, and for all other political committees, the chairman, if any of the following occurs:

1. The report is not filed in a timely manner as prescribed by section 16-913.
2. The report is not signed in accordance with section 16-913.
3. A good faith effort is not made to substantially complete the report as prescribed by section 16-915.

E. It is a defense to an enforcement action brought pursuant to this section if good cause is shown by the treasurer, the designating individual, in the case of an exploratory committee, or the candidate, in the case of a candidate's campaign committee, for the failure to make and file a campaign finance report. For the purposes of this subsection, "good cause" includes an illness or absence from this state at the time the campaign finance report was due or the written notice of delinquency was delivered if the illness or absence reasonably prevented the treasurer, designating individual or candidate from filing the report or receiving the written notice.

F. In addition to the enforcement actions prescribed by this section, a person who was a candidate for nomination or election to any local or state office and who after written notice pursuant to this section failed to make and file a campaign finance report as required by this chapter is not eligible to be a candidate for nomination or election to any local or state office for five years after the last failure to make and file a campaign finance report occurred. This penalty shall be imposed as follows:

1. A candidate's failure to make and file a campaign finance report with a filing officer for a jurisdiction is grounds for that filing officer to refuse the candidate's nomination paper for any public office in that jurisdiction as described in this subsection.
2. A candidate's failure to make and file a campaign finance report with any filing officer is grounds for a filing officer from another jurisdiction to refuse the candidate's nomination paper for any public office on presentation of a certified copy of a final order issued pursuant to section 16-924.

G. For a standing political committee, in addition to any late penalty and civil penalty assessed pursuant to this section, if the standing political committee makes a late filing three or more times, the standing

political committee is no longer eligible for consolidated filing status pursuant to section 16-913, subsection K and shall make all of its filings in each reporting jurisdiction in which it is active.

H. For any political committee that has failed to file three consecutive campaign finance reports with the filing officer as prescribed by section 16-913, the filing officer shall send the committee chairman and treasurer a written notice of intent to suspend the political committee. The notice of intent to suspend shall state that failure of the political committee to fully comply with all filing requirements for that committee, including any required payments, within thirty days of the date of the notice shall result in suspension of the political committee's authority to operate in that jurisdiction. On suspension of the political committee's authority to operate, the filing officer is no longer required to provide any further notice of delinquency to the political committee. This subsection does not reduce or eliminate the political committee's continuing obligation to make campaign finance filings and pay any fines, penalties, civil penalties or other sanctions that may continue to accrue as otherwise provided by law. This subsection does not apply to reports required pursuant to article 2 of this chapter or to a candidate's campaign committee designated by that candidate pursuant to section 16-903 during that election cycle.

16-919 Prohibition of Contributions by Corporations, Limited Liability, Companies or Labor Organizations; Exemption; Classification; Definitions

A. Except as provided in section 16-914.02, it is unlawful for a corporation or a limited liability company to make an expenditure or any contribution of money or anything of value for the purpose of influencing an election, and it is unlawful for the designating individual who formed an exploratory committee, an exploratory committee, a candidate or a candidate's campaign committee to accept any contribution of money or anything of value from a corporation or a limited liability company for the purpose of influencing an election. This subsection does not apply to political committees that are incorporated pursuant to title 10, chapters 24 through 40 and political committees that are organized as limited liability companies.

B. Except as provided in section 16-914.02, it is unlawful for a labor organization to make an expenditure or any contribution of money or anything of value for the purpose of influencing an election.

C. Notwithstanding subsections A and B of this section, a corporation, limited liability company or labor organization may contribute to an independent expenditure committee.

D. A corporation, limited liability company or labor organization that violates this section is guilty of a class 2 misdemeanor.

E. The person through whom the violation is effected is guilty of a class 6 felony.

F. Notwithstanding subsection A of this section, a political committee that is incorporated only for the purposes of liability limitation may make contributions for the purpose of influencing an election. Notwithstanding the corporate status of a political committee, the chairman and treasurer of an incorporated political committee remain personally responsible for carrying out their respective duties under this article.

G. For the purposes of this section:

1. "Election" means any election to any political office, any election to any political convention or caucus or any primary election held for the purpose of selecting any candidate, political committee or other person for any political office, convention or caucus.
2. "Employee" includes any employee, is not limited to the employees of a particular employer and includes any individual whose work has ceased as a consequence of, or in connection with, any current labor dispute or because of any unfair labor practice.
3. "Employer" includes any person acting as an agent of an employer, directly or indirectly.
4. "Labor organization" means any organization of any kind or any agency or employee representation committee or plan in which employees participate and that exists for the purpose in whole or in part of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment or conditions of work.

16-920 Permitted Expenditures by Corporations and Labor Organizations

A. Expenditures for the following purposes shall 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 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 toward its members, stockholders or members of its members, its and its members' executive or administrative personnel and their families.

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 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 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 its stockholders and their families and its executive or administrative personnel 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 the families of such persons. 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 no more than two 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. 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 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. "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.
2. "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.
3. "Insurance producer" has the same meaning as prescribed in section 20-281.

16-922 Religious Assembly or Institution Not Required to Register

Notwithstanding any other law, this state and any agency or political subdivision of this state shall not require a person to register as a political committee pursuant to this chapter if the person is a religious assembly or institution that does not spend a substantial amount of time or assets, within the meaning of section 501(c)(3) of the internal revenue code, on influencing any federal, state or local legislation, referendum, initiative or constitutional amendment.

16-923 Volunteering Services for Expected Compensation; Classification

A person who voluntarily and unsolicitedly offers to work for and assist or in any manner voluntarily contributes to the nomination or election of a candidate or other person to any office in the state with the intent of having such candidate or person pay or in any manner compensate the person so offering such work or services is guilty of a class 2 misdemeanor unless another classification is specifically prescribed in this title.

16-924 Civil Penalties; Attorney General; County, City or Town Attorney

A. Unless another penalty is specifically prescribed in this title, if the filing officer for campaign finance reports designated pursuant to section 16-916, subsection A has reasonable cause to believe that a person is violating any provision of this title, except for violations of chapter 6, article 2, the secretary of state shall notify the attorney general for a violation regarding a statewide office or the legislature, the county officer in charge of elections shall notify the county attorney for that county for a violation regarding a county office or the city or town clerk shall notify the city or town attorney for a violation regarding a city or town office. The attorney general, county attorney or city or town attorney, as appropriate, may serve on the person an order requiring compliance with that provision. The order shall state with reasonable particularity the nature of the violation and shall require compliance within twenty days from the date of issuance of the order. The alleged violator has twenty days from the date of issuance of the order to request a hearing pursuant to title 41, chapter 6.

B. If a person fails to take corrective action within the time specified in the compliance order issued pursuant to subsection A, the attorney general, county attorney or city or town attorney, as appropriate, shall issue an order assessing a civil penalty of not more than one thousand dollars. The person alleged to have violated the compliance order has thirty days from the date of issuance of the order assessing the civil penalty to request a hearing pursuant to title 41, chapter 6.

C. Any party aggrieved by an order or decision of the attorney general, county attorney or city or town attorney, as appropriate, may appeal to the superior court as provided in title 12, chapter 7, article 6.

D. For the purposes of this section, failure to comply with a compliance order issued by the attorney general, county attorney or city or town attorney, as appropriate, as prescribed in subsection A is deemed an intentional act.

16-925 Deceptive Mailings; Civil Penalty

A. In an attempt to influence the outcome of an election, an individual or committee shall not deliver or mail any document that falsely purports to be a mailing authorized, approved, required, sent or reviewed by or that falsely simulates a document from the government of this state, a county, city or town or any other political subdivision.

B. An individual or committee that violates this section is liable for a civil penalty equal to twice the total of the cost of the mailing or five hundred dollars, whichever is greater. The attorney general, the county attorney, the city or town attorney or other legal representative of the political subdivision, as appropriate, may assess the civil penalty.

Article 2 Citizens Clean Elections Act

16-940 Findings and Declarations

(Caution: 1998 Prop. 105 applies)

A. The people of Arizona declare our intent to create a clean elections system that will improve the integrity of Arizona state government by diminishing the influence of special-interest money, will encourage citizen participation in the political process, and will promote freedom of speech under the U.S. and Arizona Constitutions. Campaigns will become more issue-oriented and less negative because there will be no need to challenge the sources of campaign money.

B. The people of Arizona find that our current election-financing system:

1. Allows Arizona elected officials to accept large campaign contributions from private interests over which they have governmental jurisdiction;
2. Gives incumbents an unhealthy advantage over challengers;
3. Hinders communication to voters by many qualified candidates;
4. Effectively suppresses the voices and influence of the vast majority of Arizona citizens in favor of a small number of wealthy special interests;
5. Undermines public confidence in the integrity of public officials;

6. Costs average taxpayers millions of dollars in the form of subsidies and special privileges for campaign contributors;
7. Drives up the cost of running for state office, discouraging otherwise qualified candidates who lack personal wealth or access to special-interest funding; and
8. Requires that elected officials spend too much of their time raising funds rather than representing the public.

16-941 Limits on Spending and Contributions for Political Campaigns

(Caution: 1998 Prop. 105 applies)

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

1. Shall not accept any contributions, other than a limited number of five-dollar qualifying contributions as specified in section 16-946 and early contributions as specified in section 16-945, except in the emergency situation specified in section 16-954, subsection F.
2. Shall not make expenditures of more than a total of five hundred dollars of the candidate's personal monies for a candidate for the legislature or more than one thousand dollars for a candidate for statewide office.
3. Shall not make expenditures in the primary election period in excess of the adjusted primary election spending limit.
4. Shall not make expenditures in the general election period in excess of the adjusted general election spending limit.
5. Shall comply with section 16-948 regarding campaign accounts and section 16-953 regarding returning unused monies to the citizens clean elections fund described in this article.

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

1. Shall not accept contributions in excess of an amount that is twenty per cent less than the limits specified in section 16-905, subsections A through E, as adjusted by the secretary of state pursuant to section 16-905, subsection H. Any violation of this paragraph shall be subject to the civil penalties and procedures set forth in section 16-905, subsections J through M and section 16-924.
2. Shall comply with section 16-958 regarding reporting, including filing reports with the secretary of state indicating whenever (a) expenditures other than independent expenditures on behalf of the candidate, from the beginning of the election cycle to any date up to primary election day, exceed seventy per cent of the original primary election spending limit applicable to a participating candidate seeking the same office, or (b) contributions to a candidate, from the beginning of the election cycle to any date during the general election period, less expenditures made from the beginning of the election cycle through primary election day, exceed seventy per cent of the original general election spending limit applicable to a participating candidate seeking the same office. A nonparticipating candidate is exempt from this paragraph if there is no participating candidate running against that nonparticipating candidate.

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

1. If specified in a written agreement signed by the candidate and one or more opposing candidates and filed with the citizens clean elections commission, shall not make any expenditure in the primary or general election period exceeding an agreed-upon amount lower than spending limits otherwise applicable by statute.
2. Shall continue to be bound by all other applicable election and campaign finance statutes and rules, with the exception of those provisions in express or clear conflict with this article.

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

16-942 Civil Penalties and Forfeiture of Office

(Caution: 1998 Prop. 105 applies)

A. The civil penalty for a violation of any contribution or expenditure limit in section 16-941 by or on behalf of a participating candidate shall be ten times the amount by which the expenditures or contributions exceed the applicable limit.

B. In addition to any other penalties imposed by law, the civil penalty for a violation by or on behalf of any candidate of any reporting requirement imposed by this chapter shall be one hundred dollars per day for candidates for the legislature and three hundred dollars per day for candidates for statewide office. The penalty imposed by this subsection shall be doubled if the amount not reported for a particular election cycle exceeds ten percent of the adjusted primary or general election spending limit. No penalty imposed pursuant to this subsection shall exceed twice the amount of expenditures or contributions not reported. The candidate and the candidate's campaign account shall be jointly and severally responsible for any penalty imposed pursuant to this subsection.

C. Any campaign finance report filed indicating a violation of section 16-941, subsections A or B or section 16-941, subsection C, paragraph 1 involving an amount in excess of ten percent of the sum of the adjusted primary election spending limit and the adjusted general election spending limit for a particular candidate shall result in disqualification of a candidate or forfeiture of office.

D. Any participating candidate adjudged to have committed a knowing violation of section 16-941, subsection A or subsection C, paragraph 1 shall repay from the candidate's personal monies to the fund all monies expended from the candidate's campaign account and shall turn over the candidate's campaign account to the fund.

E. All civil penalties collected pursuant to this article shall be deposited into the fund.

19-943 Criminal Violations and Penalties

(Caution: 1998 Prop. 105 applies)

A. A candidate, or any other person acting on behalf of a candidate, who knowingly violates section 16-941 is guilty of a class 1 misdemeanor.

B. Any person who knowingly pays anything of value or any compensation for a qualifying contribution as defined in section 16-946 is guilty of a class 1 misdemeanor.

C. Any person who knowingly provides false or incomplete information on a report filed under section 16-958 is guilty of a class 1 misdemeanor.

19-945 Limits on Early Contributions

(Caution: 1998 Prop. 105 applies)

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

1. Notwithstanding any law to the contrary, no contributor shall give, and no participating candidate shall accept, contributions from a contributor exceeding one hundred dollars during an election cycle.
2. Notwithstanding any law to the contrary, early contributions to a participating candidate from all sources for an election cycle shall not exceed, for a candidate for governor, forty thousand dollars or, for other candidates, ten percent of the sum of the original primary election spending limit and the original general election spending limit.
3. Qualifying contributions specified in section 16-946 shall not be included in determining whether the limits in this subsection have been exceeded.

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

C. If a participating candidate has a debt from an election campaign in this state during a previous election cycle in which the candidate was not a participating candidate, then, during the exploratory period only, the candidate may accept, in addition to early contributions specified in subsection A of this section, contributions subject to the limitations in section 16-941, subsection B, paragraph 1, or

may exceed the limit on personal monies in section 16-941, subsection A, paragraph 2, provided that such contributions and monies are used solely to retire such debt.

16-946 Qualifying Contributions

(Caution: 1998 Prop. 105 applies)

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

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

1. Made by a qualified elector as defined in section 16-121, who at the time of the contribution is registered in the electoral district of the office the candidate is seeking and who has not given another qualifying contribution to that candidate during that election cycle;
2. Made by a person who is not given anything of value in exchange for the qualifying contribution;
3. In the sum of five dollars, exactly;
4. Received unsolicited during the qualifying period or solicited during the qualifying period by a person who is not employed or retained by the candidate and who is not compensated to collect contributions by the candidate or on behalf of the candidate;
5. If made by check or money order, made payable to the candidate's campaign committee, or if in cash, deposited in the candidate's campaign committee's account; and
6. Accompanied by a three-part reporting slip that includes the printed name, registration address, and signature of the contributor, the name of the candidate for whom the contribution is made, the date, and the printed name and signature of the solicitor.

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

16-947 Certification as a Participation Candidate

(Caution: 1998 Prop. 105 applies)

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

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

1. The candidate has complied with the restrictions of section 16-941, subsection A during the election cycle to date.
2. The candidate's campaign committee and exploratory committee have filed all campaign finance reports required under article 1 of this chapter during the election cycle to date and that they are complete and accurate.
3. The candidate will comply with the requirements of section 16-941, subsection A during the remainder of the election cycle and, specifically, will not accept private contributions.

C. The commission shall act on the application within one week. Unless, within that time, the commission denies an application and provides written reasons that all or part of a certification in subsection B of this section is incomplete or untrue, the candidate shall be certified as a participating candidate. If the commission denies an application for failure to file all complete and accurate campaign finance reports or failure to make the certification in subsection B, paragraph 3 of this section, the candidate may reapply within two weeks of the commission's decision by filing complete and accurate campaign finance reports and another sworn certification.

16-948 Controls on Participating Candidates' Campaign Accounts

(Caution: 1998 Prop. 105 applies)

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 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.

16-949 Caps on Spending from Citizens Clean Elections Fund

(Caution: 1998 Prop. 105 applies)

A. The commission shall not spend, on all costs incurred under this article during a particular calendar year, more than five dollars times the number of Arizona resident personal income tax returns filed during the previous calendar year. Tax reductions and tax credits awarded to taxpayers pursuant to section 16-954, subsections A and B shall not be considered costs incurred under this article for purposes of this section. The commission may exceed this limit during a calendar year, provided that it is offset by an equal reduction of the limit during another calendar year during the same four-year period beginning January 1 immediately after a gubernatorial election.
B. The commission may use up to ten percent of the amount specified in subsection A of this section for reasonable and necessary expenses of administration and enforcement, including the activities specified in section 16-956, subsection A, paragraphs 3 through 7 and subsections B and C. Any portion of the ten percent not used for this purpose shall remain in the fund.
C. The commission shall apply ten percent of the amount specified in subsection A of this section for reasonable and necessary expenses associated with voter education, including the activities specified in section 16-956, subsection A.
D. The state treasurer shall administer a citizens clean election fund from which costs incurred under this article shall be paid. The auditor general shall review the monies in, payments into, and expenditures from the fund no less often than every four years.

16-950 Qualifications for Clean Campaign Funding (Caution: 1998 Prop. 105 applies)

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 campaign 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 non-duplicative names on the list and 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, 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 campaign 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 campaign 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 campaign funding for a general election, a candidate must be a party nominee of such a political organization.

16-951 Clean Campaign Funding (Caution: 1998 Prop. 105 applies)

A. At the beginning of the primary election period, the commission shall pay from the fund to the campaign account of each candidate who qualifies for clean campaign funding:
   1. For a candidate who qualifies for clean campaign funding for a party primary election, an amount equal to the original primary election spending limit;
   2. For an independent candidate who qualifies for clean campaign funding, an amount equal to seventy percent of the sum of the original primary election spending limit and the original general election spending limit; or
   3. For a qualified participating candidate who is unopposed for an office in that candidate's primary, in the primary of any other party, and by any opposing independent candidate, an amount equal to five dollars times the number of qualifying contributions for that candidate certified by the commission.

B. At any time after the first day of January of an election year, any candidate who has met the requirements of section 16-950 may sign and cause to be filed a nomination paper in the form specified by section 16-311, subsection A, with a nominating petition and signatures, instead of filing such papers after the earliest time set for filing specified by that subsection. Upon such filing and verification of the signatures, the commission shall pay the amount specified in subsection A of this section immediately, rather than waiting for the beginning of the primary election period.

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

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

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

16-952 Equal Funding of Candidates (Caution: 1998 Prop. 105 applies)

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

B. Whenever during a general election period a report has been filed, or other information comes to the attention of the commission, indicating that the amount a nonparticipating candidate who is not unopposed has received in contributions during the election cycle to date less the amount of expenditures the nonparticipating candidate made through the end of the primary election period exceeds the original general election spending limit, including any previous adjustments, the commission shall immediately pay from the fund to the campaign account of any participating candidate qualified for the ballot and seeking the same office as the nonparticipating candidate an amount equal to any excess of the reported difference over the general election spending limit, as previously adjusted, less six per cent for a nonparticipating candidate's fund-raising expenses. The general election spending limit for all such participating candidates shall be adjusted by increasing it by the amount that the commission is obligated to pay to a participating candidate.

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

1. Independent expenditures against a participating candidate shall be treated as expenditures of each opposing candidate, for the purpose of subsection A of this section, or contributions to each opposing candidate, for the purpose of subsection B of this section.
2. Independent expenditures in favor of one or more nonparticipating opponents of a participating candidate shall be treated as expenditures of those nonparticipating candidates, for the purpose of subsection A of this section, or contributions to those nonparticipating candidates, for the purpose of subsection B of this section.
3. Independent expenditures in favor of a participating candidate shall be treated, for every opposing participating candidate, as though the independent expenditures were an expenditure of a nonparticipating opponent, for the purpose of subsection A of this section, or a contribution to a nonparticipating opponent, for the purpose of subsection B of this section.
4. Expenditures made during the primary election period by or on behalf of an independent candidate or a nonparticipating candidate who is unopposed in a party primary shall be deducted from the total amount of monies raised for purposes of determining the amount of equalizing funds, up to the amount of primary funds received by the participating candidate. Equalizing funds pursuant to subsection B of this section shall then be calculated and paid at the start of the general election period.
5. Expenditures made before the general election period that consist of a contract, promise or agreement to make an expenditure during the general election period resulting in an extension of credit shall be treated as though made during the general election period, and equalizing funds pursuant to subsection B of this section shall be paid at the start of the general election period.
6. Expenditures for or against a participating candidate promoting or opposing more than one candidate who is not running for the same office shall be allocated by the commission among

candidates for different offices based on the relative size or length and relative prominence of the reference to candidates for different offices.

D. Upon applying for citizen funding pursuant to section 16-950, a participating candidate for the legislature in a one-party-dominant legislative district who is qualified for clean campaign funding for the party primary election of the dominant party may choose to reallocate a portion of funds from the general election period to the primary election period. At the beginning of the primary election period, the commission shall pay from the fund to the campaign account of a participating candidate who makes this choice an extra amount equal to fifty per cent of the original primary election spending limit, and the original primary election spending limit for the candidate who makes this choice shall be increased by the extra amount. For a primary election in which one or more participating candidates have made this choice, funds shall be paid under subsections A and B of this section only to the extent of any excess over the original primary election spending limit as so increased. If a participating candidate who makes this choice becomes qualified for clean campaign funding for the general election, the amount the candidate receives at the beginning of the general election period shall be reduced by the extra amount received at the beginning of the primary election period, and the original general election spending limit for that candidate shall be reduced by the extra amount. For a general election in which a participating candidate has made this choice, funds shall be paid under subsections A and B of this section only to the extent of any excess over the original general election spending limit, without such reduction, unless the candidate who has made this choice is the only participating candidate in the general election, in which case such funds shall be paid to the extent of excess over the original general election spending limit with such reduction. For the purpose of this subsection, a one-party-dominant legislative district is a district in which the number of registered voters registered in the party with the highest number of registered voters exceeds the number of registered voters registered to each of the other parties by an amount at least as high as ten per cent of the total number of voters registered in the district. The status of a district as a one-party-dominant legislative district shall be determined as of the beginning of the qualifying period.

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

16-953 Return of Monies to the Citizens Clean Elections Fund

(Caution: 1998 Prop. 105 applies)

A. At the end of the primary election period, a participating candidate who has received monies pursuant to section 16-951, subsection A, paragraph 1 shall return to the fund all monies in the candidate's campaign account above an amount sufficient to pay any unpaid bills for expenditures made during the primary election period and for goods or services directed to the primary election.

B. At the end of the general election period, a participating candidate shall return to the fund all monies in the candidate's campaign account above an amount sufficient to pay any unpaid bills for expenditures made before the general election and for goods or services directed to the general election.

C. A participating candidate shall pay all uncontested and unpaid bills referenced in this section no later than thirty days after the primary or general election. A participating candidate shall make monthly reports to the commission concerning the status of the dispute over any contested bills. Any monies in a candidate's campaign account after payment of bills shall be returned promptly to the fund.

D. If a participating candidate is replaced pursuant to section 16-343, and the replacement candidate files an oath with the secretary of state certifying to section 16-947, subsection B, paragraph 3, the campaign account of the participating candidate shall be transferred to the replacement candidate and the commission shall certify the replacement candidate as a participating candidate without requiring compliance with section 16-950 or the remainder of section 16-947. If the replacement candidate does not file such an oath, the campaign account shall be liquidated and all remaining monies returned to the fund.

E. If a participating candidate who has received monies pursuant to section 16-951, subsection A, paragraph 1 does not qualify for the ballot for the primary election, the participating candidate shall:

1. Return to the fund all monies in the candidate's campaign account above the amount sufficient to pay any unpaid bills for expenditures made before the date the candidate failed to qualify for the primary ballot.
2. Return to the commission, within fourteen days, all remaining assets purchased with public funds in that election cycle, including all political signs. The disqualified participating candidate is not required to return political signs purchased in a previous election cycle.
3. Repay any monies paid to a family member unless the participating candidate demonstrates that the payment made was for goods or services actually provided before disqualification of the candidate and the payment was for fair market value. For the purposes of this paragraph, "family member" means a parent, grandparent, spouse, child or sibling of the candidate or a parent or spouse of any of those persons.

16-954 Clean Elections Tax Reduction; Return of Excess Monies

(Caution: 1998 Prop. 105 applies)

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

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

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

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

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

1. First, the commission may announce a decrease in the matching cap under section 16-952, subsection E from three times to an amount between three and one times.
2. Next, the commission may announce that the fund will provide equalization monies under section 16-952, subsections A and B as a fraction of the amounts there specified.

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

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

16-955 Citizens Clean Election Commission; Structure

(Caution: 1998 Prop. 105 applies)

A. The citizens clean elections commission is established consisting of five members. No more than two members of the commission shall be members of the same political party. No more than two members of the commission shall be residents of the same county. No one shall be appointed as a member who does not have a registration pursuant to chapter 1 of this title that has been continuously recorded for at least five years immediately preceding appointment with the same political party or as an independent.

B. The candidates for vacant commissioner positions shall be persons who are committed to enforcing this article in an honest, independent and impartial fashion and to seeking to uphold public confidence in the integrity of the electoral system. Each candidate shall be a qualified elector who has not, in the previous five years in this state, been appointed to, been elected to or run for any public office, including precinct committeeman, or served as an officer of a political party.

C. Initially, the commission on appellate court appointments shall nominate five slates, each having three candidates, before January 1, 1999. No later than February 1, 1999, the governor shall select one candidate from one of the slates to serve on the commission for a term ending January 31, 2004. Next, the highest-ranking official holding a statewide office who is not a member of the same political party as the governor shall select one candidate from another one of the slates to serve on the commission for a term ending January 31, 2003. Next, the second-highest-ranking official holding a statewide office who is a member of the same political party as the governor shall select one candidate from one of the three remaining slates to serve on the commission for a term ending January 31, 2002. Next, the second-highest-ranking official holding a statewide office who is not a member of the same political party as the governor shall select one candidate from one of the two remaining slates to serve on the commission for a term ending January 31, 2001. Finally, the third-highest-ranking official holding a statewide office who is a member of the same political party as the governor shall elect one candidate from the last slate to serve on the commission for a term ending January 31, 2000. For the purposes of this section, the ranking of officials holding statewide office shall be governor, secretary of state, attorney general, treasurer, superintendent of public instruction, corporation commissioners in order of seniority, mine inspector, senate majority and minority leaders and house majority and minority leaders.

D. One commissioner shall be appointed for a five-year term beginning February 1 of every year beginning with the year 2000. Before February 1 of each year beginning in the year 2000, the governor and the highest-ranking official holding a statewide office who is not a member of the same political party as the governor shall alternate filling such vacancies. The vacancy in the year 2000 shall be filled by the governor.

E. Members of the commission may be removed by the governor, with concurrence of the senate, for substantial neglect of duty, gross misconduct in office, inability to discharge the powers and duties of office or violation of this section, after written notice and opportunity for a response.

F. If a commissioner does not complete the commissioner's term of office for any reason, a replacement shall be selected within thirty days after the vacancy occurs. The highest-ranking official holding a statewide office who is a member of the political party of the official who nominated the commissioner who vacated office shall nominate the replacement, who shall serve as commissioner for the unexpired portion of the term. A vacancy or vacancies shall not impair the right of the remaining members to exercise all of the powers of the board.

G. Commissioners are eligible to receive compensation in an amount of two hundred dollars for each day on which the commission meets and reimbursement of expenses pursuant to title 38, chapter 4, article 2.

H. The commissioners shall elect a chair to serve for each calendar-year period from among their members whose terms expire after the conclusion of that year. Three commissioners shall constitute a quorum.

I. A member of the commission shall serve no more than one term and is not eligible for reappointment. No commissioner, during the commissioner's tenure or for three years thereafter, shall seek or hold any other public office, serve as an officer of any political committee or employ or be employed as a lobbyist.

J. The commission shall appoint an executive director who shall not be a member of the commission and who shall serve at the pleasure of the commission. The executive director is eligible to receive compensation set by the board within the range determined under section 38-611. The executive director, subject to title 41, chapter 4, articles 5 and 6, shall employ, determine the conditions of employment and specify the duties of administrative, secretarial and clerical employees as the director deems necessary

16-956 Voter Education and Enforcement Duties

(Caution: 1998 Prop. 105 applies)

A. The commission shall:

1. Develop a procedure for publishing a document or section of a document having a space of predefined size for a message chosen by each candidate. For the document that is mailed before the primary election, the document shall contain the names of every candidate for every statewide and legislative district office in that primary election without regard to whether the candidate is a participating candidate or a nonparticipating candidate. For the document that is mailed before the general election, the document shall contain the names of every candidate for every statewide and legislative district office in that general election without regard to whether the candidate is a participating candidate or a nonparticipating candidate. The commission shall mail one copy of each document to every household that contains a registered voter. For the document that is mailed before the primary election, the mailing may be made over a period of days but shall be mailed in order to be delivered to households before the earliest date for receipt by registered voters of any requested early ballots for the primary election. The commission may mail the second document over a period of days but shall mail the second document in order to be delivered to households before the earliest date for receipt by registered voters of any requested early ballots for the general election. The primary election and general election documents published by the commission shall comply with all of the following:
   (a) For any candidate who does not submit a message pursuant to this paragraph, the document shall include with the candidate's listing the words "no statement submitted".
   (b) The document shall have printed on its cover the words "citizens clean elections commission voter education guide" and the words "primary election" or "general election" and the applicable year. The document shall also contain at or near the bottom of the document cover in type that is no larger than one-half the size of the type used for "citizens clean elections commission voter education guide" the words "paid for by the citizens clean elections fund".
   (c) In order to prevent voter confusion, the document shall be easily distinguishable from the publicity pamphlet that is required to be produced by the secretary of state pursuant to section 19-123.
2. Sponsor debates among candidates, in such manner as determined by the commission. The commission shall require participating candidates to attend and participate in debates and may specify by rule penalties for nonparticipation. The commission shall invite and permit nonparticipating candidates to participate in debates.

3. Prescribe forms for reports, statements, notices and other documents required by this article. The commission shall not require a candidate to use a reporting system other than the reporting system jointly approved by the commission and the office of the secretary of state.
4. Prepare and publish instructions setting forth methods of bookkeeping and preservation of records to facilitate compliance with this article and explaining the duties of persons and committees under this article.
5. Produce a yearly report describing the commission's activities and any recommendations for changes of law, administration or funding amounts and accounting for monies in the fund.
6. Adopt rules to implement the reporting requirements of section 16-958, subsections D and E.
7. Enforce this article, ensure that money from the fund is placed in candidate campaign accounts or otherwise spent as specified in this article and not otherwise, monitor reports filed pursuant to this chapter and financial records of candidates as needed to ensure that equalization monies are paid promptly to opposing qualified candidates under section 16-952 and ensure that money required by this article to be paid to the fund is deposited in the fund. The commission shall not take action on any external complaint that is filed more than ninety days after the postelection report is filed or ninety days after the completion of the canvass of the election to which the complaint relates, whichever is later.

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

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

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

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

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

16-957 Enforcement Procedure

(Caution: 1998 Prop. 105 applies)

A. If the commission finds that there is reason to believe that a person has violated any provision of this article, the commission shall serve on that person an order stating with reasonable particularity the nature of the violation and requiring compliance within fourteen days. During that period, the alleged violator may provide any explanation to the commission, comply with the order, or enter into a public administrative settlement with the commission.

B. Upon expiration of the fourteen days, if the commission finds that the alleged violator remains out of compliance, the commission shall make a public finding to that effect and issue an order assessing a civil penalty in accordance with section 16-942, unless the commission publishes findings of fact and

conclusions of law expressing good cause for reducing or excusing the penalty. The violator has fourteen days from the date of issuance of the order assessing the penalty to appeal to the superior court as provided in title 12, chapter 7, article 6.

C. Any candidate in a particular election contest who believes that any opposing candidate has violated this article for that election may file a complaint with the commission requesting that action be taken pursuant to this section. If the commission fails to make a finding under subsection A of this section within thirty days after the filing of such a complaint, the candidate may bring a civil action in the superior court to impose the civil penalties prescribed in this section.

16-958 Manner of filing Reports

(Caution: 1998 Prop. 105 applies)

A. Any person who has previously reached the dollar amount specified in section 16-941, subsection D for filing an original report shall file a supplemental report each time previously unreported independent expenditures specified by that subsection exceeds one thousand dollars. Any person who has previously reached the dollar amounts specified in section 16-941, subsection B, paragraph 2 for filing an original report shall file a supplemental report to declare that previously unreported expenditures or contributions specified by that paragraph exceed ten per cent of the original primary election spending limit or twenty-five thousand dollars, whichever is lower, before the general election period, or ten per cent of the original general election spending limit or twenty-five thousand dollars, whichever is lower, during the general election period. Such reports shall be filed at the times specified in subsection B of this section and shall identify the dollar amount being reported, the candidate and the date and no other detail is required in reports made pursuant to this section.

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

1. Before the beginning of the primary election period, the person shall file a report on the first of each month, unless the person has not reached the dollar amount for filing an original or supplemental report on that date.
2. Thereafter, except as stated in paragraph 3 of this subsection, the person shall file a report on any Tuesday by which the person has reached the dollar amount for filing an original or supplemental report.
3. During the last two weeks before the primary election and the last two weeks before the general election, the person shall file a report within one business day of reaching the dollar amount for filing an original or supplemental report.

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

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

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

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

16-959 Inflationary and Other Adjustments of Dollar Values

(Caution: 1998 Prop. 105 applies)

A. Every two years, the secretary of state shall modify the dollar values specified in the following parts of this article, in the manner specified by section 16-905, subsection H, to account for inflation: section 16-941, subsection A, paragraph 2 or subsection D; section 16-942, subsection B; section 16-945, subsection A, paragraphs 1 and 2; section 16-948, subsection C; section 16-954, subsection B; section 16-955, subsection G; and section 16-961, subsections G and H. In addition, the secretary of state shall make a similar inflation adjustment by modifying the dollar values in section 16-949, subsection A and section 16-954, subsection A to the nearest dollar. In addition, every two years, the secretary of state shall change the dollar values in section 16-961, subsections G and H in proportion to the change in the number of Arizona resident personal income tax returns filed during the previous calendar year.

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

16-960 Severability

(Caution: 1998 Prop. 105 applies)

If a provision of this act or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to this end the provisions of this act are severable. In any court challenge to the validity of this article, the commission and Arizonans for clean elections shall have standing to intervene.

16-961 Definitions

(Caution: 1998 Prop. 105 applies)

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

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

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

3. "Qualifying period" means the period beginning on the first day of August in a year preceding an election, for an election for a statewide office, or on the first day of January of an election year, for an election for legislator, and ending seventy-five days before the day of the general election.

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

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

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

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

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

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

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

E. "Fund" means the citizens clean elections fund defined by this article.
F. 1. "Party nominee" means a person who has been nominated by a political party pursuant to section 16-301 or 16-343.
2. "Independent candidate" means a candidate who has properly filed nominating papers and nominating petitions with signatures pursuant to section 16-341.
3. "Unopposed" means with reference to an election for:
(a) A member of the house of representatives, opposed by no more than one other candidate who has qualified for the ballot and who is running in the same district.
(b) A member of the corporation commission, opposed by a number of candidates who have qualified for the ballot that is fewer than the number of corporation commission seats open at that election and for which the term of office ends on the same date.
(c) All other offices, opposed by no other candidate who has qualified for the ballot and who is running in that district or running for that same office and term.
G. "Primary election spending limits" means:
1. For a candidate for the legislature, twelve thousand nine hundred twenty-one dollars.
2. For a candidate for mine inspector, forty-one thousand three hundred forty-nine dollars.
3. For a candidate for treasurer, superintendent of public instruction or the corporation commission, eighty-two thousand six hundred eighty dollars.
4. For a candidate for secretary of state or attorney general, one hundred sixty-five thousand three hundred seventy-eight dollars.
5. For a candidate for governor, six hundred thirty-eight thousand two hundred twenty-two dollars.
H. "General election spending limits" means amounts fifty per cent greater than the amounts specified in subsection G of this section.
I. 1. "Original" spending limit means a limit specified in subsections G and H of this section, as adjusted pursuant to section 16-959, or a special amount expressly set for a particular candidate by a provision of this title.
2. "Adjusted" spending limit means an original spending limit as further adjusted to account for reported overages pursuant to section 16-952.

Title 16 - Elections and Electors
Chapter 7: PENAL PROVISIONS

Article 1 General Provisions

16-1019. Political signs; printed materials; tampering; classification

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 placed, by the owner or authorized agent of the owner of private property on which such signs 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 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.

Title 33 – Property

Chapter 16: PLANNED COMMUNITIES

Article 1 General Provisions

33-1808. Flag display; political signs; caution signs; for sale signs; political activities

(L11, Ch. 152, sec. 2 & Ch. 154, sec. 3)

A. Notwithstanding any provision in the community documents, an association shall not prohibit the outdoor front yard or backyard 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 an association member on that member'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, may limit the member to displaying no more than two flags at once and may limit the height of the flagpole to no more than the height of the rooftop of the member's home but shall not prohibit the installation of a flagpole in the front yard or backyard of the member's property.

C. Notwithstanding any provision in the community documents, an association shall not prohibit the indoor or outdoor display of a political sign by an association member on that member's property, except that an association may prohibit the display of political signs earlier than fifty-five days before the day of an election and later than fifteen days after an election day. An association may regulate the size and number of political signs that may be placed on a member's property 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 permit at least one political sign with the maximum dimensions of twenty-four inches by twenty-four inches on a member's property. 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.

D. Notwithstanding any provision in the community documents, an association shall not prohibit the use of cautionary signs regarding children if the signs are used and displayed as follows:
1. The signs are displayed in residential areas only.
2. The signs are removed within one hour of children ceasing to play.
3. The signs are displayed only when children are actually present within fifty feet of the sign.
4. The temporary signs are no taller than three feet in height.
5. The signs are professionally manufactured or produced.

E. Notwithstanding any provision in the community documents, an association shall not prohibit children who reside in the planned community from engaging in recreational activity on residential roadways that are under the jurisdiction of the association and on which the posted speed limit is twenty-five miles per hour or less.

F. Notwithstanding any provision in the community documents, an association shall not prohibit the indoor or outdoor display of a for sale sign and a sign rider by an association member on that member's property, including a sign that indicates the member is offering the property for sale by owner. The size of a sign offering a property for sale 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. With respect to real estate for sale or lease in the planned community, an association shall not prohibit or otherwise regulate any of the following:
1. Temporary open house signs or a member'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 planned community, 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 areas of the planned community.

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

G. Notwithstanding any provision in the community 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 the door to door political activity 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.

H. A planned community 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.

I. A planned community shall not require political signs to be commercially produced or professionally manufactured or prohibit the utilization of both sides of a political sign.

J. A planned community is not required to comply with subsection G if the planned community restricts vehicular or pedestrian access to the planned community. Nothing in this section requires a planned community 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.

Title 41 - State Government

Chapter 1: EXECUTIVE OFFICERS

Article 2 The Secretary of State and the Department of State

41-133. Officeholder expenses; account; reporting; limitations; civil penalty; definition

A. Any person who holds elected statewide public office or a legislative office in this state, whether by election or appointment, may receive or spend monies to defray the costs of performing officeholder duties as follows:

1. An officeholder may receive contributions pursuant to this section only from individuals, and the maximum amount that may be received from an individual during an election cycle is one hundred fifty dollars.
2. The total amount that an officeholder may receive or spend pursuant to this section during an election cycle is ninety-eight thousand three hundred sixty dollars for the governor, fifty-one thousand six hundred eighty dollars for the secretary of state and the attorney general, twenty-five thousand eight hundred forty dollars for all other statewide officeholders and nine thousand eight hundred dollars for a legislator, which may include personal monies as prescribed by paragraph 3 of this subsection. The secretary of state shall adjust this amount biennially as prescribed in section 16-905, subsection H.

3. An officeholder may contribute up to thirty per cent of the limits as prescribed by paragraph 2 of this subsection of the officeholder's personal monies to the officeholder's expense account.

B. For an officeholder's future campaign monies received do not constitute a contribution as defined in section 16-901 if the monies are received, expended and reported as prescribed in this section.

C. An officeholder shall establish a separate account for officeholder expenses, which shall be separate from any candidate campaign account. The officeholder shall file a statement of organization for the account designated as an officeholder expense account. Monies raised or spent for officeholder expenses shall be reported under campaign finance reporting requirements pursuant to title 16, chapter 6, article 1.

D. An officeholder shall not use monies in the officeholder account for campaign purposes. Permissible uses of monies in an officeholder account include the following:

1. Office equipment and supplies.
2. Travel related to the officeholder's duties.
3. Meeting or communicating with constituents.
4. Expenses for informational and educational purposes, including subscriptions to newspapers, magazines or other periodicals or websites or other informational services, membership or participation in community, professional or fraternal organizations and participation in conferences and seminars.

E. An officeholder shall not receive or spend monies from the officeholder account during the period beginning April 30 in an election year, shall complete the purchase or otherwise use the item before April 30 in an election year and shall not spend those monies until after the day of the general election. Any monies remaining in the officeholder expense account beginning April 30 in an election year may not be used except as follows:

1. Paid to the state general fund.
2. For a person who continues to hold office as prescribed in this section, carried forward to an officeholder expense account for another office or term of office, subject to the limitations prescribed by this section.

F. An officeholder shall not transfer officeholder account monies to any other account or committee except for another officeholder account for that same officeholder.

G. Section 41-1234.01 applies to contributions to an officeholder account for legislators.

H. A person who violates this section is subject to a civil penalty of three times any amount improperly received, spent or reported.

I. Section 16-924 applies for the implementation and enforcement of this section.

J. Any monies held by an officeholder pursuant to the officeholder expense account rules established by the citizens clean elections commission are subject to this section, and the citizens clean elections commission has no further authority with respect to those monies.

K. For the purposes of this section, "officeholder" means a person who holds an elected statewide public office or a legislative office in this state, whether by election or appointment.

2011-2012 ELECTION CYCLE
CAMPAIGN CONTRIBUTION LIMITS

Revised 3/3/2011

CONTRIBUTION LIMITS ADJUSTED March 3, 2011, PURSUANT TO A.R.S. § 16-905(H)

CAMPAIGN CONTRIBUTION LIMITS	**NON-STATEWIDE OFFICES** Candidate or Authorized Candidate's Committee		**STATEWIDE OFFICES** Candidate or Authorized Candidate's Committee
	LOCAL	**LEGISLATIVE**	**STATEWIDE**
Individual's contribution to a candidate A.R.S. §16-905(A)(1) A.R.S. §16-905(A)(2) A.R.S. §16-905(B)(1)	$430	$424	$872
Political Committee's contribution to a candidate A.R.S. §16-905(A)(3) A.R.S. §16-905(A)(4) A.R.S. §16-905(B)(2)	$430	$424	$872
Committees certified by the Secretary of State to give at the upper limit **"Super PAC"** A.R.S. §16-905(G) A.R.S. §16-905(A)(5) A.R.S. §16-905(B)(3)	$2,170	$1,736	$4,352
Combined total from all Political Committees other than political parties A.R.S. §16-905(C)	$10,880	$14,032	$86,952
Nominee's total from political party and all political organizations combined A.R.S. §16-905(D)	$10,880	$8,704	$86,952
Total contributed by an individual to candidates And committees who give to candidates A.R.S. §16-905(E)	$6,100 in a calendar year		

Issued by Secretary of State Ken Bennett

Office revision 3/3/2011

Campaign Finance Reporting Dates [1. 2. 3.]

2011 – 2012

REVISED (correction) July 9, 2012 (H.B. 2779)

Pursuant to A.R.S.§§ 16-913(B),(C), 16-916(D) and 16-916.01

NAME OF REPORT	TIME PERIOD COVERED IN REPORT	REPORT DUE BETWEEN
January 31 report	Nov 23, 2010 through Dec 31, 2011	Jan 1 and Jan 31, 2012
June 30 report	January 1, 2012 through May 31, 2012	June 1 and July 2, 2012
Pre-Primary report	June 1, 2012 through Aug 16, 2012	**Aug 17 and Aug 24, 2012**
Post-Primary report	Aug 17, 2012 through Sept 17, 2012	Sept 18 and Sept 27, 2012
Pre-General report	Sept 18, 2012 through Oct 25, 2012	**Oct 26 and Nov 2, 2012**
Post-General report	Oct 26, 2012 through Nov 26, 2012	Nov 27 and Dec 6, 2012

[1.] *This table does not include additional filing deadlines provided for by the Citizens Clean Elections Act. Please see Title 16, Chapter 6, Article 2, available from the Secretary of State's Office and materials provided by the Citizens Clean Elections Commission.*

[2.] *This table does not include additional filing deadlines in effect for standing political committees as required by A.R.S.§16-913(K). Please visit www.azsos.gov or call 602-542-8683 for specialized table.*

[3.] *This table has been revised pursuant to H.B.2779 and precleared by the Department of Justice on July 3, 2012. The Pre-Primary and Pre-General campaign finance reporting dates have been adjusted. A.R.S.§16-913(B)(2).*

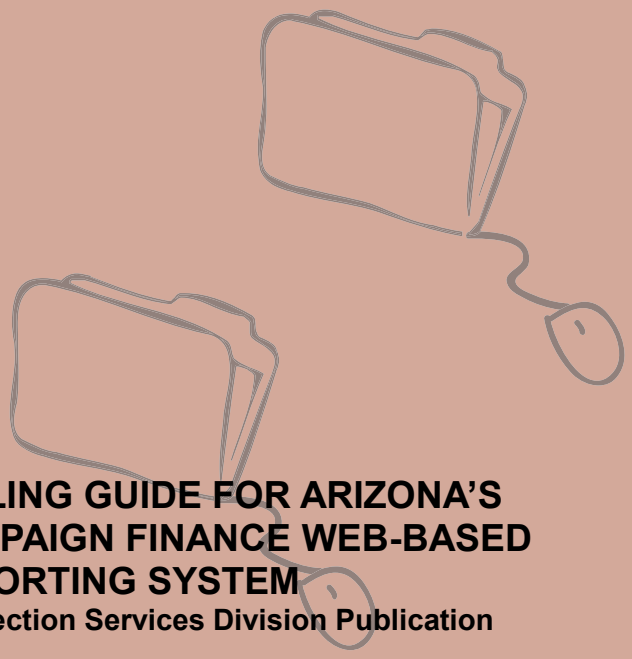
Issued by
Ken Bennett
Arizona Secretary of State

Office Revision (correction) 7/9/2012

The Honorable Ken Bennett
Arizona Secretary of State
1700 W. Washington Street, Fl. 7
Phoenix, Arizona 85007-2808

TO:

ARIZONA



A FILING GUIDE FOR ARIZONA'S CAMPAIGN FINANCE WEB-BASED REPORTING SYSTEM

An Election Services Division Publication

Updated July 2012