

ARIZONA

CAMPAIGN FINANCE AND BALLOT MEASURE GUIDE

These resources are current as of 7/8/14. We do our best to periodically update these resources and welcome any comments or questions regarding new developments in the law. Please email us at advocacy@afi.org.

What's New in This Guide

The following changes/additions have been made since the previous version of this guide:

- ◆ Updated contribution limits
- ◆ Removed aggregate limits and discussion of the impact of IEs on “Clean Money” candidates, both of which have been removed by the legislature as a result of litigation
- ◆ Clarified the reporting rules for entities and PACs that make IEs in support of, or opposition to, Arizona candidates
- ◆ Updated discussion of PAC reporting

This guide summarizes key aspects of *state* campaign finance law and regulations. It is not intended to provide legal advice or to serve as a substitute for legal advice.

In some jurisdictions, city and/or county regulations may also apply to certain political activities. Check with the appropriate local jurisdiction before undertaking any activity.

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CONTRIBUTION LIMITS AND SOURCE RESTRICTIONS

Contribution Limits

The legislature recently adjusted the contribution limits. The contribution limits are higher and individuals and committees are permitted to give twice, with a separate limit for the primary and general elections. Previously, an individual could only give once for both the primary and general elections.

These contribution limits do not apply to activities that are done independently from candidates. There are no limits on these independent activities, often referred to as independent expenditures. Entities that make independent expenditures in excess of \$500 in any statewide or state legislative race are required to file additional campaign finance reports detailing those expenditures with the Arizona Secretary of State. A.R.S. §§ 16-941(D), 15-958. See below under “Communications” for an additional discussion of these rules.

	To Candidates ¹			To Committees		To Ballot Measures
From:	Statewide Office	Legislative	County/Municipal	PACs	Parties	
Individuals	\$2,000	\$2,000	\$2,500	Unlimited	Unlimited	Unlimited
PACs	\$2,000	\$2,000	\$2,500	Unlimited	Unlimited	Unlimited
Super PACs ²	\$4,560	\$4,000	\$5,000	Unlimited	Unlimited	Unlimited

¹ Note that candidates participating in the “Clean Elections” system may elect to accept less than the contribution limits listed here, and may refuse contributions from PACs, in order to gain access to public financing funds. . A.R.S. §§ 16-941, 16-945.

² A political committee that received money from five hundred or more individuals in amounts of ten dollars or more in the 12-month period prior to applying may apply to the Secretary of State for qualification as a Super PAC. Super PAC certification lasts for two years and may be renewed if the political committee continues to qualify for Super PAC status. A.R.S. § 16-905(G).

Corporations	Not permitted	Not Permitted	Not Permitted	Unlimited to IE PACs; costs of PAC administration. Not permitted to other PACs	Unlimited for overhead expense only	Unlimited
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Aggregate Limits

- Laws 2013, Chapter 98 removed the limit popularly known as “PAC-ed out” and the individual aggregate contribution limit from statute. These were previously in A.R.S. §§16-905(C) and 16-905(E).

Clean Elections Requirements

Arizona provides optional public financing for candidates seeking election to statewide office and to the Legislature. Complete information on the Clean Elections process is available from the Citizens Clean Elections Commission at <http://www.azcleelections.gov/candidates>.

Eligible candidates may opt to become “Participating Candidates,” which enables them to receive public funding from the Citizens Clean Elections Fund. In order for a candidate to receive funding, he or she must collect a specific number of \$5 “Qualifying Contributions” from registered voters in his her district.

Below is a simplified breakdown of key terms and elements of the Clean Elections system:

- Participating Candidate: A “participating candidate” is a candidate for statewide or legislative office who applies for status as such with the Commission. Candidates who meet the requisite qualifications and abide by the requisite limitations will be granted certification as a Participating Candidate by the Commission.
- Contribution Limits: Participating candidates may only receive
 1. a limited number of \$5 “qualifying contributions” from registered voters in the district the candidate is seeking to represent, and
 2. a limited number of “early contributions” of \$160 from individuals (do not have to reside in the participating candidate’s district, must merely be a legal permanent resident of the U.S.). Contributions from PACs, businesses, corporations, political parties and labor unions are prohibited.

A.R.S. §§ 16-941, 16-945, 16-946, 16-959.

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The City of Tucson also has a public financing system. Under the City of Tucson system, a candidate must qualify by obtaining a certain number of small contributions from potential constituents, but the candidate is not limited to only contributions from individuals, as statewide and legislative “clean” candidates are. Also, unlike the state clean elections system, the City of Tucson does not match

funds spent on independent expenditures against participating candidates. Complete information about the City of Tucson program is available at <http://cms3.tucsonaz.gov/clerks/campaign-finance-information>.

Contribution Restrictions

- Corporate contributions:
 - Corporations, LLCs and unions may not make contributions to candidates for the purpose of influencing elections. A.R.S. § 16-919. This includes payments to exploratory committees, heads of exploratory committees, campaign committees formed to make contributions to candidates, and candidate committees. Corporations, LLCs, and unions may make the following types of contributions:
 - to independent expenditure committees. A.R.S. §§ 16-919(C), 16-914.02.
 - to ballot measure campaign committees.
 - to pay for the establishment, administration and solicitation of voluntary contributions to a separate segregated fund or “PAC.” The corporation, LLC or union cannot contribute funds to the PAC for the purpose of influencing elections. A.R.S. § 16-920.
 - to political party committees to pay for overhead expenses. (Arizona Democratic Party v. State of Arizona (Ariz. 2005) 115 P.3rd 121.
 - There is no exception for non-profit corporations, except for political committees that incorporate for liability protection purposes. A.R.S. § 16-919(F).
 - Corporations may make independent expenditures expressly advocating the election or defeat of candidates, provided they do so without coordinating with any candidate or agent of a candidate. A.R.S. § 16-914.02.
- Identification of Contributions:
 - Contributions must be made only in the name of the actual contributor. A.R.S. § 16-907(A). Violations carry criminal penalties.
- Earmarking:
 - Earmarked contributions are prohibited. A.R.S. § 16-907(B).
- Legislative Session:
 - Registered lobbyists and their clients may not make, promise to make, solicit, or promise to solicit campaign contributions for a member of the legislature while the legislature is in session, or for the governor while the legislature is in regular session or when regular session legislation is pending executive approval or veto. A.R.S. § 41-1234.01.
 - This ban also applies to promising to make a contribution, soliciting contributions and promising to solicit contributions.

In-Kind Contributions

- Any item or service given or loaned to a campaign is treated as a

contribution. The value of the in-kind contribution is its fair market value.
A.R.S. § 16-901(5)(ii).

Membership Organizations and Member Communications

- A membership organization may spend unlimited amounts of money to:
 - Communicate with its members and their families about any subject, including express advocacy for candidates,

- Conduct a non-partisan registration and get-out-the-vote campaign aimed at its members and their families,
 - Establish, administer, and solicit funds for a separate segregated fund to be used for political purposes, and
 - Contribute directly to support or oppose a ballot measure.
- A.R.S. § 16-920.

- Communications to members are exempt from the Clean Elections independent expenditure provisions, so an independent expenditure for a member communication about a statewide or legislative candidate does not require the membership organization to file an independent expenditure report, [as described below](#). A.R.S. § 16-941(D).
- These provisions apply whether or not the membership organization is incorporated.
- There are no reporting requirements for member communications.

COMMUNICATIONS

Issue Advocacy vs. Express Advocacy

- Arizona has a multi-part definition of express advocacy. Express advocacy includes all of the following:
 - Communications that include “magic words” such as “vote for,” “elect,” or “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. A.R.S. § 16-901.01(A)(1).
 - ○ A general public communication, including a broadcast advertisement, newspaper, magazine, billboard or direct mailer referring to one or more clearly identified candidates and targeted to the electorate of that candidate(s) 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. A.R.S. § 16-901.01(A)(2).

- “Issue ads” directed toward an issue that is the subject of a pending ballot measure might also be considered express advocacy related to those campaigns and would be subject to the rules for entities acting in support or opposition to ballot measure campaigns, described below. Whether they are express advocacy would depend on whether they used “magic words” language and whether they could fairly be read, in context, to have some meaning other than encouraging a vote for or against the ballot measure.
 - Direct mail pieces urging recipients to “contact [name of legislator] and other state officials and encourage them to continue supporting [priorities identified by the organization]” have been found to be express advocacy by the Citizens Clean Elections Commission, when the mail was targeted to voter’s in the named legislator’s district and sent during the primary period. However, the definition of express advocacy in communications that do not include the “magic words” described above, are currently subject to [legal review](#) by the Arizona Court of Appeals. Organizations interested in the [status](#) of this case, should consult with the [Court of Appeals](#). (Committee for Justice & Fairness v. Arizona ([1 CA-CV 13-0037](#).)
 - Exception to Express Advocacy:
 - The statute provides for an exception from the definition of express advocacy for communications that:
 1. present information about the voting records of three or more candidates,
 2. are made without coordination with a candidate or party (or their agents), *and*
 3. have some reasonable meaning other than advocating the election or defeat of a candidate. [A.R.S. § 16-901.01\(B\)](#).
 - This exception would permit, for example, distribution of information about the voting records of three or more incumbents without any editorial suggestion regarding the “right” position on the issues on which those incumbents voted.
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Independent Expenditures

- An independent expenditure is:
 - an expenditure by a person or a political committee (other than a candidate's campaign committee);
 - that expressly advocates the election or defeat of a clearly identified candidate;
 - made without cooperation or consultation with any candidate, committee, or agent of the candidate; *and*
 - not made in concert with or at the request or suggestion of a candidate, or any committee or agent of the candidate.
- A.R.S. § 16-901(14).
- Corporations, LLCs and unions are permitted to make independent expenditures in support of both candidates and ballot measures. A.R.S. § 16-920.
 - Registration and Filing Requirements for corporations, LLCs, and unions making IEs in candidate elections.³

- 1) **Statement of Registration:** File a Statement of Registration one time per election cycle using the Secretary of State's [online filing system](#) for statewide and legislative races; or with the city, town or county filing officers for registrations in a city, town, county or other local election. This Statement of Registration must be filed either
 - a) **before** it makes independent expenditures; *or*
 - b) within **one day** of making independent expenditures that aggregate more than:
 - \$5,000 for statewide races
 - \$2,500 for state legislative races (cumulatively for all legislative races)
 - \$1,000 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.

This Statement of Registration will include the following information:

- a) The name and address of the corporation, LLC or labor organization
- b) The name, title, electronic mail address and telephone number of the person authorizing the independent expenditure.

Even if the Statement of Registration is filed electronically, the entity must print and send a notarized, sworn copy of the Statement of Registration to the relevant filing officer. [A.R.S. § 16-914.02\(A\)](#). This

³ These reporting requirements apply only to entities that are ***not*** formed ***primarily*** for the purpose of influencing ***candidate elections*** and/or that have ***not accepted donations or contributions***.

sworn and notarized statement must be received by the filing officer within 5 days of making a qualifying expenditure. [A.R.S. § 16-914.02\(E\)](#).

NOTE: Even if an entity does not trigger this Statement of Registration, because it does not spend in excess of the registration threshold, it must still file reports with the Arizona Clean Elections Commission once it spends [\\$700 on candidate IEs](#). The Arizona Clean Elections Commission's [manual](#) describes the process for filing these forms.

2) One-Day Independent Expenditure Notification: If an entity has triggered a Statement of Registration, it must file an Independent Expenditure Notification within **one day** of making an IE in excess of the thresholds described above for the Statement of Registration. For example, if the entity first spends \$2,500 on IEs in legislative races on July 1, 2014, it would file the Statement of Registration and within one day it would need to file an Independent Expenditure Notification. If the entity made another IE on July 15th totaling \$2,500, it would need to file a separate Independent Expenditure Notification. These notifications will disclose the following information:

- a) The name and address of the corporation, LLC or labor organization making the independent expenditure.
- b) The amount of the expenditure and the name of the vendor or other payee receiving the expenditure.
- c) 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.
- d) The communication medium and description of what was purchased with the expenditure.
- e) The date of the expenditure.

Independent Expenditure Notifications for statewide and legislative races are filed using Secretary of State's [online filing system](#) for statewide and legislative races; or with the city, town or county filing officers for notifications in a city, town, county or other local election.

3) Arizona Clean Elections Commission Reports: The Arizona Clean Elections Commission has its own filing obligations for Independent Expenditure activities. If the entity triggers a Statement of Registration and files Independent Expenditure Notifications, as described above, it may [request for exemption](#) from filing IE reports with the Arizona Clean Elections Commission, as described in the Commission's [manual](#). The entity should file this Request for Exemption as soon as the entity spends \$700 on IEs. This exemption allows entities that are filing the Independent Expenditure Notifications (pursuant to [A.R.S. § 16-914.02](#)) [to avoid filing duplicative reports](#). If the entity does not file this request for exemption, or does not trigger the Statement of Registration and Independent Expenditure Notifications, the entity must disclose its IE activities to the Arizona Clean Elections Commission pursuant to a set schedule. A.R.S. §§ [16-941\(D\)](#); [16-958](#). The Arizona Clean Elections Commission's manual describes the timing and process for filing these forms, but they are filed at least monthly and as it gets closer to the

election, the forms must be filed within one day of making an expenditure. The Arizona Clean Elections Commission reports are filed [electronically on the Secretary of State's website](#).

4) **Copies of IEs during 60-day pre-election window:** During the 60-day window before the election, the entity must within 24 hours after depositing an IE communication at the post office for mailing, submitting it to a telecommunications system for broadcast or to a newspaper for printing, provide a copy of the Independent Expenditure communication to the candidate featured in the advertisement (either supported or opposed or both, if the communication does both). The copy must be mailed using certified mail. The copy shall be a reproduction that is clearly readable, viewable or audible. Failure to comply with this obligation may result in fines of up to three times to cost of the communication. [A.R.S. § 16-917](#).

- Reporting Independent Expenditures made by PACs
 - Entities that are either formed ***primarily for the purpose*** of influencing candidate elections and/or that have accepted donations or contributions for the purpose of supporting IE activities do not file the reports outlined above, but instead must file as a PAC in Arizona.
 - PACs making IEs will file all of the usual PAC reports [**include hyperlink to place in the document where the PAC reporting is discussed**], but must also include the following information about any independent expenditures:
 - Name and address of any person to whom an independent expenditure was made
 - Date and amount of the independent expenditure.
 - Purpose of the independent expenditure and a description of what was purchased
 - Name, office sought, and year of election of the candidate whose election or defeat was advocated
 - Names, occupations, employers, amount contributed by each of the three contributors (or the chairperson and treasurer for political committee contributors) who contributed the most money during the six months preceding the independent expenditures
 - Certification, under penalty of perjury, whether or not the expenditure was 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
- A.R.S. § 16-915(F).
- During the 60-day window before the election, the entity must within 24 hours after depositing an IE communication at the post office for mailing, submitting it to a telecommunications system for broadcast or to a newspaper for printing, provide a copy of the Independent Expenditure communication to the candidate featured in the advertisement (either supported or opposed or both, if the communication does both). The copy must be mailed using certified mail. The copy shall be a

reproduction that is clearly readable, viewable or audible.
Failure to comply with this obligation may result in fines of up to
three times to cost of the communication. [A.R.S. § 16-917](#).

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Disclaimers

General PAC disclaimers:

- Campaign literature and advertisements that expressly advocate the election or defeat of an identified candidate must contain the words “paid for by” followed by the complete name of the registered political committee making the expenditure. The committee making the expenditure must be registered as a political committee at the time of making the expenditure. A.R.S. § 16-912(A).
- Disclaimers for independent expenditures in support of or opposition to a candidate made by PACs must be printed clearly and legibly in a conspicuous manner or, for a broadcast advertisement, must be spoken. A.R.S. § 16-912(D). However, disclaimers for broadcast ballot measure advertisements, or for independent expenditure advertisements made by corporations, LLCs or labor organizations must be both written *and* spoken, unless the written disclaimer appears for a specified amount of time, then there is no requirement for a spoken disclaimer as well (see below).

- The disclaimer requirements do not apply to small items on which the disclaimer cannot be conveniently printed, such as bumper stickers, pins, buttons, and pens. A.R.S. § 16-912(C); 16-912.01(F); 16-914(G).

Independent expenditures by PACs:

- Independent expenditures relating to candidate elections must also contain a disclosure of the names and telephone numbers of the three political committees making the largest contributions to the political committee that made the independent expenditure. 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. A.R.S. § 16-912(B).

Independent Expenditures by Corporations, LLCs, Unions:

- Independent expenditures made directly by *corporations or unions* must include the following disclaimer: “Paid for by [corporation or union] and not authorized by any candidate or candidate’s campaign committee.” The disclaimer must be “printed clearly and legibly in a conspicuous manner.” The placement and length of the disclaimer is based upon the communication:
 - Radio: Disclaimer must be spoken at the end of the advertisement;
 - Television: Either
 1. Spoken and written; *or*
 2. Displayed on the screen for at least five seconds of a 30-second ad, or ten seconds of a 60-second ad.

These disclaimer requirements do not apply to items such as bumper stickers, pins, buttons, or similar items on which the disclaimer cannot be conveniently printed. The disclaimer requirements also do not apply to communications made solely to the corporation or union’s members. A.R.S. §§ 16-914.02(F)-(G).

Ballot measures:

- Campaign literature relating to a ballot measure must disclose the four largest “major funding sources” that have contributed to the political committee making the expenditure for the literature. If any of the major funding sources are out-of-state funding sources, this status must also be disclosed.
 - A “major funding source” is a contributor that is:
 1. not an individual person; and
 2. has made cumulative contributions of
 - i. \$10,000 or more to a statewide ballot measure campaign;
 - ii. \$10,000 or more to a campaign involving a ballot measure for a political subdivision with more than 100,000 residents; *or*

- iii. \$5,000 or more to a campaign involving a ballot measure for a political subdivision with less than 100,000 residents.

A.R.S. § 16-912.01.

- Ballot measure disclaimers must be:
 - Print advertising: Printed in text at least 3/32 inches tall in dark font on a light background surrounded by a dark box;
 - Radio advertising: Spoken; and
 - Television advertising: Either
 1. Spoken and written; or
 2. Displayed on the screen for five seconds of a 30-second advertisement or ten seconds of a 60-second advertisement.

A.R.S. § 16-912.01(E).

- Ballot measure disclaimers must include on the literature or advertisement the words “paid for by” followed by the name of the committee paying for the advertisement, and must also include the four largest funders at the time the advertisement is made. If the committee has fewer than four funders, all of its funders must be disclosed.

A.R.S. § 16-912.01(A).

COORDINATION

- An expenditure is not independent if any of the following applies:
 - 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.
 - 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.
 - In the same election, the person making the expenditure, including any officer, director, employee, or agent of that person, is or has been:
 1. Authorized to raise or expend monies on behalf of the candidate or the candidate’s authorized committees; or
 2. Receiving any form of compensation or reimbursement from the candidate, the candidate’s committees or the candidate’s agent.

A.R.S. § 16-901(14).

- An unsuccessful independent expenditure (i.e., impermissibly coordinated with a candidate’s campaign) is treated as a contribution and may exceed the permissible contribution limit.

- Unsuccessful independent expenditures are particularly damaging to candidates in races subject to the special clean elections provisions, because of the limitations on contributions in those races and the penalties for excessive contributions, including possible disqualification from office for exceeding the contribution limitations

REGISTRATION AND REPORTING REQUIREMENTS

Electronic Registration and Reporting

- Arizona uses an electronic campaign finance registration and reporting system for PACs involved in state-level candidate, IE and ballot measure activity, as well as state Standing Committees and Super PACs. The electronic campaign finance system is available on the Secretary of State’s website at <https://azsos.gov/CFS2/Login.aspx>. PACs that intend to be active at the local level, will instead file reports with a local filing officer, which may require paper filing and filing in multiple local jurisdictions.

Registration as a State PAC

- A political committee is any association or combination of persons organized or conducted for the purpose of influencing an election,⁴ that engages in political activity on behalf of or against a candidate or in support of or opposition to a ballot measure, **and** receives contributions **or** makes expenditures in connection therewith. A.R.S. § 16-901(19). There are a few different categories of political committees, as discussed below.
- A political committee that intends to accept contributions or make expenditures of more than \$500 must file a Statement of Organization before accepting contributions, making expenditures, distributing campaign literature, or circulating petitions. A.R.S. § 16-902.01(A).
- A political committee that does not intend to accept contributions or make expenditures in excess of \$500 must file a signed exemption statement before accepting contributions, making expenditures, distributing campaign literature, or circulating petitions. A.R.S. § 16-902.01(A). For any committee that has filed this \$500 threshold exemption, the committee and its treasurer must maintain records of contributions received and expenditures made, and if it exceeds the \$500 threshold, shall amend its Statement of Organization and begin filing campaign finance reports pursuant to A.R.S. § 16-913. A.R.S. § 16-904(F)(1).
- A PAC must register with the filing officer of the jurisdiction in which the

⁴ If the entity is a combination of corporations, LLCs, or labor unions conducting IEs for candidates, the purpose of influencing candidate elections must be the “primary” purpose of the entity. [A.R.S. § 16-914\(K\)](#). The inclusion of “primary” purpose in this statute leads to some questions as to whether the political purpose for other committees must also be a “primary” purpose or a “major” purpose of the entity.

political committee intends to be active:

- the Secretary of State for statewide and legislative races and statewide ballot measures;
- the county officer in charge of elections for county offices; and
- the city or town clerk for municipal offices.

A.R.S. § 16-916(A).

Name of PAC:

- A PAC's name must include the name of any sponsoring organization. A.R.S. §§ 16-902(B), 16-901(22). A sponsoring organization is one that establishes, administers or contributes financial support to a PAC or that has common or overlapping membership or officers with the PAC.
- A political committee organized to support or oppose a ballot measure must include in its name an indication of whether the committee supports or opposes the ballot measure. A.R.S. § 16-902.01(F).

Categories of PACs

Independent Expenditure PACs, Separate Segregated Funds, Ballot Measure Support/Oppose Committees, Candidate Support/Oppose Committees, Recall Committees:

- Entities that do not qualify as Super PACs or Standing Committees, discussed below, must file as one of the other categories of PACs prescribed by Arizona law.
 - Independent Expenditure PACs: 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. IE PACs can become Super PACs or Standing Committees if they later qualify. A.R.S. §§ 16-901(14), 16-905(E)
 - Separate Segregated Fund: A separate, segregated fund established by a corporation or labor organization pursuant to A.R.S. § 16-920(A)(3) qualifies as a Separate Segregated Fund PAC. These PACs can later become Super PACs or Standing Committees if they qualify. A.R.S. §§ 16-901(19)(b), 16-920(A)(3)
 - Ballot Measure Support/Oppose Committees: A political committee acting in support of or opposition to the qualification, passage or defeat of a ballot measure, question or proposition. A.R.S. §§ 16-912.01, 16-901(19)(c).
 - Candidate Support/Oppose Committees: A political committee organized in support of or opposition to one or more candidates. A.R.S. §§ 16-912, 16-901(19)(g).
 - Recall Committee: A committee organized to circulate or oppose a recall petition or to influence the result of a recall election. A.R.S. § 16-901(19)(d).
- These political committees must register and file campaign finance reports in every jurisdiction in which they are active.

Super PACs:

- A political committee that obtains "Super PAC" certification may make larger contributions to candidates than an ordinary PAC may make. A.R.S. §§ 16-905(A), (B), (G).
 - To obtain Super PAC status, the political committee must demonstrate that, during the twelve-month period prior to applying for certification, it received at least 500 contributions of at least \$10 each. A.R.S. § 16-

905(G).

- Super PAC certification is good for two years and may be renewed.
A.R.S. § 16-905(G).

Standing Committees:

- PACs may simplify their reporting by becoming standing committees.
- A political committee that is active in more than one jurisdiction for more than one year may apply for recognition as a standing political committee. To apply for recognition, the political committee files a Statement of Organization with the Arizona Secretary of State indicating that it is registering as a “standing committee”.
 - Standing committees may be active in any jurisdiction in the state yet file reports only with the Secretary of State’s office.
 - Standing committees pay an annual fee. The fee is currently set at \$250. Other PACs do not pay fees.
 - Standing committees file campaign finance reports more frequently than ordinary PACs.

A.R.S. §§ 16-901(23), 16-902.01(E).

Out-of-State PACs

- A political committee that is required to register as a political committee in Arizona, as outlined above, that is already registered in another state or pursuant to federal law and that intends to use in the PAC to support its Arizona activities, is required to file a Statement of Organization as outlined above for in-state PACs.
- If the out-of-state PAC intends to use monies raised before filing its Arizona Statement of Organization must 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.

PAC Recordkeeping and Administration

Bank account:

- A political committee must designate a bank account before accepting any contributions or making any expenditures.
 - The account must be in an FDIC-insured or national credit union administration-insured financial institution. A.R.S. § 16-902(C).
 - There is no requirement that the bank be located in Arizona.
 - Candidates participating in the clean elections system are limited to a single campaign account, A.R.S. § 16-948, but that requirement does not apply to other committees.
 - All withdrawals or disbursements from the political committee's bank accounts require the signature of the treasurer or a designated agent. A.R.S. § 16-902(C).
 - All bank accounts and depositories used by the committee must be disclosed during the registration process. A.R.S. § 16-902.01(B)(5).

Treasurer and Chairperson:

- Every political committee must have a chairperson and treasurer. Except for a candidate's campaign committee, the treasurer and chairperson must be different individuals. A.R.S. § 16-902(A).
- The treasurer has personal responsibility for recordkeeping and reporting requirements. A.R.S. § 16-904.
- The Statement of Organization, filed when registering a PAC, must include a statement that the chairperson and treasurer have read all of the applicable laws relating to campaign finance and reporting. A.R.S. § 16-902.01(B)(6).

Corporate or Union Support:

- A corporation, union, or membership organization may pay the administrative expenses of its affiliated PAC. A.R.S. § 16-920(A)(4).
 - A PAC sponsored by a union or membership organization may solicit contributions only from members and their families. A.R.S. §§ 16-921(B), (E).
 - Corporations may also make up to two written solicitations per year directed at employees and their families and sent to their residences. A.R.S. § 16-921(C).
 - Unions may also make up to two written solicitations per year directed at executive and administrative personnel, stockholders, and their families and sent to their residences. A.R.S. § 16-921(D).

PAC Reporting

- Political committees must file regular campaign finance reports disclosing contributions received and expenditures made. A.R.S. § 16-915.
- Campaign finance reports must disclose the identity of individuals who make contributions in an aggregate amount of \$25 or more for a particular election cycle. A.R.S. § 16-915(A)(3)(a). Identifying information includes name, address, occupation, and employer. A.R.S. § 16-901(12)(a).
- Campaign finance reports are open to public inspection. A.R.S. § 16-916.

Reporting schedule:

- Election year reports are due:
 1. June 30, covering the period January 1 through May 31;
 2. 12 days prior to the election, covering the period from the previous report through the 20th day prior to the election (preelection report);
 3. 30 days after the election, covering the period from the previous report through the 20th day after the election (postelection report).A.R.S. § 16-913(B).
- Off-year report:
 - A report must be filed by January 31 of the year following any non-election year. That report must cover the period from the prior report (21 days after the last election) through December 31 of the non-election year.A.R.S. § 16-913(C).
- Reports must be filed whether or not there is activity in a period. A committee that has ceased activities may file a termination statement, as described below, and cease filing additional campaign finance reports. A.R.S. § 16-914.
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- Ballot measure committees: Ballot measure committees must file additional reports within 24 hours of any of the following triggering events:
 - Receiving \$10,000 from a single source in the 20 days prior to the election (for a statewide ballot measure)
 - Receiving \$2,500 from a single source in the 20 days prior to the election (for a ballot measure in a municipality with a population of 100,000 or more)

- Receiving \$500 from a single source in the 20 days prior to the election (for a ballot measure in a municipality with a population of less than 100,000)
- Receiving total contributions of \$10,000 or more
- Making expenditures of \$10,000 or more
- Receiving contributions totaling \$10,000 or more from a single source
- Receiving contributions totaling \$10,000 or more from different additional single sources

A.R.S. § 16-914.01. The report covers only the contribution or contributions that triggered the reporting requirement. Once a triggering event has been reported, the extra reporting obligation ends unless and until another triggering event occurs.

Filing methods:

- Electronic filing of campaign finance reports is required for all filings where the Secretary of State is the filing officer. A.R.S. § 16-916.01.
- Other jurisdictions within Arizona may require paper filing.

Filing officials:

- The Arizona Secretary of State is the filing officer for statewide and legislative races and statewide ballot measures. A.R.S. § 16-916(A).
- The county official responsible for elections is the filing officer for county races and ballot measures. A.R.S. § 16-916(A).
- The city or town clerk is the filing officer for municipal races and ballot measures. A.R.S. § 16-916(A).

Access to Report Information:

- All campaign finance reports are public records open to public inspection. A.R.S. § 16-916.
- Campaign finance reports must include the names of all contributors, including individuals who have contributed an aggregate total of \$25 or more in a single election cycle. A.R.S. § 16-915(A)(3)(a).
- Campaign finance reports filed electronically with the Secretary of State are available on the Secretary of State's website and are searchable by contributor.

Termination

- To close its operations, a PAC must file a termination statement accompanied by a final campaign finance report. A.R.S. § 16-914.

- Those PACs that have filed a \$500 threshold exemption ([see above](#)) and that did not exceed that threshold during the election cycle, must file a termination statement at the end of the election cycle for which it was formed, and dispose of any surplus monies as provided by law. A.R.S. § 16-904(F)(2).

ENFORCEMENT AND PENALTIES

- Particular penalties are specified by statute for various infractions of the campaign finance laws. Most penalties are for an amount not to exceed three times the amount of money at issue in the infraction.
- The Secretary of State has jurisdiction to review allegations of violations of the campaign finance laws in races for which the Secretary of State is the filing officer. After reviewing allegations for probable cause, the Secretary of State refers those matters for which she finds probable cause to believe that a violation has occurred to the Attorney General for enforcement and the imposition of penalties.
- The Citizens Clean Elections Commission has jurisdiction to enforce the laws governing clean election provisions applicable to certain IE communications; the Commission may also refer allegations outside the scope of its enforcement power to the Secretary of State for a probable cause determination and referral to the Attorney General.

BALLOT MEASURES

- Specific requirements for ballot measure committee naming, reporting, and disclaimers are addressed above.
- Mere contributions to ballot measure committees will not generally require registration and reporting requirements on the part of the contributor, particularly where the contributing entity is not organized for the purpose of influencing elections. A.R.S. § 16-901(19) (definition of political committee). However, entities that are otherwise organized for the purpose of influencing elections should be cautious both when making contributions to a ballot measure committee, or when making IEs in support of, or opposition to, ballot measures.
- If an existing out-of-state PAC or nonprofit were to contribute general-treasury funds to an Arizona ballot measure campaign, it probably would not fall within the definition of an Arizona political committee required to register.
- If an entity conducts a fundraising drive specifically so it could contribute to a ballot measure campaign, or to make an IE, then it would be required to register, because it would have received contributions in connection with an Arizona election. A.R.S. §§ [16-912.01](#), [16-901\(19\)\(c\)](#).

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- Major out-of-state contributors must be identified as such on ballot measure campaign literature, as described in the “Disclaimers” section, above. A.R.S. § 16-912.01.
- Circulators need not be residents of Arizona, but must otherwise be eligible to vote in Arizona. Circulators of ballot measures who are not Arizona residents must register as circulators with the Secretary of State before circulating nomination or initiative referendum petitions. A.R.S. § 16-315(B)(2).

CONTACT INFORMATION FOR STATE AND LOCAL AGENCIES

Arizona Secretary of State

Elections Services Division
Capitol Executive Tower, 7th Floor
1700 West Washington
Phoenix, Arizona 85007-2888
(602) 542-8683 (phone)
(602) 542-6172 (fax)
www.azsos.gov/election

Arizona Secretary of State, Tucson

Satellite Office
Arizona State Complex Building
400 West Congress, 2nd Floor, Room 252
Tucson, Arizona 85701
(520) 628-6583 (phone)
(520) 628-6938 (fax)

Listing of County Elections Officials

<http://www.azsos.gov/election/county.htm>

Citizens Clean Elections Commission

1616 W. Adams
Suite 110
Phoenix, Arizona 85007
(602) 364-3477 (phone)
(877) 631-8891 (toll-free)
(602) 364-3487 (fax)
www.azcleelections.gov

City Clerk

City of Tucson, City Hall
255 W. Alameda
Tucson, Arizona 85701
(520) 791-4213 (phone)
(520) 791-4017 (fax)

The first edition of the Arizona Campaign Finance State Law Resource was written by Kim Demarchi and published by Alliance for Justice in 2007. Lewis and Roca, 40 N. Central Ave. Phoenix, AZ 85004.

FOR FURTHER ASSISTANCE

For assistance regarding these resources or for more information about federal law, please contact our attorney one-on-one counseling service:
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